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

Judgment reserved on: 11. 08.2017

% **Judgment delivered on: 17. 08.2017**

+ **CS(OS) 2802/2015**

APOLLO TYRES LTD Plaintiff

Through: Mr. Sudhir Chandra, Senior Advocate
along with Mr. C.A. Brijesh and
Mr.J.V. Abhay, Advocates.

versus

PIONEER TRADING CORPORATION & ANR Defendants

Through: Mr. C.M. Lall, Mr. Kunal Sinha &
Ms. Nancy Roy, Advocates.

**CORAM:
HON'BLE MR. JUSTICE VIPIN SANGHI**

J U D G M E N T

VIPIN SANGHI, J.

I.A. Nos.19350/2015 & 22566/2015

1. The first is an application filed by the plaintiff under Order 39 Rule 1 and 2 CPC to seek ad-interim injunction against the defendant so as to restrain the defendant from using the tread pattern claimed by the plaintiff to be its proprietary in respect of its truck tyre Endurance LD 10.00 R20, or

any other tread pattern identical or similar therewith, in respect of their business of importing and selling of tyres, or representing a trade connection with the plaintiff so as to pass off, or enable others to pass off their goods/ services as that of the applicant/ plaintiff.

2. Vide order dated 15.09.2015, this Court passed an ex-parte ad-interim order of injunction against the defendant restraining the defendant from using the tread pattern claimed by the plaintiff “*and/or any other tread pattern identical with or similar to the plaintiff’s tread pattern in any manner whatsoever in respect of their business, inter alia, of importing, sale etc. of tyres and/ or representing a trade connection with the plaintiff so as to pass off or enable others to pass off their business and/or goods/ services as that of the plaintiff’s or in some manner connected with the plaintiff till the next date of hearing*”. The said ex-parte ad-interim order of injunction continues to operate. Consequently, the defendant has filed the aforesaid application i.e. I.A. No.22566/2015 under Order 39 Rule 4 CPC to seek vacation of the said order.

3. Learned counsels were heard in the two applications aforesaid and orders reserved. Since the same could not be pronounced on account of heavy load of work, the matter was directed to be listed for recapitulation of submissions. The same were heard and orders were again reserved.

Plaintiffs Submissions

4. The plaintiff claims to be an incorporated company, established in the year 1972, engaged in the business of manufacture and sale of motor vehicle

tyres. It is India's second largest manufacturer of tyres and amongst the twenty top manufacturers of tyres in the world. It sells a range of automotive tyres for passenger cars, trucks and buses, farm, off-the-road, industrial and specialty application vehicles like those employed in mining, retreaded tyres and retreading material. It has presence in Asia and Europe with manufacturing facilities in India and Hungary, Europe. It claims to export its products to over 100 countries. It claims to employ over 15,000 people across the world.

5. The plaintiff avers that it has its own research and development team engaged in development and innovation of new kind of tyres. It has thousands of retail dealers and outlets in India and Europe. On account of its success, it has achieved worldwide acclaim and has been bestowed with several awards and recognitions. Over the years, its sales have swelled. In the year 2013-14, the same stood at Rs.133,103.28 million.

6. The case of the plaintiff is that in the tyre industry, tyres are manufactured with distinctive treads based upon the type of vehicle, road conditions, load application etc. The tread pattern on the tyres is claimed to be one of the most important factors to make the tyres stand out in the showroom, or tyre shops. The tread affords necessary grip between the tyre and ground during movement of the vehicle. The plaintiff submits that, since all tyres are black and circular, the prominent distinguishing feature at first glance of a tyre of one manufacturer, from that of another manufacturer, is its tread pattern. For this reason, in the tyre industry, the pattern of the tread is accepted as the distinctive hallmark of the manufacturer, and

assumes significance in differentiating between different manufacturers and the quality of their tyres.

7. The plaintiff states that each manufacturer manufactures tyres with unique and different tread pattern. The plaintiff itself has several tread patterns in respect of its various types of tyres. One of the tread patterns used by the plaintiff in respect of its popular and successful tyre, namely, ENDURANCE LD 10.00 R 20 truck tyre is described as follows:

13. In connection with its worldwide business, the Plaintiff uses several unique tread patterns in respect of its tyres. One such unique and distinguishable tread pattern used by the Plaintiff is



which was launched in India on June 9, 2010 in respect of ENDURANCE LD 10.00R 20 truck tyres. The said tyre is intended for moderate to heavy load application where good mileage is also a requirement. The tread pattern was the outcome of the Plaintiff's research and development department and was developed in a span of four years. The tyre under the mark ENDURANCE LD finds a prominent place in the Plaintiff's product portfolio, is extremely popular amongst consumers and has contributed greatly to the Plaintiff's overall revenue. The popularity of the Plaintiff's tyre is also attributable to the immense goodwill and reputation that it enjoys in the industry inasmuch as all its products are believed to be of the highest quality and exceptional performance.

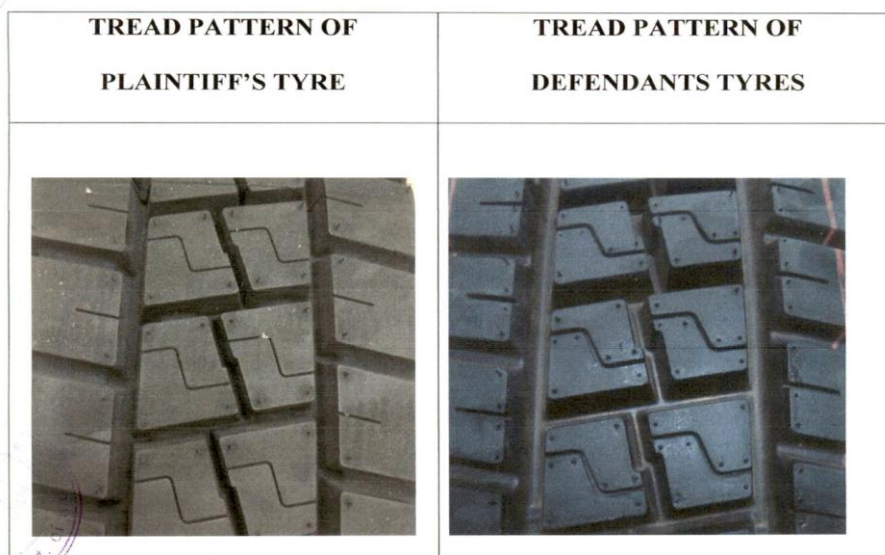
8. The plaintiff states that the said tyre is intended for moderate to heavy load application and it provides good mileage. The aforesaid tread pattern was developed after four years of research. The aforesaid tyre with its unique tread pattern is the market leader in its segment and has become a benchmark for competition in the truck and bus radial tyre segment. The said tyre of the plaintiff is marketed in various countries of the world including Bangladesh, Brazil, Dubai, Hong Kong, India, Indonesia, Kenya, Myanmar, Philippines, Singapore, South Africa, Sri Lanka, Thailand and Turkmenistan.

9. The plaintiff claims to have spent extensive amounts in advertising and showcasing its portfolio of tyres, including its tyre ENDURANCE LD 10.00 R 20. Information pertaining to its products is also available and frequently accessed through several search engines. It also maintains a website www.apollotyres.com, whereon its portfolio of tyres including ENDURANCE LD 10.00 R 20 is displayed. The tyre ENDURANCE LD 10.00 R 20 with the aforesaid unique tread pattern has notched up tremendous sales over the years since its launch in June 2010. From sales of 64.75 crores between June-December 2010, in the year 2014 the same had swelled to 1356.41 crores accounting for 7,76,798 ENDURANCE LD tyres.

10. The plaintiff avers that its tread pattern aforesaid - on account of years of investment of time, capital, effort and resources, has attained immense goodwill and reputation in the market for its product ENDURANCE LD 10.00 R 20. Consequently, a secondary meaning has come to be attached

with respect to the plaintiff's tread pattern, which is exclusively associated worldwide with the plaintiff and its product/ business.

11. The plaintiff claims that in June 2015, it became aware that defendant no.1 is using the tread pattern in respect of its tyres under the mark HI FLY HH505, which is identical to the tread pattern of the plaintiff's tyre under the mark ENDURANCE LD 10.00 R 20. The plaintiff engaged a professional investigator Paramjit Singh Walia, who ascertained that the defendants tyre H1FLY HH-505 was being sold in Delhi by Rajasthan Trading Co. 882-A S.P. Mukherjee Marg, Behind Novelty Cinema, Delhi. He made purchase of the said tyre from Rajasthan Trading Co. on 24.08.2015 against a cash memo for Rs.17,500/-. The plaintiff has filed the affidavit of Paramjit Singh Walia alongwith the copy of the cash memo dated 24.08.2015 bearing No.661, Book No.4 issued by Rajasthan Trading Co. A comparison of the tread pattern of the two tyres, namely that of the plaintiff and the defendant is shown as follows:



12. The plaintiff submits that the tread pattern adopted by the defendant is identical to the plaintiffs tread pattern for its tyre ENDURANCE LD 10.00 R 20. The use of the identical tread pattern by the defendants is not a coincidence, and is malafide. The defendant is in the same business and would be well aware of the plaintiff and its tyres, and the exclusive tread pattern adopted by the plaintiff in respect of its tyres. In fact, the defendant claims to be a distributor of the plaintiffs tyre under the mark APOLLO. The plaintiff further claims that it has learnt on inquiry that the defendant has a website www.pioneertrading.in. The said website contains information about the business profile and products of defendant no.1 in India. On the said website, the defendant has prominently used the plaintiffs mark/ name APOLLO so as to indicate a trade connection and affiliation with the plaintiff, which is absent. The defendant claims to be a distributor of APOLLO tyres.

13. The plaintiff avers that on inquiry it learnt that the defendant was importing its tyres in question from Shandong Hengfent Rubber & Plastic Co. Ltd. based in China. Defendant no.1 has a dealer and distributor for its tyres with the impugned tread pattern in Delhi as well. The plaintiff purchased one of the tyres in question of the defendant in August 2015. The same is a cheap and inferior imitation of the plaintiffs tyre. The defendants have deliberately copied the plaintiffs tread pattern for its tyres, malafide, with a view to cash in on the reputation and goodwill of the plaintiff and its products, and to create confusion and deception amongst the consumers. The plaintiff's consumers largely comprise of uneducated class of truck

drivers, and recognize tyres on the basis of initial impression of the tread pattern.

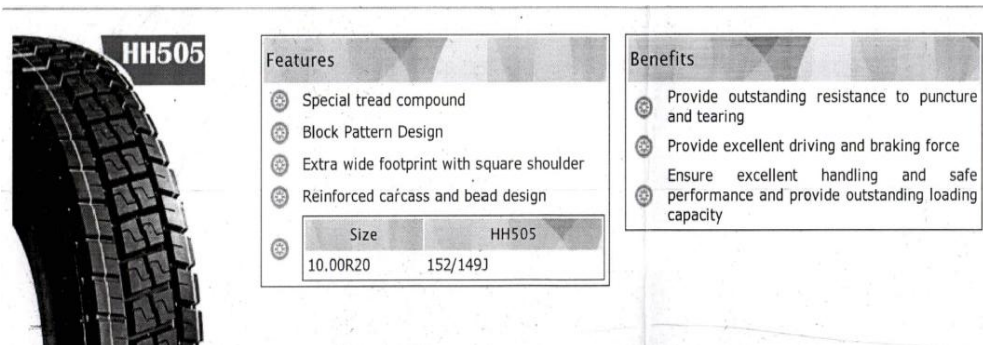
14. The plaintiff claims that the effect of the defendants adopting the same tread pattern for its tyres is resulting in:

- i) passing off at common law, thereby violating the goodwill and reputation enjoyed by the plaintiff in India as well as internationally;
- ii) dilution of the distinctiveness of the plaintiff's unique tread pattern in respect of tyres under the mark ENDURANCE LD;
- iii) diminishing and diluting the value, goodwill, reputation and proprietary rights in the tread pattern of tyre, which vests exclusively in favour of the plaintiff;
- iv) unfair competition, in that, the defendants without any effort or investment, are engaging in business activities and benefitting by intentionally and dishonestly using and trading upon the goodwill and reputation enjoyed by the plaintiff in respect of the unique tread pattern of tyre;
- v) possibility of 'mushrooming effect', in that, in case the defendants are not stopped, it may embolden other potential infringers/ misusers to imitate and violate the proprietary rights of the plaintiff with respect to the unique tread pattern of its tyres; and

vi) public interest being put to jeopardy. This is particularly so in the present case, since cheap and substandard tyres pose a threat of an accident waiting to happen.

