

\$~

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Reserved on: 9th March, 2021
Decided on: 15th April, 2021

IA 8084/2019 in
+ CS(COMM) 292/2019

PHONEPE PRIVATE LIMITED Plaintiff
Through: Mr. Jayant Mehta, Sr. Adv. with
Ms. Shilpa Gupta, Mr. Vaarish K. Sawlani,
Mr. Ranjeet Singh Sidhu and Ms. Smiti,
Advs.

versus

EZY SERVICES & ANR. Defendants
Through Mr. Gaurav Pachnanda, Sr. Adv.
with Mr. Mohit Goel, Mr. Sidhant Goel, Mr.
Aditya Goel, Mr. Karmanya Dev Sharma
and Ms. Namrata Sinha, Advs.

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR

% **J U D G M E N T**

I.A. 8084/2019 in CS(COMM) 292/2019

1. The plaintiff and the defendants provide online payment services via their Applications (“Apps”, in short). By downloading the Applications, it is possible to effect payments using the services of the plaintiff/defendants, across the internet. The defendants’ services

are available exclusively to merchants, whereas the plaintiff's services are available to anyone who downloads the App.

2. The plaintiff and the defendants use the marks "PhonePe" and "BharatPe" respectively. The plaintiff alleges that the mark used by the defendants, as well as the use of the word "BharatPe" itself, infringes the plaintiff's registered trademark and also amounts to passing off, by the defendants, of the services provided by them as those of the plaintiff.


3. Accordingly, the plaintiff has sued the defendants, for permanent injunction, against use, by the defendants, of 'Pe' or any deceptive variant of 'PhonePe' which is identical and/or similar to the plaintiff's trademarks 'PhonePe', PhonePe, Phoneपे or पे, in respect of payment services or in any other manner amounting to infringement of the plaintiff's trademark, or of passing off, by the defendants, of their services as those of the plaintiff.




4. Summons have been issued in the suit, which is pending. Detailed arguments were advanced on IA 8084/2019, filed by the plaintiff under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908, by Mr. Jayant Mehta, learned Senior Counsel on behalf of the plaintiff and Mr. Gaurav Pachnanda, learned Senior Counsel for the defendants. This order disposes of the said application.




Rival contentions




5. Instead of separately setting out the facts, it would be advantageous to straightway enumerate the rival contentions of learned Senior Counsel for the parties, as the facts would become apparent therefrom.

6. Mr. Jayant Mehta, learned Senior Counsel for the plaintiff, submitted as under:

(i) The plaintiff has registrations, in its favour, of the marks PhonePe, **Phoneपे**, PhonePe ,  and PhonePe with effect from 29th March, 2016, 5th April, 2016 and 2nd December, 2016 in respect of the following goods in the following classes:

Sl. No.	Trademark	Goods/services	Class
1.	Phonepe,    PhonePe	Communications and telecommunications services for electronic bill payment systems; leasing access time to web-sites for electronic bill payment system; Telecommunications services, namely the electronic transmission of data and information, paging services, providing an online, interactive bulletin board for the transmission of messages among computer user concerning trading, and the purchase and sale of items via a global computer network; data streaming; transmission of videos; videotext services;	38

2.		<p>Computer software for online payment; Computer software to allow users to perform electronic business transactions via a global computer network; computer software for receiving, storing, editing, and transmitting purchase information over a computer network; computer software to log commercial transactions; Mobile applications for online transactions; Computer software for processing electronic payments and for transferring funds to and from others; authentication software for controlling access to and communications with computers and computer networks; magnetically encoded credit cards and payment cards:</p>	35
3.	 	<p>Financial services, namely, electronic funds transfer: clearing and reconciling financial transactions; providing a wide variety of payment and financial services, namely, credit card services. Issuing credit cards and lines of credit, electronic payment services involving electronic processing and subsequent transmission of bill payment data, all conducted via a global communications network; credit card and debit card transaction processing services; providing electronic mobile payment services for others; payment processing services, namely, providing virtual currency transaction processing services for others;</p>	36

4.	 	<p>Computer software for online payment; Computer software to allow users to perform electronic business transactions via a global computer network; computer software for receiving, storing, editing, and transmitting purchase information over a computer network; computer software to log commercial transactions; Mobile applications for online transactions; Computer software for processing electronic payments and for transferring funds to and from others; authentication software for controlling access to and communications with computers and computer networks; magnetically encoded credit cards and payment cards;</p>	9
5.		<p>Business consulting services in the field of payment processing, namely selection, implementation. use and operation of computer software for payment processing solutions; On-line trading services to facilitate the sale of goods by others via a computer network; Publicity and sales promotion; market evaluation and planning services; Business management to support the commercialization of goods and services in connection with e-commerce; bringing together for the benefit of others of a variety of consumers goods, enabling customers to conveniently view and purchase those goods, by mail-order and via the global</p>	35

		computer network;	
6.	पे	Providing a website featuring temporary use of non-downloadable software for payment processing; Computer services, namely, acting as an application service provider in the field of information management to host computer application software for the purpose payment processing, an interactive website that allows electronic invoicing and payment processing; Providing a secure electronic online system featuring technology which allows electronic invoicing and payment processing;	42

(ii) The documents on record indicate that the plaintiff's App has been downloaded over ten crore times.

(iii) The aforesaid trademarks PhonePe and its variations, whether in English or in Devanagari, have been coined and adopted by the plaintiff since 2015 and have been used by the plaintiff regularly since then.

(iv) The transliteration of the Devanagari "पे" as "Pe" is an innovative and fanciful adaptation by the plaintiff as, otherwise, "पे" would be translated as "Pay". Similarly, "Pe" would be otherwise amenable to being pronounced similar to "be" or

“me”, and not as one would pronounce “पे”. It is the plaintiff who has popularised “Pe” as “पे”.

(v) “Pe” is an essential, dominant and distinguishing feature of the plaintiff’s registered trademarks.

(vi) The plaintiff is the prior user of the trademarks employing the said distinguishing feature, in respect of which the plaintiff has earned substantial goodwill and reputation.

(vii) “Pe” is an invented word, not to be found in the English dictionary. It has no obvious meaning.

(viii) As such, when combined with “Phone”, which is an ordinary dictionary word with a well known meaning, “Pe” becomes the dominant and essential feature of the plaintiff’s trademark “PhonePe”.

(ix) A large volume of material has been placed on record, including articles, advertisements, evidence of tie-ups/partnerships with others across various sectors/industries, involvement in public activities such as the VIVO IPL-2019 and endorsement by celebrities, as evidence of the reputation and goodwill amassed by the plaintiff over the years.

(x) As a result thereof, the plaintiff's "PhonePe" App has become the preferred App for making online payments. The plaintiff has filed data of the number of transactions effected using the plaintiff's App in 2015-16, 2016-17, 2017-18 and 2018-19 as well as the amounts earned by the plaintiff by such use. The plaintiff has also placed on record promotional/advertisement expenses incurred by it in 2016-17, 2017-18, 2018-19, and its turnover during the years 2016-17 and 2017-18.

(xi) The defendants' App "BharatPe" provides identical services and can be downloaded from the same platforms from which the plaintiff's App can be downloaded, i.e. Google Play and Apple App Store.

(xii) The defendants' App was launched on 19th December, 2017. It is admitted by the defendants, in their written statement, that they have been offering services under the "BharatPe" App since 2018.



(xiii) On 5th January, 2018, Defendant No. 1 filed an application before the Trademarks Registry for registration of the mark Bharat (पे) in Class 09. By that time, the plaintiff's trademark was already well established and had acquired considerable goodwill. In the application, Defendant No.1 transliterated the mark "Bharat (पे)" as "BharatPe", which


clearly indicated that Defendant No.1 had adopted the Devanagari “पे”, as equivalent to “Pe”.

(xiv) This resulted in the plaintiff issuing a cease and desist notice dated 24th August, 2018, to Defendant No. 1, calling on Defendant No.1 to desist from using the marks “Bharat पे” “पे” and “पे” as they were deceptively similar to the plaintiff’s trademark “PhonePe” and “पे”.

(xv) *Vide* its response dated 20th September, 2018, Defendant No. 1, even while traversing the allegations of infringement and passing off, stated that it had decided to adopt the trademark “ BharatPe ▶” and abandon the then existing renditions of the defendants’ trademark. This amounted to admission, by Defendant No. 1, of the plaintiff’s rights in Devanagari “पे”. Defendant No. 1 did not, however, offer any justification for continuing to retain “Pe” as part of its mark, for online payment services.

(xvi) Thereafter, Defendant No. 1 abandoned its application dated 5th January, 2018, filed before the Trademarks Registry. As a result, it is contended that Defendant No. 1 gave up its right in both “ पे” as well as “Pe”.



(xvii) On 15th November, 2017, Defendant No. 2 filed an application before the Trademarks Registry for registration of the word mark “BharatPe”, claiming its user in Class 09 since 15th November, 2017, as well as for the mark “” on “proposed to be used” basis, in Classes 09, 35, 36, 38 and 42. These fresh applications, by Defendant No. 2, for registration of the word mark “BharatPe” and the trademark “” on “proposed to be used” basis have provoked the plaintiff to approach this Court by the present plaint, seeking injunction.

(xviii) The proposed use, by the defendants, of the word mark “BharatPe” and the trademark “” would result in infringement of the plaintiff’s registered trademark and passing off, by the defendants, of their services as those of the plaintiff, for the following reasons:

(a) The plaintiff is the prior adopter and user of the trademark “PhonePe” and its variants. The defendants, admittedly, started using the mark “BharatPe” only in 2018, by which time the plaintiff’s reputation and goodwill were already well established.

(b) The word “Pe” is an essential, dominant and distinguishing feature of the plaintiff’s registered trademarks, of which the plaintiff is the prior user.

(c) “PhonePe” is a combination of the words “Phone” and “Pe”. “Pe” is not a dictionary word, and has no known etymological connotation. On the other hand, “Phone” is a common dictionary word having a well-known meaning. This renders the suffix “Pe” the dominant and essential feature of the plaintiff’s trademark “PhonePe”. “Pe” is also the dominant feature of the defendants’ trademark “BharatPe”, *inter alia*, for the reason that the word “Bharat” is *publici juris*. As such, use by the defendants of the suffix “Pe” in any trademark would result in infringement of the plaintiff’s registered trademark.

(d) The use, by the plaintiff, of the marks “Phoneपे”,  PhonePe,  indicate that “Pe” in the plaintiff’s trademark “PhonePe” is to be pronounced as “पे”. The use of the capital “P” in “Pe” additionally emphasizes the “Pe” suffix. This being the common feature between the plaintiff and the defendants’ trademarks, the defendants’ trademark is rendered deceptively similar to that of the plaintiff.

(e) A consumer of average intelligence and imperfect recollection, on seeing the defendants’ mark “BharatPe” would notice, particularly, the “Pe” suffix. The use of the “Pe” suffix by the defendants is bound to result, in the

mind of such a consumer, of an impression of association/connection/nexus of the services provided under such mark, with the plaintiff, as the plaintiff's established trademark also contains the suffix "Pe". For these propositions, Mr. Jayant Mehta has relied on the judgment of the Supreme Court in *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*¹, of this Court in *South India Beverages v. General Mills Marketing*² and of the High Court of Bombay in *James Chadwick & Bros. Ltd. v. The National Sewing Thread Co. Ltd*³.

(f) In its trademark application dated 5th January, 2018, Defendant No. 1 admitted that "पे" is equivalent to "Pe" in English. By, therefore, giving up their right to use "पे" in their reply, dated 20th September, 2018, to the cease and desist notice dated 24th August, 2018 of the plaintiff, the defendants have given up their right to use "Pe" as well.

(g) As such, by seeking to register the "BharatPe" on "proposed to be used" basis, the defendants have dishonestly again sought to use the "Pe" suffix after having given up their right to do so.

¹ AIR 1965 SC 980

² 2014 SCC OnLine Del 1953


³ 1952 ILR 344

(h) The defendants have not provided any justification for retaining the suffix “Pe” which was innovatively and fancifully coined by the plaintiff. The contention, in the written statement filed by way of response to the plaint, that the suffix “Pe” in the defendants’ trademark was used in the sense in which it finds place in the expression “Bharat Pe Sab Chalta Hai” was obviously an afterthought, as no such stand has been taken either in the reply to the cease and desist notice issued by the plaintiff or at any earlier point of time. No document, supporting such a stand, has, either, been placed on record by the defendants.

(i) As such, the defendants have copied all distinguishing and essential features of the plaintiff’s trademark, thereby bringing the impugned “BharatPe” wordmark and “ BharatPe ► ” as close as possible to the plaintiff’s registered trademark, so as to confuse the public into presuming an association between the two marks. In this context, Mr. Mehta has cited the judgment of this Court in *B.K. Engineering Co. v. UBHI Enterprises*⁴ and *Ansul Industries v. Shiva Tobacco Company*⁵.

