IN THE HIGH COURT OF JUDICATURE AT BOMBAY
O. O. C. J.
Notice of Motion No.4431 of 2007
In
Suit No.3203 of 2007

Parle Products Private Limited. .. .. Plaintiff
V/s.
Parle Agro Private Limited .. .. Defendant

Dr.Veerendra V. Tulzapurkar, Sr. Advocate with Mr.Salil Shah, Mr.Ramesh Gajaria, Mr.M.R. Nair, Miss Deepa Hate and Miss Chitra Parasnis i/by M/s.Gajria & Co. for Plaintiff.

Mr.Janak Dwarkadas, Sr.Advocate, Mr.Navroz Seervai, Sr.Advocate, Mr.Rahul Chitnis, Mr.Nishad Nadkarni and Mr.Shailendra Bhandade i/by M/s.DSK Legal for Defendant.

CORAM : SMT.ROSHAN DALVI, J.
Dated : 18th December 2008

JUDGMENT :

1. The parties to the Suit are Companies incorporated by two Groups of the family of one Mohanlal Dayal Chauhan who have been carrying on business in the name of “Parle” as a part of their corporate name in respect of products for which each has obtained registered trademarks, inter alia, for the word “Parle” singly or in conjunction with other words. Whereas the Plaintiff carries on business of biscuits and confectioneries in their corporate name, the other group of family of Mohanlal Dayal Chauhan carrying on business of

beverages has diversified also into the business of confectioneries which are manufactured and marketed by the Defendant. It is the Plaintiff's case that the two groups of the family of Mohanlal Dayal Chauhan hailing from Vile Parle were to carry on distinct and separate fields of activities being biscuits and confectioneries on the one hand and beverages on the other and, therefore, neither can trample upon the field of business activity of another so as to use any trade name or market any product which would be similar to the registered trade marks of that other.

2. Several facts are admitted between the parties and require to be noted at the inception.

(a) The initial business was set up by Mohanlal Dayal Chauhan in 1929 in the name of Parle Products Manufacturing Company.

(b) This was a partnership business of Mohanlal along with his 5 sons to carry on business of selling confectioneries.

-(c) In 1939, the said Firm expanded its activity into manufacture and sale of biscuits.

(d) Thereafter the said Firm further expanded its line of

business to beverages through another Partnership Firm, Parle Bottling Company. The 5 sons were the partners of that Firm.

(e) In 1950 the Plaintiff was incorporated. All the partners were its first Directors.

(f) In 1952 Parle Bottling Company was converted into a Limited Company owned by all the brothers.

(g) There was division of labour between the brothers : Kantilal and Pitamber looked after the business of biscuits and confectioneries; Jayantilal looked after the business of beverages. Hence the Plaintiff was looked after essentially by 2 of the sons Kantilal and Pitamber and Parle Bottling Company Limited was looked after essentially by Jayantilal.

(h) Yet all of them earlier continued to hold shares in both the Companies. Subsequently Jayantilal and his family “exited” from the Plaintiff and Kantilal and Pitamber and their families “exited” from Parle Bottling Company Private Limited.

(i) Both the Firms continued to use the word “Parle” as a part of their corporate name as well as a trade mark on the products manufactured, marketed and sold by them.

(j) Both the groups marketed and sold their respective products under specific product identification marks/brands e.g. Monaco, Crackjack, etc. by the Plaintiff's group and Fruiti, Appy and Bailley by the Defendant's group. This was with the word “Parle” as its prefix or suffix.

(k) The decendents of Jayantilal incorporated the Defendant-Company. The Defendant also has used the words “Parle Agro” in its corporate name.

It is accepted by both that each of them can use the word “Parle” for the specific products which each group was initially manufacturing or looking after. Hence the Plaintiff has no quarrel with the use of the word “Parle” by the Defendant in respect of its beverage products. The Defendant has no quarrel with the use of the word “Parle” by the Plaintiff in respect of confectioneries and biscuits. Each has however been naturally using separate names/marks/brands for each of their separate products as illustrated above.

3. It must be appreciated that the initial business was of a Partnership Firm. The business expanded and diversified. The partners formed a Limited Company. All the businesses were carried on by that Limited Company. That was the Plaintiff-Company. Thereafter they formed another Company.

Thereafter the partners divided their management as aforesaid. Yet each of them had shares in both the Companies. Subsequently the shares of both the brothers were sold so as to "exit" from one of the Companies.

