

* IN THE HIGH COURT OF DELHI AT NEW DELHI

% Date of decision: 6th January, 2021.

+ CS(COMM) 565/2018 & CC (COMM) NO.6/2018

ROLAND CORPORATION

..... Plaintiff

Through: Mr. Pravin Anand, Mr. Shrawan Chopra, Mr. Vibhav Mithal, Mr. Bobby Jain and Mr. Souradeep Mukhopadhyay, Advs.

Versus

SANDEEP JAIN & ORS.

..... Defendants

Through: Mr. Neel Mason, Mr. Vihan Dang and Mr. Shivang Sharma, Advs.

CORAM:

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

1. The plaintiff, in the year 2007, instituted this suit, to restrain (a) Sandeep Jain, Proprietor Hi Tone Electronics; (b) Hi Tone Electronics; and, (c) Janata Electronics, by way of permanent injunction, from passing off their goods as that of the plaintiffs by using the trade mark BOSS or Hi Tone BOSS and for ancillary reliefs.

2. It is the case of the plaintiff, (i) that the plaintiff is a company incorporated in Japan in the year 1972, engaged in manufacturing, marketing and exporting electronic musical instruments, electronic equipment and software and is a world leader in design, manufacture and distribution of electronic musical instruments including keyboards and synthesizers, guitar products, electronic percussion kits, digital recording equipment, amplifiers and audio processing devices; (ii) the plaintiff is the registered proprietor of various trade marks including BOSS, RODGERS,

RSS, EDIROL and ROLAND, in respect of electronic equipments; (iii) the trade mark BOSS is used in respect of compact effect pedals, twin effect pedals, multi effect pedals, acoustic processors, metronomes, tuners, rhythm machines, sound recording equipment and also accessories and is recognized across the world as a hallmark in musical equipment; (iv) the BOSS mark was first used in June, 1976, in respect of Chorus Ensemble products in Japan, and was adopted to connote “lead role”; (v) the trade mark BOSS has been registered in favour of the plaintiff in India, in Classes 9 and 15, with effect from 2nd July, 2004; (vi) Rivera Digitec (India) Pvt. Ltd. was established in Mumbai as exclusive distributor of products of the plaintiff, to serve the Indian music industry, by making available to them the musical instruments under the brands Roland, BOSS and Edirol; (vii) the plaintiffs, through their distributor, have been importing products bearing the mark BOSS in India since 1993 and have acquired an excellent reputation by continuous import and sale of BOSS products; (viii) the sales in India of goods bearing the mark BOSS have risen from Rs.68,68,330/- in 2002-2003 to Rs.96,79,190/- in 2006-2007; (ix) the defendant no.2 Hi Tone Electronics, of which defendant no.1 Sandeep Jain is the proprietor and defendant no.3 Janata Electronics is retailer, is engaged in the business of manufacturing and marketing musical instruments such as amplifiers, microphones, speakers, stereos, mixers and cassette players under the trade mark BOSS and also exporting products under the mark Hi Tone BOSS; (x) the defendant no.2, on its website www.hitoneelectronics.com, advertises products under the trade mark BOSS; (xi) the defendants have also registered the trade mark BOSS in India in Class 9; (xii) the manner of use and of the trade mark BOSS by the defendant is the same as that of the trade

mark of the plaintiff; (xiii) the defendants have dishonestly adopted the trade mark and trade dress of the plaintiff; and, (xiv) at the time when the defendants registered the trade mark, the plaintiff's products were already well-known under the said trade mark.

3. The suit, accompanied with an application for *ex parte ad interim* relief, came up first before this Court on 23rd April, 2007, when though summons of the suit and notice of the application were ordered to be issued, no *ex parte* relief claimed, granted.

4. The defendant no.2 has contested the suit by filing written statement and also filed a Counter-Claim, pleading that (i) the defendant no.2, a partnership concern, adopted the trade mark BOSS in relation to public address amplifiers, echo and reverb amplifiers, microphones, speakers, disco lights and sound invertors and other similar products, way-back on 15th January, 1979 and have been using the trade mark BOSS continuously and extensively since then; (ii) the trade mark BOSS was adopted since the defendant no.2 was the first entity in India to start manufacturing echo, reverb amplifiers, disco lights, sound invertors; (iii) the defendant no.2 commissioned an artist Mr. Kedar Nath of Lalit Kala Kuteer, for designing and stylizing the representation of the trade mark BOSS; (iv) that the alphabet 'B' in the word BOSS was stylized to look like a chair of the boss; (v) the defendant no.2, in the year 1999 participated in India Tech 1999 Exhibition in Nigeria and has also exported its products to Syria, Bangladesh, Dubai, Sri Lanka, Yemen, Ethiopia, Uganda and Kenya; (vi) the sales of the defendant have multiplied, from Rs.19,786.78 paise as on 31st March, 1979 to Rs.2,61,31,241/- as on 31st March, 2007; (vii) the

