IN THE HIGH COURT AT CALCUTTA
INTELLECTUAL PROPERTY RIGHTS APPELLATE DIVISION
ORIGINAL SIDE

Before:

The Hon'ble Justice Arijit Banerjee
And
The Hon'ble Justice Om Narayan Rai

TEMPAPO – IPD 1 of 2025
With
IP – COM 7 of 2024
IA No: GA – COM 1 of 2025

Dhanbad Lab Instruments India Private Limited

Vs.

METRAVI Instruments Private Limited

For the Appellant : Mr. Sayantan Basu, Sr. Adv.
Mr. Sourojit Dasgupta, Adv.
Mr. Sayak Ranjan Ganguly, Adv.
Ms. Srijani Ghosh, Adv.
Ms. Indrani Majumdar, Adv.

For the Respondent : Ms. Susrea Mitra, Adv.
Mr. Harsh Tiwari, Adv .
Mr. Bhupendra Gupta, Adv.
Mr. Samriddha Sen, Adv.
Mr. Anwar Hossain, Adv.
Ms. Ojasvi Gupta, Adv.

Hearing Concluded On : 05.05.2025

Judgment On : 23.05.2025

Om Narayan Rai, J.:-

1. The defendant in a suit for passing off has preferred the instant appeal against a common judgment and order dated February 25, 2025 passed in I.A. No. G.A. (COM) 1 of 2024 and I.A. No. G.A. (COM) 6 of 2025 (both the IAs having been filed in connection with IP – COM 7 of 2024. By the order impugned in the present appeal, I.A. No. G.A. (COM) 1 of 2024 has been allowed, thereby confirming the ad interim order dated April 08, 2024 passed in the said application and I.A. No. G.A. (COM) 6 of 2025, which

had been filed for vacating the aforesaid ad interim order dated April 8, 2024, has been dismissed. Since all the necessary papers that were there before the learned Single Judge are there before us, therefore by consent of parties we have heard the appeal itself at the stage of hearing the application for stay (hereafter "stay application") filed by the appellant.

2. The respondent (i.e. plaintiff before the Trial Court) has instituted a suit being I.P. (COM) No. 7 of 2024 praying *inter alia* for a decree of perpetual injunction restraining the defendants from passing off their products bearing the trade mark "METERIVA" as if the same are the goods of the plaintiff bearing the trade mark "METRAVI". Briefly summed up the plaint case is as follows.

   (a) One Mr. Vikram Raj Bhansali started a business of marketing, selling and distribution *inter alia* of digital clamp testers, multi meters and electrical and electronic tests and measuring instruments (hereafter "the said products") falling within Class 9.

   (b) In the year 1998, the said Mr. Bhansali conducted a research through his partnership firm named M/s Arun Enterprises and thereafter coined and adopted a trade mark "METRAVI" upon being convinced that the same was unique and unused.

   (c) On or about July 1, 1998, the said M/s Arun Enterprises launched the said products dealt in by Mr. Bhansali in class 9 under the mark "METRAVI". The research and development team, technicians and other employees of the said M/s Arun Enterprises worked hard to bring forth innovative products under the said mark "METRAVI" and it soon became a symbol of trust for reasonable and quality products. M/s Arun Enterprises adopted the mark "METRAVI" in an honest and *bona fide* way to distinguish its products from those of its competitors dealing in similar products.

   (d) Subsequently, M/s Arun Enterprises also got the said trade mark "METRAVI" registered with the Trade Marks Registry in respect of the said products that it dealt in.

(e) Keeping in mind the customers' satisfaction and the goodwill and reputation that the said mark "METRAVI" had acquired, the then partners of M/s Arun Enterprises incorporated the plaintiff company with the name "METRAVI" as the first part of the corporate name of the plaintiff on or about March 25, 2009.

(f) On or about December 17, 2015 the said M/s Arun Enterprises sold, transferred, conveyed and assigned the trademark "METRAVI" together with the goodwill of the business of the said products for sufficient consideration by way of a deed of assignment of even date.

(g) Pursuant thereto the plaintiff applied to the trademark registry and got the said mark "METRAVI" recorded in its favour.

(h) The said trademark "METRAVI" has thenceforth been used by the plaintiff extensively, openly and continuously and the plaintiff has also been using the domain name www.metravi.com.

(i) It has been averred that since the plaintiff has been using the said trademark "METRAVI" since 1998 (i.e. initially through its predecessor in interest namely, M/s Arun Enterprises and subsequently by itself upon assignment), therefore the said trademark is inextricably associated with the name, identity and business of the plaintiff and that plaintiff has spent considerable amount of money for establishing such trademark. The plaintiff has an unparalleled goodwill and reputation of more than two decades attached to the said trademark.

(j) In fact, the said trademark used by the plaintiff satisfies all the parameters that are required by the provisions of Section 2(1)(zg) of the Trademark Act, 1999 for the purpose of achieving the status of a well-known trademark.

(k) The plaintiff has a large consumer base of more than 40,000 existing customers and the said products dealt in by the company are sold all over India. The plaintiff has over 900 dealers and the plaintiff has substantially invested towards advertisement and promotion of its goods bearing the trademark "METRAVI".

(l) On or about June 21, 2022, the defendant (a company which got incorporated under the Companies Act, 2013 only on November 16, 2016), approached Mr. Vikram Raj Bhansali through one of its directors through the website LinkedIn and expressed its willingness to sell the products of the plaintiff.

(m) The defendant had complete knowledge of the goodwill and reputation attached to the plaintiff's products sold under the trademark and corporate name "METRAVI".