⁴ AIR 1985 Delhi 210 (DB)

⁵ ILR (2007) 1 Del 409

(j) The impugned trademark “BharatPe”, whether as a wordmark or as a trademark, therefore, infringes the plaintiff’s trademark “Phonepe” (in class 38), PhonePe (in classes 9, 35, 36 and 38), PhonePe (in classes 36 and 38),  (in classes 9, 38 and 42) and **PhonePe** (in classes 35 and 38). The defendants also provide online payment services identical to those provided by the plaintiff. This is bound to deceive and confuse the public, and is intended to encash on the goodwill and reputation of the plaintiff.

(k) Infringement, on the part of the defendants, of the plaintiff’s registered trade mark also stood established as, by the act of the defendant in copying the distinctive and essential “Pe” feature in the plaintiff’s mark, initial interest confusion, in the mind of the consumer, was bound to occur.

(l) A clear case of infringement of trademark, within the meaning of Section 29(2)(b) of the Trademarks Act, 1999⁶ (“the Act”, hereafter) is made out as

⁶ “29. Infringement of registered trade marks –

(1) *****

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of –

(a) *****

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark;

(c) *****

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.”

- (i) the impugned “BharatPe” mark copies the essential and distinguishing “Pe” suffix in the “PhonePe” trademark of the plaintiff,
- (ii) the services of the defendants are identical to those of the plaintiff, and
- (iii) the defendants themselves acknowledged that “Pe” in “PhonePe” was popularly known as “पे”.

(m) The tort of passing off also stood committed as

- (i) the plaintiff had amassed enviable reputation and goodwill in its trademarks,
- (ii) substantial expenses had been incurred by the plaintiff in building the said reputation and goodwill,
- (iii) consumers today invariably associate “पे” or “Pe” with the plaintiff’s payment services, in which context reliance has been placed on the judgment of the Supreme Court in *Godfrey Philips India Ltd. v. Girnar Food and Beverages Pvt. Ltd.*⁷, of this Court in *Cadila Healthcare v. Gujrat Co-operative Milk Marketing Federation Ltd.*⁸ and *Info Edge v. Shailesh Gupta*⁹ and of the High Court of Bombay in *Pidilite Industries Limited v.*

⁷ (2004) 5 SCC 257

⁸ ILR (2008) 1 Delhi 12242

⁹ ILR (2002) 1 Del 219

*Vilas Nemichand Jain*¹⁰ and of the House of Lords in *Reddaway v. Banham*¹¹,

(iv) the defendants were, thus, passing off their services as those of the plaintiff by using the dominant/essential feature “Pe” and their mark, without any justifiable cause for such use,

(v) the colour combination of the defendants’ mark was also similar to that of the plaintiff’s mark, both marks essentially being purple in colour, and

(vi) the plaintiff and the defendants are the only entities using “Pe” in respect of online payment services,

(xix) Any adoption of “Pe” by the defendants is bound, therefore, to result in dilution of the plaintiff’s trademark.

(xx) As a result any use, by the defendants, of the proposed wordmark “BharatPe” or the trademark “ BharatPe ► ” would result in irreparable financial loss to the plaintiff.

(xxi) In the absence of any justification provided by the defendants for use of the suffix “Pe”, the balance of convenience would also be in favour of grant of interim injunction as sought by the plaintiff.

¹⁰ 2015 SCC OnLine Bom 4801

¹¹ (1896) RPC 218

(xxii) In such circumstances, it is not open to the defendants to plead delay or laches, or that they are honest and concurrent users. Reliance has been placed, in this context, on the judgment of the Supreme Court in *Midas Hygiene Industries (P) Ltd. v. Sudhir Bhatia*¹² and of this Court in *Hindustan Pencils Private Limited v. India Stationery Products Co.*¹³.

(xxiii) By applying for registration of the mark “BharatPe”, the defendants also stand estopped from contending that the suffix “Pe” is descriptive or generic. For this purpose, reliance is placed on the judgment of this Court in *Automatic Electric Limited v. R.K. Dhawan*¹⁴, and *Indian Hotels Company Ltd. v. Jiva Institute of Vedic Science & Culture*¹⁵.

(xxiv) Apropos the contention of the defendants that the suffix “Pe” was already subject matter of prior user as part of the registered trademark “CardPe”, the rights of third parties are irrelevant in infringement and passing off actions. Besides, the plaintiff has acquired the trademark of “CardPe” along with goodwill *vide* Assignment Deed dated 19th September, 2019.

¹² (2004) 3 SCC 90

¹³ AIR 1990 Del 19

¹⁴ 1999 PTC (91) 81

¹⁵ 2008 (37) PTC 468 (Del)

7. Mr Mehta additionally placed reliance on the judgement of this Court in *Ishi Khosla v Anil Aggarwal*¹⁶, *Globe Super Parts v Blue Super Flame Industries*¹⁷ and *Anil Verma v. R. K. Jewellers*¹⁸.


8. In response to the submissions of Mr. Mehta, Mr. Pachnanda, learned Senior Counsel for the defendants, advanced the following contentions:

(i) The plaintiff was not the registered proprietor or permitted user of the words, “Pe”, “Pay” or the Devnagari “पे”. The registration had been acquired by the plaintiff over the entire word “PhonePe”, and other variants of the said mark. The plaintiff admittedly did not use the word “Pe” or “पे”, as a standalone mark, though it did use the logo “पे”.

(ii) The defendant had adopted and was using, honestly and with *bona fide* intent, the mark “BharatPe”, at least since 1st August, 2016. The domain name www.bharatpe.com was registered in the name of its founder on 15th November, 2017 and online payment services under the said mark commenced in August, 2018. The BharatPe mark was assigned by Defendant No. 1 to Defendant No. 2 by way of Assignment Deed dated 10th August, 2018. Reliance was placed, in this context, on an invoice dated 1st August, 2016, filed by the defendant, addressed to M/s Maninarayan Ventures Ltd (“MVL”, in short).

¹⁶ ILR (2007) I Delhi 615

¹⁷ AIR 1986 Del 245

Apropos the invoices, though they were “zero” rupee invoices, that was because MVL was owned by a relative of the founder of the defendants, this did not lessen the credibility of the invoice or its evidentiary value. The defendant also placed reliance on invoices filed in these proceedings under Index dated 20th July, 2019, issued by “BharatPe c/o Ezy Services”, since 1st August, 2016. The trademark application filed on 5th January, 2018, for the mark , claimed user of the mark since 21st July, 2016. The user affidavit, in support of the application, was also filed on 5th January, 2018.

(iii) The “BharatPe” word mark was a mark which was coined and invented by the defendants, and was highly fanciful and inherently distinctive of the goods and services provided thereunder. The idea behind the mark was to build a single QR code for merchants, to facilitate making of payments, which would work across all consumer UPI based applications, such as GooglePay, Paytm, WhatsApp Pay, AmazonPay, SamsungPay and PhonePe. It was, for this reason that the defendants used the tagline, “*Bharat Pe Sab Chalta Hai*”. No document had been filed to show adoption or use of the online payment services under the PhonePe mark, since September, 2015. The plaintiff admitted to have commenced online payment services only on 29th August, 2015. The aspect of prior user was, therefore, highly debateable. As the defendants were not exposed to any

information or document regarding the plaintiff's "PhonePe" mark, when it adopted the "BharatPe" mark on 1st August, 2016, it could not be alleged that the defendants had been motivated by the plaintiff's use of the "PhonePe" mark.

(iv) The defendant also enjoyed continuous and extensive use, with considerable turnover. Defendant No. 2 has over 70.61 lakhs clients in 18 cities. Over the platform of Defendant No. 2, transactions in excess of ₹ 21,142.37 crores had taken place. The "BharatPe" App had been downloaded over 50 lakh times till the end of December, 2020. Defendant No. 1 had incurred advertisement and promotional expenses in excess of ₹ 55 crores. They also used celebrities as their brand ambassadors.

(v) The allegation of deceptively or confusing similarity between the plaintiff and defendants' marks was without substance for the following reasons:

(a) Competing trademarks could not be vivisected and had to be compared as a whole. It was not permissible, therefore, for the plaintiff to allege infringement or passing off merely on the basis of the "Pe" suffix in the "PhonePe" mark. Reliance was placed, for this purpose, on Sections 15 and 17 of the Trademarks Act, 1999¹⁹, as

¹⁹ "15. Registration of parts of trade marks and of trade marks as a series –


(1) Where the proprietor of a trade mark claims to be entitled to the exclusive use of any part thereof separately, he may apply to register the whole and the part as separate trade marks.

(2) Each such separate trade mark shall satisfy all the conditions applying to and have all the incidents of, an independent trade mark.

(3) Where a person claiming to be the proprietor of several trade marks in respect of the same

well as the judgment of the Supreme Court in *Kaviraj Pandit Durga Dutt Sharma¹* and *Superfil Products Ltd v. Seal Nets Pvt Ltd²⁰*.

(b) The emphasis, by the plaintiff, on infringement *qua* the suffix “Pe” amounted to acknowledgement that the competing “PhonePe” and “BharatPe” mark were visually, phonetically and structurally different when viewed as a whole.

(c) Neither the plaintiff nor the defendants used “पे” or “Pe” as a standalone mark, in the course of their business activities. The defendants were not even using “पे” as part of their trademark *per se* or as registered by the plaintiff i.e. “”.

or similar goods or services or description of goods or description of services, which, while resembling each other in the material particulars thereof, yet differ in respect of –

- (a) statement of the goods or services in relation to which they are respectively used or proposed to be used; or
- (b) statement of number, price, quality or names of places; or
- (c) other matter of a non-distinctive character which does not substantially affect the identity of the mark; or
- (d) colour,

seeks to register those marks, they may be registered as a series in one registration.”

“17. Effect of registration of parts of a mark. –

(1) Where a trade mark consists of several matters, its registration shall confer on the proprietor exclusive right to the use of the trade mark taken as a whole.

(2) Notwithstanding anything contained in sub-section (1), when a trade mark –

- (a) contains any part –
 - (i) which is not the subject of a separate application by the proprietor for registration as a trade mark; or
 - (ii) which is not separately registered by the proprietor as a trade mark; or
- (b) contains any matter which is common to the trade or is otherwise of a non-distinctive character,

the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trade mark so registered.”

²⁰ AIR 2015 Madras 89

(d) The dominant elements of the competing marks were not the suffix “Pe” but the words “Phone” and “Bharat”, which were phonetically, visually and structurally different. Besides, the difference in the mark of the defendants and that of the plaintiff was augmented by the use of the distinctive triangular device “☛”, Reliance was placed, for this purpose, on the judgment of the Supreme Court in *J.R. Kapoor v. Micronix India*²¹, the judgment of this Court in *Rich Products Corp. v. Indo Nippon Foods Ltd*²² and the judgment of the High Court of Bombay in *Shelke Beverages Private Ltd. v. Rasiklal Manikchand Dhariwal*²³.

(e) The first examination report, issued by the Trademark Registry, while examining trademark application of the defendants for registration of the “BharatPe” marks, did not cite any of the plaintiff’s marks as an earlier trademark, for raising objections under Section 11 of the Trade Marks Act.



(f) On the other hand, against the applications filed by the plaintiff for registration of its “PhonePe” marks, the trademark registry had cited third party trademarks containing the suffix/expression “Pe” or “पे”. In its response to these examination reports, the plaintiff had

²¹ 1994 Supp (3) SCC 215

²² 2007 (35) PTC 15 (Del.)

²³ 2011 (45) PTC 241 (Bom.) (DB)

contended that the mark of the plaintiff was required to be considered as a whole and that the suffix “Pe” could not be extracted out of the mark so as to make out a case for objection. This, however, was precisely the stand being taken by the plaintiff, to question the “BharatPe” mark of the defendant. The plaintiff was, therefore, estopped from taking such a stand.


(g) The defendant has relied on a list of trademarks registered prior to the “PhonePe” marks of the plaintiff, involving “Pe”, such as “Phone Pe Deal” “Phone Pe Store”, “Phone Pe Crore” , “PE” and . These earlier marks claimed user prior to the plaintiff. As such, the plaintiff could not claim to be the adopter of the “Pe” formative mark.

(h) The plaintiff was bound by the contentions contained in the replies to the first examination reports issued by the Trademarks Registry, as the plaintiff’s trademark was accepted for registration only on the basis of the contentions contained in the said replies.

(i) After filing the present suit, the plaintiff acquired the “CardPe” marks by way of Assignment Deed dated 19th September, 2019. The plaintiff had, thereby, admitted that “CardPe” was the prior user and adopter of the “Pe”

formative mark. This, again, belied the plaintiff's submission that it was the innovator thereof.

(j) As the plaintiff had not come clean with all these facts in its plaint, it was not entitled to any equitable relief of injunction. Various judicial authorities have been cited for this purpose.

