Reportable

*** IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ FAO (OS) 146 OF 2008

Reserved on : March 28 , 2008.

% Date of Decision: April 4, 2008

M/s Micolube India Limited ..... Appellant
! Through Mr. K.G. Bansal, Advocate.

versus

$ M/s Maggon Auto Centre ..... Respondent

^ Through Mr. Sandeep Sethi, Sr. Adv. With
Mr. Lakshay Sawhney and Mr. Apoorva Kulkarni, Adv.

CORAM:

*** HON'BLE MR. JUSTICE MANMOHAN SARIN**
*** HON'BLE MR. JUSTICE MANMOHAN**

1. Whether Reporters of local papers may be allowed to see the judgment?
2. To be referred to the Reporter or not? **YES**
3. Whether the judgment should be reported in the digest? **YES**

J U D G M E N T

MANMOHAN, J:

1. The Appellant has filed the present appeal being FAO (OS) 146/2008 for setting aside the order dated 7th February, 2008 passed by the learned Single Judge in IA no.

11702/2007 and 12433/2007 in CS (OS) No. 2015/2007. The Appellant has further prayed that its application being IA No. 11702/2007 under Order 39 Rules 1 & 2 CPC read with Section 151 CPC be allowed and the Respondents be restrained from using the impugned Trade Mark/Label (i.e. MICO) or any other trade mark/label identical with or deceptively similar to the Appellant's mark in relation to lubricants/petroleum products, engine oil, and gear oil, etc. till the disposal of the suit

2. The learned Single Judge has dismissed the Appellants' application under Order 39 Rules 1 & 2 CPC and vacated the ex parte ad interim order of injunction dated 9th October, 2007. The Single Judge in his order dated 7th February 2007 has concluded that the Appellant/plaintiff has concealed and suppressed material facts and further that the ingredients of passing off as per settled principles are prima facie not established in the present case.

3. Mr. Bansal, learned counsel for the Appellant, contended that the Single Judge failed to appreciate that the Appellant was a prior user of the Trade Mark "MICO" (hereinafter refers as 'the said mark'). He stated that the Appellant has been using the mark since 1960 and in 1985, the said mark had been registered in its favour for lubricants. He further contended that the defendant who had been using the Trade Mark MICO for its Spark Plugs earlier had only in February 2007 commenced using the said mark for lubricants. He stated that there is evidence to show extensive advertisements by the Appellant for lubricants and it was impermissible for the Respondents to venture into marketing of lubricants with the mark which was being

used by the Appellant. He further submitted that the learned Single Judge has erroneously reached the findings of suppression and on that basis, rejected the relief which the Appellant was very much entitled to.

4. With regard to the findings of the Single Judge that the Appellant had not taken out any search report, Mr. Bansal submitted that the same would apply to the Respondent inasmuch as a search could have been done by the Respondent also, which would have revealed that the Appellant's trade mark for lubricants had been registered long before.

5. Mr. Bansal placed reliance on judgments in ***Yash Arora vs. Tushar Enterprises & Ors. 2008 II AD (Delhi) 165, Shri Swaran Singh Trading as Appliances Emporium vs. M/s. Usha Industries (India) and Anr. 1986 PTC 287, N.R. Dongre and Ors. Vs. Whirlpool Corporation and Ors. AIR 1995 Delhi 300 and Laxmikant V. Patel vs. Chetanbhat Shah and Anr. AIR 2002 SC 275.*** Mr. Bansal submitted that it may be permissible for Respondents to use the said trade mark for products other than lubricants for which the Appellant had a registered trade mark.

6. Mr. Sethi submitted that the Appellant had no prima facie case in its favour and the Appellant had approached this Court with unclean hands as it had suppressed and concealed facts. Mr. Sethi further submitted that the bona fides of the Appellant are suspect as would be apparent from the absence of any advertisement or sales figure. He also referred to the invincible representation of the Respondent No.2 and in this

connection he relied on paras 1 and 2 of the written statement. The said paras are reproduced hereinbelow for ready reference.

> "*Defendant No.2 – Motor Industries Co. Limited is a company incorporated under the Companies Act, 1913 on November 12, 1951. Immediately upon incorporation, Defendant No.2 Company has adopted/invented 'MICO' (an acronym of its corporate name) and for nearly 60 years it has continuously been using MICO as its distinctive trade mark in respect of all the products manufactured/marketed by it. Defendant No.2 Company is inter alia engaged in the business of manufacturing and marketing of diverse automotive products including spark plugs, fuel injection equipment, filter and filter elements, fan belts, special purpose machines, auto electrical products, hydraulic and pneumatic equipment portable electric power tools packaging machines, car audio systems and security systems. Since incorporation, Defendant No.2 Company is the market leader in automotive ancillary products and in most of the products manufactured/marketed by it for e.g. spark plugs etc., there is no competition at all for Defendant No.2 Company. The annual turnover of Defendant No.2 Company for the year ended December 31, 2006 is Rs.3,783 crores and Defendant No.2 Company employs about 11,000 personnel including a R&D team consisting of 300 highly qualified Engineers/Technicians. Defendant No.2 Company has 4 manufacturing units, 18 Branch Offices and its products are distributed in India through a distribution network of over 4,000 Distributors and Authorized Wholesalers, located in early city/town in India including, Defendant No.1, Defendant No.2 Company is a subsidiary of Robert Bosch BmBll, a world leader in automotive parts market, having an annual turnover of over EURO 43.7 billion.*
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> *The invented mark "MICO" has been used by Defendant No.2 Company has been used its distinctive trade mark in respect of all products manufactured by Defendant No.2 Company since early 1950s and as a result of continuous use, the trademark "MICO" has obtained nationwide reputation and goodwill and has become synonymous with Defendant No.2 Company and the products bearing trade mark "MICO" are associated and recognized by the general public and in trade circles with the name of Defendant No.2 Company, especially in relation to automotive products. Defendant No.2 Company is the registered proprietor of the trade mark "MICO" in a number of classes and first batch of registration has*