4. Both the brothers/divisions/companies used the word "Parle" in their respective field of activities without objection of the other. Their trademarks have been registered under Clauses 29, 30 and 32 of the Trade Marks Act, 1999.

5. In July 2007, the Defendant expanded and diversified into confectionery business. It manufactured toffees under its product identification mark and brand name "Mintrox" and "Buttercup". The Defendant used this product identification mark along with the words "Parle" or "Parle Confi" on the labels of the products. It is to this that the Plaintiff has taken exception in view of its registered trademarks "Parle" as well as Parle along with other names relating to the business of biscuits and confectioneries by way of words or labels.

6. Exhibit-A to the Plaint shows the various products manufactured by the Plaintiff under the trademark "Parle", "Parles" or "Parle" with the relevant brand of the distinct product. Exhibit-3 to the Affidavit-in-reply are the

Defendant's trademarks including “Parle” and Parle as the prefix to several of its products. The Plaintiff's products are biscuits and confectioneries and the Defendant's products are beverages.

7. There is no Agreement between the parties, by which either of the groups is restrained from carrying on business of the other group for any period of time or within any place upon the brothers “exiting” for any of the businesses of the family. The Plaintiff has not disputed the Defendant's right of carrying on business in confectioneries or biscuits. The Plaintiff only contends that the Defendant cannot use the trademark “Parle” singly or in conjunction with its product identification marks such as “Buttercup” or “Mintrox”.

8. The Defendant contends that Parle is a “house mark” and it can be used by members of the family of Parle to denote the family lineage for any business – confectionery and biscuits or beverages. The Defendant further contends that it can carry on business of confectioneries and biscuits by virtue of Clause-3 of the object clause in its Memorandum of Association. It is argued on behalf of the Defendant that initially all the brothers as partners and later as the directors of the Limited Company which was formed, being Parle Bottling Company Private Limited, have knowledge of

the said object. It can use the house name “Parle” for the beverages manufactured by it as also for the diversified businesses viz. confectioneries. The Defendant was incorporated in 1985 as one of the Companies in the group of Companies of the Jayantilal group and one division of the Defendant is called “The Parle Confi Company” which belongs to the Parle Group of Companies. It is, therefore, contended that use of the word “Parle” for the products manufactured by the confectionery division of the Defendant is honest and bonafide. The Defendant also contends that it has enormous reputation and goodwill in its product identification mark under the house mark “Parle”. It denies confusion or likelihood of confusion upon it marketing confectionery products.

9. The trademarks of the Plaintiff by words and labels, more specially on the labels must be first seen and appreciated. The trademark registration is indeed for biscuits and confectioneries. The earliest registration of 1940s is in the name of “Parles” and “Parle”. This continued until about 2001 for various products showing Parle on their labels. In 2005, the Plaintiff registered the trademark “Parle Mint”. The mark “Parle Logo” is also stated to have been registered by the Plaintiff. It is an admitted position that the Plaintiff manufactured various biscuits such as Glucose, Monaco,

Krackjack, etc. The name of its biscuit products are not shown to be separate trademarks. They are, therefore, the identification marks of those products which the Defendant calls “product identification marks.” As the Plaintiff's business expanded and as it manufactured a number of products it could not continue selling the products only in the name of Parle or Parles. The products being different were also sold under different names - Glucose, Monaco, Krackjack, etc. The Defendant manufactured Fruit juices and mineral waters again under the name “Parle” along with its distinctive and identifiable marks for each of its items such as Fruiti, Appy, Bailey, Soda etc. Mintrox and Buttercup are such product identification marks or brand names for its products being toffees. The labels show the distinctive and identifiable marks, “Buttercup” and “Mintrox” which the Defendant calls product identification marks.

10. A Company or a business house which manufactures an array of products would require separate brands for each product to give an identity to the product. Such identity would enhance the recognition of the product and distinguish it from the others. In an increasingly brand conscious and brand recognizing world it is the brand of a particular business house or a family which would attract and acquire goodwill. The sale of a product under that

brand requires a separate mark of the product. The product would be identified and sold under such mark.

11. The labels, Exhibit-D to the Plaint, show the words “Parle Confi” in much smaller handwriting on a part of the label below which is mentioned “The Parle Confi Division” almost illegibly. The relief that the Plaintiff wants is to restrain the Defendant from using these words “Parle Confi” on its labels on a premise that the Defendant has infringed the Plaintiff's trademark “Parle”.