(n) In October, 2023, the defendant approached the plaintiff with a request for allowing it to act as a distributor of its products. The defendant purchased a few products from the plaintiff but such business relationship did not continue. In the first week of January 2024, the plaintiff discovered that the defendant had been offering for sale, selling, manufacturing, marketing, advertising and otherwise dealing in electrical test products, scientific and industrial testing products under an identical and deceptively similar mark "METERIVA" on the interactive e-commerce websites of defendant nos. 2 and 3.

(o) On or about January 5, 2024, the plaintiff also discovered that the defendant had applied for and obtained registration of deceptively similar and identical device mark under class 9 in respect of several of its products (mentioned in paragraph 17 of the plaint). It was further found out that the defendant had also obtained a domain name www.meteriva.com for advertising, marketing and selling its products which were inferior to those of the plaintiff. The defendant has thus been passing off its inferior quality products under identical and deceptively similar trademark "METERIVA" thereby deceiving the customers into purchase the same as if the same were the products of the plaintiff bearing the well-known mark "METRAVI".

(p) Feeling thus aggrieved the plaintiff has approached this Court by filing the aforesaid suit praying for several reliefs including a decree of perpetual injunction restraining defendants from passing

off their inferior quality products bearing the impugned trade mark "METERIVA" as plaintiff's goods bearing the trade mark "METRAVI" and delivery up and cancellation of any and/or all labels, dyes, block, etc. and other materials bearing the identical and deceptively similar mark "METERIVA" or any deceptively similar mark in any form whatsoever.

3. Along with the plaint, the plaintiff also filed an application for injunction being G.A. (COM) 1 of 2024 praying *inter alia* for an order of injunction restraining the defendants from passing off their goods/products bearing the impugned trademark "METERIVA" as the plaintiff's goods/products under the trademark "METRAVI". The said application was initially heard *ex parte* on April 8, 2024 and an interim order was passed in terms of prayer (a) of the said application.

4. The appellant/defendant used an affidavit in opposition to the said application for injunction filed by the respondent/plaintiff denying all the material allegations made in the said application. Feeling aggrieved by the *ex-parte* ad-interim order, the appellant/defendant also filed an application being G.A. (COM) 6 of 2025 seeking vacation thereof.

5. The case made out by the appellant/defendant in its pleadings before the learned Single Judge (i.e. in its affidavit in opposition and its application being G.A. (COM) 6 of 2025 seeking vacation of the *ex-parte* ad-interim order dated April 08, 2024) now needs to be noticed. The same is synopsized hereunder:
   a) The appellant/defendant is a company incorporated on November 16, 2016 under the provisions of the Companies Act, 2013.
   b) The said defendant commenced its business of manufacturing and importing of industrial meter more than eight years ago and has been engaged in such business since then.
   c) The defendant has made a considerable customer base in the said span of 8 years and it employs more than 10 personnel of skilled and semi-skilled staff including its sales representatives for the purpose of its said business.

d) The defendant is the honest and prior adopter and user of the word/mark "METER" as essential part of its trademark "METERIVA", which is composed by integration of the word "METER" and "IVA". While the word "METER" is a generic term in which no one can claim proprietary interest, the word "IVA" has been derived from Slavic and Hebrew which means "God is gracious". The defendant has thus sought to demonstrate that the origin of the name "METERIVA" is in no way associated with the plaintiff's trademark "METRAVI". The defendant has also pointed out that its mark is *"associated with a sign wave at bottom"* which makes the same entirely different from that of the plaintiff's mark.

e) The defendant honestly adopted a distinctive trademark "METERIVA" for its industrial meter in the year 2022 upon the same being registered on April 20, 2022. The colour combination of the said registered trademark of the defendant is entirely dissimilar with that of the plaintiff and the said defendant has been using its registered trademark in relation to several products including digital thermometers and industrial meters.

f) Upon the mark "METERIVA" being registered in the name of the defendant, the said defendant has exclusive right to use the same in course of trade and commerce in terms of Section 28 of the Trade Marks Act, 1999.

g) The products of the said defendant are sold extensively throughout India and are widely relied upon as cost effective and reliable products.

h) The plaintiff has suppressed material facts as regards the alleged deed of assignment dated December 17, 2015 whereby M/s Arun Enterprises sold, conveyed and assigned the trade mark "METRAVI" together with the goodwill of the business to the plaintiff. The alleged deed of assignment reveals that the consideration/value of the mark "METRAVI" has been shown to be only Rs.10,000/-.

i) The two competing trademarks are poles apart and there is no similarity in the two. The plaintiff is therefore not entitled to any interim order.

6. The plaintiff/respondent has in turn denied the appellant's assertions in its affidavit in opposition by an affidavit in reply.

7. Both the said applications (i.e. the plaintiff's application for injunction and the defendant's application for vacating of the ad-interim order) were taken up together by the learned Single Judge and after hearing the respective parties, the learned Single Judge has by a common judgment and order dated February 25, 2025, been pleased to confirm the *ex parte* ad interim order of injunction passed on April 8, 2024 while dismissing the appellant/defendant's application for vacating of the interim order.

8. It is this judgment and order dated February 25, 2025 which has been impugned in the present appeal. Parties have made both oral as well as written submissions before us.