been awarded to Defendant No.2 Company on July 13, 1953. A list of the trademark registration obtained by Defendant No.2 Company in different classes has been filed as a document with the written statement. In addition, Defendant No.2 Company has registration for "MICO" in several countries since 1969 and the same are valid and subsisting till date and a list of such registrations are annexed as a document. In addition, in a number of cases, Defendant No.2 has contested and succeeded in protecting its right as the registered proprietor of "MICO" trade mark. Orders passed in favour of Defendant No.2 Company are filed as documents with the written statement. From the foregoing, it is apparent that the trade mark "MICO" has been continuously used since 1953 by Defendant No.2 Company and amongst the general public and automotive trade circles, the trade mark "MICO" is recognized as the trademark of Defendant No.2 Company. Hence, MICO is a 'well known trademark' in terms of Section 2(zg) of Trade Mark Act, 1999 and Defendant NO.2 Company is the 'registered proprietor' (as defined in Section 2(w) of the Act) in respect of the invented trademark "MICO' since 1950. The Defendant No.2 Company incurs huge amounts on advertisement of its products and the amounts spent in the lat five years are as follows :

	Year	*Amount in Crores*
(a)	*2006*	*42.92*
(b)	*2005*	*33.46*
(c)	*2004*	*10.66*
(d)	*2003*	*6.23*
(e)	*2002*	*6.57"*

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7. Initially the Plaintiff pressed his case for injunction on ground of infringement, but when the Defendants disclosed that they also held a registered Trade Mark in the word MICO for the same class of goods, the Plaintiff pressed his case for injunction on the ground of passing off. Undoubtedly, as held in cases cited by the Appellant, passing off can succeed where infringement action fails. But we find that though the plea of passing off had been taken generally in the plaint, the specific and particular allegations of passing off are missing.

8. In fact, on perusal of the record we find that though the Appellant/plaintiff has contended that it has been using the said mark for lubricants and petroleum products since 1960, it has given no facts and figures to indicate the extent of its presence in the market. There is also no material on record to show that the consumers were being misled into believing that the products of Respondent No. 2 were those of the Appellant. There is no material on record to indicate that the use of the mark by Respondent No. 2 in the field of lubricants was calculated to injure the business or goodwill of the Appellant.

9. We also find that usage of the said mark by Respondent No. 2 for other automotive products is prior to that of Appellant. The Respondent No. 2's mark is extremely well known worldwide as also in India. Moreover, spark plugs and lubricants are closely related goods and there cannot be a dispute as to this issue because they have identical trading channels and the same class of consumers. In fact, it seems to us that by adopting an identical mark, the Appellants had tried to pre-empt the legitimate expansion of the Respondent No. 2 business under its trade mark to lubricants and petroleum products, which the said Respondent was legally entitled to on the strength of its existing extensive prior use of the word MICO for spark plugs.

10. In our view the Single Judge has rightly concluded that "*Prima facie, it appears that when the trademark 'MICO' is employed prospective customers would link it with the defendant No.2 rather than the plaintiff. Therefore, because of the overwhelming*

market share of the defendant No.2 in respect of automotive parts sold under the mark 'MICO', it would be difficult to accept, at this prima facie stage, that the defendant No.2 has misrepresented to prospective customers of the plaintiff with an object of injuring the plaintiff's business or goodwill…."

11. The law cited by Mr. Bansal does not stipulate that if the plaintiff is a prior user of the Mark for a specific class of goods, then he is entitled to an injunction as a matter of right. In the case of passing off action between the two parties using the same mark, the prior registration of the trade mark in different class of goods cannot be the sole determinative factor for mandating an injunction. There are several factors to be taken into account. In the present case as it has been found that the Respondent's use of the mark is prior in time, even though the usage is for other allied and cognate goods, the Appellant is not entitled to injunction on ground of passing off. The Hon'ble Supreme Court in catena of cases has held that passing off is an equitable remedy and the Appellant can only be granted relief, if its conduct is fair, honest and if it has approached the Court with clean hands.

12. We have perused the plaint and in particular paras 22 to 25. We find that the case set out by the plaintiff in the plaint was that while the plaintiff is registered proprietor of the Trade Mark MICO under Class IV which include lubricants, the Defendant/Respondent No. 2 does not have any right to use the said mark in any manner either in relation to lubricants or for any other specification of goods and business. From the turnover of Respondent No. 2 and specially the wide and prior

usage of an invented word MICO for a cognate and allied products in the same automotive sector, we find it difficult to believe that the Appellant did not know prior to institution of its civil suit that the Respondent No. 2 had prior registration for diverse automotive products and a specific subsequent registration for the same Mark for lubricants and petroleum products. We are in agreement with the learned Single Judge that the Appellant has concealed and suppressed material facts from this Court.

13. We are of the view that following the computerization of the Trade Mark Registry, the court while considering grant of an ex parte injunction should normally require the plaintiff to disclose whether a search has been carried out in the Trade Mark Registry to ascertain whether the defendants had a registration in their favour in respect of the mark in question and in respect of the goods and services. Insistence on such disclosure would facilitate making of the required order in a suit for infringement or passing off.

14. The present appeal is dismissed with costs of Rs.15,000/- (Rupees fifteen thousand), Rs.7,500/- being paid to the respondents and Rs.7,500/- to the Delhi High Court Legal Services Committee. Needless to say that our observations are prima facie and would not prejudice either party at the stage of disposal of the suit.

[MANMOHAN]
Judge.

[MANMOHAN SARIN]
Judge.

April 4, 2008
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