defendant no.2, on 14th August, 1985 applied for registration of the trade mark BOSS in Class 9 in respect of public address amplifiers, echo amplifiers, reverb amplifiers microphones, speakers, disco lights and sound invertors; the said registration was granted on 29th November, 1991 and is existing till date; (viii) the said registration has not been challenged by any person; (ix) the plaintiff has acquiesced the use by the defendant, by not opposing the registration; (x) the registration claimed by the plaintiff is of a word mark, and not of a logo; (xi) the plaintiff did not have any reputation in India on 15th January, 1979 when the trade mark BOSS was adopted by the defendant and according to the plaintiff also, the goods of the plaintiff became available in India, first in the year 1993 only; (xii) the plaintiff must have been aware of use of the trade mark BOSS by the defendant for long; (xiii) that the plaintiff's claim of having adopted the mark BOSS in 1976 is denied; (xiv) BOSS is a common dictionary word and used by several entities; and, (xv) the *bona fides* of the defendant are evident from the use of the trade mark BOSS by the defendant in conjunction with Hi Tone, in the manner of "Hi Tone BOSS", making it clear that the defendant is not attempting to ride on the goodwill of the plaintiff or any other person.

5. On the said pleas, the defendant no.2 in its Counter-Claim against the plaintiff, seeks permanent injunction restraining the plaintiff from using the trade mark BOSS in relation to electronic musical equipment and ancillary reliefs.

6. Vide order dated 27th August, 2018, the name of the defendant no.1 Sandeep Jain was ordered to be deleted from the array of defendants.

7. No written statement is found to have been filed by the defendant no.3 Janata Electronics and there is no order recording service of summons of the suit on the defendant no.3 Janata Electronics and no order proceeding *ex parte* against the defendant no.3, the defendant no.3 Janata Electronics is now deleted from array of defendants, leaving Hi Tone Electronics as the sole defendant to the suit.

8. Though the plaintiff filed replication to the written statement of defendant no.2 and written statement to the Counter-Claim of the defendant no.2 Hi Tone Electronics and defendants filed replication thereto but the need to refer thereto is not felt.

9. On the pleadings in the suit and the counter-claim, the following issues were framed on 16th January, 2009:-

“1. Whether the suit has been signed, verified and instituted by a duly authorized person on behalf of plaintiff? OPP

2. Whether the plaintiff is the proprietor of the BOSS trademark? OPP

3. Whether the plaintiff is guilty of delay, laches and acquiescence? OPD

4. Whether the defendant is the prior user of the trademark in India? OPD

5. Whether the suit is barred in terms of statutory acquiescence in terms of Section 33 of the Trade Marks Act, 1999? OPD

6. Whether the defendants have passed off their products as those originating from the plaintiff? OPP

7. Whether the adoption of the BOSS trademark by the Defendants is dishonest? OPP

8. Whether the defendants' adoption of the BOSS trademark is honest and concurrent? OPD

9. Whether the plaintiff had a reputation in India at the time of adoption of the defendants adoption of the trademark? OPP

10. Relief.”

AND

“1. Whether the counter claimant is the proprietor of the trademark BOSS in India? OPCC

2. Whether the counterclaim is liable to be rejected under the provisions of Order VII Rule 11(d) of the Code of Civil Procedure in view of Section 28(3) of the Trade Marks Act, 1999? OPD

3. Whether the counter claimant has a reputation in relation to the BOSS trademark? OPCC

4. Whether the use of the trademark BOSS by the counter claimant will amount to passing off? OPD

5. Whether the defendant is the prior user of the trademark BOSS? OPD

6. Whether the adoption of the trademark BOSS and the logo by the counter claimant is dishonest? OPD

7. Whether the counter claimant is the owner of copyright in the stylized manner of representation of HiTone? OPCC

8. Whether the manner of adoption by the counter claimant amounts to infringement of copyright in the stylized manner of representation? OPD

9. Relief.”

and the parties relegated to evidence.

10. No order is found to have been made on the application of the plaintiff for interim relief.

11. On 24th November, 2015, the counsels for the parties informed that recording of evidence stood concluded. The suit and the Counter-Claim were accordingly directed to be listed in the category of ‘Finals’. The plaintiff applied under Order XV-A of the CPC read with Commercial

Courts Act, 2015 and the suit and the Counter-Claim, vide order dated 25th April, 2017 were ordered to be listed for final hearing in the category of 'After Notice Miscellaneous Matters'.