12. The fact that the two groups hail from a single seminal partnership Firm and would, therefore, be entitled to carry on both the businesses of the partnership Firm has not been disputed. It will have to be seen whether the Defendant can use the word “Parle”, be it a house mark or otherwise along with a new word “Confi” which has not been a part of the trademark of any of the parties on their labels containing another distinct and bold identification mark of the product.

13. In the case of **Anderson & Lembke Limited vs. Anderson & Lembke Inc., (1989) R.P.C. 124** the right of the parties having a common origin but trading under dissimilar name using the word of the original Company was considered. The Plaintiff and the Defendant carried on advertising agencies.

They had a common origin in Sweden. Whereas the Plaintiff carried on business in the U.K., the Defendant carried on business in the U.S. They formed subsidiaries in other countries. Certain local Managers, who were appointed, purchased the shares of both the parties. The Plaintiff's products came to be sold under a contract containing a covenant that the vendor would not be involved in any Company or organization in the United Kingdom, using either the name Anderson or Lembke or combination thereof. The Defendant opened a branch office in London under the name BUSINESS ADVERTISING EUROPE. The Defendant's stationery showed “Proprietor : Anderson & Lembke Inc., U.S.A.” to which the Plaintiff took exception. It was contended that the U.S. Company was entitled to trade in U.K. but there was a risk or confusion under those circumstances. The Plaintiff contended that the Defendant could not show that it was a part of the U.S. Company in the U.K. in view of the reputation enjoyed by the Plaintiff in the U.K. The partition of the initial Company of Mr.Anderson and Mr.Lembke which had started in Sweden resulted in the Defendant- Company carrying on business in the U.S. but having gained reputation also off-shore. The Business Advertising Europe was constituted as a branch under an Agreement of the U.S. Company with a Dutch Company which required the U.S. Company to perform its contract in

London and not in the U.S. It was observed by Justice Hoffmann thus:-

> *" It is no more than the truth. The casual reader might wonder what, if any, was the connection between the U.S. and the U.K. companies, but this puzzle is caused by the lawful existence of the two companies with similar names and not by any representation by the defendants. ..... In this case the defendant's trading name could not have been more different. All that this is doing is to include the additional truthful information that it is a branch of the United States company ."*

The reference to the name of the original business of Anderson and Lembke carried on by the Plaintiff and the Defendant earlier was dealt with thus :-

> *" .... the defendant says that "Anderson & Lembke" was intended to be a collective name for itself and other European companies associated under the umbrella of Anderson & Lembke International Limited. But the reference to "Europe" made it clear that the name did not necessarily refer to the plaintiff, and the fact that the United States company was carrying on business in the United Kingdom under an entirely different name, as I have already said, should have suggested to any reader that it was unlikely to be associated with the plaintiff."*

In this case, the Defendant has manufactured toffees which are confectionery items under the aforesaid identifiable

product names Buttercup and Mintrox and have in smaller print referred to, not the Plaintiff, but its own division of its Company which looks after the confectionery business.

14. The Plaintiff does not have a registered trademark "Parle Confi". Hence the use of that mark by the Defendant cannot *per se* be forbidden. It will have to be seen whether the use of the word "Parle Confi" (which includes the word Parle for confectionery items) would amount to any misrepresentation by the Defendant. Misrepresentation, if any, would result if the undiscerning public who would buy the Defendant's toffees, at best, think that it is of the Parle Group of Companies who manufacture confectioneries such as toffees, but under a different product name. The Plaintiff's sale of the confectioneries, even of toffees, would not be affected adversely by virtue of the Defendant selling its toffees under two other names.

15. If a third party were to manufacture toffees and include on its label the word "Parle" in any font he would, at once, be restrained by the Court from doing so. The Defendant's manufacture of the toffees coming from the Parle family as it does, is quite another matter. The Defendant certainly cannot use the precise mark of the Plaintiff since it is a separate legal entity. However only a reference to the word

Parle, the trademark that which both the parties enjoyed due to their lineage from the family of Parle, as has been done by the Defendant, is “stating no more than the truth”. Since the Defendant's product's name is entirely different, the words “Parle Confi” would at best include the additional truthful information that it is a division, which is confectionery division, of the Defendant which is otherwise a beverage manufacturing Company. As in the case of Anderson (supra) the words “Parle Confi” has merely the reference to the parent Company which the Defendant calls a house name. But the fact that the corporate name of the Defendant is Parle Agro Private Limited, it makes it clear that it does not refer to the Plaintiff or the Plaintiff's businesses.