SUBMISSIONS OF THE PARTIES

9. Mr. Sayantan Basu, learned Senior Advocate appearing for the appellant/defendant opened his arguments by submitting that since the suit is one for passing off and not for infringement, the most important factor was goodwill and reputation in the plaintiff's trademark "METRAVI". It was submitted that the plaintiff cannot claim any right, goodwill or reputation in the mark, as in the Balance Sheet of the plaintiff it has declared that it has no intangible asset. It was contended that once the said plaintiff itself has declared that it has no intangible asset, it cannot be permitted to claim any right or goodwill over any mark, as a mark is also an intangible asset. It was further contended that although the impugned order records such submission, however, such aspect has not been dealt with at all.

10. Mr. Basu next submitted that as the packages of the rival products including the colour combination thereof were entirely different, there

was no chance of deception. It was further submitted that while the plaintiff uses various colours being blue, black etc. the defendant only uses green and white colour palette with a black background.

11. It was then submitted by Mr. Basu that the packages of the rival parties are also different from each other in that while the packages of the defendant clearly revealed the source or origin of the product, the packages of the plaintiff only contains a sticker which negligibly mentions the name of the plaintiff. It was sought to be clarified that as the source or origin of the plaintiff's goods cannot be seen by an unwary purchaser while that of the defendant was clearly visible, there was no chance of deception.

12. It was further contended that as the class of consumers in the test and measurement equipment market are technical professionals or informed buyers, who are more likely to be interested with the specification of the products there was no chance of deception in the wake of the apparent differences in the packaging and information provided thereat. Mr. Basu criticized the order impugned by submitting that the class of consumers has also not been considered by the learned Single Judge.

13. Mr. Basu then submitted that there was no phonetic similarity between the rival marks and that the impugned order merely recorded the factors for phonetic similarity, without discussing as to how such factors were applicable to the facts of the case.

14. It was submitted that in a case of passing off, both visual and phonetic similarity must be seen but from a visual standpoint, the logos of 'METERIVA' and 'METRAVI' are clearly distinct in font, style, color combination, graphic symbols, presence of tagline, and overall layout. Reliance was placed on paragraphs 28 and 29 of the judgment rendered by the Hon'ble Supreme Court in the case of ***Kaviraj Pandit Durga Dutt Sharma vs. Navaratna Pharmaceutical Laboratories***[1] for the proposition that added matter is sufficient to distinguish the goods of the

[1] *AIR 1965 SC 980*

defendant from that of the plaintiff and the marks have to be seen as a whole.

15. It was contended that the impugned order did not contain any discussion on visual similarity and that no reasons had been assigned in the impugned order for arriving at the conclusion. It was further submitted that although the decision of ***Cadila Health Care Ltd. vs. Cadila Pharmaceuticals Ltd.***[2] had been cited in the order yet the tests for passing off had not been applied. Reliance was placed on the observations of the Hon'ble Supreme Court in paragraphs 33 and 35 in ***Cadila Health Care Ltd.***[2](supra) for demonstrating the tests for passing off.

16. Mr. Basu next submitted that the mark "METRAVI" of which plaintiff claims to be an assignee carries no goodwill. He submitted that the Deed of Assignment recorded that the consideration for assignment was only Rs.10,000/- which itself was an indicator that there was/is no goodwill in the said mark. It was submitted that if there had been any goodwill, the consideration amount would have been far more than Rs.10,000/-. The impugned order was criticized by submitting that the order did not discuss this aspect at all, but merely held that the same was irrelevant.

17. Mr. Basu then proceeded to demonstrate the difference in the two names. It was submitted that the first part of the two rival names, i.e. 'MET', apart from being common is also descriptive of the product, being industrial meters, and hence, incapable of being monopolized. As regards the second parts of the two rival words, it was submitted that the same were different. It was contended that mere interchange of letters led to completely different pronunciation, thereby ruling out any chance of confusion. The order was also denounced by submitting that the same did not contain any discussion on the aforesaid aspect.

18. The impugned order was then faulted by submitting that the same incorrectly records that the defendant applied for registration after

[2] *(2001) 5 SCC 73*

correspondences were exchanged between the parties while the defendant had admittedly applied for registration on April 20, 2022, whereas the discussions took place on June 23, 2022. It was submitted that the defendant received the Purchase Order on 7th June, 2022, for Meteriva Borescope from MTU and as such the allegation that the defendant had adopted the mark after discussions with the plaintiff was incorrect and that there was no question of any misrepresentation.

19. It was also submitted that since the plaintiff knew about the defendant's existence since June, 2022, therefore, the mandatory procedure for mediation under Section 12A of the Commercial Courts Act, 2015 ought to have been adopted, inasmuch as the suit was filed only in April, 2024. Reliance in this regard was placed on an unreported decision dated 2nd December, 2024 in the case of ***SRMB Srijan Private Limited vs. B. S. Sponge Pvt. Ltd. (APO 157/2023)***.

20. It was lastly submitted that the impugned order is arbitrary and unreasoned inasmuch as while it does not even discuss the defendant's explanation for adoption of the mark "METERIVA" it has reached the conclusion that the explanation is unsatisfactory.

21. Ms. Susrea Mitra, learned Advocate appearing for the respondent/plaintiff started by submitting that the Appellate Court should not interfere with the exercise of discretion except where the discretion had been shown to have been exercised arbitrarily or capriciously or perversely or where the Court had ignored the settled principles of law regulating grant or refusal of interlocutory injunction.

22. It was then submitted that upon a bare perusal of the Memorandum of Appeal and the Stay Application, it would be evident that the Appellant has not taken any ground to show that the discretion by the learned Single Bench, in its judgment and order dated 25th February, 2025, has been exercised arbitrarily or capriciously or perversely or in ignorance of the settled principles of law regulating grant or refusal of interim injunction.