12. Vide order dated 15th January, 2019 on the application of the plaintiff under Order XV-A, the time for making arguments in the suit was limited.

13. On 12th September, 2019, *inter alia*, the following order was passed:-

"3. The counsel for the plaintiff has sought to demonstrate similarity between the products of the plaintiff and the defendants. At this stage, the counsel for the defendants are interrupted and stated that the defendants are now no longer using the said mark for Guitar Pedal Effects as was being done earlier and are now using the mark only with respect to Public Address Systems and have no intention to use the mark for any other goods.

4. On enquiry as to what all falls in Public Address System, the counsel for the defendants has shown its catalogue and has handed over a copy thereof to the counsel for the plaintiff and states that the defendants will in future also use the subject mark only with respect to the goods as shown in the said catalogue and not for other goods.

5. On enquiry, it is stated that though the Guitar Pedal Effects may fall in Class 9 itself in which Public Address System fall but the musical instruments with respect whereto the plaintiff is also using the mark, fall in Class 15.

6. The counsel for the plaintiff states that he will study the catalogue handed over today in the Court, to verify whether the plaintiff has any objection to use by the defendants of the subject mark with respect to the goods as shown in the said catalogue.

7. The counsel for the defendants has also stated that the defendants are willing to make a statement that the defendants will use the prefix 'Hi-Tone' along with the mark 'BOSS', in the manner as shown in the catalogue and will obtain instructions whether the

defendants are open to change the font of the alphabet “B” in the word ‘BOSS’.

8. *The counsel for the defendants to inform the counsel for the plaintiff in this respect within one week and if workable, also share the font in which the alphabet ‘B’ is intended to be used in the word ‘BOSS’, in future.*

9. *It is made clear that the aforesaid is only for the purpose of injunction and the aforesaid will not affect the claim if any of the plaintiff for damages for use by the defendants of the subject mark for other goods as the defendants were earlier using.*

10. *List on 11th October, 2019.”*

14. However, no settlement was arrived at between the parties and the counsels were heard further, on 11th October, 2019 and 14th October, 2019. Though the order/judgment was expected to be dictated in Chamber, on the same day and was indeed dictated but the draft of the order/judgment remained in the files for correction and went on the back-burner. The counsel for the plaintiff mentioned the matter to the Court Master before the Winter-Break of the year 2020 and now this judgment, after making corrections, is being listed for pronouncement.

15. The counsel for the plaintiff has referred to:

(i) ***Neon Laboratories Ltd. Vs. Medical Technologies Ltd.*** (2016) 2 SCC 672, holding that it would not be unfair or fanciful to favour the view that the defendant-appellant’s delayed use was to exploit the niche already created and built-up by the plaintiff- respondent and that the ‘first in the market’ test has always enjoyed pre-eminence;

(ii) ***Milmet Oftho Industries Vs. Allergan Inc.*** (2004) 12 SCC 624, holding, in the context of trade mark with respect to medicines, that if a mark in respect of a drug is associated with the plaintiff worldwide, it would lead to an anomalous situation if an identical mark in respect of a similar drug is allowed to be sold in India and that the mere fact that the plaintiff-respondent had not been using the mark in India would be irrelevant if they were the first in the world market;

(iii) ***Staples Incorporation Vs. Staples Paper Converters Pvt. Ltd.*** 2014 SCC OnLine Del 2092, where I have held that though injunction in ***N.R. Dongre Vs. Whirlpool Corporation*** (1996) 5 SCC 714 may have been granted on the premise of trans-border reputation in India but the injunction in ***Milmet Oftho Industries*** supra was *de hors* the same and merely on the test of who is first in the world market, and granting interim injunction on the said premise alone;

(iv) ***Prius Auto Industries Ltd. Vs. Toyota Jidosha Kabushiki Kaisha*** (2017) 236 DLT 343 (DB) holding that post the internet era, the law of trans-border reputation has expanded because the internet virtually broke the domestic walls in areas of trade and business and that on the internet, through search-engines, one can access information put up on the website, be it by the manufacturer of the goods or in e-journals and e-magazines.

(v) ***Suzuki Motor Vs. Suzuki (India) Ltd.*** 2019 (79) PTC 227 (Del), holding, (a) that it is natural for the parties who have copied the trade mark of another, to try and explain their conduct and derivation of words so adopted/copied; (b) that if the trade mark has element of


prior continuous use and has been copied, no amount of explanation, even if it is plausible, is capable of defending infringement of the trade mark; and, (c) that mere concurrent user is not sufficient in law – it must be honest. In that case, injunction was granted in spite of use by the defendant therein since 1982, finding dishonesty in adoption.