16. There are, therefore, two concepts i.e. the “product name” or the “brand name” and the “house name”. The parties' house name is Parle. Their various products have separate and distinct identification names and marks for each of their products. It is justifiably argued by Mr.Dwarkadas on behalf of the Defendant that a customer who walks into the store cannot ask for “Parle” to be sold. He will have to ask for Glucose, Monaco, Buttercup, Mintrox, etc.

17. Dr.Tulzapurkar on behalf of the Plaintiff drew my attention to the case of **Ramdev Food Products Pvt. Ltd. vs.**

Arvindbhai Rambhai Patel & ors., 2006 (33) PTC 281 (SC). The judgment of Justice S.B. Sinha in that case dealt with the trademark used by the members of a family carrying on business in the name of "Ramdev". In that case the business commenced in 1965 by one Rambhai in the name of "Ramdev Masala Store". He had 3 sons Arvindbhai, Hasmukhbhai and Pravinbhai. He constituted a partnership with his sons in 1975. The trademark "Ramdev" was registered in 1986. Another partnership Firm "Ramdev Masala" was constituted in 1991 and Ramdev Masala Store was dissolved. The trademark and the goodwill of the Firm

was assigned to the Plaintiff in 1992. Under an unusual Agreement, the Plaintiff allowed the Firm to use the registered trademark for 7 years. Another partnership Firm of Ramdev Exports was constituted to export the spices manufactured by the Plaintiff-Company. The business of manufacturing spices under the trademark "Ramdev" was run by the 3 brothers in the name of the Plaintiff-Company. The Firms Ramdev Masala and Ramdev Exports were distinct and separate. Their areas of operation were also different as suggested by their names. A Memorandum of Understanding (MOU) had come to be executed between the brothers by way of a family settlement to bring to an end their disputes with regard to their respective businesses. All

the Directors of the Plaintiff-Company were the brothers. They held all the shares in the Company along with their family members. A division of the assets was arrived at with the eldest brother Arvindbhai separating from other 2 brothers Hasmukhbai and Pravinbhai. Arvindbhai became the exclusive owner of business of Ramdev Exports and Ramdev Masala. Hasmukhbhai and Pravinbhai carried on business in the name of the Plaintiff-Company. The Company was to manufacture Masala. Several trademarks were registered and belonged to the Company. Arvindbhai started manufacturing spices in the name and style of "Swad". He got the mark registered as his Firm's trademark. The action by the Plaintiff was upon its case that that mark was deceptively similar to the Plaintiff's registered trademark. The Plaintiff's trademark enabled the Plaintiff's goods to be identified and thus distinguished from the goods of the Defendant. In paragraph 58 of the judgment the use by the Defendants was seen to be leading to confusion based upon the three-fold tests in the case of **Canon Kabushiki Kaisha vs. Metro-Goldwyn-Mayer Inc., (1999) RPC 117** thus :

(i) The public would confuse the sign and mark in question. (Direct confusion).

(ii)The public would make a connection between the proprietor of the sign and the mark and confuse them. (Indirect confusion).

(iii)The public would consider the sign to be similar to the mark although the two are not confusing. (Association).

18. It was observed that the trade name “Swad” was printed on the labels and packing materials of the Respondent-Arvindbhai with “Ramdev Masala” as the name of the manufacturer in a prominent manner such as would create an impression in the mind of the ordinary unwary customer that the product is of the Plaintiff-Company and not Arvindbhai's partnership Firm. It was observed that packing material as well as the wrapper of both the parties were phonetically and visibly similar to the registered mark of the Plaintiff – it contained the masala similarly shown as also the picture of a horse. It was, therefore, held that they were deceptively similar to that of the Plaintiff and would create deception and confusion in the minds of ordinary customers. In that case under the MOU there was a restriction upon Arvindbhai to carry on wholesale business of Masala and his products were to be sold directly to consumers and marked “Not for resale”. Hence the ambit of Arvindbhai's business was to sell the products through the Appellant's 7 outlets. He could only sell the products of the Appellant but were not restrained from

manufacturing spices in his own factory. Arvindbhai could also use the Plaintiffs' retail outlets for promoting his own products. It was however held that under those circumstances he could not use the mark registered by the Plaintiff as his own.