23. Ms. Mitra further submitted that as the plaintiff has instituted the suit in question for passing off thereby demonstrating the confusion created due to the adoption of identical and deceptively similar marks "METERIVA" and "METERDI" by the appellant/respondent therefore the order of injunction has rightly been granted. It was submitted that it is settled law that where the defendant had adopted or imitated the plaintiff's distinctive mark or business name the order of injunction must follow and that the learned Trial Court rightly relied on the principles laid down in the case of ***Laxmikant V. Patel vs. Chetanbhai Shah & Another***[3].

24. Referring to the factual narration in the plaint it was submitted that the respondent/plaintiff is a prior user and prior adopter of a well-known trademark "METRAVI" since 1st April, 1998, *inter alia*, for digital clamp tester, multimeter and electrical and electronic test and measuring instruments under class 9. It was submitted that the said mark was first adopted by the respondent/plaintiff's predecessor-in-interest Mr. Vikram Bhansali through M/s Arun Enterprise and that such well-known mark "METRAVI" (word) has been granted registration by learned Trade Mark Registry. It was further submitted that the respondent/plaintiff on 12th August, 1998 also obtained registration of the domain name (being www.METRAVI.com) which bears the mark "METRAVI" and that on March 25, 2009, the respondent/plaintiff company was incorporated bearing the trademark "METRAVI". Ms. Mitra submitted that the said trademark was transferred, conveyed and assigned to the respondent/plaintiff by its predecessor-in-interest on 17th December, 2015. Ms. Mitra stressed that the mark 'METRAVI' is being used continuously, uninterrupted, exclusively and openly by the respondent/plaintiff since 1998, for more than 2 (two) decades, though initially through its predecessor-in-interest.

25. It was submitted that the respondent/plaintiff has invested substantially towards advertising and promotion of its goods bearing the mark "METRAVI" and has made huge sales of its goods under the said

[3] *(2002) 3 SCC 65*

trademark. Ms. Mitra invited the attention of the Court to the Annual Reports, the plaintiff's brochure, several invoices and the certificate issued by a Chartered Accountant all of which have been annexed to the to the application for stay filed in the present appeal to demonstrate that the plaintiff has a sizeable customer base and has sufficient goodwill and business reputation.

26. It was further submitted that the appellant/defendant's explanation that the expression "METER" is a generic term which cannot be monopolized and that the term "IVA" is derived from Slavic and Hebrew which means God, is nothing but an afterthought. Ms. Mitra reiterated that the impugned mark "METERIVA" is phonetically, structurally and visually identical and deceptively similar to the respondent/plaintiff's mark "METRAVI". She also urged that the trade dress and trade get up of the genuine products of the respondent/plaintiff (bearing its mark "METRAVI") and the inferior products of the Appellant/Defendant (bearing the impugned mark "METERIVA") are identical and deceptively similar. She also emphasized that it was evident that as the plaintiff's mark "METRAVI" and the appellant/defendant's mark "METERIVA" are being used in respect of identical category of goods (i.e., goods falling under Class 9), the users of the genuine products of the respondent/plaintiff and the impugned products of the appellant/defendant are one and the same. It was submitted that the appellant/defendant is encashing upon the goodwill and reputation of the respondent/plaintiff by creating confusion.

27. It was submitted that the appellant/defendant is trying to capture the entire market of the plaintiff by trying to sell its products through the online market and e-commerce websites and that it is being done to target the plaintiff's customers throughout India. We were taken through two print-outs of pages from the website of Amazon an online retail platform to demonstrate that when enquiries were made for products of the plaintiff company by feeding the name "METRAVI" the product of the appellant/defendant also got displayed. It was submitted that the

algorithm of the online retail platform is unable to differentiate between the two names i.e. "METRAVI" and "METERIVA" and as such is pushing up products of "METERIVA" also along with those of "METRAVI."

28. Ms. Mitra then submitted that the learned Single Judge had granted the *ex parte* ad interim order dated 8th April, 2024 in terms of prayer (a) of I.A. G.A. (COM) 1 of 2024 on being satisfied about the existence of material justifying such grant but despite such order, the appellant/defendant continued to deal in its products bearing the impugned deceptively similar marks through various electronic/digital means and modes.

29. Ms. Mitra pointed out that such fact was also taken note of by the learned Single Judge in its order dated October 3, 2024 and the learned Single Judge was pleased to appoint a Special Officer for visiting the known factories, godowns and places of business of the appellant/defendant and to seize and take possession of the impugned products of the appellant/defendant bearing the mark "METERIVA" and any other deceptively similar and identical marks. Such order was stated to have been passed on the respondent/plaintiff's application under Order XXXIX Rule 2A of the Code of Civil Procedure, 1908 (hereafter the Code).

30. It was indicated that the Report of the Special Officer demonstrates that the appellant/defendant had no intention of complying with the ad interim order dated April 8, 2024, despite being aware of the same. It was further submitted that it was discovered from the said Report that the appellant/defendant was using another identical and deceptively similar mark "METERDI".

31. Relying on the definition of "deceptive similarity" under Section 2(1)(h) of the Trademarks Act, 1999 it was submitted that both the marks used by the appellant/defendant i.e. "METERIVA" as well as "METERDI" were deceptively similar to the respondent/plaintiff's mark "METRAVI".