(vi) *William Grant & Sons Ltd. Vs. McDowell & Company Ltd.*

1994 (30) DRJ 105 where finding the defendant to have taken all the features of the label of the plaintiff it was held to be deliberate and it was further held that what is deliberate copying cannot but be dishonest.

16. The counsel for the plaintiff has contended that the DW-1 Arun Jain examined by the plaintiff has not been able to prove that the font and style of the mark BOSS used by the defendant was designed by him. It is contended that the plaintiff having proved its prior use of the mark, there is no possibility of the plaintiff having copied from the defendant and that the explanation put forth by the defendant of the defendant's marks being of the same font and style as the plaintiff's, is improbable. It is further argued that the defendant, being in the same trade since 1950, is bound to have had knowledge of mark of the plaintiff. Attention is invited to registrations in



favour of the plaintiff, of the mark BOSS and logo  in respect of electronic musical instruments and parts and fittings therefor, granted on 9th April, 1976, in Australia. It is further contended that the mark used by the defendant is an exact copy of the logo of the plaintiff. It is also stated that

the dimensions of the mark of the defendant are identical to that of the plaintiff.

17. Per contra, the counsel for the defendant has argued that in an action for passing off, the plaintiff is required to prove goodwill and reputation in the relevant territory. It is contended that it is the pleaded case of the plaintiff that the plaintiff started business in India for the first time in the year 1993 and thus the question of the mark of the plaintiff having goodwill and reputation in India prior thereto does not arise and the defendant has been able to prove use of the mark in India, since the year 1979. Reliance is placed on *Toyota Jidosha Kabushiki Kaisha Vs. Prius Auto Industries Limited* (2018) 2 SCC 1 and *Vishnudas Trading as Vishnudas Kishendas Vs. Vazir Sultan Tobacco Co. Ltd. Hyderabad* (1997) 4 SCC 201. It was clarified, that the injunction claimed by the defendant in the counter-claim is only with respect to use of the mark BOSS in respect of the same goods as manufactured and sold by the defendant.

18. Attention is also drawn by the counsel for the defendant/counter claimant, to cross-examination by the defendant of PW-1 Mr. Paul Youngblood, President of BOSS US, whose 100% subsidiary the plaintiff claims to be, to the effect that the area of business of the plaintiff is electronic musical instruments and computer peripherals and that the plaintiff does not manufacture public address mega phones or cassette players with public address amplifiers. It is argued, that the plaintiff learnt of the defendant when the examination report pursuant to an application for registration by the plaintiff disclosed the defendant and in spite of which the plaintiff did not respond thereto. Attention is also invited to the affidavit by

way of examination-in-chief of PW-3 Yasuji Shirai, an employee of the plaintiff, to the effect that in 2004, though the examination report disclosed the defendant but in the absence of any information of use by the defendant of the mark on any specific product mentioned in their trade mark application under the BOSS mark, the plaintiff believed that the conflict was adequately addressed by the plaintiff, by pursuing their trade mark application for the BOSS mark. It is thus stated that there is a delay, from 1986 till 2007 when the suit was filed and that the plaintiff is not entitled to any reliefs on the cause of action for passing off, on the said ground alone. Attention is also invited to the communication of the year 2004, Ex.PW-3/1, of the plaintiff to its agent G.L. Sanghi in India, asking the agent to enquire about the popularity of the products of the defendant under the subject mark BOSS. It is stated that thus, on 2nd September, 2004, the plaintiff knew of the website of the defendant but did not sue, because the plaintiff then did not have registration.

19. The counsel for the defendant has contended, that the products of the defendants are different from that of plaintiff's and no ground for injuncting the defendant, which is having large volumes of sales, is made out. It was also informed, that the defendant is primarily selling to Africa and to Middle East. Attention was invited to Section 12 of the Trademarks Act, 1999 with respect to honest concurrent user and it is contended that if it is possible for both trademarks to exist, no injunction will be granted.

20. The counsel for the plaintiff, in rejoinder argued (i) that the defendant, in its written statement has admitted possibility of confusion; (ii) that the defendant has an alternative mark; attention is invited to Ex.DW-2/B, where

the defendant is using the mark



; it is

contended thus that the defendant will thus not suffer any prejudice, even if enjoined; (iii) the explanation given by DW-4 Kedar Nath, who designed the logo of BOSS, sitting on a chair, is unbelievable; and, (iv) in *Prius Auto Industries Ltd.* Supra, the explanation of the defendant therein was believed by the High Court and Supreme Court did not go into the question and injunction was denied because the defendant had not copied the logo or the model numbers.