It can be seen that in that case though a mark “Swad” was registered by Arvindbhai, the name of the manufacturer Ramdev Masala was prominently on the packing material. This was phonetically and visibly similar to the mark “Ramdev Masala” of the Plaintiff. The registration of the trademark “Swad” came to be diluted. The use of the mark “Ramdev Masala” in a prominent manner was held amounting to infringement of trademark. In this case, the use of the Defendant's marks Buttercup and Mintrox are prominent – in fact so prominent that that is about the only word which can be prominently read on the labels, Exhibit-D to the Plaint. The words “Parle Confi”, a part of which contains the trademark of the Plaintiff which is not visibly similar and which is the initial business name of both the parties is put on the packing material most unprominently and is visibly dissimilar to the Plaintiff's trademark either “Parle” or Parle with another name but not Confi.

19. Hence though the parties agreed to divide their businesses as per the initial division of labour or specialisation amongst

themselves as partners of the initial partnership Firm and could carry on their trade using the name “Parle” in respect of their respective businesses, they could not use the name “Parle” if it was deceptively similar to the registered trademark of the other in the business field of that group.

20. It is argued on behalf of the Plaintiff that the object clause notwithstanding and the Defendant entering the confectionery business thereunder, the Plaintiff's trademark could not be used by the Defendant. As per the ambit set out in the case of **Ramdev (supra)** this would be correct up to the point that if the Defendant entered the business of confectioneries and biscuits, it would do so without using the trademark deceptively similar to that of the registered trademark of the Plaintiff for manufacturing and marketing its confectionery products and biscuits. Yet it can carry on such businesses without infringing the Plaintiff's trademark. It could not manufacture or mark its new products under the same name. It could not adopt a part of the Plaintiff's registered trademark as a part of its corporate name as it could not “traffick in trade”. [Para-63 in **Ramdev (supra)**].

21. The Defendant has not used the same name i.e. the name of the Plaintiff in manufacturing its products of confectionery items or biscuits. Part of the registered trademark used by

the Defendant is only the business name “Parle” written unprominently on the labels and as a part of its corporate name. Would that amount to trafficking in the Plaintiff's trademark ? The case of Ramdev Food Products Pvt. Ltd. (supra) showing the parameters of such trafficking in paragraphs 60 and 61 of the judgment answers this in the negative. The tests, which are laid down in paragraphs 63 and 64, are also not satisfied.

22. In paragraph 77, it is observed that there are 3 elements of Arvindbhai's trademark viz. “Ramdev”, “Masala” and “Horse”. These are the prominent features on the labels and packing material of the owner of the registered trade mark. It was held that reproduction of the trademark to such an extent would cause confusion and deception and amount to trafficking despite the fact that Arvindbhai was otherwise entitled to manufacture and sell the same products under the MOU with the Plaintiff. Consequently the argument that the label was registered by the Plaintiff and not the name “Ramdev” was rejected in paragraph 82 of the judgment and as a trademark would, inter alia, include a name, in paragraph 83 the trademark which is deceptively similar has been held to be the mark which not only merely resembles the other mark, but is likely to deceive or cause confusion.

In this case, the mark "Parle Confi" is not deceptively similar to any of the Plaintiff's trademarks. All that it has is the use of the initial business name which the Defendant calls a house mark.

23. In paragraph 92 of the judgment, the consequences of a passing off act of the Defendant have been set out. It observes that though the Defendant may not be using the actual trademark of the Plaintiff, the get up of the Defendant's goods may be so much like the Plaintiff's that the clear case of passing off could be proved. It is further observed that in an infringement action an injunction would be issued if the Defendant improperly used the Plaintiff's mark. If the Defendant's mark is identical with the Plaintiff, the question of confusion would not be seen. In paragraph 93 of the judgment, referring to the case **Parle Products (P) Ltd. vs. J.P. and Co., Mysore (1972) 1 SCC 618,** an overall similarity of the impugned mark with the registered mark is held sufficient as being likely to mislead.

In this case, there is no overall similarity of the words "Parle Confi" to the Plaintiff's registered trademark. None can, therefore, *"easily mistake the Defendant's wrapper for the Plaintiff's if shown to it sometime after it has seen the Plaintiff's*."