32. Responding to the appellant/defendant's contention that the Independent Auditor's report mentioned that the Company did not have any intangible asset, it was submitted that there was a certificate issued by a Chartered Accountant annexed to the plaint that indicated the turnovers of the plaintiff and that the same provided sufficient basis for the plaintiff's claim to goodwill. It was also submitted that the suit involves a question of passing off which requires the respondent/plaintiff to be a prior user and that the respondent/plaintiff has successfully demonstrated the same. It was further submitted that the appellant/defendant has failed to show that the respondent/plaintiff is not prior user existing for two decades and that the appellant/defendant is not a new entrant in the market. It was then submitted that the Indian Accounting Standards - AS 26 and 38 clarify that an intangible asset cannot be recognized if it is not identifiable or the cost of the asset cannot be measured reliably.

33. Ms. Mitra further contended, while relying on messages exchanged between one Mr. Prasad Nidhi and Mr. Vikram Bhansali on the "Linked In" platform (copies whereof have been annexed to the plaint as well as the stay application), that the defendant/appellant has adopted the mark "METRAVI" having full knowledge about the plaintiff's mark and about the plaintiff being the exclusive user thereof since a point of time much prior to that of the defendant/appellant. Our attention was drawn to a Director/Signatory Details downloaded from the website of the Ministry of Corporate Affairs as annexed to the stay application to show that one Mr. Prasad Nidhi has been shown to be one of the Directors of the appellant/defendant. We were then taken through messages exchanged between the said Mr. Prasad Nidhi and Mr. Vikram Bhansali (one of the directors of the plaintiff, who as claimed by the plaintiff had also coined the name "METRAVI") on the "Linked In" platform. Ms. Mitra then took us to an Invoice having "Issue Date" July 17, 2022 annexed to the stay application and submitted that it was only after the defendant/appellant established contact with the plaintiff that the defendant begun its business of manufacturing equipment and dealing with the same under

the trademark "METERIVA". Ms. Mitra also submitted that before the learned Single Judge reliance had been placed by the plaintiff on a passage from "*McCarthy on Trademarks and Unfair Competition"* to assert that if a well-known mark has been used in identical manner by a subsequent user or a junior user, such junior user would be obliged to render an explanation to the motive in selecting such mark. She submitted that the explanation given by the defendant by breaking the word "METERIVA" into "METER" and "IVA" while seeking to rely on the meaning of the said terms is wholly unacceptable.

34. Mr. Basu in reply, attempted to counter the salvo by inviting our attention to the date of the purchase order i.e. June 07, 2022 on the invoice issued on July 17, 2022. Mr. Basu submitted that the said date clearly established the fact that the defendant had been using the impugned mark from a time prior to the conversation between the said two directors. It was also submitted that the said conversation between the two directors relied on by Ms. Mitra had nothing to do with the appellant's business using the trademark "METRAVI" and that the same was for the purpose of the other brand of the plaintiff i.e. CEM.

ANALYSIS AND DECISION:

35. We have heard the learned Advocates for the respective parties and have perused the material on record.

36. It is now very well settled that in order to maintain an action for passing off the suitor must pass the classical trinity test as recognized by the Hon'ble Supreme Court in the case of ***S. Syed Mohideen vs. P. Sulochana Bai***[4]. Paragraph 31.1 of the report deserves notice in the present context:

> ***"31.1.*** *Traditionally, passing off in common law is considered to be a right for protection of goodwill in the business against misrepresentation caused in the course of trade and for prevention of resultant damage on account of the said misrepresentation. The three ingredients of passing off are goodwill, misrepresentation and damage. These ingredients are considered to be*

[4] *(2016) 2 SCC 683*

classical trinity under the law of passing off as per the speech of Lord Oliver laid down in Reckitt & Colman Products Ltd. v. Borden Inc. [Reckitt & Colman Products Ltd. v. Borden Inc., (1990) 1 WLR 491 : (1990) 1 All ER 873 (HL)] which is more popularly known as "Jif Lemon" case wherein Lord Oliver reduced the five guidelines laid out by Lord Diplock in Erven Warnink Besloten Vennootschap v. J. Townend & Sons (Hull) Ltd. [Erven Warnink Besloten Vennootschap v. J. Townend & Sons (Hull) Ltd., 1979 AC 731 at p. 742 : (1979) 3 WLR 68 : (1979) 2 All ER 927 (HL)] ("the Advocaat case") to three elements : (1) goodwill owned by a trader, (2) misrepresentation, and (3) damage to goodwill. Thus, the passing off action is essentially an action in deceit where the common law rule is that no person is entitled to carry on his or her business on pretext that the said business is of that of another. This Court has given its imprimatur to the above principle in Laxmikant V. Patel v. Chetanbhai Shah [Laxmikant V. Patel v. Chetanbhai Shah, (2002) 3 SCC 65]."

[Emphasis supplied by underscoring]

37. Since we are at the interim stage where we cannot hold a mini trial therefore we would at this juncture not require the plaintiff to firmly prove and establish the aforesaid three ingredients which form the life-blood of a passing off action, yet the plaintiff would certainly have to show considerable presence of the said three elements and demonstrate that it has a strong prima facie case to go to trial. The scope of enquiry in this appeal would also be of the same nature as would have been before the learned Single Judge while considering the plaintiff's prayer for grant of injunction. We have gone through the order impugned. We find it to be appropriately reasoned. However we may once again conduct the enquiry permissible under law to see whether we reach the same conclusion as that of the learned Single Judge or not.