15. Mr. Sudhir Chandra, learned senior counsel for the plaintiff submits that “Mark”, as defined in Section 2(m) of the Trademarks Act, 1999, includes the shape of goods, packaging or combination of colours or any combination thereof. “Trademark” is defined in section 2 (zb) of the Act to mean *“a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours;”*. Thus, he submits that the tread pattern on a tyre – which is also a shape, also qualifies as a Trademark entitled to protection, since the unique tread pattern adopted by the plaintiff first, is its invented and unique tread pattern, which identifies the tyre in question with the plaintiff.

16. The submission of Mr. Chandra is that the sale of its tyre under the brand ENDURANCE LD 10.00 R 20 is evident from the copies of the invoices placed on record, which show sales from the middle of 2010. The same establish the goodwill and reputation of the plaintiffs mark in question. He has referred to the advertisement/ pamphlet published by the defendant Pioneer Trading, which - apart from using the plaintiffs logo, also features tyre with the identical tread i.e. HI FLY HH505. In the said pamphlet, the tyre HI FLY HH505 is displayed as follows:



17. Mr. Chandra has also relied upon the affidavit of Dr. R. Vasanthakumari dated 20.11.2015, wherein she states that she has done her Ph.D in the field of Polymer Science and Engineering. She is presently Director of Polymer Nano Technology. She claims to be an expert in the field of polymer science. She states that she has compared the defendants tread pattern in respect of its tyre HI FLY HH505 with the plaintiffs tread pattern in respect of its tyre ENDURANCE LD. Upon comparison, she has found the following similarities:

- a) Pattern Block and arrangement of HH505 is same as ENDURANCE LD 10.00 R 20.
- b) The sipe shapes on all block of HH505 matches exactly to ENDURANCE LD 10.00 R 20.
- c) The groove design (shoulder & center with Lateral grooves) of HH505 is same to ENDURANCE LD 10.00 R 20. The comparison is annexed hereto as Annexure-A.

18. Annexure-A to her affidavit observes that the tread pattern of HI FLY HH505 is a duplicate of APOLLO ENDURANCE LD 10.00 R 20. She

states that the pattern block and arrangement of HH505 is same as that of ENDURANCE LD, and the sipe shapes on all blocks of HH505 matches exactly with ENDURANCE LD 10.00 R 20. The groove design (shoulder and center with lateral grooves) of HH505 is same as that of ENDURANCE LD 10.00 R 20.

19. He places reliance on the judgment of the Madras High Court in ***MRF Limited v. Metro Tyres Limited***, 1990 (10) PTC 101 (Mad), to submit that tread patterns have been recognized as having trade mark significance.

20. Mr. Chandra submits that the tread pattern adopted by the plaintiff for its tyre ENDURANCE LD 10.00 R 20 constitutes its trade dress, since the said unique tread pattern identifies the tyre bearing the said tread pattern as that originating from the plaintiff. He relies on ***Anglo-Dutch Colour and Varnish Works Private Limited v. India Trading House***, 1984 (4) PTC 54 (Del), and ***Vicco Laboratories, Bombay v. Hindustan Rimmer***, AIR 1979 Del 114 – wherein the Courts protected the earlier adopted trade dress of the plaintiff against adoption of a similar trade dress by the defendant in respect of the same product.

21. He also places reliance on ***Zippo Manufacturing Company v. Anil Moolchandani***, 2011 (185) DLT 51 : 2011 (48) PTC 390, wherein the Court protected the plaintiff's shape of a lighter on account of its uniqueness, by holding that the adoption of the same shape by the defendant would lead an unwary customer to believe that the lighter of the defendant originates from the source as that of the plaintiff.

Defendants Submissions

22. On the other hand, the case of the defendant, firstly, is that this Court does not have the territorial jurisdiction to entertain the present suit. The defendant is based in Mumbai. It has no office, branch office, dealer or distributor in Delhi within the jurisdiction of this Court. The defendant does not supply any products in Delhi. The impugned product of the defendant is not sold in Delhi. He points out that the bill - whereby the alleged purchase of the tyre in question was made from Rajasthan Trading Company by the so-called investigator, pertains to "HF 505", whereas the tyre in question is branded as HIFLY "HH 505". He has also referred to the affidavit sworn by Mr. Chetan Gupta of Rajasthan Trading Company, wherein he has stated that he has had no dealing with the defendant Pioneer Trading Corporation, and the said invoice is in respect of the tyre "HF 505" and not "HH 505". The defendant also submits that the defendants website, which is accessible from Delhi, is not an interactive website and the same does not offer the defendants product for sale on the internet.

23. The defendant also raises the objection that the plaintiff has deliberately suppressed material facts from the Court, which – if disclosed, the Court would not have granted an ex-parte order of injunction against the defendant. The defendant submits that the plaintiff has deliberately suppressed the fact that defendant no.1 was a dealer for Apollo and Kaizen tyres till May 2015. In that connection, the plaintiff's officials used to visit the premises of the defendant almost every month. In April 2015, it was the defendants who terminated their dealership with the plaintiff. Since the

plaintiff was aggrieved by the said termination, with a view to take revenge, the present suit has been filed on the basis of false and frivolous averments to harass the defendant. Though the suit has been filed in September 2015, this vital aspect has deliberately been withheld in the plaint.

24. Mr. Lall submits that on account of the plaintiff not making a full and complete disclosure of relevant and material facts, the plaintiff is not entitled to equitable relief of injunction. In this regard, he places reliance on **Ram Krishan & Sons Charitable Trust v. IILM Business School**, I.A. No.8445/2007 in C.S.(O.S.) No. 1308/2007 decided on 30.07.2007 by this Court. The Court in this decision observed:

“It is well settled that a party coming to Court seeking ad interim injunction is required to come before the Court with clean hands and make a fair and complete disclosure of material facts. On the contrary a false statement has been made and material facts concealed by the plaintiff”.

25. In this decision as well, the past relationship between the litigating parties had not been disclosed by the plaintiff. The Court also relied upon the decision of the Supreme Court in **Rajappa Hanamantha Ranoji v. Sri Mahadev Channabasappa & Ors.**, 2000 (4) Scale 692. The Supreme Court denounced the tendency of unscrupulous litigants of suppressing facts, or misleading on facts before the Court. Reference is also made to the decision of the Division Bench of this Court in **Satish Khosla v. M/s Eli Lilly Ranbaxy Ltd. & Anr.**, 71 (1998) DLT 1 (DB). The Division Bench, on account of the fraud played upon the Court, directed dismissal of the suit of the plaintiff. In this regard, Mr. Lall has also placed reliance on the

judgment of this Court in *Smithkline Beecham Consumer Healthcare Ltd v. G.D. Rathore & Ors.*, 2002 (25) PTC 243 (Del.)

26. The defendant avers that the tread pattern is a registerable design, which could be protected only under the Designs Act. The plaintiff has not got its design registered, thus, the plaintiff has no exclusive right over the design in question. In this regard, Mr. Lall has referred to the definition of the expression “Design” contained in Section 2(d) of the Designs Act, 2000 as well as Section 15 of the Copyright Act, which provides that copyright in any design, which is capable of being registered under the Designs Act, but which has not been so registered shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process by the owner of the copyright, or, with his licence, by any other person. The defendant avers that the plaintiff has not established that it has acquired any goodwill and reputation in the tread pattern, and thus cannot succeed in its action for passing off.

27. The defendant submits that the tread patterns in tyres are common to the trade. The defendant claims that there are several manufacturers using similar tread pattern to market their tyres openly. The defendant has set out the list of manufacturers hailing from China, who are selling their tyres in India under different brand names through several importers in India. The defendant has also placed on record photographs of the tyres manufactured under the brand name GOLDSTAR and KUNNYUAN which, it is claimed, have the same tread pattern as that adopted by the plaintiff and the defendant. The defendant avers that the tread patterns are intrinsically the

same in tyres with minor alterations, which do not impact their visual appearance.

28. The defendant further submits that there are several dissimilarities in the plaintiffs and the defendants product. Whereas, the plaintiffs tyre comes without any cover, the defendants tyre is wrapped in a plastic sheet and comes with a packaging. Whereas, the plaintiffs tyre includes a tyre tube and flap, the defendants tyre includes only a tyre and flap, and it does not include a tube. The brand name embossed on the tyre sidewall – in case of the plaintiff, is APOLLO, whereas in the case of the defendant it is HIFLY. Similarly, the brand name embossed on the tyre sidewall – in case of the plaintiff, is ENUDRANCE LD, whereas in the case of the defendant it is HH505. The defendant further submits that the technical specifications of the two tyres are also different inasmuch, as, their load bearing capacities are different. The defendants tyre can carry higher load. The defendant has also sought to point out several other technical details of the two tyres - to submit that these details distinguish the plaintiffs tyres from those of the defendant.

29. The defendant claims that it has been selling its tyre in question since 10.07.2014 without any complaint. The defendant also avers that the plaintiff has not impleaded the Chinese manufacturer, and the suit is bad for non-joinder of a necessary party.

30. Mr. Lall submits that the tread pattern in question are functional/ utilitarian in nature, and they are provided to give better grip on the road, and stability to the vehicle during movement. Thus, the tread pattern in

question is not even entitled to Design protection. The plaintiff has itself averred that the tread pattern adopted by it is functional, as it impinges on the performance of the plaintiffs tyre ENDURANCE LD 10.00 R 20. Since the said tread pattern is functional, no propriety can be claimed over the same. Mr. Lall submits that a 'mark' includes the shape of goods, and a "trademark" include the shape of goods. He submits that Section 9 of the Act sets out the absolute ground for refusal of registration of a mark. He relies upon section 9(1)(b), which provides that trademarks which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin, or the time of production of the goods or rendering of the service, or other characteristics of the goods or service, shall not be registered. The tread pattern on the tyres in question serves in the trade to designate the functionality i.e. the intended purpose of the tyres, and thus cannot be registered. He also relies upon section 9(3) which provides that:

"A mark shall not be registered as a trade mark if it consists exclusively of—

(a) the shape of goods which results from the nature of the goods themselves; or

(b) the shape of goods which is necessary to obtain a technical result; or

(c) the shape which gives substantial value to the goods".

31. Since the tread pattern results from the nature of goods, and is necessary to obtain the technical result, namely, better grip and balance, and the tread pattern also adds to the value of the goods, the same cannot be

appropriated by the plaintiff. He places reliance on *Lego Juris A/S v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* decided by the Grand Chamber of the European Court. In this decision, the Court considered Article 7 of the Council Regulation (EC) No.40/94 which is *paramateria* with section 9 of the Act.

32. Thus, Mr. Lall submits that even if the tread pattern of the plaintiff may not be the only tread pattern that may serve the same functionality, the plaintiff cannot appropriate the tread pattern on account of the fact it has functionality attached to it.

33. He also places reliance on *Phillips Electronics NV v. Remington Consumer Products Limited* – an English decision of the Supreme Court of Judicature dated 05.05.1999.

34. Mr. Lall submits that the reliance placed on *MRF Limited* (supra) by the plaintiff is misplaced, since that decision does not take into account the functional aspect of the tread pattern. The Court did not consider section 9(3) of Trade Marks Act while rendering its decision.