24. What is material is the observation in paragraph 115 of that judgment. The judgment observes about the use of a trademark by a party which is an outsider and by a party within the family thus :-

> " *It may be true that there exists a distinction between a suit in a trade mark action against the whole world and a suit for implementation of division of assets amongst the members of the family*."

However, in that case after the MOU was entered into, the parties separated and ceased to be members of the joint family. The covenant in the MOU determined the rights of the parties. Hence in that case the rights of Arvindbhai came to be restricted as contained in the MOU for sale of the Plaintiff's products from the 7 outlets, manufacture of Arvindbhai's own products as well as its sale from those outlets but not the use of the trademark.

In this case, there is no restrictive MOU between the parties. The parties have merely "exited" from each others' businesses by sale of their shares. They never ceased to be members of the house of Parles. There was no restriction upon the Defendant to enter into confectionery business which was in fact specifically allowed under the object clause of its Memorandum of Association. The Defendant has not used the entire of any

of the Plaintiff's trademarks. The Defendant has also not used even a part of the distinctive trademark which was only of the Plaintiff. The Defendant has given its own brand name or its identification mark to its new products just as the Plaintiff has given to its. All that the Defendant has done is to *"state no more than the truth"*, as observed in the case of **Anderson (supra)**, keeping its trademark different from that of the Plaintiff's and its product identification mark completely new and different which is the only prominent part of the Defendant's labels.

25. In the case of **Ramdev Food Products (supra)**, Arvindbhai, inter alia, was restrained from using the trademark of the Plaintiff, including the trademark Ramdev Masala, but allowed to carry on the business of manufacturing spices in any other name. He was directed to mention in minimum permissible size how his product was manufactured and marketed by the name of his Firm showing his group with the addition of the words *"having no relationship whatsoever with"* the Plaintiff-Company. This was inconsonance with the standards of Weights and Measures Act and Prevention of Food Adulteration Act.

26. The judgment in the case of **Ramdev Food Products (supra)** squarely governs the rights and entitlements of the

parties in respect of their trademarks and their businesses in other trademarks and hence *stricto senso* the judgments referred to and elaborated in that case need not be separately considered. The five of these judgments have been specifically relied upon by Dr.Tulzapurkar in this case though.

27. In the case of **Ruston and Hornby Ltd. vs.Zamindara Engineering Co., AIR 1970 SC 1649** the Defendant's trademark was identical with the Plaintiff's trademark. The Defendant used the word “Rustam India”. The Plaintiff, who is the registered proprietor of “Ruston” was granted an injunction on account of the deceptive resemblance of the two words “Ruston” and “Rustam”, the addition of the word “India” being held to be of no consequence.

28. In the case of **Kirloskar Diesel Recon Pvt. Ltd. & anr. vs. Kirloskar Proprietary Ltd. & ors., AIR 1996 Bombay 149**, the employee of the otherwise famous Defendant-Company, whose surname was Kirloskar started another incorporated Company bearing that name holding that the word “Kirloskar” had acquired a secondary meaning and had almost become a household word. The Defendant was restrained from using it in his corporate name. The saving under Section 34 of the Trade and Merchandise Marks Act,

1958, which applied to the name of the person, was held not applicable to a corporate name which was specifically given.

29. In the case of **Optrex India Ltd. vs. Optrex Ltd. & anr.**, **1990 (1) PLR 298**, the Plaintiffs' name being used as essential part of the corporate name of the Defendant for similar goods was held to be of such a manner as to enable passing off of the goods of the Plaintiff. The get up of the cartons of the Defendant containing eye drops was shown to be similar in the format as well as style upon a visual examination so as to cause clear confusion to the customers. Such name was adopted immediately upon the commencement of the termination of the user agreement by the Defendant. It was held that the Defendant's products could be *"given or sold even quite innocently for the other"*. It was held that such name could not be made bearing the corporate name since that would result in confusion. The order that came to be passed in that case was thus:-

> *" The Defendants are hereby restrained from in any manner using the word "Optrex" as part of their corporate name in such a manner as to pass off or enable others to pass off their goods as those of the 1st Plaintiffs; and to make it clear that use of the corporate name in the usual manner on the medicines manufactured by the Appellants-Defendants, that is, in small lettering on one side of the panel of the package/carton or at the foot of the labels of such medicines, will not amount*

to a breach of the injunction."