(k) By virtue of Section 17 of the Trademarks Act, a trademark did not confer any proprietorial right over any part of the mark, unless such part was separately registered. The registration of the "PhonePe" work mark or logo marks did not, therefore, confer any right, to the plaintiff, over the suffix "Pe" or . The plaintiff could not, therefore, assert any statutory rights over the said suffix "Pe". Viewed as a whole, the marks of the plaintiff and the defendants are completely different. Reliance was placed, in this context, on the judgment of the Supreme Court in *Registrar of Trade Marks v. Ashok Chandra Rakhit Ltd*²⁴ and the judgments of this Court in *Vardhman Buildtech Pvt. Ltd. v. Vardhman Properties Ltd*²⁵, *Arvind Laboratories v. Modicare*²⁶, and *P.P Jewellers v. P.P. Buildwell*²⁷.

²⁴ AIR 1955 SC 558

²⁵ 233 (2016) DLT 25

²⁶ 2011-4-L.W. 550

²⁷ 2010 (43) PTC 1 (Del.)

(l) The suffix “Pe” was merely a misspelling of the word “Pay”. This was admitted by the plaintiff in the plaint. Phonetically, “Pe” and “Pay” are identical. The idea of using the suffix “Pe” was only to enable the consumer to phonetically pronounce “Pay”. Such misspellings, which are phonetically identical to the original misspelt term, do not confer any statutorily enforceable rights, where the original term is descriptive in nature. No exclusive rights can be enforced, in respect of such a misspelt word, under the Act, unless it has acquired a secondary meaning with respect to the plaintiff’s business.

(m) Acquisition of a secondary meaning is a matter of evidence and trial and in any event could not be pleaded on the basis of three years’ use. Several entities use the expression “Pay” as a suffix, such as GooglePay, AmazonPay, SamsungPay, WhatsAppPay etc. Reliance has been placed on the following decisions:

(i) *The Eastman Photographic Materials Co. v. The Comptroller-General of Patents, Designs and Trademarks*²⁸,

(ii) *Marico Limited v. Agro Tech Foods Limited*²⁹,

(iii) *Delhivery Private Limited v. Treasure Vase*

²⁸ [1898] A.C. 571

²⁹ 2010 (44) PTC 736 (Del.) (DB)

*Ventures Pvt. Ltd.*³⁰,

(iv) *Superon Schweisstechnik India Limited v. Modi Hitech India Ltd.*³¹,

(v) *Hesmer Foods Inc. v. Campbell Soup Company*³²,

(vi) *Indchemie Health Specialties Pvt. Ltd. v. Intas Pharmaceuticals Ltd.*³³,

(vii) *Big Tree Entertainment Pvt. Ltd. v. D. Sharma*³⁴, and

(viii) *Bharat Biotech International Ltd. v. Optival Health Solutions Pvt. Ltd.*³⁵

(n) The suffix “Pe” was, therefore, common to the trade and was also laudatory and descriptive to the services provided by the plaintiff, which was to afford the consumer an option to make payments from a phone using the plaintiff’s Apps. Even for this reason, the “PhonePe” mark could not function as legitimate trademark.

Statutory position

9. On certain particular aspects which arise for consideration in the present case, it would be of advantage to, before examining the facts,

³⁰ CS(COMM) 217 of 2020, dated 12th October 2020

³¹ 2018 (74) PTC 61 (Del.)

³² 346 F.2d 356

³³ MIPR 2015 (2) 0284, [2015] 6 MHLJ 324

³⁴ (257) 2019 DLT 77

³⁵ Judgement dated 26th May, 2020, in C.S.(COMM) 1248 of 2018

take stock of the legal position, as emerging from the provisions of the statute and judgments on the point.

Relevant provisions of the Trade Marks Act

10. Section 9 of the Act deals with the ground on which registration of marks can be refused. The use of the word “shall”, in all three subsections of Section 9 makes it apparent that, in the circumstances contemplated therein, registration of the mark as a trademark is prohibited. These circumstances are

- (i) where the trademarks are devoid of any distinctive character, i.e. where they are not capable of distinguishing goods or services of one person from those of another [Section 9(1)(a)],
- (ii) where the trademark consists exclusively of marks or indications which designate characteristics of the goods or the services, including the kind, quality, quantity, purposes, values, geographical origin or time of production of the goods or rendering of service [Section 9(1)(b)],
- (iii) where the marks consists exclusively of “customary” marks or indications, which have become established practices of the trade [Section 9(1)(c)],
- (iv) where the mark may deceive the public or cause confusion [Section 9(2)(a)],
- (v) where the mark contains any matter likely to hurt religious sentiments [Section 9(2)(b)],

- (vi) where the mark contains scandalous or obscene material [Section 9(2)(c)],
- (vii) where the use of the mark is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950 [Section 9(2)(d)],
- (viii) where the mark consists exclusively of the shape of the goods, resulting from the nature of the goods themselves, [Section 9(3)(a)],
- (ix) where the mark consists exclusively of the shape of the goods, which is necessary to obtain a technical result [Section 9(3)(b)] and
- (x) where the mark consists exclusively of the shape, which gives substantial value of the goods [Section 9(3)(c)].

The proviso to Section 9(1) excludes the applicability of Clauses (a) to (c) of Section 9(1) [i.e. cases (i) to (iii) (*supra*)] where, before the date of application for registration, the mark has acquired a distinctive character as a result of the use made of it, or is a well known trademark. “Well known trademark” is defined in Section 2(zg) of the Act, thus:

“(zg) “Well-known trade mark”, in relation to any goods or services, means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.”

11. Section 11 deals with the circumstances in which the Registrar could refuse to register the trademark, and generally proscribes registration where the mark is identical or deceptively similar to an earlier trademark. As the present case does not involve any issue relating to registration of the rival marks, I am not dilating on the various provisions contained in Section 11. Suffice it to state that Section 12 permits registration, even in the case of marks which are identical or similar to earlier registered trademarks, where the applicant for registration establishes honest concurrent use, or where other special circumstances, justifying registration, exist.

12. Section 17³⁶ deals with the effects of registration of parts of a mark. Though, in the present case, the plaintiff has not separately registered any part of the allegedly infringed “PhonePe” mark, that is precisely the reason why this provision assumes significance. Section 17(1) specifically confers the right, to the proprietor of a registered trademark “consisting of several matters”, the exclusive rights “to the use of the trademark taken as a whole”. Sub section (2) of Section 17 clarifies this aspect further by stipulating that the registration of such a “composite trademark” shall not confer, on the proprietor, exclusive right over any part of the registered trademark, where the part:

³⁶ “17. **Effect of registration of parts of a mark –**

- (1) When a trade mark consists of several matters, its registration shall confer on the proprietor exclusive right to the use of the trade mark taken as a whole.
- (2) Notwithstanding anything contained in sub-section (1), when a trade mark –
 - (a) contains any part –
 - (i) which is not the subject of a separate application by the proprietor for registration as a trade mark; or
 - (ii) which is not separately registered by the proprietor as a trade mark; or
 - (b) contains any matter which is common to the trade or is otherwise of a non-distinctive character,the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trade mark so registered.”

- (i) is not subject of a separate application for registration as a trademark or is not so separately registered as a trademark [Section 17(2)(a)] and
- (ii) where the part contains any matter, which is common to the trade or is of a non-distinctive character [Section 17(2)(b)].

13. Section 27 prohibits infringement of an unregistered trademark, but saves passing off actions in respect thereof.

14. Section 28 confers, on the proprietor of a validly registered trademark, exclusive right to use the trademark in relation to the goods or services in respect of which it is registered, and to sue for infringement thereof. “Infringement” is defined in Section 29. Section 29 contemplates infringement

“(i) where the defendants’ mark is identical with, or deceptively similar to, the plaintiff’s trademark and is used in relation to goods or services in respect of which the trademark is registered” [Section 29(1)],

(ii) “where the defendants’ trademark is identical to the plaintiff’s trademark, and the goods or services of the defendant are so similar to those of the plaintiff, as is likely to cause confusion, or association with the registered trademark” [Section 29(2)(a)],

(iii) “where the impugned trademark is similar to the registered trademark and the goods or services of the defendant are identical to those of the plaintiff, or so similar as is likely to

cause confusion, or have an association with the plaintiff's trademark" [Section 29(2)(b)],

(iv) "where the registered trademark and the goods or services of the defendant are identical to those of the plaintiff, as is likely to cause confusion or have an association with the plaintiff's trademark" [Section 29(2)(c)] (in which case Section 29(3) creates a presumptive fiction of likelihood to cause confusion on the part of the public), and

(v) "where the defendants' mark, though identical with or similar to the registered trademark of the plaintiff, is used in relation to goods or services not similar to those of the plaintiff, if the registered trademark has a reputation in India and use of the defendants' mark, without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the plaintiff's registered trademark".

15. The registration of the trademark is, by virtue of Section 31(1), *prima facie* evidence of the validity thereof. Section 32³⁷ validates trademarks registered in violation of Section 9(1), i.e., which are not distinctive in character or consist exclusively of marks or indications, which designates the characteristic of goods or services or consist exclusively of marks or indications, or which have become customary in the trade, where, by virtue of extended use after registration, the

³⁷ **32. Protection of registration on ground of distinctiveness in certain cases –**

Where a trade mark is registered in breach of sub-section (1) of section 9, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration and before commencement of any legal proceedings challenging the validity of such registration, acquired a distinctive character in relation to the goods or services for which it is registered."

mark has acquired a distinctive character in relation to the goods or services, in respect of which it is registered.

16. Section 33 statutorily recognizes the principle of acquiescence in the matter of trademarks, by providing [in subsection (1)] that a proprietor of an earlier trademark cannot seek a declaration that a later trademark of another person is invalid, or oppose the use of the later trademark, where he has acquiesced, for a continuous period of five years, in such use. This provision, however, is statutorily made inapplicable where the registration of the later trademark is not in good faith.

17. Priority of use is necessary, under Section 34 of the Act, for a proprietor of a registered trademark to either interfere with the use, or challenge the registration, of an allegedly similar trademark of another person. Section 34 of the Act provides that identity or similarity of a registration cannot afford a ground to restrain use, by the holder of the allegedly identical/similar trademark, if such use predates the use or the registration of the former, allegedly infringed, trademark. Prior user is also provided, in the said provision, as a ground on which a trademark, similar to already registered trademark, may nevertheless be registered.

18. Section 135 of the Act provides for the reliefs which may be granted by the Court in cases of infringement or passing off.

Judicial authorities

19. Having thus preferred to the relevant provisions of the Act, I turn, now, to the judicial authorities on the subject.

20. On the aspect of confusing or deceptive similarity, which is the *sine qua non* for any successful action for infringement or passing off, this Court has, in its decision in *FDC Ltd. v. Faraway Foods Pvt. Ltd.*³⁸, *Natures Essence Pvt. Ltd. v. Protogreen Retail Solutions Pvt. Ltd.*³⁹ and *Britannia Industries Ltd. v. ITC Ltd.*⁴⁰, culled out the following principles, from the decisions in *Satyam Infoway (P) Ltd. v. Siffynet Solutions (P) Ltd.*⁴¹, *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.*⁴², *Kaviraj Pt. Durga Dutt Sharma*¹, *National Sewing Thread Co. Ltd. v. James Chadwick & Bros Ltd.*⁴³, *Corn Products Refining Co. v. Shangrila Food Products Ltd.*⁴⁴, *Amritdhara Pharmacy v. Satya Deo Gupta*⁴⁵, *K. R. Krishna Chettiar v. Shri Ambal & Co.*⁴⁶, *F. Hoffman-La Roche & Co. Ltd. v. Geoffrey Manners & Co. Pvt. Ltd.*⁴⁷, *Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra Ltd.*⁴⁸, *Laxmikant V. Patel v. Chetanbhai Shah*⁴⁹, *Khoday Distilleries Ltd. v. Scotch Whisky Association*⁵⁰, *Nandhini Deluxe v. Karnataka Co-operative Milk Producers*

³⁸ MANU/DE/0230/2021

³⁹ MANU/DE/0474/2021

⁴⁰ MANU/DE/0622/2021

⁴¹(2004) 6 SCC 145

⁴²(2001) 5 SCC 73

⁴³ AIR 1953 SC 357

⁴⁴ AIR 1960 SC 142

⁴⁵ AIR 1963 SC 449

⁴⁶ (1969) 2 SCC 131

⁴⁷ (1969) 2 SCC 716

⁴⁸ (2002) 2 SCC 147

⁴⁹ (2002) 3 SCC 65

*Federation Ltd.*⁵¹ and *Wockhardt Ltd. v. Torrent Pharmaceuticals Ltd.*⁵²:

- (i) In assessing deceptive similarity, the class of the customer who would purchase the product is relevant. The look/appearance, and the sound, of the trade marks, as well as the nature of the goods, are all relevant considerations. Surrounding circumstances are also relevant.
- (ii) The onus of proof is on the plaintiff who alleges passing off. As against this, in an opposition to the registration of a trade mark, the onus to prove deceptive similarity is on the defendant who seeks non-registration, or removal of the trade mark from the register.
- (iii) “Confusion” refers to the state of mind of the customer who, on seeing the mark, thinks that it differs from the mark on the goods which he has previously bought, but is doubtful whether that impression is not due to imperfect recollection. The question is one of first impression.
- (iv) This is especially true in the matter of phonetic similarity. A meticulous comparison of the words, syllable by syllable, is to be avoided. The possibility of careless pronunciation and speech, both on the part of the buyer walking into the shop, as

⁵⁰ (2008) SCC 72310

⁵¹ (2018) 9 SCC 183

⁵² (2018) 18 SCC 346

well as the shop assistant, is also required to be factored into consideration.