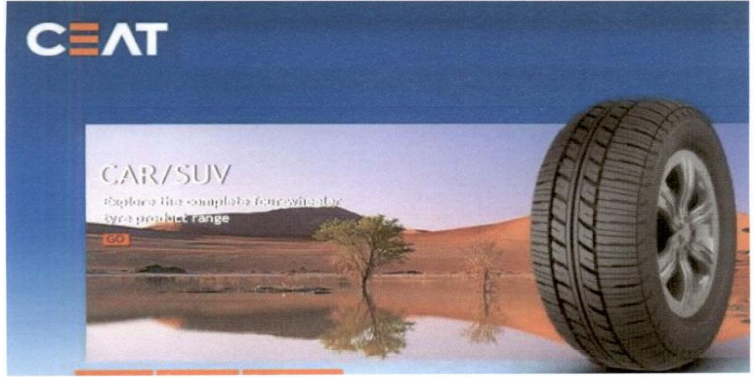
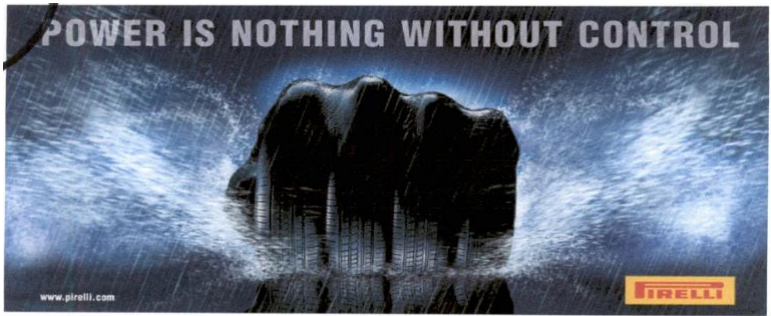
35. Mr. Lall submits that the distinguishing features pointed out by the defendant and taken note of herein above, particularly the fact that the tyre of the defendant is sold in a packaged condition as opposed to that of the plaintiffs, shows that there is sufficient added matter to distinguish the defendants goods from those of the plaintiff. He places reliance on the observations made by the Supreme Court in *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*, AIR 1965 SC 980. In

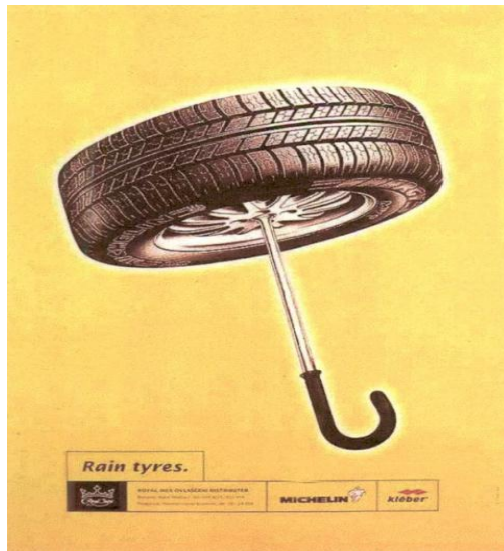
para 28 of the said decision, the Supreme Court observed that “... ..
*whereas in the case of passing off, the defendant may escape the liability if
he can show that the added mater is sufficient to distinguish his good from
those of the plaintiff*”.

Plaintiffs Submissions in Rejoinder

36. In his rejoinder, Mr. Chandra, firstly, submits that it is an industry practice for manufacturers of tyres to adopt their exclusive tread patterns, since it is the tread pattern which identify and distinguish the products of one tyre manufacturer from another. Otherwise, the tyres are all round in shape and black in colour. Mr. Chandra submits that what is functional are the grooves in a tyre, but the tread pattern is ornamental. This is so because the function of gripping can be achieved by different tread patterns. It is not that only one tread pattern has the capability or functionality of gripping the tyre to the road/ ground. He submits that the defendant has not explained as to how it has come to adopt the same tread pattern as that of the plaintiff. The defendant has also not shown that the tread pattern copied from the plaintiff, in particular, has any utilitarian or functional aspect.

37. Mr. Chandra has also tendered, during his submissions, the tread patterns adopted by different manufacturers for their tyres, which are prominently displayed in their advertisements with a view to promote and identify the tyres. The different tread patterns adopted by several leading manufacturers are as follows:





38. In response to the submission of Mr. Lall that the tread pattern of the plaintiff is functional and, therefore, not capable of protection, Mr. Chandra has relied upon *Cow (P.B.) & Coy Ld. v. Cannon Rubber Manufacturers Ld.*, 1959 (9) RPC 240.

39. Mr. Chandra submits that this case of *Cow (P.B.) & Coy. LD* (supra) is very similar to the present one. The issue is not that whether the defendants tyres can have a tread pattern. The tread in a tyre are functional and

imperative to provide proper gripping and friction. The real issue is with regard to the pattern of the treads, as the pattern of the treads are a matter of imagination and creation. The tread pattern adopted by the plaintiff is certainly not the only tread pattern which could serve the purpose, as there could be innumerable tread patterns which can achieve the same objective. This is also evident from the fact that a large number of manufacturers have adopted their own tread patterns on their respective tyres.

40. Mr. Chandra has submitted that a particular design, due to its long use, is capable of becoming a source identifier/ indicator and is entitled to protection as a trade mark. He submits that registration of a trade mark is not a *sine qua non* for protection of the mark, since the equitable remedy in a passing off action would lie.

41. Mr. Chandra has also placed reliance on *Whirlpool of India Ltd. v. Videocon Industries Ltd.*, 2014 (60) PTC 155 (Bom). The said case pertained to the claim of design protection in respect of a semi-automatic washing machine.

42. Mr. Chandra also places reliance on *Avia Group Intern., Inc v. L.A. Gear California*, 853 F. 2d 1557, and *Rosco, Inc v. Mirror Lite Co.*, 304 F.3d 1373 – a decision of the US Court of Appeal, Federal District.

43. Mr. Chandra submits on the basis of the decision in *Rosco* (supra) that it was for the defendant to show that the tread pattern in the plaintiffs tyre are dictated primarily by functional considerations, and that other than the plaintiffs tread pattern, there are no other designs or tread patterns which

would have the same functional capabilities as those achieved by the plaintiffs tyre in question. Mr. Chandra submits that the defendant has, prima facie, not been able to establish the same.

44. Mr. Chandra also relies upon the proviso to Section 9(1) of the Act. He submits that a trademark which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods, or rendering of the service or other characteristics of the goods or service shall not be registered, provided that a trade mark shall not be refused registration if, before the date of application for registration, it has acquired a distinctive character as a result of the use made of it, or as a well known trade mark. Mr. Chandra further refers to Section 32 of the Act which provides that where a trade mark is registered in breach 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. Thus, where the mark has become a source identifier of the goods/ service, and has acquired goodwill and reputation due to continuous use over a period of time, it shall be entitled to protection despite the mark falling foul of Section 9(1) of the Act. Mr. Chandra submits that the case of the plaintiff stands on a much higher footing inasmuch, as, it does not fall foul of Section 9(1), but meets the criteria stipulated in the proviso thereto.

45. Mr. Chandra submits that under Section 27(2) of the Act, the common law rights against passing off in respect of an unregistered trademark are protected. He further submits that the plaintiff is not seeking exclusive rights in respect of the shape of a wheel, which is necessary to obtain the technical result of that it achieves. Mr. Chandra refers to the documents filed on pages 238 to 262 of the plaintiffs documents to submit that the design registration is routinely applied for and obtained by different manufacturers in respect of their tread patterns. This itself shows that tread patterns by themselves are not functional in character and serve the purpose of identifying the manufacturer of the tyre, since all tyres are round and in the shape of a wheel.

46. In response to the submission of Mr. Lall that the tyre tread constitutes a 'design' as defined in the Designs Act, and since the plaintiff has not obtained design registration it is no longer protectable, Mr. Chandra submits that even the shape of goods constitutes a 'mark' and if shape of goods is capable of being represented graphically and is capable of distinguishing the goods or services of one person from those of others, the same would be covered by the definition of the expression trade mark. He submits that in the present case, the tread pattern in question is the shape of the plaintiffs goods and is the source identifier of the plaintiffs goods. Thus, it is protectable as a trademark. In this regard, he has relied on *Mohan Lal, Proprietor of Maurya Industries v. Sona Paints and Hardware*, 2013 (55) PTC 61 (Del) FB. He specifically refers to para 22, where the Full Bench held that a design can be used as a trade mark, and if by virtue of its use

goodwill is generated in the course of trade or business, it can be protected by an action in the nature of passing off.

47. Mr. Chandra submits that in the present case, the plaintiff has not got its design registration in respect of its tread pattern. However, that is of no consequence for the reason that the tread pattern of the plaintiff in its tyre ENDURANCE LD 10.00 R 20 has assumed trade mark significance. The said tread pattern is a source identifier of the tyre of the plaintiff since 2010.

48. Mr. Chandra submits that the plaintiffs goodwill in its trade mark in question is well established by the facts and sales figures narrated herein above. The plaintiff has been producing and widely marketing its tyre ENDURANCE LD 10.00 R 20 with the tread pattern in question since the middle of 2010 and its sales have swelled from 64.75 crores in the second half of 2010 to 1356.41 crores in respect of 776,798 ENDURANCE LD 10.00 R 20 tyres in the year 2014. The total sales of ENDURANCE LD 10.00 R 20 tyres since inception in the middle of 2010 is to the tune of Rs.3884 crores. The plaintiff has been widely advertising and marketing its products including ENDURANCE LD 10.00 R 20 in several ways including on its website www.apollotyres.com.

49. Mr. Chandra submits that in *Satyam Infoway Ltd. v. Sifynete Solutions Pvt. Ltd.*, 2004 (28) PTC 566 (SC), the Supreme Court took into account the plaintiffs extent of use of its mark “SIFY” in respect of its services to conclude that the appellant had established prima facie goodwill and reputation in its trademark “SIFY”. Similarly, the plaintiff has also been able to establish its goodwill and reputation in its tread pattern in

question, used in respect of ENDURANCE LD 10.00 R 20 truck tyres by showing large volume of sales of their aforesaid tyre.

50. In response to Mr. Lall's submission that the plaintiff has concealed and suppressed the fact that the defendant was the plaintiff's distributor, Mr. Chandra submits that there is no concealment since the said fact is not relevant and material. The concealment and suppression, for it to be of any consequence to the case of the plaintiff, should be in respect of a relevant and material fact. The defendant has not explained as to how the said fact, even if disclosed, would weaken the plaintiff's case.

51. Mr. Chandra submits that the fact that the defendant was the plaintiff's distributor till May 2015 would, in fact, show that the conduct of the defendant in selling the tyre in question was not bonafide, since he would have been aware of the fact that the tyre in question being sold by the defendant has the same tread pattern as that of the plaintiff. The defendant was obviously aware of the popularity of the plaintiff tyre in question and it was easy for it to pass off the tyre in question as that of the plaintiff to its customers on account of its past association with the plaintiff as its distributor.

52. So far as the disclosure made by the defendant that there are other third party manufacturers of Chinese origin – who are manufacturing tyres with the same tread pattern is concerned, Mr. Chandra submits that the plaintiff on becoming aware of such third party use would take action against all such tortfeasors. He also submits that the third party use is no

defence to an action for passing off and in this regard, he places reliance on *Rolex SA v. Alex Jewellery Pvt. Ltd. & Ors.*, 2009 (41) PTC 284 (Del).

53. On the same lines is the decision of this Court in *Prakash Roadlines Limited v. Prakash Parcel Service Pvt. Ltd.*, 1991 LawSuit (Del) 201.

54. On the aspect of territorial jurisdiction, Mr. Chandra submits that in para 33 of the plaint, the plaintiff has specifically averred that the impugned products of defendant nos.1 and 2 are available for sale in Delhi. The defendant has a distributor in Delhi. In this regard, he refers to the print out taken from the website of the defendant no.1 Pioneer Trading Corporation, which declares its “*network operating in several cities in the country including in Delhi*”. He further submits that the plaintiff's agent has purchased the tyre in question from the defendant no.1 at Delhi. In this regard, he places reliance on the invoice dated 24.08.2015 issued by the defendant's distributor Rajasthan Trading Co. at Delhi in respect of the tyre in question. Mr. Chandra has explained the description of the tyre in the invoice as “HF 505” as referring to an affidavit filed on record. In this regard, he refers to the affidavit of Tejpal Singh, s/o Sahib Singh, the owner of Narang Tyre Sales having his office in Delhi. Tejpal Singh in this affidavit states that he is the owner of Narang Tyre Sales; he is in the business of selling tyres of various brand including the brand HI FLY. He further states that in general parlance, in the tyre industry, HI FLY tyres are referred to as “HF Tyres”. He further states that in the aforesaid light, “*invoices issued by us mention the word HF only. I further state that to the best of my knowledge this practice is followed by other traders as well*”.