30. In the case of **Poddar Tyres Ltd. vs. Bedrock Sales Corporation Ltd. & anr., 1993-PTC-253** the word "BEDROCK" used by the Defendants for tyres and tubes for which that precise name was registered as the trademark of the Plaintiff for those precise goods and which formed a part of the Defendants' corporate name was restrained as being an infringement of the Plaintiff's registered trademark since it was held to be nearly resembling the Plaintiff's registered trademark though it may not be its exact imitation.

31. An injunction in the case of **Ellora Industries vs. Banarasi Dass Goela, AIR 1980 Delhi 254** came to be considered and it was observed that when the Defendant's goods which were sold under the distinctive mark "Gargaon" and his business name was prominently displayed on his goods amounted to infringement of the registered trademark.

A part of the corporate name of the Defendant being the trademark of the Plaintiff was, therefore, held to tantamount to passing off as the public would believe that the Defendant's business is the Plaintiffs' due to the common or overlapping field of activity.

In this case, neither is the Plaintiff's trademark prominently displayed, nor is the word “Parle” as the prefix to the word “Confi” prominently displayed, nor is the Defendant's corporate name prominently displayed on the labels, Exhibit-D to the Plaint. The use being only of the earlier used business name, which the Defendant calls house name, is, therefore, not seen to be lacking in bonafides or honesty or adopted dishonesty *“so as to cash in on the goodwill and reputation”* attached to the trademark of the Plaintiff as observed in paragraph 37 of the judgment in the case of **Poddar Tyres Ltd. (supra)** upon the facts of that case specifically set out in paragraph 38 therein.

32. It may be mentioned that each of the aforesaid 4 cases which are in turn considered in the case of **Ramdev Food Products (supra)** are cases of the attempt of infringement and/or passing off by outsiders and not family members, a distinction which is specifically made in paragraph 115 in the case of **Ramdev Food Products (supra)** as quoted above.

33. Mr.Dwarkadas on behalf of the Defendant relied upon a judgment in the case of **Astra Pharmaceuticals (P) Ltd. vs. Collector of Central Excise, Chandigarh, (1995) 2 SCC 84** in which the concept of a house mark has been considered from Narayan's book on Trade Marks and Passing Off.

Though the judgment with regard to the product being covered or not under the Central Excise and Salt Act, 1944, is irrelevant, the concept of a house mark stated by the Defendant can be seen from that judgment thus :-

> *" 677-A. House mark and product mark (or brand name). - In the pharmaceutical business a distinction is made between a house mark and a product mark. The former is used on all the products of the manufacturer. It is usually a device in the form of an emblem, word or both. For each product a separate mark known as a product mark or a brand name is used which is invariably a word or a combination of a word and letter or numeral by which the product is identified and asked for. In respect of all products both the product mark and house mark will appear side by side on all the labels, cartons etc. Goods are ordered only by the product mark or brand name. The house mark serves as an emblem of the manufacturer projecting the image of the manufacturer generally."*

Hence the word “Parle” which is used on all the products of the Plaintiff as well as the Defendant is their house mark. For each of their products a separate mark is given and registered. The product is identified by that separate mark, e.g. Glucose as much as Buttercup. The product mark as well as house mark may appear side by side. The case of **Ramdev Food Products (supra)** has decided how they may appear – the house mark cannot appear prominently on the new goods manufactured by the Defendant; the product mark instead should and thus.

34. The mark of the Defendants has been termed as “housemark” in the case of **Biochem Pharmaceutical Industries vs. Bichem Synergy Limited, 1998 PTC (18)**. In that case the parties carried on various businesses using the word “Biochem” in their corporate names. It was observed in paragraph 20 of the judgment that there were 28 registered trademarks belonging to the Plaintiffs in use with the letters “Bio” as prefix. The Defendants also used the word “Biochem” as a house mark. They did not use any other trademark for their goods. In that case the goods of both the parties fell in the same class for registration of trademarks, though their trade channels were different. But since the goods that they dealt with were drugs, they were common products though the parties operated in different

fields of activities. The marks used by the parties were, therefore, referred to as the house mark, they being a part of the trademark or a part of the trademark for a number of products in their various businesses.