(v) The matter has to be examined from the point of view of a person of average intelligence and imperfect recollection. It has to be seen as to how such a purchaser would react to the trade mark, the association which he would form and how he would connect the trade marks with the goods he would be purchasing.

(vi) The *Pianotist*⁵³ test, postulated over a century ago, has repeatedly been endorsed by the Supreme Court, as the definitive test to be adopted while comparing rival trade marks. According to this test, the Court is required to judge the rival trade marks by their look and sound, and consider,

- (a) the goods to which they are to be applied
- (b) the nature and kind of customer who would be likely to buy those goods,
- (c) all surrounding circumstances and
- (d) the consequences which would follow if each of the marks is used in the normal way as the trade mark for the goods of the respective owners.

While doing so, the common part of the words forming the competing marks may not be decisive. The overall similarity of the composite words is required to be seen, having regard to the circumstance (if applicable) that both are on like goods of

⁵³ In *In re. Pianotist Application (1906) 23 RPC 774* by Parker, J.

similar description. The test to be applied is whether, if the two marks are used in a normal and fair manner, there is likelihood of confusion or deception.

(vii) The whole word/mark is to be considered. An ordinary man would not split a word or name, in a trade mark, into its components, but would go by the overall structural and phonetic similarity of the marks at the nature of the goods previously purchased, or of which he has been told and which he wants to purchase. It has to be examined whether the totality of the trademark of the defendant is likely to cause deception/confusion or mistake in the minds of the persons accustomed to the existing trade mark of the plaintiff.

(viii) The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. The Court is, however, required to apply both the phonetic and the visual tests. At times, ocular similarity may be sufficient to find possibility of confusion/deception, even if the marks are visually dissimilar, though ocular similarity, by itself, may not, generally, be the decisive test. Where, however, (i) in all other respects, the marks of the plaintiff and defendant are different, (ii) the word/words, in the marks, which are phonetically similar, cannot be regarded as the dominant word, or essential feature, in the marks, and (iii) the surrounding circumstances also belie any possibility of confusion, it has been held that deceptive similarity cannot be found to exist merely on the basis of

phonetic similarity or even identity. The matter, apparently, is always one of fact. The Court would have to decide, on a comparison of the two marks, and the parts thereof which are phonetically similar, as to whether such phonetic similarity is likely, considering all other circumstances, to confuse or deceive a purchaser of average intelligence and imperfect recollection, always bearing in mind the nature of the goods, and the degree of circumspection which would be expected of the purchasers who would purchase such goods.

(ix) The Court is required to examine whether the essential features of the plaintiff's mark are to be found in the mark of the defendant. Identification of the essential features is a question of fact, left to the discretion of the Court.

(x) No objective standards are possible, regarding the degree of similarity which is likely to cause deception. It has to be seen from the viewpoint of the purchasers of the goods.

(xi) The test to be applied would depend on the facts of the case. Precedents are valuable only to the extent they specify tests for application, and not on facts.

(xii) On the issue of deceptive similarity, and especially with respect to the aspect of phonetic similarity, English cases are not of relevance. English cases are useful only to the extent they aid in understanding the essential features of trade mark

law. The tests for deceptive similarity, which apply in other jurisdictions, may not always apply in India.

21. Learned Senior Counsel for the parties, in the present case, have adverted to various other decisions, many of which are fairly instructive on the issues involved. Various aspects span highlighted thereby; however, as the present application can be decided merely on the test of deceptive similarity, and the grounds of challenge available to the plaintiff and grounds of defence available to the defendant in that regard, I do not deem it necessary to advert to decisions dealing with other aspects such as commonality of the mark, delay and acquiescence, etc.

22. The *prima facie* merits of the case of the plaintiff can be gauged on the following five principles:

(i) A registered trade mark cannot, therefore, be dissected, and exclusivity claimed in respect of *part* thereof.

(ii) If, however, part of the registered trade mark is *dominant*, or is its *essential feature*, imitation thereof can constitute a basis to claim infringement.

(iii) Exclusivity cannot be claimed of descriptive, or generic, marks, or parts of marks.

(iv) This principle cannot be avoided by merely *misspelling* the descriptive word, or descriptive part of the mark.

(v) This principle would, however, not apply where the descriptive, or generic, mark, or part of the mark, has acquired *distinctiveness*, or a *secondary meaning*, invariably identifying the mark as belonging to the plaintiff.

Judicial authorities

Relevant judgements of the Supreme Court

Kaviraj Pandit Durga Dutt Sharma¹

23. In *Kaviraj Pandit Durga Dutt Sharma¹*, the respondent-Navaratna Pharmaceutical Laboratories (“NPL”, in short) was the plaintiff before the High Court. It was the registered proprietor of the “Navaratna Pharmaceutical Laboratories” trade mark, used in medicinal preparations. The appellant Kaviraj Pandit Durga Dutt Sharma (“DDS”, in short), was carrying on business under the name “Navaratna Kalpa Pharmacy”, and was trading in medicines under the name “Navaratna Kalpa”. DDS had applied for registration of the words “Navaratna Kalpa”, under the erstwhile Trade Marks Act, 1940 (“the 1940 Act”). NPL sued DDS alleging infringement by using the word “Navaratna” and sought an injunction against DDS using the said in conjunction with any other word. It was also alleged that DDS was passing off its goods as those of NPL. DDS contended, before the

Supreme Court, that the High Court had, in one breath, held that the word ‘Navaratna’, which was the essential part of trademark of “Navaratna Pharmaceutical Laboratories”, was a descriptive word, and that “Navaratna Pharmaceutical Laboratories” was a validly registered mark. DDS contended that these findings were mutually inconsistent, as the words “Pharmaceutical” and “Laboratories” were common English words, used to describe the place where the pharmaceutical products were manufactured.

24. The initial discussion, in ***Kaviraj Pandit Durga Dutt Sharma¹***, was in respect of Section 6(1)(a) to (e), *vis-a-vis* the proviso to Section 6(3) of the 1940 Act. There being no *pari materia* provisions in the 1996 Trade Marks Act, this discussion may not be strictly relevant. However, the findings, of the Supreme Court, on the aspect of descriptive similarity, remain *locus classicus* to this day.

25. Mr. Pachnanda relies on the principle, in para 30 of the report in ***Kaviraj Pandit Durga Dutt Sharma¹***, that the mark of NPL, which was required to be compared by the mark used by DDS, was the entire registered mark, including the word “Navaratna”. In this context, it is worthwhile to reproduce Para 29 of the report, thus:

“29. When once the use by the defendant of the mark which is claimed to infringe the plaintiff’s mark is shown to be “in the course of trade”, the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for them the infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff’s registered trade mark as is likely to deceive or

cause confusion and in relation to goods in respect of which it is registered (Vide Section 21). A point has sometimes been raised as to whether the words “or cause confusion” introduce any element which is not already covered by the words “likely to deceive” and it has sometimes been answered by saying that it is merely an extension of the earlier test and does not add very materially to the concept indicated by the earlier words “likely to deceive”. But this apart, as the question arises in an action for infringement the onus would be on the plaintiff to establish that the trademark used by the defendant in the course of trade in the goods in respect of which his mark is registered, is deceptively similar. This has necessarily to be ascertained by a comparison of the two marks - the degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standards. The persons who would be deceived are, of course, the purchasers of the goods and it is the likelihood of their being deceived that is the subject of consideration. The resemblance maybe phonetic, visual or in the basic idea represented by the plaintiff's mark. The purpose of the comparison is for determining whether the essential features of the plaintiff's trademark are to be found in that used by the defendant. The identification of the essential features of the mark is in essence a question of fact and depends on the judgment of the Court based on the evidence led before it as regards the usage of the trade. *It should, however, be borne in mind that the object of the enquiry in ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar to that of the registered mark of the plaintiff.*”

(Emphasis supplied)

26. This judgement, therefore, holds that comparison has to be of the marks *as a whole*, thereby exposing the anti-dissection rule.

***Ashok Chandra Rakhit*²⁴**

27. ***Ashok Chandra Rakhit*²⁴** did not involve any issue of infringement or passing off. The challenge, in the said case, was against the rectification, by the Registrar of Trademarks, of the register, by inserting a disclaimer regarding the use of the word “SHREE”, as part of the company’s registered trademark. The dispute being factually distinct from that in the present case, one may advert, straightway, to para 14 of the report, which contains the following statement of the law regarding lack of exclusivity over part of a registered trademark:

“14. It is true that where a distinctive label is registered as a whole, such registration cannot possibly give any exclusive statutory right to the proprietor of the trade mark to the use of any particular word or name contained therein apart from the mark as a whole. As said by Lord Esher in *Pinto v. Badman* [8 RPC 181 at p 191]:

“The truth is that the label does not consist of each particular part of it, but consists of the combination of them all”.

28. This, therefore, again underscores the anti-dissection principle.

***J.R. Kapoor*²¹**

29. ***J.R. Kapoor*²¹** involved a suit by M/s Micronix India (“Micronix” in short) against J.R. Kapoor, alleging infringement, by the latter, of the logo “M” and the trademark “Micronix”. Micronix alleged infringement, by J.R. Kapoor, by using the mark “M” and the

trade name “Microtel”. Injunction was granted, against J.R. Kapoor, by the learned Single Judge as well as the Division Bench of the High Court. The Supreme Court held, *apropos* the alleged infringement by use of the logo “M”, that the “M” logo of J.R. Kapoor and Micronix were visually completely distinct and different, with no possibility of confusion between the two. The more important finding of the Supreme Court, insofar as the present controversy is concerned, is, however, with respect to the challenge to the use of the mark “Microtel” by J.R. Kapoor. On this, the Supreme Court held thus:

“6. Firstly, the appellant is not manufacturing any one product such as the boosters, which has been mainly taken into consideration by the High Court. He is producing various electrical and electronic apparatus in many of which micro-chip technology is used. Even the boosters which he manufactures and sells are of two types, viz, transistorised boosters and Integrated Circuit boosters whereas the respondent- plaintiff manufacturers aerial boosters only of the first type. Thus micro-chip technology being the base of many of the products, the word 'micro' has much relevance in describing the products. Further, the word 'micro' being descriptive of the micro technology used for production of many electronic goods which daily come to the market, no one can claim monopoly over the use of the said word. Anyone producing any product with the use of micro chip technology would be justified in using the said word as a prefix to his trade name. What is further, those who are familiar with the use of electronic goods know fully well and are not only likely to be misguided or confused merely by, the prefix 'micro' in the trade name. Once, therefore, it is held that the word 'micro' is a common or general name descriptive of the products which are sold or of the technology by which the products are manufactured, and the users of such products are, therefore, not likely to be misguided or confused by the said word, the only question which has to be *prima facie* decided at this stage is whether the words 'tel and 'nix' in the trade names of the appellant and the respondent are deceptive for the buyers and users and are likely to misguide or confuse

them in purchasing one for the other. According to us, phonetically the words being totally dissimilar are not going to create any such confusion in the mind of the users. Secondly, even the visual impression of the said two trade names is indifferent.”

The Supreme Court, therefore, held that no exclusivity to be claimed in respect of the “micro” prefix in the two trademarks and that the comparison could, therefore, only be made between the remainder of the said marks i.e. “nix” in the case of Micronix and “tel” in the case of J.R. Kapoor. These being wholly dissimilar, the Supreme Court rejected the allegation of infringement.

30. Here, therefore, while holding that the suffix “micro”, in the context of the nature of the goods of the plaintiff and defendant, was descriptive in character, went on to hold that no case of infringement was made out, as the remainder of the two marks, i.e. “nix” and “tel” were wholly dissimilar.

Amritdhara Pharmacy⁴⁵

31. Satya Deo Gupta (“SDG” in short), the respondent in this appeal before the Supreme Court, applied for registration of “Lakshmandhara” as a tradename for a biomedical preparation, under Section 14 of the erstwhile Trade Marks Act, 1940. The application was opposed by the appellant Amritdhara Pharmacy (“AP”, in short), which manufactured and sold “Amritdhara”, a similar medicinal preparation, on the ground that, owing to the commonality of the suffix “dhara”, the product of SDG, which was of the same nature as that of

AP, could easily be passed off as the product of AP. The Supreme Court, *after holding that “the use of the word ‘dhara’ which literally means ‘current or stream’ (was) not by itself decisive of the matter”*, went on to hold, nevertheless, that “the overall structural and phonetic similarity” between the names ‘Amritdhara’ and ‘Lakshmandhara’, used in respect of identical products, was likely to cause confusion. The Supreme Court also reiterated the anti-dissection principle, from the point of view of the customer, by observing that “an unwary purchaser of average intelligence and imperfect recollection would not, as the High Court supposed, split the name into its component parts and consider the etymological meaning thereof or even consider the meaning of the composite words as “current of nectar” or “current of Lakshman”.”