21. The counsel for the defendant added, that in a claim on the ground of passing off, it is essential to establish reputation and goodwill and it is contended that it was for the plaintiff to establish possibility of confusion and which the plaintiff has failed to do and the that counter-claim of the defendant cannot be the basis of confusion, especially when PW-1 has admitted that the plaintiff is not manufacturing the same products as the defendant. It is contended that in 1979, when the defendant adopted the mark, there was no internet and access could only be through magazines and the plaintiff has not proved any magazines containing the advertisements of the plaintiff, having circulation in India. It is further argued that use by the defendant of the mark with the words "Hi Tone" distinguishes the mark of the defendant from that of the plaintiff and had the defendant been dishonest, the defendant would not have used the mark "BOSS" along with "Hi Tone". With respect to the mark "Hi Tone BOSS", attention is drawn to IA No.17065/2018 filed by the defendant, where the defendant has pleaded that the partnership firm which comprised of Arun Jain and Sushila Jain as

its partners, had been reconstituted on 1st April, 2018, with Sushila Jain retiring and Sunny Jain replacing Sushila Jain as partner in the defendant. It is stated that it is the outgoing partner Sushila Jain who is using the mark "Hi Tune BASS". It is further argued that there is no presumption of dishonesty. The delay on the part of the plaintiff, from 1979 till 2007 in instituting the suit, is reiterated.

22. The counsel for the plaintiff, during the hearing, handed over the opinion of Ahuja Radios with respect to the catalogue handed over to the counsel for the plaintiff in the Court on 12th September, 2019 and as recorded in the order dated 12th September, 2019 in this suit reproduced above, to the effect that the goods being marketed by the defendant under the subject mark are the same as those marketed by the plaintiff under the mark. It is reminded that the plaintiff, besides injunction, is also entitled to damages.

23. It was also informed during the hearing that rectification applications filed by both, plaintiff and the defendant, are pending consideration.

24. As would be obvious from the above, the plaintiff has pegged its case merely on the principle of being the first adopter of the mark in the world, even if not in India, and being entitled to restrain the defendant, even without proving any goodwill or reputation in India at the time when the defendant adopted the mark. The other leg of the argument of the plaintiff is, that since the manner and style adopted by the defendant in respect of the mark is identical to that of the plaintiff, copying by the defendant is writ large.

25. As would also be obvious from the above, the defendant contests by taking the defense of honest and concurrent user, difference in goods and delay.

26. As far as the plea noticed above of the defendant of concurrent user and there being no possibility of confusion and of the mark BOSS being generic and a dictionary word, are concerned, the same are belied, from the defendant making a counter-claim against the plaintiff and also seeking rectification before the authorities concerned, of the registration in favour of the plaintiff. The defendant, in the counter-claim and in the Rectification Petition, has admitted inherent confusion owing to similarity of the two marks and the defendant cannot, as an after-thought, now argue that there is no possibility of confusion. Similarly, defendant who has itself obtained registration of the same mark, is not permitted to take the plea of the same being generic. Reference in this regard may be made to *Ozone Spa Vs. Ozone Club* MANU/DE/0151/2010 and *Mind Gym Ltd. Vs. Mind Gym Kids Library* 2014 SCC OnLine Del 1240.

27. The first question to be adjudicated is, the test to be applied to determine passing off i.e. whether the appropriate test is that of first in the market, wheresoever in the world, as contended by the counsel for the plaintiff, relying primarily on *Neon Laboratories Ltd.* supra and *Milmet Oftho Industries* supra, or of first in the market in India and/or even if not first in the market in India, having goodwill and reputation in India, as contended by the defendant/counter claimant, relying on *Toyota Jidosha Kabushiki Kaisha* supra.

28. All the three judgments are of Benches of two Hon'ble Judges of the Supreme Court. Having examined all the three judgments minutely, in my view, in the facts of the present case, the law as laid down in *Toyota Jidosha Kabushiki Kaisha* supra would apply and not the law laid down in *Neon Laboratories Ltd.* supra and *Milmet Oftho Industries* supra. Though *Milmet Oftho Industries* supra unequivocally lays down that the mere fact that the mark had not been used in India would be irrelevant if the mark was first used in the world market but holds so in the context of drugs and medicinal products, and after holding (i) that nowadays the field of medicine is of an international character; (ii) that doctors, particularly eminent doctors, medical practitioners and persons or companies connected with medical field, keep abreast of latest developments in medicine and preparations worldwide; (iii) that medical literature is freely available in this country; (iv) that doctors, medical practitioners and persons connected with the medical field regularly attend medical conferences, symposiums, lectures etc; and, (v) that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country, leading to a product acquiring a worldwide reputation and all of which increase the possibility of likelihood of deception or confusion and the possibility, that with the passage of time, some conflict may occur between the use of the mark by the Indian company and the use of the mark by the overseas company and the Court must ensure that public interest is in no way imperiled. The Supreme Court, after holding so, also cautioned that multinational corporations which have no intention of coming to India or introducing their product in India, may not attempt to throttle Indian companies by not permitting it to sell a product in India, if the Indian