55. Mr. Chandra submits that the same tyre of the defendants was purchased from Indera Tyres situated at Sanjay Gandhi Transport Nagar, Delhi vide invoice dated 11.12.2015 giving the full description of the model of the tyre. Thus, he submits that there is no doubt about the availability and sale of the tyre in question in the markets in Delhi.

56. Mr. Chandra has also placed reliance on *Exphar SA & Anr. v. Eupharma Laboratories Ltd. & Anr.*, (2004) 3 SCC 688 to submit that the objection of the territorial jurisdiction of this Court cannot be decided at this stage and the Court must proceed on the basis of the averments made in the plaint and the documents filed by the plaintiff.

57. Lastly, Mr. Chandra has submitted that there is an aspect of public interest also involved in the case inasmuch, as, the public should not be misled due to the misrepresentation made by the defendants by adopting identical tread pattern in respect of their tyre into believing that the same comes from a well known brand of the plaintiff. He further submits that the defendants cannot take advantage of minor drafting errors and inaccuracies on which nothing, otherwise, turns.

Defendants Submissions in Sur-Rejoinder

58. In view of the elaborate submissions made by Mr. Chandra in his rejoinder, Mr. Lall has advanced further submissions to deal with the same. He submits that suppression and misstatement by the plaintiff is writ large. In para 21 of the plaint, the plaintiff has averred “*on or about June 2015, the plaintiff became aware of defendant no.1 and its use of tread pattern*”

in respect of truck tyres under the mark HI FLY HH 505". Thus, the plaintiff falsely claimed to have become aware of defendant no.1 only in June 2015. He further submits that in para 22 of the plaint, the plaintiff has averred:

"22. In view of the fact that each manufacturer of tyres uses a unique tread pattern in respect of the tyres manufactured by them, the use of an identical tread pattern by the defendants cannot be a coincidence and clearly evidences their mala fide. Further, being in the same business, it is clear that the defendants were well-aware of the plaintiff and its tyres and the exclusive tread pattern in respect thereof. In fact, the defendants are on their website claiming that they are a distributor of the plaintiff's tyres under the mark APOLLO"

"... .. The plaintiff's further enquiries revealed the website www.pioneertrading.in. The said website contains information as to the business profile and products of the defendant no.1 in India. It was also revealed that the defendant no.1's network extends to Delhi. Interestingly, on the said website, the defendants had prominently used the plaintiff's mark/ name APOLLO so as to indicate a trade connection/ affiliation, which was not the case. Even now the defendants claim to be a distributor of APOLLO tyres"

59. Mr. Lall submits that since the defendant no.1 was a dealer of the plaintiff till May 2015, the claim made by the defendant on the website of its being a distributor of the plaintiffs tyres was not a complete falsehood. The projection made by the plaintiff in its plaint is that the defendant was a complete stranger to the plaintiff, regarding the existence of which the plaintiff had no knowledge till June 2015, and that the defendant was claiming itself to be a distributor of the plaintiff under the mark APOLLO. Mr. Lall submits that similar misleading statements have been made in para

23 of the plaint since the plaintiff claims to have conducted a market inquiry in July 2015 which revealed that defendant no.2 is the owner of defendant no.1 and defendant no.1 deals in truck tyres. Mr. Lall has referred to para 10 of the preliminary objections/ submissions in the written statement of the defendants. In this paragraph, the defendants averred, inter alia, as follows:

“10. It is also submitted that the plaintiff have failed to disclose in the plaint that the defendant no.1 had been a dealer for Apollo & Kaizen Tyres for which the plaintiff's officials used to visit the premises of the defendant almost every month.... ..”

60. Similarly, in para 20, the defendant has averred as follows:

“20. It is further submitted that the defendants have been selling the tyres in issue since 10.07.2014. However, till date no complaints have ever been received from dealers and end users regarding sales of HIFLY HH 505 having been sold as Apollo Endurance LD. This is only on account of stark dissimilarities between the two products in issue”

61. Mr. Lall submits that in response to para 10 quoted above from the written statement of the defendants, the plaintiff has not denied the fact that its officers used to visit the defendants premises and that they were aware of the fact that the defendant is selling tyres under the brand HI FLY. Thus, there is an implied admission by the plaintiff that the plaintiff was aware of the fact that the defendant was selling the tyres in question even while the defendants were distributors of the plaintiff. To the same effect are the averments made in the application of the defendant under Order 39 Rule 4 CPC (i.e. I.A. No.22566/2015) and the response of the plaintiff is also evasive and does not meet the specific averments of the defendant with

regard to the plaintiffs knowledge about the defendants selling the tyres in question under the brand HI FLY.

62. Mr. Lall has also submitted that the averments made by the plaintiff in para 12 of the plaint are to the effect that the tread pattern of the plaintiff is functional. The averments made in para 12 of the plaint read as follows:

“12. In the tyre industry, tyres are manufactures with distinctive treads based upon the type of vehicle, road conditions, load application etc. It is submitted that when a vehicle is designed the tread pattern is one of the most important factors to make it stand out in the showroom or tyre shops. All tyres contain a tread on which the tyre rests in contact with the ground when the vehicle is stationary and when it is moving. The tread affords the necessary grip between the tyre and the ground during movement of the vehicle to keep it substantially stable. Every tread has a plurality of ribs separated by grooves, which in conjunction with each other provide the necessary road gripping action. The body of the tyre beneath the tread is normally called the carcass. Further, as all tyres are black and circular, the prominent distinguishing feature at first glance and general impression is the tread pattern. It is for this reason that in the tyre industry, the pattern of the tread is accepted as the distinctive hallmark of the manufacturer and assumes significance in differentiating between different manufacturers and the quality of their tyres. Each manufacturer manufactures tyres with unique and different tread patterns. In fact, the plaintiff itself has several tread patterns in respect of its various tyres”.

63. Mr. Lall again points out that the tyres of the plaintiff and the defendant both have the respective mark i.e. APOLLO and HI FLY

prominently printed/ engraved thereon, and there is no scope for any confusion in the minds of the purchasers.

Discussion & Decision

64. The preliminary objection of Mr. Lall with regard to the territorial jurisdiction of this Court may be dealt with first. This objection cannot be decided at this interlocutory stage in view of the decision in *Exphar SA & Anr.*(supra). In para 9 of this decision, the Supreme Court observed:

“9. Besides, when an objection to jurisdiction is raised by way of demurrer and not at the trial, the objection must proceed on the basis that the facts as pleaded by the initiator of the impugned proceedings are true. The submission in order to succeed must show that granted those facts the court does not have jurisdiction as a matter of law. In rejecting a plaint on the ground of jurisdiction, the Division Bench should have taken the allegations contained in the plaint to be correct. However, the Division Bench examined the written statement filed by the respondents in which it was claimed that the goods were not at all sold within the territorial jurisdiction of the Delhi High Court and also that Respondent 2 did not carry on business within the jurisdiction of the Delhi High Court. Having recorded the appellants' objections to these factual statements by the respondents, surprisingly the Division Bench said:

“Admittedly, the goods are being traded outside India and not being traded in India and as such there is no question of infringement of trade mark within the territorial limits of any court in India what to say of Delhi.””

65. It is not the defendant's case that, even on a reading of the plaint and the documents relied upon by the plaintiff, this Court cannot be said to have the territorial jurisdiction to deal with the present suit. At this stage, this Court must proceed on the basis of the averments made in the plaint and the documents filed by the plaintiff. The plaintiff has made the relevant averments and filed on record the invoice in respect of the purchase made of the defendant's tyre in question from the defendant's distributor in Delhi, namely, Rajasthan Trading Company, situated at S.P. Mukherjee Marg, Behind Novelty Cinema, Delhi, on 24.08.2015. In this regard, the affidavit of Mr. P.S. Walia, along with the copy of the cash memo dated 24.08.2015, bearing No. 661 book No 4 issued by Rajasthan Trading Company has been placed on record. The plaintiff has placed on record the printout taken from the website of the defendant No.1 – Pioneer Trading Corporation which declares its "*network operating in several cities in the country including in Delhi*".

66. The defendant has sought to raise a doubt with regard to the invoice dated 24.08.2015 relied upon by the plaintiff, by claiming that the same pertains to the tyre purchased bearing the description 'HF 505', whereas the defendant's tyre bears the model, 'HH 505'. Firstly, I may observe that the defendant does not say that the tyre described as 'HF 505' pertains to some other tyre of some other manufacturer. The plaintiff has explained that in normal trade parlance, the tyres of the defendants are referred to as, 'HF tyres' on account of the defendant's brand 'HI FLY'. In this regard, the affidavit of Mr. Tejpal Singh, s/o Sahib Singh, the owner of Narang Tyre Sales, has been placed on record. Pertinently, the plaintiff has placed on

record another invoice issued by Indera Tyres situated at Sanjay Gandhi Transport Nagar, Delhi, dated 11.12.2015, which gives the full description of the model of the tyre in question of the defendant. Thus, prima facie, there is sufficient material on record to establish the fact that defendants are selling the tyre in question in Delhi i.e. within the territorial jurisdiction of this Court. The same would certainly vest jurisdiction in this Court as the sale of the tyre in question by the defendant forms a part of the cause of action in favour of the plaintiff. The submission of Mr. Lall is, therefore, rejected.

67. I may now deal with the submission of Mr. Lall with regard to the alleged suppression and misstatement of relevant facts by the plaintiff. On a reading of the plaint, no doubt, it appears that the plaintiff has not disclosed its past association and business dealings with the defendant. The projection made by the plaintiff in the plaint is that the plaintiff became aware of the existence of the defendant in June, 2015. To this extent, as submitted by Mr. Lall, there is an inaccurate and misleading averment made by the plaintiff.

68. However, for the suppression or misstatement of fact by a party to be fatal, it is essential that the same should relate to a relevant and material fact. A trivial, inconsequential or minor falsity or inaccuracy in drafting of pleadings, which does have the effect of changing or altering the fundamental premises of the case of a party, would not damn a party forever. The question that arises for consideration is whether the aforesaid stand taken by the plaintiff would be fatal to the case of the plaintiff in relation to the present applications, i.e. whether the suppression or misstatement of the

particular fact-if truthfully disclosed, would have had a material bearing on the decision of the Court either at the interlocutory, or the final stage of the case. If yes, it could be said that the party deliberately resorted to misstatement or suppression of a relevant fact with a view to hoodwink the Court into passing an order or judgment which it, otherwise, would not have passed, had the facts been correctly and completely disclosed.

69. Examined in the aforesaid light, the fact that the defendant was a distributor of the plaintiff's tyres till May, 2015, in my view, does not prejudice the case of the plaintiff in any manner. The said fact, in fact, leaves no manner of doubt that the defendants knowingly started dealing with the tyre in question with the brand "HI FLY" – knowing full well that the tread pattern of the said tyre was identical to that of the plaintiff's tyre in question, namely Endurance LD 10.00 R20. This reflects upon the lack of bona fides on the part of the defendants. Coupled with this is the fact that the defendant continued to claim itself to be a distributor of the plaintiff, even though the defendant had ceased to be a distributor of the plaintiff after May 2015.

70. There is merit in the submission of Mr. Chandra that the use of the name of the plaintiff by the defendants, despite the defendants ceasing to be distributor of the plaintiff after May 2015, coupled with the sale of the tyre in question with the identical tread pattern, was likely to lead to confusion in the minds of the unsuspecting customers that the tyre of the defendants came from the same source as that of the plaintiffs.