Judgements of Division Benches of this Court

32. *South India Beverages²* and *P.K. Overseas Pvt. Ltd. v. Bhagwati Lecto Vegetarians Exports Pvt. Ltd⁵⁴*, both authored by Pradeep Nandrajog, J. (as he then was) lucidly explained the interplay between the anti-dissection and the “dominant or essential feature” principles.

33. *South India Beverages²* involved the issue of whether the use of the brand name “D’DAAZS”, by the appellant South India Beverages (“SIB” in short) infringed the trademark “HAAGEN –

⁵⁴ 2016 SCC OnLine Del 5420

DAZS” of the respondent General Mills Marketing Inc. (“GMM” in short), when used in the context of identical goods, i.e. ice-cream. This Court, in an incisively reasoned opinion, deftly counter balanced the “anti dissection” principle with the “dominant mark” test while dealing with infringement actions. The general principle in the case of composite trademarks – which also emanates from Section 17 of the Act – it was observed, was that the mark was required to be considered as a whole, as, in the absence of separate registration of any individual part of the mark, the proprietor could not claim exclusivity over any such individual part. This “anti-dissection” rule, it was held, required Courts to “consider the composite marks in their entirety as an indivisible whole rather than truncating or dissecting them into its (*sic* their) component parts and make comparison with the corresponding parts of original mark to determine the likelihood of confusion”. It was observed that this was founded on the basic reality that an ordinary prospective buyer would be impressed by the composite mark as a whole and not by its component parts. The following passage from McCarthy on Trademarks and Unfair Competition, as earlier cited by this Court in *Stiefel Laboratories v. Ajanta Pharma Ltd*⁵⁵, and which represents a classic exposition of the law in this regard, was relied upon:

“23.15 Comparing Marks: Differences v. Similarities

[1] The Anti-Dissection Rule

[a] Compare composites as a Whole: Conflicting composite marks are to be compared by looking at them as a whole, rather than breaking the marks up into their

⁵⁵211 (2014) DLT 296


component parts for comparison. This is the “anti dissection” rule. The rationale for the rule is that the commercial impression of a composite trademark on an ordinary prospective buyer is created by the mark as a whole, not by its component parts. *However, it is not a violation of the anti-dissection rule to view the component parts of conflicting composite marks as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole.* Thus, conflicting marks must be compared in their entireties. A mark should not be dissected or split up into its component parts and each part then compared with corresponding parts of the conflicting mark to determine the likelihood of confusion. It is the impression that the mark as a whole creates on the average reasonably prudent buyer and not the parts thereof, that is important. As the Supreme Court observed:

“The commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety.” The anti-dissection rule is based upon a common sense observation of customer behavior: the typical shopper does not retain all of the individual details of a composite mark in his or her mind, but retains only an overall, general impression created by the composite as a whole. It is the overall impression created by the mark from the ordinary shopper's cursory observation in the marketplace that will or will not lead to a likelihood of confusion, not the impression created from a meticulous comparison as expressed in carefully weighed analysis in legal briefs. In litigation over the alleged similarity of marks, the owner will emphasize the similarities and the alleged infringer will emphasize the differences. The point is that the two marks should not be examined with a microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity are more important than minor points of difference. A court should not engage in “technical gymnastics” in an attempt to find some minor differences between conflicting marks.

However, where there are both similarities and differences in the marks, there must be weighed against one another to see which predominate.

The rationale of the anti-dissection rule is based upon this assumption: “An average purchaser does not retain all the details of a mark, but rather the mental impression of the mark creates in its totality. It has been held to be a violation of the anti-dissection rule to focus upon the “prominent” feature of a mark and decide likely confusion solely upon that feature, ignoring all other elements of the mark. Similarly, it is improper to find that one portion of a composite mark has no trademark significance, leading to a direct comparison between only that which remains.” ”

(Emphasis supplied)

[I may observe, here, that a classic instance of a situation in which there are equally prominent similarities and differences in the competing marks, in which case the Court has to weigh them against each other, and ascertain which predominates, is to be found in the recent decision of this Court in *Britannia Industries Ltd.*³⁹ which involved competing packings, involving many prominent features, some of which were similar and others dissimilar. That situation, however, does not arise here, as the competing marks are of one word each; “PhonePe” in the case of the plaintiff and “BharatPe”, in the case of the defendant (apart from the triangular  logo used by the defendant)].

34. Having thus noted the “anti-dissection rule” and its facets, this Court went on to observe that, against this rule, the Court was also required to keep in mind the “dominant mark” test, under which, if any part of the plaintiff’s mark is found to be dominant, the Court is

required to examine whether such dominant part of the plaintiff's mark is infringed by the defendant. In doing this, it was observed, the Court did not infract the anti-dissection rule, as it identified a dominant part of the plaintiff's mark, and examined whether it was infringed by the dominant part of the defendant's mark. The marks were *per se*, therefore, dissected. This principle was briefly, stated, in Para 19 of the report in *South India Beverages*², thus:

“19. Though it bears no reiteration that while a mark is to be considered in entirety, yet it is permissible to accord more or less importance or ‘dominance’ to a particular portion or element of a mark in cases of composite marks. Thus, a particular element of a composite mark which enjoys greater prominence vis-à-vis other constituent elements, may be termed as a ‘dominant mark’.”

That application of the “dominant mark” test did not violate the “anti-dissection” rule was also thus explained in paras 21 and 23 of the report:

“21. The view of the author makes it scintillatingly clear, beyond pale of doubt, that the principle of ‘*anti dissection*’ does not impose an absolute embargo upon the consideration of the constituent elements of a composite mark. The said elements may be viewed as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus, the principle of ‘*anti dissection*’ and identification of ‘*dominant mark*’ are not antithetical to one another and if viewed in a holistic perspective, the said principles rather compliment[sic] each other.

23. It is also settled that while a trademark is supposed to be looked at in entirety, yet the *consideration of a trademark as a whole does not condone infringement where less than the entire trademark is appropriated*. It is therefore not improper to identify elements or features of the marks that are more or

less important for purpose of analysis in cases of composite marks.”

P.K. Overseas⁵⁴

35. ***P.K. Overseas Pvt. Ltd***⁵⁴ involved a challenge to the trademark “Al Salaam”, as used by the respondent Bhagwati Lecto Vegetarians Exports Pvt. Ltd. (“BLVEPL”, in short), by the appellant P.K. Overseas Pvt. Ltd. (“PK”, in short), who was the registered proprietor of the trademark “India Salaam” and “Al Habib”. The learned Single Judge rejected the prayer for injunction on the ground that the appellant did not have any registration, in its favour, for the expression “Al Salaam”. The learned Single Judge was of the opinion that it was not permissible for the plaintiff to combine parts of the registered trademark “Al Habib” and “India Salaam” and allege infringement. The Division Bench, in appeal, reiterated, in the first instance, the following passages from *Wander Ltd. v. Antox India Pvt. Ltd*⁵⁶, which set out the principles to be borne in mind while granting or refusing interlocutory injunction:

“9. Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The court, at this stage, acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated;

“...is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if

⁵⁶ 1990 Supp SCC 727

the uncertainty were resolved in his favour at the trial. The need for such protection must be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The court must weigh one need against another and determine where the 'balance of convenience' lies."

The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie case. The court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted."

36. The Division Bench found that the issue to be examined was whether the trademark "Al Salaam" was deceptively similar either to "Al Habib" or to "India Salaam". In para 18 of the report, the Division Bench reiterated the principle, enunciated by the Supreme Court in *Kaviraj Pandit Durga Dutt Sharma*¹ and *Amritdhara Pharmacy*⁴⁵ as well as by the earlier Division Bench of this Court in *Amar Singh Chawal Wala v. Shree Vardhman Rice & General Mills*⁵⁷ (to which I would allude later) that, in the case of infringement, "if the essential features of a trademark of the plaintiff have been adopted by the defendant the fact that the get up, packing and other writing or marks on the goods or on the packets in which defendant offers his goods for sales show marked differences or indicate clearly a trade origin different from that of the registered proprietor of the mark, would be

⁵⁷ ILR (2009) VI Delhi 399

immaterial”. Para 20 of the report relied on the earlier decision of the Division Bench of this Court in *South India Beverages*², to reiterate the manner in which the anti-dissection rule and dominant mark test were to be harmoniously applied to examine a case of alleged infringement. On this basis, the Division Bench went on to hold that, as the word “India” and “Salaam” were both dominant parts of the composite trademark “India Salaam”, the trademark “Al Salaam” was *prima facie* infringing in nature.

37. *South India Beverages*² and *P.K. Overseas*⁵⁴, therefore, clearly hold that, even while a trademark is not to be dissected into parts, and the parts compared with corresponding parts of the allegedly infringing trade mark in order to assess the existence of infringement, nonetheless, if a “dominant part” or “essential feature” of the plaintiff’s mark is imitated by the defendant, the Court may legitimately examine whether, by such imitation, infringement has taken place.

Kirorimal Kashiram Marketing & Agencies Pvt. Ltd. v. Shree Sita Chawal Udyog Mill⁵⁸

38. *Kirorimal Kashiram Marketing*⁵⁸ involved a challenge against the use, by the defendant/respondent Shree Sita Chawal Udyog Mill (“SSC”, in short), of the trademark “GOLDEN DEER”, which the plaintiff Kirorimal Kashiram Marketing & Agencies Pvt. Ltd. (“KKM”, in short), alleged to be deceptively similar to “DOUBLE

⁵⁸ 2010 SCC OnLine Del 2933

DEER”, which was its registered trademark. Both the marks were used in the context of rice. A learned Single Judge of this Court rejected the prayer for *ad interim* injunction. The Division Bench found the learned Single Judge to have been in an error. Observing that copying of the essential features of the plaintiff’s trade mark so as to render the marks confusingly similar would itself amount to infringement, even if the defendant’s mark was not an exact imitation of the plaintiff’s, the Division Bench held that, between KKM’s and SSC’s marks, “DEER” was the essential feature. By copying this essential feature, therefore, it was held that SSC had infringed KKM’s trade mark. The judgement also went on to expound on the value of the evidence produced by SSC to support its defence of priority of use; however, for the purposes of this order, it is not felt necessary to advert thereto.

Amar Singh Chawal Wala⁵⁷

39. ***Amar Singh Chawal Wala***⁵⁷ involved a challenge by the plaintiff Amar Singh Chawal Wala (“ASC”, in short) to the use, by the defendant Shree Vardhman Rice and General Mills (“SVR”, in short), of the trademark “HARA QILLA” or the “QILLA” device, which according to ASC, infringed the trademarks “QILLA”, “GOLDEN QILLA”, “LAL QILLA CHAPP”, “LAL QILLA” and “NEEL QILLA”, registered in favour of ASC in respect of identical goods, i.e. rice. ASC, therefore, sued for infringement. Relying on the judgments of the Supreme Court in ***Kaviraj Pandit Durga Dutt Sharma***¹ and ***Amritdhara Pharmacy***⁴⁵, this Court held that the

essential feature of the marks of both parties was the word “QILLA”. This essential feature, it was noted, had been adopted by SVR. The possibility of confusion, it was held, was exacerbated by the fact that the composite word marks of ASC consisted of the word “QILLA” preceded by different colours, i.e. “GOLDEN”, “LAL” and “NEEL”. In view thereof, it was held that there was every possibility of an unwary customer confusing “HARA QILLA” with the trademarks of ASC. Visually, too, the marks were found to be similar.

Vardhman Buildtech²⁵

40. ***Vardhman Buildtech***²⁵ was also the judgment of a Division Bench of this Court. The respondent Vardhman Properties Ltd. (VPL in short) was the plaintiff in the suit, and the appellant Vardhman Buildtech Pvt. Ltd. (VBPL in short) was the defendant. VPL was the proprietor of a registered trademark “VARDHMAN PLAZAS”, with a pictorial depiction. VBPL was also using a logo with the word “VARDHMAN” and the slogan “own your space”. Visually and pictorially, the two marks were entirely distinct and different. The learned Single Judge of this Court restrained VBPL entirely from using the mark/name “VARDHMAN” or “VARDHMAN PLAZAS”.

41. This decision was overturned by the Division Bench in appeal. The Division Bench held that that Section 15(1) of the Act entitled an applicant to claim registration either of the whole or of the part of its mark. VPL, was, therefore, it was held, entitled to seek registration of “VARDHMAN” as a separate trademark. It did not, however, do so.