PLAINTIFF'S GOODWILL:

38. Almost seven decades back, this Court in the case of ***Dulaldas Mullick & Ors. vs. Ganesh Das Damani & Ors.***[5] had an occasion to expound the jurisprudential basis of goodwill in the following words:

[5] *AIR 1957 Cal 280*

"The law of goodwill is often misunderstood because I think Jurisprudence not infrequently treats it as an abstract notion, which in fact it is not. Goodwill must always be understood in relation to facts. Goodwill in jurisprudence is not the abstract quality which the grammarian means by that expression but a very concrete notion of great practical import. What the goodwill of a business is depends a good deal on the facts and circumstances of the particular business. Goodwill represents business reputation. Business reputation in my view is a complex of personal reputation, local reputation and objective reputation of the products of the business. Which one of these elements will predominate will depend on the facts and circumstances of each case. Except where the reputation of a business and where the product of the business more than its proprietor have won widespread popularity and universal approval and except in the case of well-known patents and manufacturing processes in which event the personal and objective reputations predominate it is the local reputation or the attribute of locality which forms the largest content of goodwill in almost every other business. Specially is the attribute of locality the most important consideration in the business of an ordinary trader or a dealer as in the present case. In my opinion there can be no hard and fast rule, no simple formula and no inflexible and rigid definition of the term "goodwill" but in each case it is necessary to see the entire nexus of facts connected with the business whose goodwill is to be determined."

39. A little more than a score years later the Hon'ble Supreme Court in ***C.I.T.* v. *B.C. Srinivasa Setty***[6] while referring to several authorities of both Indian as well as foreign Courts, elucidated the term goodwill in the following words:

"9. *Goodwill denotes the benefit arising from connection and reputation. The original definition by Lord Eldon in Crutwell v. Lye [1810, 17 Ves 335] that goodwill was nothing more than "the probability that the old customers would resort to the old places" was expanded by Wood V.C. in Churton v. Douglas [1859 John 174] to encompass every positive advantage "that has been acquired by the old firm in carrying on its business, whether connected with the premises in which the business was previously carried on or with the name of the old firm, or with any*

[6] *(1981) 128 I.T.R. 294*

other matter carrying with it the benefit of the business". In Trego v. Hunt [1896 AC 7] Lord Herschell described goodwill as a connection which tended to become permanent because of habit or otherwise. The benefit to the business varies with the nature of the business and also from one business to another. No business commenced for the first time possesses goodwill from the start. It is generated as the business is carried on and may be augmented with the passage of time. Lawson in his INTRODUCTION TO THE LAW OF PROPERTY describes it as property of a highly peculiar kind. In CIT, West Bengal (III) v. Chunilal Prabhudas & Co. [(1970) 76 ITR 566 (Cal HC)] the Calcutta High Court reviewed different approaches to the concept:

"It has been horticulturally and botanically viewed as 'a seed sprouting' or an 'a corn growing into the mighty oak of goodwill'. It has been geographically described by locality. It has been historically explained as growing and crystallising traditions in the business. It has been described in terms of a magnet as the 'attracting force'. In terms of comparative dynamics, goodwill has been described as the 'differential return of profit'. Philosophically it has been held to be intangible. Though immaterial, it is materially valued. Physically and psychologically, it is a 'habit' and sociologically it is a 'custom'. Biologically, it has been described by Lord Macnaghten in Trego v. Hunt [1896 AC 7] as the 'sap and life' of the business. Architecturally, it has been described as the 'cement' binding together the business and its assets as a whole and a going and developing concern."

A variety of elements goes into its making, and its composition varies in different trades and in different businesses in the same trade, and while one element may preponderate in one business, another may dominate in another business. And yet because of its intangible nature, it remains insubstantial in form and nebulous in character. Those features prompted Lord Macnaghten to remark in CIT v. Muller & Co.'s Margarine Limited [1901 AC 217] that although goodwill was easy to describe, it was nonetheless difficult to define. In a progressing business goodwill tends to show progressive increase. And in a failing business it may begin to wane. Its value may fluctuate from one moment to another depending on changes in the reputation of the business. It is affected by everything relating to the business, the personality and

business rectitude of the owners, the nature and character of the business, its name and reputation, its location, its impact on the contemporary market, the prevailing socio-economic ecology, introduction to old customers and agreed absence of competition. There can be no account in value of the factors producing it. It is also impossible to predicate the moment of its birth. It comes silently into the world, unheralded and unproclaimed and its impact may not be visibly felt for an undefined period. Imperceptible at birth it exists enwrapped in a concept, growing or fluctuating with the numerous imponderables pouring into, and affecting the business……"

40. The Hon'ble Supreme Court has in the case of ***Brihan Karan Sugar Syndicate (P) Ltd. vs. Yashwantrao Mohite Krushna Sahakari Sakhar Karkhana***[7] spelt out the requirements for establishing goodwill of a business in a suit for passing off both at the final and interim stages in the following words:

"17. For establishing goodwill of the product, it was necessary for the appellant to prove not only the figures of sale of the product but also the expenditure incurred on promotion and advertisement of the product. Prima facie, there is no evidence on this aspect. While deciding an application for a temporary injunction in a suit for passing off action, in a given case, the statements of accounts signed by the Chartered Accountant of the plaintiff indicating the expenses incurred on advertisement and promotion and figures of sales may constitute a material which can be considered for examining whether a prima facie case was made out by the appellant-plaintiff. However, at the time of the final hearing of the suit, the figures must be proved in a manner known to law." [Emphasis supplied by underscoring]

41. Keeping the aforesaid principles in mind we shall thus have to be *prima facie* satisfied that plaintiff's business has good reputation, a considerable customer base and satisfactory sales and also that the plaintiff has incurred expenses on promotion and advertisement of its products. If we are satisfied on these aspects, then for the present stage

[7] *(2024) 2 SCC 577*

that would suffice for us to *prima facie* hold that the plaintiff has goodwill.