71. The submission of Mr. Lall that the officials of the plaintiff used to visit the shop of the defendants regularly when the defendant was the distributor of the plaintiff and, therefore, they were aware of the fact that the defendant was dealing in the tyre in question under the brand “HI FLY”, is neither here nor there. It is the defendants own case that the tyre of the defendant under the brand “HI FLY” is sold in a packaged/ wrapped condition. Therefore, it cannot be assumed that the official of the plaintiff who may have visited the premises of the defendants in connection with the dealership business would certainly have come across the tyre of the defendant in question, and noticed its tread pattern. The averments of the defendants in this regard are completely vague inasmuch, as, there are no specific particulars of the name of the visiting person/ official of the plaintiff; the time or frequency of his/ her visit, and; the specific particulars and details about the particular person/ official actually becoming aware of the sale of the tyre in question under the brand “HI FLY” by the defendants with the same tread pattern as that of the plaintiff’s tyre Endurance LD 10.00 R20. Even if some official of the plaintiff may have seen the defendant deal in and sell the tyre in question, with the same tread pattern as that of the plaintiff’s tyre “Endurance LD 10.00 R20”, the same does not mean that the management of the plaintiff became aware of the said fact. Pertinently, the dealership of the defendant in respect of the plaintiff’s tyres came to an end in May 2015 and the defendants were found to be dealing in the tyre in question under the brand “HI FLY” in July 2015. The aforesaid are disputed questions of fact which would have to be established during the course of

trial. At this stage, the implications sought to be drawn by the defendant, in my view, cannot be drawn against the plaintiff.

72. Lastly, even if the submission of Mr. Lall in respect of the plaintiffs knowledge of the defendants dealing in the sale of the tyre in question under the brand “HI FLY” were to be accepted, even then the same would not non-suit the plaintiff, as the suit had been filed without undue delay or laches. Delay in filing a suit for passing off, by itself, is not fatal as held in *Midas Hygiene Industries (P) Ltd. vs. Sudhir Bhatia*, (2004) 3 SCC 90, wherein the Court held “*The law on the subject is well settled. In cases of infringement either of Trade Mark or Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the mark was itself dishonest.*” (emphasis supplied). Reference may also be made in this regard to *Ansul Industries Vs. Shiva Tobacco Company*, 2007 (34) PTC 392 (Del).

73. In the light of the aforesaid discussion, I am of the view that there is no merit in Mr. Lall’s submission that there has been any suppression or misrepresentation of a relevant or material fact, the correct disclosure whereof would have adversely affected the case of the plaintiff. To me, it appears, that some amount of inaccuracy has crept into the drafting of the plaint, which is not relevant or material and could well be result of either some communication gap within the plaintiff’s organization, or between the plaintiff and the counsel who may have drafted the plaint.

74. For the aforesaid reasons, in my view, the decisions relied upon by the defendants in *Ram Krishan & Sons Charitable Trust* (supra), *Rajappa Hanamantha Ranoji* (supra), *Satisk Khosla* (supra), and *Smithkline Beecham Consumer Healthcare Ltd* (supra), are of no avail. This submission is, therefore, rejected.

75. The submission of Mr. Lall that-because the tread pattern is registerable as a design, and the same has not been got registered as a design by the plaintiff, the plaintiff has lost its exclusive right over the said design in question, also does not appear to have any merit. The Full Bench decision in *Mohan Lal, Proprietor of Maurya Industries* (supra) is a complete answer to the submission of Mr. Lall. The non-registration of the design contained in the tread pattern does not take away the rights of the person – who uses the said design contained in the tread pattern, as a trademark, to sue for passing off.

76. The Full Bench in this decision, inter alia, observed:

“22. In our view, the aforesaid contentions are flawed for the reason that while the Trade Marks Act confers certain statutory rights qua a registered trade mark, it does not deprive a user of an unregistered trade mark the right to protect the misuse of his mark by a defendant who is in possession of a registered trade mark. Therefore, in so far as a design, which is registered under the Designs Act is concerned, it may not have the statutory rights, which a registered trade mark has, under the Trade Marks Act, it would certainly have the right to take remedial steps to correct a wrong committed by a defendant by instituting a passing off action. If such an action is instituted, the plaintiff would have to demonstrate that the registered design was used by him as a trade mark which, in the minds of

the purchasing public is associated with his goods or services which, have acquired goodwill/reputation which is worth protecting. Quite naturally, result of such an action, would depend upon whether or not the plaintiff is successful in proving the essential ingredients involved in a passing off action, to which we have already made a reference hereinabove.

*22.1 Therefore, the argument that since there is no saving clause in the Designs Act as found in Section 27(2) of the Trade Marks Act, and consequently such a remedy ought not to be made available qua a registered design, **which is used as a trade mark**, is in our view, completely without merit. As is obvious, such a passing off action would be based on a plea that: the design, which is an unregistered mark, was being used by the plaintiff for the purposes of business; and that the plaintiff's goods and/or services had acquired a reputation and/or goodwill, which were identified in the minds of the consumers, by associating the design / the mark, with the goods and / or services. In other words, the plea would be that the design which was being used as a mark identified the plaintiff, as the source of the goods supplied or services offered.*

22.2 The plaintiff, in our opinion, would not have to look to the Designs Act, for instituting such an action. Therefore, the argument that the legislature by not incorporating a similar provision, such as Section 27(2) of the Trade Marks Act, has by necessary implication excluded the availability of such like remedy to a plaintiff, who uses a registered design, as his trade mark, is untenable. Our view is fortified by the opinion expressed in that regard by the learned authors of book - McCarthy:

"....Dual protection from both design patent and trademark law may exist where it is alleged that the configuration or shape of a container or article serves to identify and distinguish the source of

goods - that is, acts as a trademark or trade dress. Such a container or product shape may also be capable of design patent protection. In such cases, the protection afforded by patent law vis-a-vis trademark law is quite different.””

77. The Full Bench crystallized its opinion in para 34 of the judgment, wherein it was, inter alia, held:

“(ii) The plaintiff would be entitled to institute an action of passing off in respect of a design used by him as a trade mark provided the action contains the necessary ingredients to maintain such a proceeding”.

78. In the present case, it is the case of the plaintiff that the tread pattern adopted by it in respect of its tyre “Endurance LD 10.00 R20” serves the purpose of a trademark, i.e. it is source identifier. According to the plaintiff, it is an industry practice that different manufacturers adopt different tread patterns in respect of their tyres. The plaintiff has placed on record the different tread patterns adopted by different manufacturers. Tyres of vehicles, by and large, are black in colour; they are made of the same material, namely rubber compounds; they are all round in shape like a wheel; and they all have grooves which are functional inasmuch, as, they provide the gripping and friction. In this background, prima facie, it appears to this Court that the tread patterns adopted by different manufacturers in respect of their tyres become one of the primary source identifiers apart from their brand names. The manner in which the tyres are displayed in the course of advertising also shows that the tread patterns adopted by the different manufacturers are prominently displayed along with the brand name of the manufacturer. The “face” of the tyre i.e. its tread pattern is what

is displayed by all the manufacturers, while advertising their tyres in publications, hoardings, pamphlets etc.

79. The Madras High Court in *MRF Limited* (supra) has also observed that similarity of tread pattern may also raise a presumption of common origin or close business association between the two manufacturers and it cannot be stated that the tread patterns on tyres are not without significance. In this case, the plaintiff MRF Limited was the prior adopter and user of its several marks in respect of scooter tyre, autorickshaw tyre, tractor and jeep tyres with its unique tread pattern having the symbol of MRF muscleman. The defendant adopted a different trademark for their own range of tyres, with a similar tread pattern. While injecting the defendant and rejecting the defendant's submission that tread pattern is functional and utilitarian which cannot be appropriated by one manufacturer, the Madras High Court, inter alia, observed:

“87. It has been contended on behalf of the defendant that as regards of the tread pattern being functional and utilitarian, the tread patterns of the various manufacturers are not by any means exclusive to any one of the manufacturers as they are commonly adopted by different manufacturers. It has to be pointed out that the defendant has not produced tyres manufactured by different manufacturers having the same kind of tread pattern and the defendant's tyres of various manufactures are distinct by their names or by their trade marks bearing on the respective tyre; and purchasers of tyres do not purchase merely on looking at the tread pattern and they ask for tyres by names. Accepting the said contention, it has to be pointed out as to why. the purchasers quote the name of particular manufacture of tyres and want their tyres act. certainly because of the good quality of the tyres manufactured

*by such of those manufacturers. Such good quality of tyres among other things must necessarily be including tread pattern also. It may be stated that when a purchaser goes to purchase a scooter tyre manufactured by the plaintiff if NYLOGRIP scooter tyre is not available and METRO scooter tyre being available in the shop quite likely the shopkeepers may point out the tread pattern in that tyre manufactured by the defendant and the purchaser may purchase the same having regard to the similarity of the tread pattern irrespective of the manufacturers. **Similarity of the tread pattern may also raise a presumption of common origin or close business association between MRF and METRO as contended or behalf of the plaintiff. In such circumstances it may be stated that the tread patterns are not without significance**". (emphasis supplied)*

80. Mr. Chandra has placed reliance on **Zippo** (supra). At the outset, I may observe that this is an ex-parte decision. For this reason, I do not consider it appropriate to deal with the fact of **Zippo** (supra). However, the learned Single Judge in the course of the ex-parte judgment has taken note of several earlier precedents which make a useful reading and are relevant for the purpose of the present case. The relevant extract from the decision in **Zippo** (supra) reads as follows:

*“11. In **Gorbatschow Wodka KG versus John Distilleries Limited, 2011 (47) PTC 100(Bom)**, the plaintiff claimed that the shape of its bottles of Vodka was distinctive and formed an intrinsic part of its goodwill and reputation. The bottle which the defendant had adopted was alleged to be deceptively similar to that of the plaintiff. The plaintiff, on account of similarity in the shape of the bottles, claimed a dilution of the distinctive shape under which Vodka bottles of the plaintiff are marketed and sold, a dilution of the goodwill and reputation of the plaintiff in relation to the distinctive shape of the bottle, passing off at common law, unfair competition and a mushrooming*

effect in that unless the defendant were to be stopped other potential infringers may be emboldened to encroach upon the rights of the plaintiff. The defendant in that case had obtained registration of its shape under the Designs Act, 2000. The contention of the plaintiff was that registration under Designs Act was no defence to an action for passing off since there was no procedure in the Act for advertising and for receipt of oppositions. Granting injunction to the plaintiff, the Court, inter alia, observed as under:-

“The action before the Court is a quia timet action which seeks to injunct the defendant from launching its product in India. The basis and foundation of the action is that the defendant has adopted a bottle for the sales of its product which in its shape bears a striking resemblance to the bottle of the plaintiff. Under the Trade Marks Act, 1999, the shape of goods is now statutorily recognized as being constituent element of a trade mark. Section 2(zb) of the Trade Marks Act, 1999 defines the expression ‘trade mark’ to mean “a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others” and to include the “shape of goods, their packaging and combination of colours”. Parliament has, therefore, statutorily recognized that the shape in which goods are marketed, their packaging and combination of colours for part of what is described as the trade dress. A manufacturer who markets a product may assert the distinctive nature of the goods sold in terms of the unique shape through which the goods are offered for sale.”

“The shape of the bottle which the plaintiff has adopted has no functional relationship with the nature of the product or the quality required of

the container in which Vodka has to be sold. The shape, to use the language of a leading authority on the subject, is capricious. It is capricious in the sense that it is novel and originated in the ingenuity and imagination of the plaintiff. Prima facie, a comparison of the shape of the bottle which has been adopted by the defendant with the bottle of the plaintiff would show a striking similarity. As a matter of fact, counsel appearing on behalf of the defendant did, during the course of the submission, concede that there are similarities.”

12. *In Reckitt & Colman Products Limited versus Bordeen Inc. and Others [1990] RPC 341, [1988] FSR 601, the plaintiff was selling the lemon juice since 1956 in a plastic container under the name JIF. The defendants who also were selling lemon juice, in bottle sought to introduce lemon shape container, which was challenged by the plaintiff alleging passing off. The trial Judge held that passing off had been established. The defendants filed an appeal against the order of the trial Judge. While dismissing the appeal, the Court of Appeal observed that even assuming that the colour and shape of the container were to be regarded as having a function to perform (by indicating its contents) that does not preclude the plaintiff from having acquired the exclusive right to the particular get up of their JIF lemons, including their colour and shape.*

13. *In Yale & Towne Mfg. Co. vs. Alder, 1907 US Appeals Lexies 4499, it was found that the defendant had copied, manufactured and sold a padlock marketed by the plaintiff. Though many features of plaintiff's padlock were not original and subject to appropriation, the defendant was the first to assemble them in a form in which its padlock was substantially identical with that of the plaintiff. The Court felt that this would lead customers into believing that they were buying plaintiff's padlock and, therefore, defendant's apparent purpose was to*

intentionally and deliberately extend his trade with retail dealers at the expense of plaintiff's trade by furnishing them with a padlock at a lower price which could be sold to the customers as plaintiff's padlock.