In such a circumstance, Section 17 was categorical in granting exclusive rights only in respect of the registered trademark as a whole. The only exception would be where a distinctive part of the trademark was copied. “VARDHMAN”, it was held, was of a non-distinctive character, as it was one of the names of Lord Mahavira, and was used in the building trade as well as in several other business. No exclusive right could, therefore, be claimed by VPL, over the word “VARDHMAN”, merely because the entire trademark “VARDHMAN PLAZAS” was registered in its favour. The benefit of Section 29(9) of the Act, it was further held, was not available to VPL, as the word “VARDHMAN” would not be treated as a distinctive element of VPL’s trademark. What was distinctive, it was held, was the entire trademark “VARDHMAN PLAZAS”. In view thereof, the Division Bench held that the learned Single Judge was not justified in injuncting VBPL entirely from using the word “VARDHMAN”.

P.P. Jewellers²⁷

42. The appellant P.P. Jewellers Pvt. Ltd. (PPL in short), in ***P.P. Jewellers***²⁷ was a well known manufacturer of jewellery and precious metals. On the basis of continuous and extensive user of the marks “PP”, “PP Jewellers” and “PPJ”, PPJ claimed exclusivity over the trademark “PP”. PPJ had also commenced construction of a commercial complex under the name “PP Towers” using the logo “PPT” and had, therefore, applied for registration of the “PP” mark under Class 37 relating to building construction. PPJ alleged that the respondent P.P. Buildwell Pvt. Ltd. (PPB in short) was offering

commercial complexes for sale, displaying, on the facade of the complex, the letters “PP”. This, it was submitted, amounted to infringement and passing off. No allegation of infringement was raised, as PPJ’s “PP” mark was still unregistered.

43. The Division Bench of this Court held that, in order to make out a case of passing off on the basis of use, by PPB, of the mark “PP”, it was necessary for PPJ to establish exclusivity in the said mark, as the registered logo of PPJ was not “PP”, but “PPJ”. Relying on the judgment of the Supreme Court in *Reliance Industries Ltd. v. Reliance Polycrete Ltd*⁵⁹, the Division Bench held that the business activity of PPB and PPJ being completely different, and the properties being sold by them being highly expensive, there was little likelihood or confusion or deception.

Madhubhan Holiday Inn v. Holiday Inn Inc⁶⁰

44. In *Madhubhan Holiday Inn*³⁸, the respondent Holiday Inn Inc., which was registered in the USA and had acquired global reputation in the hospitality industry, sued the appellant M/s Madhubhan Holiday Inn for using the words “Holiday Inn” on its visiting cards, menu cards, stationery and other printed materials relating to its lodging and restaurants, towels, crockery, cutlery etc. A defence was sought to be taken, by the appellant Madhubhan Holiday Inn, that the words “Holiday Inn” were descriptive in nature and that, therefore, no

⁵⁹ 1997 PTC (17) 581

⁶⁰ 2002 (100) DLT 306 (DB)

exclusivity could be claimed in respect thereof. The Division Bench of this Court repelled the contention, holding that the words “Holiday Inn” were not dictionary words, and had been coined by the respondent Holiday Inn Inc. as descriptive of the business only of the respondent. (Apparently, what the Division Bench was intending to hold was that the expression “Holiday Inn” was not descriptive as generally understood.) Para 48 of the report is more significant, as, relying on an earlier decision of this Court in *Tata Iron & Steel Co. v. Mahavir Steels*⁶¹, the submission, of the appellant Madhubhan Holiday Inn, to the effect that the words “Holiday Inn” had been used by many, was repelled in the following words:

“48. In *Tata Iron and Steel Co. (supra)*, it has been aptly observed by this Court that *an imitation remains an imitation whether it is done by many. It acquires no legitimacy*. Moreover, the respondent has taken actions against others also.

(Emphasis supplied)

45. This decision, again, recognizes the principle that no exclusivity can be claimed over a descriptive mark, though it finds, on facts, that “Holiday Inn” could not be regarded as descriptive.

*Marico*²⁹

46. In *Marico*²⁹, the registered trade marks of the appellant-plaintiff Marico Ltd (“Marico”, hereinafter) were “LOSORB” and “LO-SORB”, under which trademarks oil, ghee, etc. were manufactured and sold. The trademark of the defendant was “LOW ABSORB”, and

⁶¹ 1992 SCC OnLine Del 122

was also used in connection with edible oil. In either case, the use of the expression was intended to emphasise the fact that, when used for frying, the oil/ghee, the degree of absorption of the oil/ghee, in the foodstuff concerned, would be low. The Division Bench first noted the judgement of this Court in *Cadila Healthcare*⁸, which rejected the claim to infringement of the trademark “Sugar Free”, on the ground that the trademark was generic and descriptive in nature. Following the said decision, the Division Bench held that the expression ‘LOW ABSORB’ was, like ‘Sugar Free’, not an unusual juxtaposition of words, as to take away the descriptive nature of the expression. The phrase ‘LOW ABSORB’, when used in the context of edible oil, it was held, indicated that the oil would not be significantly absorb the food item and was, therefore, descriptive of the nature and character of the oil. Relying especially on Sections 9 (1)(b) and 30(2)(a) of the Act, the Division Bench held that Marico could not claim exclusivity over the expression ‘LOW ABSORB’.

47. Having expressed this opinion, the Division Bench adverted to the proviso to Section 9, which relates to the absolute bar against registration of descriptive marks, where the marks had acquired distinctiveness. In this context, the Division Bench opined that “it is only when cancellation proceedings achieve finality of the same being finally dismissed can it be said that a mark for which ordinarily there is an absolute ground for refusal of registration that it has acquired a distinctive character i.e. a secondary meaning or is a well-known trademark”. The Division Bench went on (in para 14 of the report *et seq.*) to address the issue of “whether in spite of the trademark of the

appellant 'LOW ABSORB' being the descriptive trademark, ... the appellant (had) established its case at this interlocutory stage of its trademark becoming so distinctive that it can claim exclusive right and monopoly in the same by virtue of the proviso to Section 9. This, observed the Division Bench, led to the issue of "the meaning to be ascribed to the expression 'distinctive' as found in the proviso to Section 9". The second issue, observed the Division Bench, was whether the trademark of Marico had, in fact, become "distinctive". Paras 15 and 17 of the report went on to classically explain the concept of "distinctiveness" and acquisition of secondary meaning, as creating an exception to the concept of non-exclusivity of descriptive marks, thus:

"The word 'distinctive' is not directly defined in the Act. However meaning of distinctive is indicated in the definitions of 'trade mark' [Section 2(zb)] and 'well known trade mark' [Section 2(zg)]. The word has been explained in a plethora of judgments. *Distinctive has been explained to mean such use of the trade mark with respect to the goods of a person that the public will immediately and unmistakably co-relate the mark with the source or a particular manufacturer/owner thereof.* The real issue which however arises is what should be the meaning of the expression 'distinctiveness' in the situation when the trade mark is a word mark of descriptive nature. *When a trade mark, which is a word mark, is arbitrarily adapted and is such having no co-relation to the goods in question, then in such a case distinctiveness is achieved by normal and ordinary use of the trade mark with respect to the goods and it has been repeatedly held that such trade mark is entitled to the highest degree of protection. However this is not and cannot/should not be so for a trade mark which is a descriptive word mark.* Some colour has to be taken for the word 'distinctive' as found in the proviso to Section 9 from the expression 'well known trade mark' which follows the distinctiveness aspect as found in the said proviso. *Courts should ordinarily lean against holding distinctiveness of a descriptive trade mark unless the user of such trade mark*

is over such a long period of time of many many years that even a descriptive word mark is unmistakably and only and only relatable to one and only source i.e. the same has acquired a secondary meaning. A case in point is the use of 'Glucon-D' for 60 years in the recent judgment in the case of **Heinz Italia v. Dabur India Ltd., (2007) 6 SCC 1**. A period of 60 years is indeed a long period of time and thus distinctiveness of the descriptive word mark used as a trade mark was accepted, *albeit* in a tweaked form of the normal descriptive word 'Glucose'. Therefore, when the descriptive trade mark is used only by one person undisturbed for a very long period of time, without anyone else attempting to use the trade mark during this long period time, a case can be established of a descriptive word having achieved distinctiveness and a secondary meaning.

17. Ultimately everything will turn on the facts of each individual case and in some cases the facts may be wholly clear even at the interim stage of deciding an interlocutory application, in other cases (which are bound to be in a majority) a decision on distinctiveness can only be made after evidence is led by the parties. This is also so held by the Supreme Court in the 'Super Cup' case **Godfrey Philips India Ltd. v. Girnar Food & Beverages (P) Ltd., (2004) 5 SCC 257** that distinctiveness is an issue to be established or examined in the facts of each particular case *i.e.* the evidence has to be evaluated in the facts of each individual case."

(Italics and underscoring supplied)

48. In my respectful opinion, the afore extracted passage posits the exact legal position, regarding availability of a plea of infringement even in respect of descriptive marks, where the mark has acquired distinctiveness and a secondary meaning. It is important to note that acquisition of a secondary meaning is not to be readily assumed. The Division Bench clearly held that, ordinarily, Courts should lean against holding that the descriptive trademark has become distinctive

or has acquired a secondary meaning, and that such a conclusion would be justified only where the trademark has been used for such a long period of time “of many many years” that “the mark is unmistakably and only and only relatable to one and only source”. The word “only”, be it noted, has been used not once, but thrice. The Division Bench went on to make its meaning further clear by observing that, in the majority of cases, a decision on distinctiveness could be made only after evidence was led by the parties. With profound respect, I entirely agree with this enunciation of the law.

49. The Division Bench, applying the above principle, held that the expression ‘LOW ABSORB’, being a mere descriptive expression, describing the characteristics of the oil, was not entitled to exclusivity, so as to render the defendant guilty of infringement on using the said expression. Thereafter (in para 30 of the report), this Court went on to “examine the issue whether the expressions ‘LOSORB’ or ‘LO-SORB’ had achieved a secondary meaning even if ‘LOW ABSORB’ may not have, and held, significantly, thus:

“We will now examine the issue whether the expressions “LOSORB” or “LOSORB” have achieved a secondary meaning even if “LOW-ABSORB” may not have. On this aspect one immediately feels that it is an aspect of concern with respect to the claim of the plaintiff that *if partly tweaked descriptive words and expressions of English language are claimed to be coined words, the same would result in a grave and absurd situation because a non-tweaked word being a completely descriptive word will in fact be deceptively similar to the tweaked descriptive English language word or expression of which registration is obtained. Meaning thereby that because of success in getting registered a minor modification of a descriptive word or expression of the English language, a person who gets registration can prevent*

a purely descriptive use of a normal word or expression as found in English language dictionary on the ground that it would be identical with or deceptively similar to a registered trade mark—a position which is found in the present case. Such a position, in our opinion, cannot at all be countenanced and must be struck down with a heavy hand.”
(Emphasis supplied)

Additionally, therefore, *Marico*²⁹ is an authority for the proposition that exclusivity, over a descriptive word, cannot be claimed by merely tweaking its spelling.

Judgements of learned Single Judges of this Court

*Ansul Industries*⁵

50. *Ansul Industries*⁵ (authored by Sanjiv Khanna, J. as he then was) contains various significant statements of the law. Para 7 of the report, relying on the earlier decision in *Anglo-Dutch Colour & Varnish Works Pvt. Ltd. v. India Trading House*⁶², enumerated the following principles for comparing two marks:

(i) The question whether the two marks are so similar as likely to cause confusion or deceive is one of the first impression. It is for the court to decide this question.

(ii) The question has to be approached by applying the doctrine of fading memory, i.e., from the point of view of a man of average intelligence having imperfect recollection.

(iii) Whether the overall visual and phonetic similarity of the two marks is likely to deceive such man or cause confusion that he may mistake the goods of the defendant for those of the plaintiff.

⁶² AIR 1977 Delhi 41

- (iv) The other questions are:—
- (i) Who are the persons who are likely to be deceived, and
- (ii) What rules of comparison are to be adopted in judging whether such resemblance exists.”

51. Para 12 reiterated the principle that the question of confusion could not be decided by keeping the marks side by side and noting similarities and differences, but was required to be examined from the commercial point of view, tested on the basis of the mind of the average purchaser. Para 14 of the report, dealing with the competing marks before the Court in that case, namely “Udta Panchhi” and “Panchhi Chaap”, used in the context of chewing tobacco, emphasized the “dominant mark test” in the following words:

“Chewing tobacco is used by illiterate and semi literate consumers. We have to examine the question of deception or confusion or likelihood thereof, from the eyes of the said consumers. *The word “Panchhi” in the mark ‘Udta Panchhi’ and ‘Panchhi Chaap’ enjoy prominence and is the focal point of the two marks. Colour of the packing may be different but likelihood of deception and confusion is likely to result due to phonetic similarity and the use of the word “Panchhi” in both the marks. The shop keepers selling chewing tobacco in many cases will be illiterate or semi literate. Invariably customers ask for product of this kind by its name “Panchhi”. Some consumers are also likely to believe that the two products are from the same source. Picture of the flying bird is another essential feature of the two marks, which is common to both. Thus, there cannot be any doubt that deception or confusion is likely to arise in view of the similarity in the trade mark ‘Udta Panchhi’ and ‘Panchhi Chaap’.*”

(emphasis supplied)

52. *Ansul Industries*⁵, therefore, is yet another decision which highlights the “dominant part” or “essential feature” test, *in respect of a part of the competing marks, thereby again illustrating the counterbalance between the “anti-dissection” and “dominant part” tests*. The word “Panchhi” and the picture of the flying bird were held, by the Court, to be common essential features of the two competing marks, resulting in likelihood of confusion.