company has genuinely adopted the mark and developed the product and is first in the market. I am afraid, the said reasoning cannot be extrapolated to apply with respect to musical instruments and public address system and their parts. Moreover, Supreme Court in *Milmet Oftho Industries* supra was concerned with an application for interim injunction. The stage at which the Supreme Court was approached in *Neon Laboratories Ltd.* supra was also at the stage of application for interim relief. Though the said judgment also holds that the “‘first in the market’ test has always enjoyed pre-eminence” but again has observed so in the context of manufacture and marketing of pharmaceutical products and medicinal preparations and after finding, (a) that though the defendant-appellant therein had applied for registration on 19th October, 1992 and was granted registration on 14th September, 2001 but commenced use of the mark only from 16th October, 2004 onwards and that the mark had remained dormant for 12 years; and, (b) that by the time, the defendant-appellant therein commenced use of the mark, the plaintiff-respondent therein was already in the market and was

thus first in the market with the subject trademark. Again, this distinguishing fact is enough for what is laid down in the said judgment not to be blindly followed. DW-1 Arun Jain, partner of the defendant, in his affidavit by way of examination-in-chief unequivocally deposed use of the mark since 1979. Though he was cross-examined at length but a dissection thereof does not show the plaintiff to have challenged the use of the mark by the defendant since 1979, as deposed by DW-1 Arun Jain in examination-in-chief. The plaintiff, in its written arguments, has contended that there is no documentary evidence on record of use of the mark by the defendant, in 1979. Plaintiff, in its written arguments has further contended that evidence

of first use of the mark by the defendant is of the year 1996. However, in the face of no challenge in cross-examination to the deposition of DW-1 Arun Jain, of use since 1979, the plaintiff is found to have admitted the same. The emphasis of the plaintiff, even otherwise has been on establishing that some international registrations of the mark in favour of the plaintiff are of prior to 1979, when the defendant claims first use of the mark in India. I may notice, that in *Neon Laboratories Ltd.* supra relied upon by the counsel for the plaintiff herein, the plaintiff *Neon Laboratories Ltd.* was the first user of the mark in the Indian market, despite earlier registration in favour of the defendant therein who was ultimately enjoined from using the mark subject matter of that case. Here, the defendant/counter claimant is the first user of the mark in the Indian market.

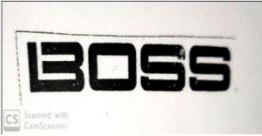
29. Supreme Court, in *Toyota Jidosha Kabushiki Kaisha* supra was concerned with a final decree in a suit for permanent injunction restraining passing off. The plaintiff therein claimed to be the first worldwide user of the mark 'PRIUS'. However, the defendants therein were the first user of the mark in India. The Single Judge of this Court, relying on *Milmet Oftho Industries* supra, granted a decree for injunction in favour of the plaintiff therein, restraining the defendants from use of the mark 'PRIUS'. In appeal, the Division Bench of this Court reversed the decree, holding (i) that the first use by the plaintiff outside India, of the mark, though widely reported and advertised, did not have much reportage in India; (ii) that the Territoriality Doctrine (a trade mark being recognized as having a separate existence in each sovereign state and hence the rights in the trade mark do not extend beyond the territory of the sovereign state which has granted the rights) holds the field; (iii) that prior use of the trade mark in one jurisdiction

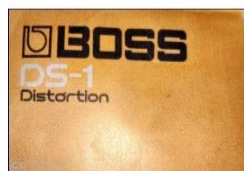
would not *ipso facto* entitle its owner or user to claim exclusive rights to the said mark in another dominion; (iv) that it is necessary for the plaintiff to establish that its reputation had spilled over to Indian market prior to commencement of the use of the mark by defendant in India; (v) that internet penetration in India in 1997 was lean and it could not be said that prior to April 2001, the plaintiff had established its goodwill and reputation in the Indian market, which the defendants had taken advantage of; and, (vi) that the test of possibility / likelihood of confusion would be valid at the stage of *quia timet* action and not at the stage of final adjudication of the suit, particularly when the defendants had used the impugned mark for a long period—the test would be one of actual confusion and no evidence with respect thereto was led by the plaintiff in that case. The Supreme Court, while affirming the order of the Division Bench of this Court, further held that, (a) to prove and establish an action of passing off, three ingredients are required to be proved by the plaintiff, i.e., his goodwill, misrepresentation by the defendant and damage; (b) the test, of whether a foreign claimant may succeed in a passing-off action, is whether his business has a goodwill in a particular jurisdiction, which criterion is broader than the “obsolete test” of whether a claimant has a business/place of business in that jurisdiction; if there are customers for the plaintiff's products in that jurisdiction, then the plaintiff stands in the same position as a domestic trader; (c) the overwhelming judicial and academic opinion all over the globe, therefore, seems to be in favour of the territoriality principle which should apply to this country also; (d) to give effect to the territoriality principle, the Courts must necessarily have to determine if there has been a spillover of the reputation and goodwill of the mark used by the claimant who has brought