14. In George G. Fox Company versus Charles F. Hathaway & Another, 1908 Mass Lexis 791, the plaintiff's loaves of bread were of a size, shape, colour and condition of surface that gave them a peculiar visible appearance which had come to be recognized by customers in connection with the name, as indicating the place of manufacturing and the quality of the bread. The defendant began to manufacture and sell bread in loaves of the same size, shape, colour and general visual appearance as of the plaintiff. It was held that the defendant intended to take advantage of the reputation which the plaintiff had built up, by selling an imitation of its loaves."
(emphasis supplied)

81. Thus, it is evident that the shape of the goods is statutorily recognized as being a constituent element of a trademark. The shape of goods could, in a given case, have trademark significance i.e. the particular shape of the goods could become a source identifier of the goods. Copying of the unique shape of the goods could lead to confusion amongst the consumers with regard to the source from which they originate. Thus, the submission of Mr. Lall that the tread pattern on a tyre constitutes a design-registerable under the Designs Act, and failure of the plaintiff to get its design in the tread pattern registered deprives the plaintiff of protection against passing off has no merit, and is rejected.

82. I now turn to consider the submission of Mr. Lall that the tread pattern adopted by the plaintiff is functional and, therefore, cannot be protected against passing off. Mr. Lall has submitted that the tread pattern in question

is functional or utilitarian in nature, and the said tread pattern on the tyre provides better grip on the road and stability to the vehicle during movement.

83. Mr. Lall has submitted that the plaintiff has itself claimed in its plaint that *“The treads affords the necessary grip between the tyre and the ground during movement of the vehicle to keep it substantially stable. However, tread has a plurality of ribs separated by grooves, which in conjunction with each other provide the necessary gripping action”*. (Refer Paragraph 12 of the plaint).

84. The plaintiff has further averred in paragraph 13 of the plaint that *“The tread pattern was the outcome of the plaintiff’s Research and Development Department and was developed in a span of four years”*.

85. In paragraph 14 of the plaint, the plaintiff has stated that

“14. The underlying success of the tread pattern of the tyre under the mark ENDURANCE LD also lies in the technology utilized in creating its structure. The tyre has a unique closed shoulder tread pattern with the bars to resist stress and deformation. Further, special abrasion proof and cut-chip resistant tread compound across the tread ensures the desired mileage with a uniform and smooth wear.”

86. Having considered the averments made in the plaint and the submissions of the counsels, I am of the view that there is no merit in the aforesaid submission of Mr. Lall. The averments made in the pleadings have to be read as a whole, and parts thereof cannot be lifted out of context

and be given a meaning. The plaintiff has very clearly averred in paragraph 12 of the plaint that;

“12. In the tyre industry, tyres are manufactures with distinctive treads based upon the type of vehicle, road conditions, load application etc. It is submitted that when a vehicle is designed the tread pattern is one of the most important factors to make it stand out in the showroom or tyre shops. All tyres contain a tread on which the tyre rests in contact with the ground when the vehicle is stationary and when it is moving. The tread affords the necessary grip between the tyre and the ground during movement of the vehicle to keep it substantially stable. Every tread has a plurality of ribs separated by grooves, which in conjunction with each other provide the necessary road gripping action. The body of the tyre beneath the tread is normally called the carcass. Further, as all tyres are black and circular, the prominent distinguishing feature at first glance and general impression is the tread pattern. It is for this reason that in the tyre industry, the pattern of the tread is accepted as the distinctive hallmark of the manufacturer and assumes significance in differentiating between different manufacturers and the quality of their tyres. Each manufacturer manufactures tyres with unique and different tread patterns. In fact, the plaintiff itself has several tread patterns in respect of its various tyres”.

87. From the aforesaid averments, it is clear that while on the one hand, the plaintiff talked about the “tread pattern” as being one of the most important factors to identify the tyre manufactured by a particular manufacturer, on the other hand, the plaintiff seeks to explain the purpose that “a tread” on a tyre serves, functionally. The submissions of Mr. Lall do not account for the distinction between a “tread” and a “tread pattern”. Mr. Chandra has clarified-and I agree with his submission, that no party can

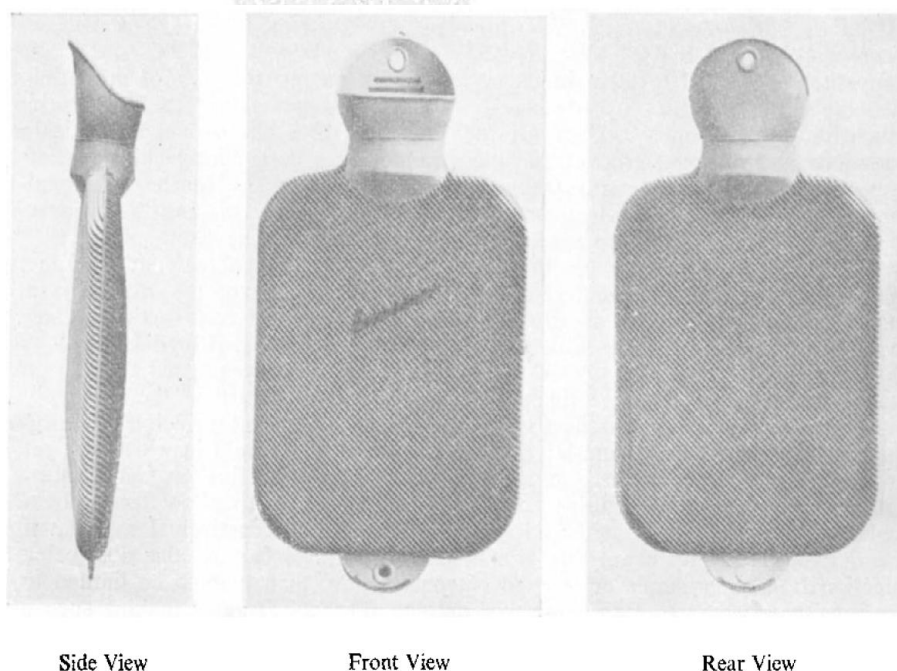
claim proprietary over the shape of a tyre, since all tyres are round in the shape of a wheel, which is a functional requirement. No party can claim proprietary over the technique/ practice of providing treads in a tyre, since treads are functional, i.e. they afford the necessary grip between the tyre and the ground during movement of the vehicle to keep it substantially stable. No party can claim proprietary over the technique/practice of having a plurality of ribs, separated by grooves, which create the tread on the tyre. However, that does not mean that the unique pattern of the tread adopted by a particular manufacturer, which constitutes its unique design and shape, would not be entitled to protection as a design – if it is registered, and also as a trademark- if the tread pattern has been exploited as a trademark i.e. a source identifier. What is functional in a tyre are the “treads” and not the “tread pattern”.

88. It is clear from the documents placed on record that each of the manufacturers have adopted their unique tread patterns. It is not the defendants case that the tread pattern adopted by the plaintiff is the only tread pattern which can serve the function of providing the necessary grip between the tyre and the ground during movement of the vehicle, so as to keep it substantially stable. This is not, and cannot be, the defence of the defendant since numerous unique trade patterns have been adopted by different manufacturers of tyres the world over.

89. I have set out hereinabove the manner in which the tyres of the plaintiff and the other manufacturers are displayed in the course of marketing, advertisement etc. They clearly show that the tread patterns are

utilized by the manufacturers including by the plaintiff, in respect of its tyre in question, as a source identifier, i.e. as a trademark.

90. In *Cow (P.B.) & Coy Ltd.* (supra), the Chancery Division protected the plaintiff's design of rubber hot water bottle. In this case, the plaintiff sued the defendant for infringement of a design of rubber hot water bottle. The registered design showed – on both sides of the water bottle, a series of ribs disposed diagonally on the surface, and extending right upto a narrow side strip at the union of back and front. The plaintiff had claimed novelty in its design in the following terms– “*The novelty resides in the shape or configuration of the article as shown in the representation*”. The plaintiffs registered design appeared as follows:



91. The validity of the design was attacked on the ground that it included a method or principle of construction and secondly that it included features

of shape or configuration dictated solely by the function that the article had to perform. The defendants hot water bottle had the same kind of diagonal rib – just that, it had only shallow vertical ribs. The defendant claimed that the ribs had utility, namely, permitting heat to be radiated from the filled body portion whilst removing the possibility of discomfort and burning to the user. The issue considered by the Chancery Division was whether the design of the ribs was dictated solely by function, or the same utility could be obtained with other forms of ribs, or even without ribs. While upholding the design claim of the plaintiff, the Chancery Division, inter alia, observed:

“As to the second, the objection that the features of shape or configuration are dictated solely by the function which the article has to perform is based upon the submission that the only significant feature is provided by the diagonal ribbing of the two faces of the hot water bottle. This ribbing, the argument proceeds, is provided for the purpose of permitting heat to be radiated from the filled body portion whilst removing the possibility of discomfort and burning to the user, an attribute which the Plaintiffs have themselves publicised as characteristic of embodiments of the design. In consequence, argue the Defendants, the configuration is required if the purpose is to be secured.

One answer to this argument is that it fails to note the difference between the provision of ribbing of some kind, and the choice of a diagonal direction for its employment, for the evidence amply established that heat radiation without discomfort or risk owes nothing to the direction in which the ribbing is disposed.

But even if any limitation introduced by the direction of the ribbing in the registered design be disregarded, the argument is no less fallacious, for it was not established in evidence that the provision of spacing members formed In the bottle faces during

manufacture of such dimensions and so located as to secure the required effect must necessarily be in the form of ribs. This cannot be predicated a priori, for I can see no reason why a construction such as is commonly employed for conserving soap tablets, wherein a plurality of closely positioned distance pieces project from a rubber or like platform, could not be adapted for the purpose. Moreover, the exhibit P.11 itself shows that concentric annuli can constitute an effective substitute for ribbing.

In my judgment. the provision of diagonal ribbing for the faces of a shaped hot water bottle properly constitutes a design feature, and its presence in the registered design in suit confers ample novelty and originality to maintain validity”.

92. In ***Whirlpool of India Ltd.*** (supra), the Bombay High Court protected the design of the plaintiff’s semi-automatic washing machine since the same was unique and had no attribute of functionality. There were several semi-automatic washing machines in the market. The functional elements of a washing machine are inside the washing machine viz. the drum and/ or apparatus which is used for washing and drying clothes. The shape of the outer receptacle-inside which the washer and dryer units are contained, is governed by aesthetic considerations since they appeal to the eye. The Court observed;

“39. The defense attributing features of the Plaintiff’s design to functional requirements also cannot be accepted. This is evident from a bare perusal of the Plaintiff’s registered designs. As correctly submitted on behalf of the Plaintiff, the Plaintiff has not sought any monopoly in any functional feature and/or element. As is evident from the Plaintiff’s registered design, the novelty that is claimed by the Plaintiff is in the shape and configuration of the washing machine as illustrated i.e. the shape and configuration of the machine as a whole. The

*functional elements of a washing machine are inside the washing machine viz. the drums and/or apparatus which is used for washing and drying clothes. The shape of the outer receptacle inside which the washer and dryer units are contained is governed by aesthetic considerations since this appeals purely to the eye. Every semi auto washing machine has a washer and a dryer and a set of buttons or knobs which operate both dryer as well as washer. Despite this, the outward appearance of different washing machines is different. The Defendant itself has any number of models of semi automatic washing machines which have/had a washer, dryer and knobs and/or controls. These look completely different from the impugned product. Also besides a mere argument of functionality, no material whatsoever had been produced to show that the outside receptacle or outer body and/or control panel of the machine could not have been different and owe their present form solely to functional considerations. **For a defense of functionality to succeed, it is not enough to say that the form has some relevance to the function. If a particular function can be achieved through a number of different forms, then a defense of functionality must fail. For the defence of functionality to succeed, it is essential for the Defendant to establish that the design applied for is the only mode/option which was possible considering the functional requirements of the products. Even otherwise, as submitted by the Plaintiff assuming that the shape also performs a certain function, that by itself is not determinative of the fact that the design is functional if that is not the only shape in which the function could be performed.** In the case of Cow (P.B.) and Coy Ltd. vs. Cannon Rubber Manufacturers Ltd.²⁹ (cited at page 75 of the majority judgment of the Delhi High Court), the court held that there may be cases where the design while fulfilling the text (sic test) of being appealing to the eye is also functional. In such cases, the conundrum of functionality is resolved by taking note of the fact that it would make no impact on the articles functionality, if the function could be performed by the use of another shape as well. **The fact that there are***

umpteen number of shapes in which washing machines are sold clearly shows that the external shape has nothing to do with the function sought to be performed. In the present case, it surely cannot be argued that the constraints of functionality were such that the Plaintiff's design was the only design which could have been devised. Since the external shape of the Plaintiff's washing machine has nothing to do with the function it performs and since the Plaintiff in the present case is seeking enforcement of its entire design and not an individual component thereof, the case law cited by the Defendant in support of its defense attributing features of the Plaintiff's design to functional requirements, has no bearing on the present case". (emphasis supplied)

93. No doubt, the tread pattern adopted by the plaintiff in respect of its tyre also serves the purpose which the treads on any tyre serve. However, if the same function can be achieved through numerous different forms of tread patterns, then the defence of functionality must fail. It was essential for the defendant to, at least, prima facie, establish that the tread pattern of the plaintiff was the only mode/ option, or one of the only few options, which was possible to achieve the functional requirements of the tyre. The position which emerges on a perusal of the documents placed on record by the plaintiff is that there are innumerable different and unique tread patterns in existence, adopted by different manufacturers of tyres, which achieve the same objective.