Rich Products Corpn²²

53. *Rich Products Corpn*²² involved a challenge, by the plaintiff Rich Products Corporation (“RPC” in short) as the registered proprietor of the trademark “RICH’S WHIP TOPPING”, of infringement, by the plaintiff, by use of the trademark “WHIP TOPPING”. This Court held that the expression “WHIP TOPPING” had become descriptive in respect of the goods in which RPC and Indian Nippon Foods (“INF” in short) dealt, which were whipped cream. It was held, therefore, that no exclusivity could be claimed over the descriptive word contained in the trademark of the plaintiff. In this context, this Court also noted the fact that “WHIP TOPPING” itself was not a registered trademark. Observing that it was not permissible to dissect the trademark “RICH’S WHIP TOPPING”, which has to be taken as a whole, and “WHIP TOPPING” being descriptive in nature, did not lend itself to a claim of exclusivity, this Court held the distinctive feature, in the two marks, to be “RICH’S” in the case of RPC and “BELLS” in the case of INF. These two distinctive features being completely dissimilar in nature, and the

manner in which they were presented also being distinct and different, the plea of infringement and passing off was rejected.

54. This decision, therefore, proceeded on the basis of three principles, viz. (i) that the competing marks could not be dissected, i.e. the anti-dissection rule, (ii) that the plaintiff could not claim infringement on the basis of similarity of part of the registered trade mark which had itself not been separately registered, and (iii) that the dominant parts of the competing marks were dissimilar.

Anil Verma¹⁸

55. In *Anil Verma*¹⁸, the plaintiff was using the marks “CASH FOR GOLD”, “WE BUY GOLD” and “GOLD BUYERS”, in respect of its business in gold and precious metals. It claimed infringement, by the use, by the defendant M/s R.K. Jewellers (“RKJ” in short), of the marks “24 Karat Cash for Gold”, “Sona Do Paise Lo”, “24 Karat Cash for Gold”, “Cash for Gold” and “We buy Gold, Silver, Diamonds”.

56. RKJ opposed the challenge on the ground that plaintiffs marks were descriptive/generic and that, therefore, exclusivity could not be claimed by the plaintiff therein. After observing, following its earlier decisions in *Automatic Electric*¹⁴ and *Indian Hotels*¹⁵, that RKJ was estopped from contending that plaintiff’s marks were generic, as it had applied for registration of similar mark, this Court held, on merits of the stand of RKJ, that the descriptive nature of a mark was to be decided by applying the “degree of imagination test” and the

“competitors need test”. These tests, it was held, were inversely proportional to each other. Applying these tests, it was held that the court was required to adjudicate, in each case, whether a particular mark describes the quality or characteristic of a product or service, or was merely suggestive thereof. Where trial was required to arrive at a decision in this regard, the court held that the decision would tilt in favour of the plaintiff. Applying these tests, the court held that the expression “Cash for Gold” and “Gold Buyers” could not be regarded as descriptive of the plaintiff’s business, as they did not describe, fully, the complete range of services provided by the plaintiff and could, at worst, be regarded as suggestive thereof.

57. The Court, in this case, therefore, proceeded on the basis of the distinction between “descriptive” and “suggestive” marks, though there are other decisions which hold that this distinction is often difficult to make out.

58. Mr Mehta sought to place reliance on the observation, in this decision, that the defendant was estopped from contending that the plaintiff’s mark was generic or descriptive, as it had applied for registration of a similar mark. There are two reasons why this observation, though it unquestionably finds place in the judgement, cannot help Mr Mehta’s client. Firstly, even if the defendant were to be estopped taking such a defence, the Court, adjudicating the claim of infringement, cannot ignore either Section 9(1)(b) (which prohibits registration of descriptive trade marks) or 30(2)(a) (which postulates that there can be no infringement of a descriptive trade mark), which

are in the nature of statutory interdictions. Secondly, the defendant, in the present case, has applied for registration of the *entire* 'BharatPe' mark, and not merely of the suffix 'Pe'. No plea of estoppel can, therefore, inhibit the defendant from contending that the suffix 'Pe' is generic and descriptive in nature.

Info Edge⁹

59. *Info Edge⁹* involved the domain names 'naukri.com' of the plaintiff and 'naukari.com' of the defendant. The plaintiff and the defendant were both operating websites, for prospective job-seekers, using the aforesaid domain names. The defendant sought to contend that, as the word "*naukri*" was the vernacular for "employment", it was descriptive and generic in nature, and that the plaintiff could not, therefore, claim exclusivity therein. Observing that exclusivity could be claimed, even in respect of generic marks, where, by dint of continued use and reputation, the mark had indelibly become associated with the goods or services of the plaintiff and had, thereby, acquired a secondary meaning, the learned Single Judge of this Court held that the plaintiff had been able to make out a prima facie case of the domain name 'naukri.com' having acquired a secondary meaning and having become inalienably associated with the business of the plaintiff.

60. This decision, therefore, underscores the legal position that exclusivity may be claimed, even in respect of a descriptive mark, where the mark has acquired secondary meaning, i.e. where the mark

has become indelibly associated with the goods or services provided by the plaintiff.

Delhivery³⁰

61. The plaintiff, in this case (which would be referred to, hereinafter, as “DPL”) was providing logistics, transportation and management services using the registered trademark ‘DELHIVERY’ since 2011. DPL claimed that, by dint of continuous and extensive user, the trademark ‘DELHIVERY’ had come to be exclusively associated with it and the services it provided. The defendant (“TVV”, in short) was providing identical services using the trademark ‘DELIVER-E’. Visually, DPL’s and TVV’s logos were markedly different. DPL alleged infringement on the ground that the TVV’s mark was deceptively similar to its own. This Court held that the very contention of DPL, that the mark ‘DELIVER-E’ was similar to ‘DELHIVERY’ indicated that DPL was relating its ‘DELHIVERY’ mark to the generic word “delivery” which, given the nature of the services offered by DPL and TVV, was descriptive in nature, incapable of being registered as a trademark. The principle, earlier enunciated in *Marico*²⁹, that, by tweaking a generic or descriptive word, the plaintiff could not seek to claim exclusivity therein, was reiterated. The phonetic similarity between ‘DELHIVERY’ and ‘DELIVER-E’ was also relied upon, in this context, in paras 65 and 66 of the report, which read thus:

“65. The above submissions of Mr. Grover are contradictory and not appealing. This I say so, being a coined

mark 'DELHI' 'VERY' and not the generic word 'delivery', there can't be any comparison with the mark 'DELIVER-E' as the origin of the marks are different. But *the fact, Mr. Grover's submission is that the mark 'DELIVER-E' is deceptively similar to the plaintiff's mark 'DELHIVERY' it becomes clear that the attempt of Mr. Grover is to relate the plaintiff's mark to the generic word 'delivery', which is a simple English dictionary word meaning of which is 'the act of taking goods, letters etc to the people they have been sent'. In fact, the services so offered, are for delivery of goods ordered by consumers from e-commerce websites, so the mark signifies such services. Further, the mark 'DELHIVERY' if pronounced in a routine manner shall mean 'delivery' and being a generic word, cannot be registered as a trademark.*

66. *The attempt of the plaintiff is to tweak the word in the English language, which is clearly impermissible. Similar is the position with regard to the mark 'DELIVER-E' coined by the defendant, which also if pronounced in a routine manner means 'delivery'. In fact, Mr. Lall concedes to the fact that the underlying word in both the marks is the dictionary word 'delivery'. The plea that the pronunciation is different cannot be accepted. The plaintiff and defendant had only added/substituted one alphabet each to their marks to contend that the pronunciation is different. The plaintiff has added the alphabet 'H' in the word 'delivery' and the defendant has replaced the alphabet 'Y' with 'E'. In any case, the marks phonetically are the generic English word 'delivery'. The position of law is well settled that a generic word cannot be registered, that is, a generic word cannot be appropriated by one party to the exclusion of others."*

(Emphasis supplied)

62. As in the case of *Marico*²⁹, this Court, in *Delhivery*³⁰, too, noted the fact that DPL's trademark was merely a tweaked version of the generic expression "delivery", even while retaining its phonetic integrity. No exclusivity could be claimed, in such a tweaked generic Mark.

63. One of the contentions advanced on behalf of the plaintiff, before this Court, in *Delhivery*³⁰, was that the mark “DELHIVERY” was not *descriptive*, but was merely *suggestive* in nature. Though no such specific contention was advanced, before me, in the present case, by Mr. Mehta, it is instructive to note the manner in which this contention was dealt with. This Court referred to the following definition of “suggestive marks”, as contained in the judgement of a coordinate Single Bench of this Court in *Teleecare Network India Pvt Ltd v. Asus Technology Pvt Ltd*⁶³:

“The category of suggestive marks refers to those marks which are neither exactly descriptive on the one hand, not truly fanciful on the other. A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of the goods.”

Thus, in *Bata India Ltd v. Chawla Boot House*⁶⁴, it was held that the mark ‘POWER’, when used in the context of footwear, was merely suggestive in nature, and not descriptive, as it was not “immediately connectable to footwear”. The plea of “suggestiveness”, as opposed to “descriptiveness”, as advanced in *Delhivery*³⁰ was, however, rejected by holding that no imagination, thought and perception, was required to connect the mark ‘DELHIVERY’ to delivery services provided by DPL, inter alia for the reason that the words were phonetically identical.

⁶³ 262 (2019) DLT 101

⁶⁴ 259 (2019) DLT 292

***Big Tree Entertainment*³⁴ and *Bharat Biotech International*³⁵**

64. Both these decisions, by learned Single Judge's of this Court, held that the issue of whether a descriptive mark had attained distinctiveness, or had acquired a secondary meaning, was a matter of evidence, which could be asserted only during trial.

Judgements of other Courts

***James Chadwick*³**

65. In *James Chadwick*³, a decision of the High Court of Bombay and authored by none less than Chagla, C.J., the plaintiff had been using, for over 50 years, two trademarks, in respect of which infringement was alleged. One bore the legend "Eagley Sewing Machine Thread", with the representation of an eagle, whereas the second trademark merely contained the representation of an eagle without any writing. The trademark of the respondent before the High Court, which was alleged to be infringing in nature, contained the representation of a bird of prey, with the legend "Peerless Quality Vulture Brand Reel Thread" and the name of the respondent company.

Chagla C.J. classically expounded the law in the following passages:

"Now, in deciding whether a particular trade mark is likely to deceive or cause confusion, it is not sufficient merely to compare it with the trade mark which is already registered and whose proprietor is offering opposition to the registration of the former trade mark. What is important is to find out what is the distinguishing or essential feature of the trade mark already registered and what is the main feature or the main

idea underlying that trade mark, and if it is found that the trade mark whose registration is sought contains the same distinguishing or essential feature or conveys the same idea, then ordinarily the Registrar would be right if he came to the conclusion that the trade mark should not be registered. The real question is as to how a purchaser, who must be looked upon as an average man of ordinary intelligence, would re-act to a particular trade mark, what association he would form by looking at the trade mark, and in what respect he would connect the trade mark with the goods which he would be purchasing. It is impossible to accept that a man looking at a trade mark would take in every single feature of the trade mark. The question would be, what would he normally retain in his mind after looking at the trade mark? What would be the salient feature of the trade mark which in future would lead him to associate the particular goods with that trade mark? In this case, fortunately, we have no difficulty in deciding what is the distinguishing or essential feature of the trade mark of the appellants. As we said before, it is on record that the goods sold under this trade mark are well known and commonly asked for as 'Eagley' or 'Eagle' and therefore the particular feature of the trade mark of the appellants by which the goods are identified and which is associated in the mind of the purchaser is the representation of the Eagle appearing in the trade mark. Therefore the very narrow question which arises in this appeal is whether the trade mark sought to be registered by the respondents does contain a similar or identical distinguishing or essential feature. If it does, if the trade mark conveys 'the idea of an Eagle and if an unwary purchaser is likely to accept the goods of the respondents as answering the requisition for Eagle goods, then undoubtedly the trade mark of the respondents is one which would be likely to deceive or cause confusion.