the passing off action; and, (e) if goodwill or reputation in the particular jurisdiction i.e. in India is not established by the plaintiff, no other issue really would need any further examination to determine the extent of the plaintiff's right in the action of passing off.

30. In my view, in the light of the aforesaid judgment, in an action for passing off, as the present suit is, the factum of the plaintiff being first in the world is irrelevant, without the plaintiff establishing goodwill and reputation in India and which the plaintiff has failed to prove. Though the plaintiff has claimed having an exclusive distributor in India since 1993 but the same also remained to be proved. Thus, as far as India is concerned, defendants are the first user and that being the position, the action for passing off has to fail.

31. I may mention another interesting facet of the present case. Though

the registrations of the plaintiff outside India are of , the registration in favour of the plaintiff in India is not the same and is of the word mark 'BOSS' (and not of a logo or a device) with the alphabet 'B' depicted only in commonly used font and not in the stylized logo found in in the registrations outside India. Else, the use by the plaintiff of the mark is as

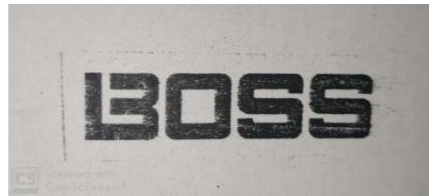


and by the defendants is as



It would thus be seen that while the registration in favour of the plaintiff is of the word mark 'BOSS', with the alphabet 'B' therein being not in the style as in the logo registrations of plaintiff abroad, the registration in favour of the

defendant is of a device, with the word 'BOSS', with alphabet 'B' in the same style as used by the plaintiff in its international registrations as under:



32. In the light of the aforesaid discussion, I now proceed to return issue-wise findings.

Issues in the suit:

- 1. Whether the suit has been signed, verified and instituted by a duly authorized person on behalf of plaintiff? OPP**
- 2. Whether the plaintiff is the proprietor of the BOSS trademark? OPP**

Issue in the Counter-Claim:

- 1. Whether the counter claimant is the proprietor of the trademark BOSS in India? OPCC**

33. No arguments were addressed by the counsels on these issues, though of course in the written arguments, the said issues have been referred to. On perusal of the evidence, these issues are found to have been proved. It is thus held, (a) that the suit has been signed, verified and instituted by a duly authorised person on behalf of the plaintiff; (b) that the plaintiff is the proprietor of word mark 'BOSS'; and, (c) that the defendants/counter-claimants are the proprietor of device mark 'Hi Tone BOSS'.

Issues in the suit:

- 4. Whether the defendant is the prior user of the trademark in India? OPD**

6. Whether the defendants have passed off their products as those originating from the plaintiff? OPP

9. Whether the plaintiff had a reputation in India at the time of adoption of the defendants adoption of the trademark? OPP

Issues in the Counter-Claim:

3. Whether the counter claimant has a reputation in relation to the BOSS trademark? OPCC

4. Whether the use of the trademark BOSS by the counter claimant will amount to passing off? OPD

5. Whether the defendant is the prior user of the trademark BOSS? OPD

8. Whether the manner of adoption by the counter claimant amounts to infringement of copyright in the stylized manner of representation? OPD

34. I have already hereinabove held that the plaintiff has failed to prove that marks had reputation and goodwill in India prior to commencement of use of the mark in India by the defendants and the plaintiff is thus not entitled to any relief in an action for passing off. Resultantly, it is held (a) that the defendants are the prior user of the trade mark in India; (b) that the defendants have not passed off their products as those originating from the plaintiff; (c) that the plaintiff did not have a reputation in India at the time of adoption of the mark by the defendant; (d) that the defendants, by use, had a reputation in relation to the 'BOSS' trade mark; (e) that the use by the defendants will not amount to passing off; and, (f) that the defendants are the prior user in India of the trade mark.