42. The plaintiff's submission that it obtained registration of the domain name (being www.METRAVI.com) on 12th August, 1998 and that the plaintiff was incorporated on March 25, 2009 initially appeared to us to be totally absurd. However, upon perusal of the audited balance sheet for the year ended March 31, 2023 and connecting the same with the plaint case we could understand that the plaintiff has actually claimed to have been using the mark "METRAVI" since 1998 upon the mark passing hands from Mr. Vikram Raj Bhansali through the partnership firm named M/s Arun Enterprises to the plaintiff. We note that the case run in plaint is that Mr. Vikram Bhansali created the mark and adopted it first through the partnership firm M/s Arun Enterprises who in turn assigned it to the plaintiff. The said audited balance sheet reveals that the plaintiff is wholly owned by its four promoters namely Vidhya Bhansali (shareholding of 20%), Vikram Bhansali (shareholding of 35%), Vimal Raj Bhansali (shareholding of 20%) and Richa Bhansali (shareholding of 25%). The said balance sheet also reveals that Vimal Raj Bhansali, Vikram Bhansali and Richa Bhansali are its directors and that M/s Arun Enterprises is a partnership firm of the directors of the plaintiff company. The plaintiff is thus a new face of the same persons who have been using the said mark. Therefore, notwithstanding the fact that the plaintiff is a separate juristic entity which was created in the year 2009 and the mark alongwith the goodwill was formally assigned to it on December 17, 2015, the plaintiff does not *prima facie* appear to be wrong in claiming that it had been using the mark since 1998. The same in our *prima facie* view also explains the parsimonious consideration of the mark in the assignment agreement that was relied on by Mr. Basu in order to demonstrate absence of goodwill. The plaintiff has annexed a product catalogue showing the wide range of products (electrical and electronic test and measuring instruments) dealt in by it. The said annexure is followed by a number of invoices ranging from December 05, 2007 to September 12, 2022. The same *prima facie* reveal that the

plaintiff has been continuously dealing in electrical & electronic test and measuring instruments called by different names. The audited balance sheet of the plaintiff company for the Year ended March 31, 2023 reveals that its revenue from operations (i.e. sale of products as described in the notes forming part of the financial statements) stood at an impressive Rs.12,27,89,459/- (Rupees Twelve Crore Twenty Seven Lakh Eighty Nine Thousand Four Hundred and Fifty Nine) only. The same balance sheet also discloses the sales figure for the previous Financial Year to be Rs.9,11,17,267/- (Rupees Nine Crore Eleven Lakh Seventeen Thousand Two Hundred and Sixty Seven) only.

43. A certificate issued by a Chartered Accountant indicating the plaintiff's turnovers during several years starting from 2013 till 2024 has also been annexed to the plaint. It shows that the plaintiff's turnovers during the given Financial Years have been consistently on the rise excepting minor exceptions in the years 2017-18 and 2019-2020. Indeed the figures denote a steady business growth. The turnovers of a few years immediately preceding the institution of the suit may be noted for instance:

a) Financial Year 2018-19 ---------- Rs. 5,09,94,755/-;
b) Financial Year 2019-20 ---------- Rs. 5,04,39,411/- ;
c) Financial Year 2020-21 ---------- Rs. 6,70,30,915/- ;
d) Financial Year 2020-22---------- Rs. 9,11,17,267/- ;
e) Financial Year 2022-23 ---------- Rs.12,27,89,459/- ;
f) April 2023 – February 2024 ----- Rs.14, 22,33,863/-.

44. The audited balance sheet of the plaintiff company for the Year ended March 31, 2023 reveals that the Company had spent a sum of Rs.16,28,256/- (Rupees Sixteen Lakh Twenty Eight Thousand Two Hundred and Fifty Six) for advertisement in the said financial year and had spent a sum of Rs.15,58,026/-(Rupees Fifteen Lakh Fifty Eight Thousand and Twenty Six) in the previous financial year.

45. The continuous ascension of the plaintiff's business and the expenses incurred by the plaintiff in advertising its products as may be gathered

from the material on record are *prima facie* strong indicators of the plaintiff commanding substantial goodwill in the market.

46. Mr. Basu learned Senior Advocate appearing for the appellant decried the plaintiff's claim to goodwill by relying on the same audited balance sheet for the Year ended March 31, 2023 that forms an annexure to the plaint. He invited our attention to annexure A to the Independent Auditor's report at page 90 of Volume I of the stay application and emphasized on the observation that "*The Company is not having any intangible asset*". He further drew the attention of the Court to the noting at page 95 of Volume I of the stay application to demonstrate that in the said balance sheet at the place where assets are to be described the auditor had once again clarified that the plaintiff had no intangible asset. Mr. Basu sought to assert that once the said plaintiff itself has declared in the balance sheet that it has no intangible asset, it cannot be permitted to claim any right or goodwill over any mark, as a mark is also an intangible asset. Ms. Mitra has on the other hand relied on the Accounting Standards (AS) 26 and AS 38 to demonstrate that for the purpose of being reflected in the balance sheet the intangible asset should be identifiable which means it should be either separable from the entity and therefore capable of being transferred or should have arisen from contractual or other legal right. She submits that as the plaintiff's trademark is inseparable from its business, the same was not reflected in the balance sheet.