94. The decision in *L.A. Gear California* (supra) is also on the same lines and supports the case of the plaintiff. In this case, Avia owned a design registration claiming an ornamental design for athletic shoe outer sole and another design registration claiming an ornamental shoe upper. Avia filed

the suit against LA Gear alleging, inter alia, that its aforesaid design registrations were infringed. LA Gear in its defence made a counter claim to seek a declaration that the two design registrations were invalid, because the designs were both obvious and functional.

95. While dealing with the aforesaid submission of the defendant LA Gear, the Court of Appeal, inter alia, observed:

*“LAG correctly asserts that if a patented design is "primarily functional," rather than primarily ornamental, the patent is invalid. See Power Controls Corp. v. Hybrinetics, Inc., 806 F.2d 234, 238, 231 USPQ 774, 777 (Fed. Cir. 1986). When function dictates a design, protection would not promote the decorative arts, a purpose of the design patent statute. See 1 D. Chisum, Patents @ 1.04[2] at 1-194.1 to 1.195 (1986). **There is no dispute that shoes are functional and that certain features of the shoe designs in issue perform functions. However, a distinction exists between the functionality of an article or features thereof and the functionality of the particular design of such article or features thereof that perform a function. Were that not true, it would not be possible to obtain a design patent on a utilitarian article of manufacture, see, e.g., Pacific Furniture Mfg. Co. v. Preview Furniture Corp., 800 F.2d 1111, 231 [**14] USPQ 67 (Fed.Cir. 1986) (design patent for chairs), or to obtain both design and utility patents on the same article, see, e.g., Carman Indus., Inc. v. Wahl, 724 F.2d 932, 938-39, 220 USPQ 481, 486-87 (Fed.Cir. 1983); In re Dubois & Will, 46 C.C.P.A. 744, 262 F.2d 88, 90, 120 USPQ 198, 200 (1958).”***

96. With respect to functionality of the design of the '301 patent, the court stated:

*"[LAG] has taken each little aspect of the upper and pointed out that many of the aspects or features of the upper have a function. Even if, arguendo, true that would not make the design primarily functional. **If the functional aspect or purpose could be accomplished in many other ways that [sic] is involved in this very design, that fact is enough to destroy the claim that this design is primarily functional. There are many things in the ['301] patent on the upper which are clearly ornamental and nonfunctional such as the location of perforations and how they are arranged, and the stitching and how it's arranged, and the coloration of elements between black and white colors.***

*The overall aesthetics of the various components and the way they are combined are quite important and are not functional. They [**15] are purely aesthetic. . . ." (emphasis supplied)*

Pensa, Inc., 4 USPQ2d at 1019.

97. On the design of the '420 patent, the court made a similar analysis of various features and concluded:

"But every function which [LAG] says is achieved by one of the component aspects of the sole in this case could be and has been achieved by different components. And that is a very persuasive rationale for the holding that the design overall is not primarily functional. Moreover, there is no function which even defendant assigns to the swirl effect around the pivot point, which swirl effect is a very important aspect of the design. . . . [T]his is a unique and pleasing design and it's [sic] patentability in my view is not offset or destroyed by the fact that the utility patent is utilized and incorporated in this aesthetically pleasing design. Plaintiff has given us evidence of other shoes that incorporate the utility patent and its concavity -- others of its own shoes -- but with a totally different design, and has thus established that the utility patent does not make the design patent invalid in this case."

Pensa, Inc., 4 USPQ2d at 1019-20. We agree that the designs in suit have not persuasively been shown to be functional and that no genuine issue of material fact is present with respect to this issue”.

98. This decision in *L.A. Gear California* (supra) was followed in *Rosco, Inc* (supra) which was a case dealing with a claim for design protection in respect of rear view mirror. The parties i.e. Rosco and Mirror Lite were competitors in school bus mirror market. The dispute involved “cross view” mirrors which are convex three dimensional curved surface mirrors mounted on the front fender of a school bus, enabling the bus driver to view the front and passenger side of a school bus. Roscow alleged infringement of its patent design in an oval, highly convex cross view mirror with a black flat metal backing. The appellants design registration was held to be invalid as functional and obvious. The Court of Appeal applied the stringent standard for invalidating a design patent on grounds of functionality. A design of a useful article is deemed functional where “*the appearance of the claimed design is dictated by the use or purpose of the article*”. A design must not be governed solely by function i.e. that it is not the only possible form of the article that could perform its function. When there are several ways to achieve the function of an article of manufacture, the design of the article is more likely to serve a primarily ornamental purpose i.e. if other designs could produce the same or similar functional capabilities, the design of the article in question is likely ornamental not functional. Invalidity of design patent claim must be established by clear and convincing evidence. In respect of each of the aforesaid propositions, the Court relied on earlier precedents.

99. The Court of Appeal in the course of its decision, inter alia, relied on *LA Gear* (supra) and observed:

“The mere fact that the invention claimed in the design patent exhibited a superior field of view over a single predecessor mirror (here, the Bus Boy) does not establish that the design was “dictated by” functional considerations, as required by L.A. Gear. The record indeed reflects that other mirrors that have non-oval shapes also offer that particular field of view. Similarly, nothing in the record connects the oval shape of the patented design with aerodynamics, and the record shows that other non-oval shaped mirrors have the same aerodynamic effect.

Mirror Lite has not shown by clear and convincing evidence that there are no designs, other than the one shown in Rosco’s ’357 patent, that have the same functional capabilities as Rosco’s oval mirror. Under these circumstances it cannot be said that the claimed design of the ’357 patent was dictated by functional considerations. We reverse the district court and hold that the ’357 patent claim was not shown to be invalid on functionality grounds.”
(emphasis supplied)

100. Mr. Lall has placed reliance on *Lego Juris A/S* (supra) – a decision of the Grand Chamber of the European Court, wherein Article 7 of the Council Regulation (EC) No.40/94 which is *paramateria* with section 9 of the Act was considered and applied. The said Article, insofar it is relevant, reads as follows:

“1. *The following shall not be registered:*

(a) signs which do not conform to the requirements of Article 4;

(b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;

(e) signs which consist exclusively of:

(i) the shape which results from the nature of the goods themselves; or

(ii) the shape of goods which is necessary to obtain a technical result; or

(iii) the shape which gives substantial value to the goods;

(f) trade marks which are contrary to public policy or to accepted principles of morality;”.

101. In this case, the plaintiff Lego Juris A/S had sought protection in respect of its three dimensional goods, corresponding to the description of “games and play things”. The registration granted to the object was challenged on grounds of absolute refusal set out in Article 7(1)(a), (e) (ii) & (iii) and (f) of the said regulation. The said challenge succeeded before the Cancellation Division. The first appeal preferred by the appellant failed. In the second appeal, the Court (Grand Chamber), inter alia, held as follows:

“54 It is true, as the appellant points out, that, in some cases, the same technical result may be achieved by various solutions. Thus, there may be alternative shapes, with other dimensions or another design, capable of achieving the same technical result.

55 However, contrary to the appellant's submission, that fact does not in itself mean that registering the shape at issue as a trade mark would have no effect on the availability, to other economic operators, of the technical solution which it incorporates.

56 In that connection, it should be observed, as OHIM points out, that **under art.9(1) of Regulation 40/94 registration as a trade mark of a purely functional product shape is likely to allow the proprietor of that trade mark to prevent other undertakings not only from using the same shape, but also from using similar shapes. A significant number of alternative shapes might therefore become unusable for the proprietor's competitors.**

57 That would be particularly so if various purely functional shapes of goods were registered at the same time, which might completely prevent other undertakings from manufacturing and marketing certain goods having a particular technical function.

58 Those considerations are moreover reflected in [81] and [83] of Philips [2002] E.T.M.R. 81 , which state that the existence of other shapes which could achieve the same technical result does not in itself preclude application of the ground for refusal set out in the second indent of art.3(1)(e) of Directive 89/104 , whose wording corresponds to that of art.7(1)(e)(ii) of Regulation 40/94 .

59 To the extent that the appellant also submits, and OHIM does not dispute, that in order to use the same technical solution, its competitors do not need to place on the market toy bricks whose shape and dimensions are in all respects identical to those of the Lego brick, it is sufficient to observe that that fact cannot prevent application of the rules laid down by the European Union's legislature, interpreted above, under which a sign consisting of the shape of a product that, without the inclusion of significant non-functional elements, merely

performs a technical function cannot be registered as a trade mark. Such a registration would unduly impair the opportunity for competitors to place on the market goods whose shapes incorporate the same technical solution.

xxx xxx xxx

xxx xxx xxx

84 *In examining the functionality of a sign consisting of the shape of goods, once the essential characteristics of the sign have been identified, it is only necessary to assess whether those characteristics perform the technical function of the product concerned. Clearly, that examination must be carried out by analysing the sign filed with a view to its registration as a trade mark, and not signs consisting of other shapes of goods.” (emphasis supplied)”*

102. Article 9(1) of Regulation 40/94 observes that registration of a trade mark **“of a purely functional product shape”** is likely to allow the proprietor of that trade mark to prevent other undertakings not only from using the same shape, but also from using similar shapes. Thus, the shape which is “purely functional” in respect of the product in question cannot be granted protection.

103. In the present context, the purely functional shape would be the wheel shape of the tyre. As already observed, the treads on a tyre are functional- but not a unique tread pattern which may have been adopted by a particular manufacturer. In my view, this decision, therefore, is of no avail to the defendants.

104. Mr. Lall has also placed reliance on ***Phillips Electronics NV*** (supra). The Court was dealing with a challenge to the registration of a trademark

premised on an absolute ground for refusal of registration akin Section 9 of the Trade Marks Act, 1999. The article in question was a 3-headed rotary electronic shaver. The registration obtained by plaintiff Phillips Electronics NV was successfully challenged on the ground that it consisted exclusively of a sign which served in principle to designate the intended purpose of the goods and it consisted exclusively of a shape which was necessary to obtain a technical result and which gave substantial value to the goods.

105. Apparently, the appeal preferred by Phillips Electronics NV failed. The Supreme Court held that the shape of the three headed shaver was not registerable as a trademark, as it did not contain some addition to the shape of the article, which had trademark significance. It referred to section 3(1)(c), which states that the mark must have a distinctive character to be registerable. The Court held:

“Thus it must have a character which enables it to be distinctive of one trader's goods in the sense that it has a meaning denoting the origin of the goods. In the present case the primary meaning of the trade mark is—a three headed rotary shaver of the design shown. There is no evidence to show that it has not retained such a meaning, although there is clear evidence that such a design of a head and perhaps other designs of rotary shaver heads are exclusively associated with Philips. Philips' case is based on the fallacy that extensive use of a purely descriptive mark such that it becomes associated with a trader means that the trade mark has a distinctive character. In circumstances where Philips have been the sole suppliers of rotary shavers in the U.K. the evidence relied on does not establish that the trade mark has acquired a secondary meaning. In fact I am unable to point to any feature or features of the trade mark which could be other than descriptive of a

particular design of head for an electric shaver and which would enable the trade mark to acquire a distinctive character. The trade mark contains no feature which has trade mark significance which could become a distinctive character. In my view the judge was right to conclude that the trade mark was not registrable because of section (Article) 3(1)(b) in that it was devoid of distinctive character”.