35. Such was the use of the mark in the case of **Reed Executive Plc vs. Reed Business Information Ltd., [2004] R.P.C. 40** to which my attention has been drawn by Mr.Dwarkadas. It was held that the word “Reed” is the only “trade marky” bit and is used in general. It is observed that “Reed” was a common surname and the additional words used by the Defendant “Reed Business Information” in its corporate name would not go unnoticed by the average consumer. It was further observed that the average consumer would not connect “Reed Business Information” with an organisation called “Reed”. The judgment considered the core activities of the Defendant as a service provider and not the mere use of a part of the Plaintiff's name as a part of the Defendant's corporate name to grant an injunction to the Plaintiff.

36. Similar was the case of **Parker-Knoll Limited vs. Knoll International Limited, 1962 RPC 265** which has been extensively considered in the case of **Hindustan Embroidery Mills Pvt. Ltd. vs. K. Ravindra & Co., PTC (Suppl) (2) 666 (Bom)**. In the case of **Parker-Knoll (supra)**, the Plaintiffs

had registered the trademark "Parker-Knoll". It sued for its injunction and passing off the use of the word "Knoll" or "Knoll International" on the ground that that was the essential feature of the Plaintiffs' name. An injunction with regard to the infringement action was directed to be qualified so as to permit bonafide user by the Defendants of their full name "Knoll International" or "Knoll International Limited" and with regard to the passing off action, the use of the words "Knoll International" was directed to be qualified by the words *"without clearly distinguishing their goods from the goods of the plaintiffs"*. Only the word "Knoll" was held not to be permitted to be used by the House of Lords in appeal from the said directions.

37. **Kerly on Law of Trade Marks and Trade Names, Thirteenth Edition (2001)** in Chapter 14 paragraph 90 states that a partner or employee who has left a well-known firm and set up a similar business of his own is entitled to advertise his former connection, but must take care to do it so as not to suggest that the connection is still existing between them and him, or that they have ceased to carry on business and he is their successor. Further in paragraph 201 of that chapter Kerly has warned that an injunction would be granted if such business was calculated to lead to the belief that it was an agency or department of the

claimant company. This shows that otherwise than in a case of intended misdirection, an erstwhile partner or employee can even advertise his former connection taking care to show that it is only history and that there is no current agency or branch of the other business firm.

38. It is seen that the real test of the Plaintiff's action and the Defendant's use of the word “Parle” in its corporate name as well as in the mention of “Parle Confi” as a division of the Defendant would be governed by the detailed analysis of such user amongst family members made in **Ramdev Food Products (supra)** and as per guidelines reflected in the **Reed's case (supra)** and in **Parker-Knoll's case (supra)**.

39. It may be mentioned that the corporate name of the Defendant would have been adopted upon following the procedure under Section 20 of the Companies Act, 1956. No exception taken by the Plaintiff under Section 21 thereof at the time of registration of the name of the Defendant is shown. The Plaintiff can have no objection to the use of the corporate name per se by the Defendant as the business of the Defendant in the field confectioneries or biscuits is not challenged.

40. Reliance upon the other judgments by Mr.Dwarkadas would

also fall in line with the reliance upon the various judgments of the Plaintiff which do not deal with family members and are concerned with only outsiders.

41. It is urged on behalf of the Defendant that in view of the housemark that the Defendant is entitled to, it must be allowed to use the housemark "Parle" as a prefix to the word "Confi" on the labels of the Defendant showing its corporate name. The use of the corporate name of the Defendant and considering the judgments supra, the use of the words "Parle Confi" by the Defendant may be permitted upon certain directions.

42. The Defendant, therefore, cannot be completely restrained from using the labels, Exhibit-D to the Plaint. The Defendant's use of the two-product identification marks, with which the Plaintiff can and do have no complaint, can remain at that. The use of the word "Parle Confi" as is shown in the labels need also not to be restrained. However, in line with the directions passed in **Ramdev Food Products (supra)** with regard to the statutory obligations of the Defendant under Standard of Weights and Measures Act and the Prevention of Food Adulteration Act, the Defendant shall mention the following on the labels for the products henceforth manufactured by the Defendant :-

" Manufactured by Parle Agro Pvt. Ltd."

followed by the following in a little larger font:- "[Jayantilal Group] – having no relationship whatsoever with Parle Products Private Limited."

43. The Notice of Motion is disposed of accordingly. No order as to costs.

(SMT.ROSHAN DALVI, J.)

44. On application of the learned Advocate for the Defendant, this order is stayed for six weeks.

(SMT.ROSHAN DALVI, J.)