Issues in the suit:

7. Whether the adoption of the BOSS trademark by the Defendants is dishonest? OPP

Issues in the Counter-Claim:

- 6. Whether the adoption of the trademark BOSS and the logo by the counter claimant is dishonest? OPD**
- 7. Whether the counter claimant is the owner of copyright in the stylized manner of representation of HiTone? OPCC**
- 8. Whether the manner of adoption by the counter claimant amounts to infringement of copyright in the stylized manner of representation? OPD**

35. Adoption by the defendant of the mark 'BOSS' with alphabet 'B' thereof in the same style as in the first use of the mark by the plaintiff, though not in India but outside India appears to be more than a coincidence. It is highly unlikely that the defendant, carrying on business in allied, even if not same goods, would conceive the same mark as the plaintiff's, would style the alphabet 'B' thereof identically to that in the mark of the plaintiff launched a few years earlier, though not in India but outside India. The defendant, on this aspect has examined the son of the artist who is claimed to have designed the device mark of the defendant and who deposed that his father who has since died, had designed the mark for the defendant but the same is not sufficient to dispel the doubt in this regard. Though there is no definite evidence in this context but the smell, on delving deep into the evidence, is of the probability of the defendant being aware while adopting its device mark, being aware of the mark conceived by the plaintiff outside India in relation to allied if not similar goods. The evidence, of the defendant having styled the alphabet 'B' of its mark on the basis of the chair of a boss in an office, is also unbelievable. However, inspite of the aforesaid, I am unable to, on the existing evidence, return a finding of dishonesty against the defendant. Merit is found in the contention of the

counsel for the defendant that the use by the defendant of the mark 'Hi Tone BOSS' and not 'BOSS' alone, dispels any notion of dishonesty. It is significant that the plaintiff has failed to prove use or registration in India at that time and had the defendant being dishonest, the defendant would have blatantly copied the mark of the plaintiff. The awareness of the defendant of the goods and marks of the plaintiff can thus only be said to have led to the idea behind the mark of the defendant. Accordingly, I hold (a) the adoption of the mark by the defendant is not dishonest; (b) the defendants' adoption of the mark is honest; (c) that the adoption of the mark and logo by the defendant is not dishonest; and, (d) the defendant is the owner of copyright in the stylized manner of representation of Hi-Tone.

Issue in the suit:

**3. Whether the plaintiff is guilty of delay, laches and acquiescence?
OPD**

36. It has come on record that the plaintiff, at the time of applying and obtaining registration in India, was made aware of the prior registration in favour of the defendant. The plaintiff has not proved the enquires made by it at that time, on the basis of which, it is claimed that the existence of the mark of the defendant and/or use thereof did not affect the plaintiff. The suit has undoubtedly been filed long thereafter. Though it is the case of the plaintiff that the plaintiff instituted the suit when found the defendant was passing off its goods as those of the plaintiff, but again there is no evidence of actual passing off of its goods by the defendant or of any confusion in the market or of any complaints having been made to the plaintiff by anyone

who may have dealt with the defendant, believing that the dealing was with the plaintiff. I thus hold the plaintiff to be guilty of laches and acquiescence.

Issue in the suit:

10. Relief.

Issue in the Counter-Claim:

9. Relief.

37. As a result of the findings above, the plaintiff is not entitled to any injunction or ancillary relief against the defendant. As far as the Counter-Claim is concerned, the defendant made the same only as a counter-blast to the suit brought by the plaintiff and the defendant even now, as recorded in the order dated 12th September, 2019 reproduced above, has offered to restrict the use of the mark. In any case, the claim of the defendant is of the goods of the defendant being different from that of the plaintiff. In these circumstances, the defendant cannot succeed on its Counter-Claim.

38. However, actions for infringement of trade mark and passing off also have a public interest element of protecting the customers at large from possibility of confusion and of being misled into buying goods of one assuming them to be of another. In the said light, it is deemed apposite to, notwithstanding the above, bind the defendant to its statement as recorded in the order dated 12th September, 2019 reproduced above, of confining the use of the mark to the goods, catalogue whereof was handed over to the counsel for the plaintiff on 12th September, 2019 and to not use the mark 'BOSS' without using the prefix Hi-Tone, as is presently being done and in the manner as shown in the said catalogue and to not expand their business in

the goods under the said mark beyond the jurisdictions where the same is presently being carried on.

39. Accordingly, the suit of the plaintiff is disposed of by passing a decree, in favour of the plaintiff and against the defendant, restraining the defendant from using the subject mark in contravention of its statement as recorded in the order dated 12th September, 2019 and binding the defendant to the said statement; and, the Counter-Claim of the defendant is disposed of by passing a decree of dismissal thereof.

40. The parties are left to bear their own costs. Decree sheets be drawn up.

JANUARY 6, 2021
'ak/bs'

RAJIV SAHAI ENDLAW, J.



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