106. The Supreme Court also considered the aspect of functionality of the shape of Phillips. In that regard, the Court observed:

“Philips established by evidence that the shape depicted in the trade mark was not necessary to achieve a particular standard of shaving. They produced designs which, if made, would have equal technical performance to the shavers they market and could be produced at equivalent cost. To obtain such a performance it is not necessary to have three rotary heads as opposed to one or four. Nor is there any technical reason to arrange the heads in an equilateral triangle configuration as opposed to for example a single row, a crescent or an isosceles triangular formation.

Philips submitted that on the evidence the judge was wrong when he came to the conclusion he did, whether their submissions or those of Remington as to the meaning of the subsection were right. I will come to that submission, but before doing so must deal with the difficult question of construction which divided the parties.

Philips pointed to the word “exclusively” to support their submission that the whole of the shape must obtain a technical result. They submitted that the word “necessary”, introduced during drafting of the Directive, limited the exclusion to those shapes which were necessary for the technical result of the goods. Thus the trade mark was not excluded from registration because the technical result, shaving with rotary cutters, can be achieved at equivalent cost and with equivalent efficiency with

a number of different shapes of three headed rotary shavers. Thus according to Philips if there are equally good shapes available, the subsection does not exclude registration. That submission found favour with the majority of the Swedish court (see p. 390).

Remington do not dispute the conclusions of fact which I have set out above. They submitted, rightly in my view, that the evidence established that the essential features of the shape shown in the trade mark are designed to achieve and do achieve a technical result. That they submit is sufficient to bar registration of the trade mark. If a total analysis of all the essential features of the shape concludes that they are there for technical reasons, namely to obtain the technical results, then the shape is not registrable. That submission formed the basis of the dissenting judgment in Sweden and was accepted by Jacob J

The subsection must be construed so that its ambit coincides with its purpose. That purpose is to exclude from registration shapes which are merely functional in the sense that they are motivated by and are the result of technical considerations Those are the types of shapes which come from manufacture of patentable inventions. It is those types of shapes which should not be monopolised for an unlimited period by reason of trade mark registration, thereby stifling competition. Registrable trade marks are those which have some characteristic which is capable of and does denote origin.

In my judgment the restriction upon registration imposed by the words “which is necessary to obtain a technical result” is not overcome by establishing that there are other shapes which can obtain the same technical result. All that has to be shown is that the essential features of the shape are attributable only to the technical result. It is in that sense that the shape is necessary to obtain the technical result. To adopt the meaning suggested by Philips will enable a trader or traders to obtain registration of all the alternative shapes that were practicable

to achieve the desired technical result. That would result in the subsection being given a meaning which would not achieve the purpose for which I believe it was intended. I agree with the judge and with the dissenting judgment in the Swedish District Court". (emphasis supplied)

107. In this decision, the Supreme Court, inter alia observed that shapes which are merely functional – in the sense that they are motivated by, and are the result of, technical considerations cannot be protected. Those are the types of shapes which come from manufacture of patentable inventions. It is those types of shapes which should not be monopolised for an unlimited period by reason of trade mark registration, thereby stifling competition. Registrable trade marks are those which have some characteristic which is capable of, and does denote origin.

108. Thus, it was in the fact situation of that particular case that the registration of the trademark granted to Phillips Electronics NV was successfully assailed. However, the principle of law applied by the Court in this decision is the same as enunciated by Section 9 of the Trade Marks Act and applied by the Courts, inter alia, in *Cow (P.B.) & Coy Ltd.* (supra), *Whirlpool of India Ltd.* (supra), *L.A. Gear California* (supra) and *Rosco, Inc* (supra).

109. Applying the aforesaid test, it cannot be said that the unique tread pattern adopted by the plaintiff is attributable only to the technical result, namely, of providing grip and stability to the vehicle on which the tyre of the plaintiff is used. The same function can be performed by any other tyre with a different tread pattern.

110. The manner in which the tyres of different manufacturers are advertised and marketed leaves no manner of doubt that the tread pattern on the tyre of the manufacturer is prominently displayed, apart from the brand name of the manufacturer. It is also not uncommon to see the customer – interested in buying a tyre, being shown the tyres by the vendor with the tread pattern in a vertical position i.e. by showing the “face” of the tyre, such that the tread pattern is the first thing that strikes and appeals to the eye of the customer. It is also not uncommon to see that even when tyres are wrapped in covering, the vendor removes the covering while displaying his tyres to the customers. Pertinently, the defendant does not display its tyres in question under the brand “HI FLY” in a wrapped condition in its advertisements. The defendant is displaying its tyre in question under the brand “HI FLY” in an unwrapped condition, and prominently showing the tread pattern on the tyre. This itself shows that the wrapping of the tyre does not inhibit the display and marketing of the tyre, by prominently displaying the tread pattern on the tyres.

111. Thus the submission of Mr. Lall that the tread pattern adopted by the plaintiff is functional and, therefore, not capable of protection, cannot be accepted. This submission is rejected.

112. Reliance placed by Mr. Lall on *Kaviraj Pandit Durga Dutt Sharma* (supra) is not apposite keeping in view the aforesaid facts and circumstances. The tread pattern on a tyre, in my view, is such a prominent feature – and is so prominently displayed and advertised, that the added matter, namely the brand name on the sides of the tyre, is not sufficient to

distinguish the goods of the defendant from those of the plaintiff. Similarly, the inclusion of the tyre-tube and flap in the plaintiffs tyre, and only the flap along with the tyre in the defendants tyre – minus the tube, is not sufficient to distinguish the plaintiff's tyre from that of the defendants. It is not in dispute that both tyres of the plaintiff and the defendant in question are tyres meant for trucks. Therefore, some change of specifications between the two is of no consequence, when it comes to the aspect of confusion in the mind of the customer. I may also observe that the customers of the truck tyres, by and large, are semi-literate middle class truck owners, operators and drivers, from whom it is difficult to expect a detailed examination, threadbare, of all the differences in the tyres of the plaintiff and that of the defendant before the purchase of the tyre is made.

113. The goodwill and reputation of the plaintiff in respect of the tyre in question is, prima facie, well established keeping in view the considerable sales achieved by the plaintiff in respect of its truck tyre in question, namely Endurance LD 10.00 R20. The sales of the said tyre have swelled from 64.04 Crores between June-December 2010 to 1356.41 crores in the year 2014. The plaintiff has also, prima-facie, expended substantial amounts of money in advertising and showcasing its portfolio of tyres, including Endurance LD 10.00 R20. The sale of tyres, including the tyre in question in several countries has also contributed to its reputation and goodwill in the tyre in question including its tread pattern. Thus, the tests laid down by the Supreme Court in *Satyam Infoway Ltd.* (supra) is satisfied in the facts of this case.

114. The submission of Mr. Lall that there are other Chinese manufacturers manufacturing the tyres with the same tread pattern, against whom the plaintiff had not initiated any action, is of no avail. The decisions of this Court in **Rolex SA** (supra) and **Prakash Roadlines Limited** (supra) are complete answers to the said submission. This Court in **Rolex** (supra) observed as follows:

“22. The next aspect to be considered is the effect/impact, if any, of a large number of other persons using the word ROLEX as claimed by the defendant. At this stage, this plea will be examined believing the same to be true. In my view, the same would be immaterial. Firstly, nothing has been shown that any of the said users has any significant presence. Secondly, it is now well settled in Honda (supra) in turn relying upon Indian Shaving Products Ltd Vs Gift Pack that merely because the plaintiff who is otherwise found entitled to the interim injunction is shown to have not taken any step against other infringers is no ground to deny relief to the plaintiff. It cannot also be said that the plaintiff's trademark has lost its distinctiveness for the said reason. The reply affidavit of the plaintiff lists the orders of the Trade Mark Registry from 1964 to 2000, where plaintiff's mark has been protected inter alia for reason of having great reputation. It also shows that the plaintiff has been enforcing its rights. Though the list filed by defendant No.1 in this regard is long but a perusal thereof shows a number of applicants to have abandoned or withdrawn their applications. This is a vast country. Mere long list of applicants/registrants of mark, without any extensive use of the mark, cannot dent the distinctive character or repute of the mark”.

115. In **Prakash Roadlines Limited** (supra), this Court rejected a similar argument of the defendant in the following words:

“31. This brings me to the fourth contention of the defendant. The defendant has referred to certain pages from the telephone directory to show that under the category of transporters there are other concerns mentioned therein who use the word 'Prakash' with their names. On this basis, it is submitted that the plaintiff can not be allowed to pick on the defendant alone and restrain the defendant from doing its business. This argument to my mind has no force. Merely because no action is taken against certain other parties, it does not mean that the plaintiff is not entitled to take action against the defendant. The other parties may not be affecting the business of the plaintiff. They may be small-time operators who really do not matter to the plaintiff. Therefore, the plaintiff may not chose to take any action against them. On the contrary the plaintiff feels danger from defendant in view of the fact that the defendant's promoters are the ex Directors/employees of the plaintiff who are fully in the know of the business secrets of the plaintiff. Therefore, the mere fact that the plaintiff has not chosen to take any action against such other parties cannot disentitle the plaintiff from taking the present action. This contention is, therefore, prima-facie without any merit and is rejected”.

116. Merely because there are multiple manufacturers of tyres in China who may have planned to capture the Indian market by flooding their tyres with identical tread patterns, as that of the plaintiff or other leading Indian tyre manufacturers, is no excuse to permit the defendant to do the same. If the plaintiff is so minded, and if the plaintiff's interest is jeopardized on account of introduction of the same tread pattern by other manufacturers, it is for the plaintiff to assess the impact of such conduct and to take appropriate action against other manufacturers and distributors such as GOLDSTAR and KUNNYUAN.

117. The objection of Mr. Lall with regard to non-impleadment of the Chinese manufacturer of the tyre in question, is meritless. The Chinese manufacturer is not located within the jurisdiction of this Court. In the present suit, the plaintiff is only concerned with the marketing and sale of the tyre in question within the territory of India by the defendants, who are distributing the said tyres. In respect of the reliefs sought in the present suit, the Chinese manufacturer is neither a necessary nor a property party. Thus, this objection of Mr. Lall is also rejected.

118. Last but not the least, I also find merit in the submission of Mr. Chandra that the aspect of public interest would also have to be considered by the Court while considering whether, or not, to continue the injunction granted against the defendant. The consumers in the Indian market, i.e. the public at large are entitled to be dealt with honestly, i.e. without any deceit or misrepresentation. They are entitled to receive full and complete information, and to be displayed the true picture, in relation to the product or service that they wish to buy or avail of, so that they can take an informed decision and make an intelligent choice keeping in view their circumstances, and not be duped. It is the duty of the Court to ensure that the public at large is protected against confusion, deceit and misrepresentation, when it is brought to its notice that the adoption of the same or similar mark-as that of another prior player in the field, has been resorted to. The Court should step in to prevent adoption of such tactics in the larger public interest.

119. In view of the aforesaid, I am inclined to confirm the injunction granted in favour of the plaintiff till the disposal of the suit. Accordingly,

the plaintiff's application, i.e. I.A. No. 19350/2015 is allowed and the ex-parte ad interim order of injunction dated 15.09.2015 is confirmed till the disposal of the suit. Consequently, I.A. No. 22466/2015 preferred by the defendant under Order 39 Rule 4 CPC to seek vacation of the order dated 15.09.2015 being meritless, is dismissed. The plaintiff shall be entitled to costs of Rs.50,000/- in these applications.

120. The observations made in this order are tentative and shall not affect the case of either party at the stage of final determination, post trial.

AUGUST 17, 2017

**(VIPIN SANGHI)
JUDGE**

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