The learned Judge below in a very careful judgment has meticulously examined the points of similarity and dissimilarity between the trade mark of the appellants and the trade mark of the respondents, and he has come to the conclusion that the points of difference are so numerous and the points of similarity so few that in his view there was no such resemblance as was likely to cause confusion. With very great respect, in our opinion, that was not the correct approach to the matter. What the learned Judge should have done was

not to keep these two trade marks before him and to find out how they differ and how little they resemble; what he should have done was to decide for himself what was the distinguishing or essential feature of the appellants' trade mark, and then, looking at the trade mark of the respondents, to ask himself whether there was any resemblance in the trade mark of the respondents to that distinguishing or essential feature. It is true, as pointed out by the learned Judge, that the bird appearing in the respondents' trade mark is different in its posture, in its poise in the position of its head, and in the spreading of its wings from the bird that appears in the trade mark of the appellants. But that is hardly the question. The question is whether the bird in the respondents' trade mark is likely to be mistaken by an average man of ordinary intelligence as an Eagle, and, as we said before, whether, if he asked for Eagle goods and he got goods bearing this trade mark of the respondents, he would reject them saying, "This cannot be an Eagle; I asked for Eagle goods and the bird I see before me is anything but an Eagle." The learned Judge has very frankly stated in his judgment that he is not an ornithologist. My claims to be considered that are even more slender, and I have no pretensions whatever of being able to distinguish an Eagle from a bird which is not an Eagle or indeed one bird from another. But in this case, fortunately, it is not necessary to give a judicial pronouncement as to whether the bird appearing in the respondents' trade mark is or is not an Eagle, because the pronouncement has been given by the respondents themselves, and no pronouncement can be more weighty than the pronouncement of the party who applies for the trade mark. As we said before, for two years prior to the application for registration, the respondents described this particular bird as an Eagle and called their brand Eagle Brand. Mr. Desai says that was due to an honest and *bona fide* mistake. But Mr. Desai's clients have not the monopoly of making honest and *bona fide* mistakes. If an honest and *bona fide* was possible in the case of the respondents, surely a similar mistake can take place and is more likely to take place in the case of people who come from a more humble and ordinary status of life. Therefore, if there is a possibility of a mistake, if there is a likelihood of this bird being mistaken or accepted as an Eagle, that possibility itself is sufficient to entitle the Registrar to say that this trade mark is likely to deceive or cause confusion."

These passages, in my respectful opinion, capture, in quintessence, the “dominant mark” principle.

Superfil Products²⁰

66. ***Superfil Products***²⁰ was the judgment of a learned Single Judge of the High Court of Madras. Mr. Pachnanda relies on paras 12 and 13 of this decision. The plaintiff Superfil Products Ltd (“SPL” in short), was the registered proprietor of the trade name “SUPERFIL” and the trademark “SUPERLINE”, with certain pictorial depictions. The plaintiff’s trademark had the picture of elephant, whereas the defendant’s trademark had the device of two elephants facing each other. The plaintiff was aggrieved by the use of the word, “SUPER” by the defendant and the use of the elephant device. These, it was sought to be contended, would create confusion in the mind of a customer. The High Court held that there was no similarity between the plaintiff’s “SUPERLINE” and the defendant’s “SREEMA LINES” marks and that it would not be permissible to split up the marks and compare corresponding parts. This principle of anti-dissection stands recognized by various other authorities and, therefore, it is not necessary to dilate further on this decision.

Pidilite Industries¹⁰

67. This was a passing off action, brought by Pidilite Industries Ltd (“PIL”, in short) against the defendant Vilas Nemichand Jain (“VMJ”,

in short). Both plaintiff and defendant were using the same mark – ‘LEAKGUARD’, in relation to solvent segments and similar chemicals and compounds. PIL claimed prior user since 1999. VMJ claim user since April 2005, and also claimed that the evidence of use of, by PIL, between 2001 and 2000 date was scanty. VMJ applied for registration of the trademark ‘LEAKGUARD’ on 16th February, 2008, claiming user from 2000, and later moved an application to amend the claim of user from 1st April, 2005. PIL applied for registration of a label mark, including the expression ‘LEAKGUARD’ on 16th December, 2008. Both marks were, therefore, unregistered. PIL brought an action for passing off, against VMJ. VMJ submitted, in defence, that the term ‘LEAKGUARD’ was descriptive in nature and that, therefore, in order to maintain an action for passing off, PIL would have to show that its mark had acquired secondary meaning. The High Court accepted this submission, observing, by placing reliance on the judgement of the Supreme Court in *Godfrey Philips*⁷, that “a descriptive trademark may be entitled to protection if it has assumed a secondary meaning that identifies it with a particular product or is being of a particular provenance”. The High Court also quoted, with approval, Kerly on Trade Marks which held, on the aspect of acquisition of a secondary meaning, that (i) “the extent to which the mark has lost its primary signification and the extent to which it has acquired a secondary signification are matters of inference to be drawn from the evidence before the Tribunal”, (ii) “what is required to be proved ultimately is that the goods bearing the mark had come to be identified with the applicant’s goods exclusively, as on the date of the application, and are likely to be so identified in

the future, among the substantial number of consumers of the goods” and (iii) “it is sufficient if the market indicates to them that the goods on which it is seen emanate from a particular trade source”. Paras 17 and 18 of the report went on to hold thus:

“17. Therefore, mere evidence of extent of use – invoices, financial figures of sales and so on – might perhaps show use or even increased use. But something more is necessary to show that the use is such that the mark has become distinctive. As the commentary says, use itself does not equal distinctiveness. In the context of a descriptive mark even extensive use is insufficient and what is required, as is borne out by the extract from the commentary in Narayanan on Trade Marks⁶⁵, is that the secondary meaning acquired must be shown to have displaced entirely the primary descriptive meaning of the mark. To succeed in such a action what a plaintiff must show is that the goods bearing the mark have come to be identified with his goods exclusively, and in the case of a descriptive mark, evidence is necessary of members of the public as well, not just people who are specially placed to attest to its uniqueness.”⁶⁶

18. There can be no dispute that even a descriptive word or an expression can lend itself to registration. That is not in issue. *A trade mark that is not registered can even otherwise receive protection. However, in order to do so I think it is necessary that it be demonstrated convincingly that its use is extensive, its publicity wide and in consequence that it had achieved some sort of secondary distinctive meaning. This is always a question of degree. Where a defendant is able to show that the product has long been used bona fide and that this use by other third parties, including the defendant himself, is not only known but is open and notorious, and the defendant has made significant expenditure and had significant sales, then it would be difficult to hold that the plaintiff's mark has acquired such distinctiveness as would lend the average consumer to associate it exclusively with the plaintiff's products.”*

(Emphasis supplied)

⁶⁵ 6th Edn, pp 272-275, paras 10.21-10.24

⁶⁶ **Office Cleaning Services, Ltd. v. Westminster Window And General Cleaners Ltd., LXIII RPC 39**

Inter alia for the reason that VMJ had, prima facie, been using the disputed trademark for several years, without any subterfuge or attempt at encashing on the goodwill of PIL, the High Court held that the evidence was insufficient to hold that the 'LEAKGUARD' trademark of PIL had acquired the necessary distinctiveness, as would result in a secondary meaning, inalienably identifying it with the plaintiff's product.

68. I express my respectful and complete concurrence with the enunciation of the law, in paras 17 and 18 of the judgement in *Pidilite Industries*¹⁰, insofar as they identify the ingredients necessary to make out a case of acquisition of secondary meaning, for a descriptive mark. The watermark is high, and not easily breached.

The resulting legal position

69. The legal position that merits from the aforesaid decisions may be explained as under:

- (i) Exclusivity can be claimed, and infringement/ passing off alleged, only in respect of the entire mark of the plaintiff, and not in respect of part thereof. The registration of the whole mark cannot confer any exclusive rights, on the holder thereof, to any part of such registered mark.

(ii) It is open, however, for the plaintiff to assert infringement on the ground that a part of the mark has been copied by the defendant, provided the part so copied is the *dominant part* or the *essential feature* of the plaintiff's trademark.

(iii) No exclusivity can be claimed, over a descriptive mark, or a descriptive part of the mark, even by misspelling it.

(iv) To this general proposition, there is one exception, where the descriptive mark or descriptive part has attained distinctiveness, i.e. it has acquired a secondary meaning, indelibly linking the mark, in the mind of the consumer, to the goods or services provided by the proprietor thereof. Acquisition of secondary meaning is essentially a matter of trial and evidence. Evidence of extensive use is insufficient. The proprietor claiming that his mark has acquired secondary meaning must show that the secondary meaning has entirely displaced the primary descriptive meaning of the mark, and has resulted in the mark becoming identified exclusively with his goods or services. This requires evidence of members of the public, testifying to that effect. Where the defendant also makes out a case of extensive use of its mark, it militates against any acquiring of secondary meaning by the mark of the plaintiff.

Applying the law to the present facts


70. Applying the above principles to the facts on hand, the following position emerges, in my *prima facie* opinion:

- (i) “PhonePe” and “BharatPe” are both composite marks.
- (ii) Ordinarily, therefore, these marks cannot be dissected into “Phone” and “Pe” in the case of the plaintiff and “Bharat” and “Pe” in the case of the defendants.
- (iii) The plaintiff cannot claim exclusivity solely over the “Pe” suffix, as no infringement can be claimed on the basis of part of a registered trademark.
- (iv) There may be substance, however, in the claim of the plaintiff that the “Pe” suffix constitutes the dominant part or the essential feature of the “PhonePe” and “BharatPe” marks, especially as the suffix “Pe” is written with a capital “P”.
- (v) “Pe”, as used by the plaintiff, admittedly connotes the expression, and meaning, “pay”.
- (vi) Inasmuch as the plaintiff – as well as the defendants – provides services by which online payments can be made, the expression “pay” is clearly descriptive of the services provided by the plaintiff and the defendants.

(vii) Had, instead of “Pe”, the plaintiff used the suffix “Pay”, i.e. had its registered trade mark been “PhonePay”, the plaintiff would clearly not have been able to claim any exclusivity, over the “Pay” suffix, or bring a case for infringement against the defendants, had their trademark been “BharatPay”.

(viii) By misspelling “Pay” as “Pe”, the legal position cannot change. The plaintiff would, therefore, be as entitled to claim exclusivity over the suffix “Pe”, as it would have been, had the suffix in its trademark been “Pay”.

(ix) Were the plaintiff to establish that the “Pe” suffix had acquired distinctiveness, and a secondary meaning, to the extent that the consuming public would invariably associate the “Pe” suffix as relating only to services provided by the plaintiff, it may, nevertheless, have been able to make out a case of infringement. This, however, is essentially a matter of trial. The evidence presently at hand insufficient to come to a definitive conclusion that the “Pe” suffix would, in the public consciousness, indelibly be associated with the plaintiff’s services. The plaintiff has been in business only since 2016, using the “PhonePe” mark. The defendants have also claimed extensive use of their “BharatPe” mark. This, too, inhibits the Court from arriving at any prima facie conclusion that the “Pe” suffix had acquired secondary meaning, invariably associated with the plaintiff.

(x) Barring the common “Pe” suffix, it cannot be said that the “PhonePe” trademark of the plaintiff and the “BharatPe” trademark of the defendant are confusingly or deceptively similar. As words, they are entirely different, except for the “Pe” suffix. “Phone” and “Bharat” are not even phonetically similar. [Refer *J.R. Kapoor*²¹ *supra*] Besides, the triangular  device is unique to the defendants, and is not to be found in the plaintiff’s mark. Indeed, the case set up by the plaintiff is essentially on the basis of the “Pe” suffix. Deceptive similarity, between the plaintiff’s and defendants’ marks is claimed, apart from the common “Pe” suffix, only on the ground that both are in purple colour, and in similar font. Besides the fact that these are, *prima facie*, insufficient to make out a case of confusing or deceptive similarity, it does not appear, at a plain glance, that the colouring of the letters in the two marks, or their font, is the same.

(xi) Besides, the nature of services provided by the plaintiff and the defendant’s is also different. The plaintiff provides a plaintiff online payment portal. The written statement of the defendants, on the contrary, avers that the defendants provide a single QR code, on the basis of which the customer could work with all consumer UPI-based applications, including the “PhonePe” application of the plaintiff. Consumers who deal with such applications may be expected, *prima facie*, to know the difference. No *prima facie* case of passing off can, therefore, be said to exist, even on this ground.

Conclusion

71. No case for grant of interim injunction against the defendant, therefore, exists. In view of the above findings, other submissions advanced by the plaintiff and the defendants do not require to be addressed, especially at this *prima facie* stage.

72. Resultantly, the application is dismissed.

73. The defendants are, however, directed to maintain accounts of the amounts earned as a result of use of the impugned “BharatPe” mark and to file six-monthly audited statements, before this Court, in that regard.

74. Needless to say, all observations contained in this judgement are only for the purpose of disposing of the application of the plaintiff under Order XXXIX of the CPC, and would not, therefore, influence the Court when the suit is heard and finally decided.

C. HARI SHANKAR, J.

APRIL 15, 2021
dsn/kr/ss/rbararia