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M/S GOMZI ACTIVE

v.

M/S REEBOK INDIA CO. & ANR.

FEBRUARY 2, 2007

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[DR. ARIJIT PASAYAT AND S.H. KAPADIA, JJ.]

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Trade Mark—Infringement of—Suit for permanent injunction and rendition of accounts—Trial court observing that slogan claimed by plaintiff not registered—However, temporary injunction granted—High Court vacating temporary injunction and directing trial court to dispose of the suit expeditiously—Held, in view of the principles regarding passing off action and infringement action, grant of interim protection would not be proper—Trial court would dispose of the suit as early as practicable—Defendant would maintain separate accounts in respect of impugned transactions.

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Appellant filed a suit for permanent injunction and rendition of accounts against the respondent claiming that defendant-respondent be restrained from using product logo/trade mark “I am what I am”. The trial court held that trade mark of the plaintiff under which it carried on business was “Gomzi” and not “I am what I am”; and that the plaintiff did not file any application to get the said slogan registered until May, 2005; as such, the said slogan could not be considered as a logo or trade mark of the plaintiff. However, later a temporary injunction in favour of the plaintiff was granted. The defendant filed appeal against the order granting temporary injunction whereas the plaintiff filed a cross-objection with regard to finding in respect of slogan “I am what I am”. The High Court allowed the appeal of the defendant, vacated the interim injunction and directed the trial court to dispose of the suit expeditiously. Aggrieved, the plaintiff filed the present appeal.

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Disposing of the appeal, the Court

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HELD: 1.1. The facts of the instant case, when tested on the principles regarding passing off action and infringement action, set out in the judgments of this Court, make the position clear that grant of any interim protection in this case would not be proper. It is stated that issues have already been framed

and the High Court has directed disposal of the suit within a period of six months from the date of its order. That being so, the proper course would be to direct the court concerned to dispose of the matter as early as practicable. Ordered accordingly. [Para nos. 10-12] [259-G-H; 260-A] A

Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories, AIR (1965) SC 980 and S.M. Dyechem Ltd. v. Cadbury (India) Ltd., [2000] 5 SCC 573, relied on. B

1.2. The defendant shall maintain separate accounts in respect of the impugned transactions. Leaving open all questions for adjudication, it is made clear that whatever view has been taken by the trial court or the High Court would be a tentative view, and not the final view. [Para-12] [259-H; 260-A-B] C

CIVIL APPELLATE JURISDICTION : Civil Appeal No. 440 of 2007.

From the Judgment and final Order dated 22.6.2006 of the High Court of Karnataka at Bangalore in M.F.A. No. 11626/2005 along with C.O. No. 19/2006. D

Anant Albal, Raja Chatterjee and G.S. Chatterjee for the Appellant.

S.K. Satpal, Nitin Bhardwaj and Praveen Chaturvedi for the Respondents. E

The Judgment of the Court was delivered by

DR. ARIJIT PASAYAT, J. 1. Leave granted.

2. Challenge in this appeal is to the judgment rendered by a learned Single Judge of the Karnataka High Court partially allowing the appeal filed by the respondent and directing the trial court to dispose of the suit early, preferably within six months from the date of order i.e. 22.6.2006. F

3. Background facts in a nutshell are as follows: G

Appellant filed the suit i.e. O.S. No. 16861 of 2005 seeking permanent injunction against the respondents by restraining them from using their product logo/trade mark "I am what I am" and for payment of damages and for rendition of accounts. The controversy involved was pertaining to the use of the trade slogan "I am what I am". Respondents had filed the appeal H

A challenging the grant of temporary injunction restraining them from using the logo “I am what I am” along with their trade mark.

B 4. Case of the plaintiff was that the trade slogan “I am what I am” is its distinctive style and design at least since 1998, used on garments which were stolen/pirated by the defendant thus infringing their proprietary right including their intellectual property. The plaintiff further asserted that it first used the logo “I am what I am” and therefore, it alone can claim rights over the said slogan as a trade mark. Defendant resisted the claim.

C 5. The trial court, upon consideration of the pleadings and the documents produced, held that the trademark of the plaintiff under which it carried on business was “Gomzi” and not “I am what I am”. It further held that the plaintiff did not file any application to get the slogan registered as a trade mark until May, 2005. The Court *prima facie* found that “I am what I am” cannot be construed as a logo or trade mark of the plaintiff. This conclusion D was challenged by the respondents. The High Court as noted above allowed the appeal and set aside the order under challenge before it.

E 6. Learned counsel for the appellant submitted that in view of what has been stated in respect of trade mark, the High Court was not justified in its view. Learned counsel for the respondent on the other hand supported the impugned order of the High Court.

7. In *S.M. Dyechem Ltd. v. Cadbury (India) Ltd.*, [2000] 5 SCC 573 at paragraph 47 it was observed as follows:

F “For the above reasons, we hold that on the question of the relative strength, the decision must go in favour of the defendant that there is no infringement and the High Court was right in refusing temporary injunction. Point 5 is decided accordingly.”

G 8. In para 49 after referring to Halsbury’s laws of England it was observed as follows:

H “It is possible that, on the same facts, a suit for passing off may fail but a suit for infringement may succeed because the additions, the get up and trade dress may enable a defendant to escape in a passing off action. A somewhat similar but interesting situation arose in a

dispute between two companies. In *N.S. Thread & Co. v. James Chadwick & Bros.*, AIR (1948) Mad. 481, the passing off action failed. But thereafter James Chadwick Co. succeeded in an appeal arising out of the registration proceedings and the said judgment was confirmed by this Court in *N.S. Thread & Co. v. James Chadwick & Bros.*, AIR (1953) SC 357 It was held that the judgment in the passing off case could not be relied upon by the opposite side in latter registration proceedings.”

In the same tone, Halsbury (Trade Marks, 4th Ed., 1984 Vol. 48, para 187) says that in a passing off action the “degree of similarity of the name, mark or other features concerned is important but not necessarily decisive, so that an action for infringement of a registered trade mark may succeed on the same facts where a passing off action fails or *vice-versa*”. As to *vice-versa*, Kerly says (para 16.12), an infringement action may fail where plaintiff cannot prove registration or that its registration extends to the goods or to all the goods in question or because the registration is invalid and yet the plaintiff may show that by imitating the mark or otherwise, the defendant has done what is calculated to pass off his goods as those of plaintiff.

9. In *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*, AIR (1965) SC 980 the distinction between passing off action and infringement action was highlighted.

10. The facts of the case when tested on the principles set out above make the position clear that grant of any interim protection in this case would not be proper.

11. Learned counsel for the appellant submitted that it has taken a positive stand that the logo was intellectual property and therefore without any further material, grant of injunction was warranted. This plea was resisted by learned counsel for the respondent.

12. It is stated that issues have already been framed and the High Court had directed disposal of the suit within a period of six months from the date of order. That being so, the proper course would be to direct the concerned Court to dispose of the matter as early as practicable, preferably within four months, as issues are stated to have been already framed. The defendant shall

A maintain separate accounts in respect of the impugned transactions. Leaving open all questions for adjudication, we direct the matter shall be heard expeditiously by the trial court and disposed of preferably by the end of April, 2007. Appeal is disposed of. It is made clear that whatever view has been taken by the trial court or the High Court would be a tentative view, and not the final view.

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13. The appeal is disposed of accordingly but without any order as to costs.

R.P.

Appeal disposed of.

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