47. While Mr. Basu's contention appears to be attractive at the first blush, yet, the same by itself may not demolish the plaintiff's case of commanding goodwill at least at this interim stage. We say so because non reflection of intangible property in the balance sheet may not always mean absence or lack of intangible property and goodwill. At times it may be due to an accounting error and at times it may be a deliberate act following the set accounting standards. As to what is the case here is not required to be gone into, since we are not concerned with the accounting treatment of intangible assets at all. At this stage we only need to get *prima facie* satisfied that the plaintiff has substantial goodwill and as

discussed earlier and we are prima facie satisfied that the plaintiff has generated considerable goodwill.

MISREPRESENTATION BY THE DEFENDANT:

48. We now move on to analyze as to whether or not there has been any misrepresentation on the part of the defendant. Before doing so the set legal standards by which an allegation of misrepresentation is required to be examined need to be noticed. A three Judge Bench of the Hon'ble Supreme Court admirably outlined the concept of misrepresentation in the context of passing off in the case of ***Wander Ltd. & Anr. vs. Antox India (P) Ltd.[8]:***

> *"16. An infringement action is available where there is violation of specific property right acquired under and recognised by the statute. In a passing-off action, however, the plaintiff's right is independent of such a statutory right to a trade mark and is against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit. The tort of passing-off involves a misrepresentation made by a trader to his prospective customers calculated to injure, as a reasonably forseeable consequence, the business or goodwill of another which actually or probably, causes damages to the business or good of the other trader. Speaking of the legal clarification of this form of action, Lord Diplock said:*
>
> > *"Unfair trading as a wrong actionable at the suit of other traders who thereby suffer loss of business or goodwill may take a variety of forms, to some of which separate labels have become attached in English law. Conspiracy to injure a person in his trade or business is one, slander of goods another, but most protean is that which is generally and nowadays, perhaps misleadingly, described as "passing-off". The form that unfair trading takes will alter with the ways in which trade is carried on and business reputation and goodwill acquired. Emerson's maker of the better mousetrap if secluded in his house built*

[8] *1990 Supp SCC 727*

in the woods would today be unlikely to find a path beaten to his door in the absence of a costly advertising campaign to acquaint the public with the excellence of his wares." [See Erven Warnink v. J. Townend & Sons (Hull) Ltd., 1979 AC 731, 740 : (1979) 2 All ER 927, 931]"

[Emphasis supplied by underscoring]

49. The same view was also echoed by another three Judge Bench of the Hon'ble Supreme Court in the case of ***Cadila Health Care Ltd.***[2] (supra) in the following words:

> ***"31.*** *Trade mark is essentially adopted to advertise one's product and to make it known to the purchaser. It attempts to portray the nature and, if possible, the quality of the product and over a period of time the mark may become popular. It is usually at that stage that other people are tempted to pass off their products as that of the original owner of the mark. That is why it is said that in a passing-off action, the plaintiff's right is*
>
> > *"against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit". [See Wander Ltd. v. Antox India (P) Ltd. [1990 Supp SCC 727] , SCC p. 734, para 16.]"*
>
> [Emphasis supplied by underscoring]

50. Therefore, it would be essential at this stage to first ascertain if the defendant's conduct in the case at hand is one "*which leads to or is intended or calculated to lead to deception.* We may not overemphasise that the enquiry at this stage would only be for *prima facie* satisfaction.

51. We have seen the messages exchanged between the said two persons namely Mr. Prasad Nidhi and Mr. Vikram Bhansali (who are directors of the rival companies). The same evince that Mr. Prasad Nidhi had while offering to sell the products of the plaintiff enquired of Mr. Vikram Bhansali as to whether the plaintiff dealt in OEM products. Mr. Vikram Bhansali had replied in the affirmative by saying "Yes we are OEMs". Mr.

Vikram Bhansali also informed that "Metravi, CEM and EEE-Tech" were the brands of his company and that the company also dealt in other brands. Mr. Prasad Nidhi then gave Mr. Vikram Bhansali to understand that his company was interested in selling the products of the plaintiff and he was then requested by Mr. Vikram Bhansali to apply for dealership on-line. There are messages which reveal that Mr. Prasad Nidhi then went on to ask about the MOQ (Minimum Order Quantity) also placed orders for CEM DT-9881 Air Particle Counter Battery. The first invoice that has been issued by the defendant for presumably the first lot of the defendant's products under the trademark "METERIVA" uncannily follows the textual exchange between the directors of the two companies at logger-heads.

52. We do not agree with Ms. Mitra that the enquiry made by Mr. Prasad Nidhi and the conversation between the two persons as aforesaid was about the plaintiff's products under the trademark "METRAVI", since the order that was subsequently placed was for CEM DT-9881 Air Particle Counter Battery and CEM was also a brand dealt in by the concerns of Mr. Vikram Bhansali as would be evident from the texts exchanged between him and Mr. Prasad Nidhi. However, that does not make the said text exchange/conversation irrelevant. It is highly implausible to accept that while the defendant applied for registration of its mark in April 2022 and got in contact with the plaintiff's director in June 2022 it was all along unaware of the plaintiff's trademark. While we will definitely not read more into the text exchanges between Mr. Prasad Nidhi and Mr. Vikram Bhansali than is apparent, we are *prima facie* satisfied that the defendant was aware by the time it put its trademark into use (the earliest being July 2022 in terms of the material on record since nothing prior thereto has been brought to our notice) that the plaintiff was already using a similar trademark and was sufficiently established in the market. It is also interesting to note that after the invoice bearing the "issue date" as "July 17, 2022" and purchase order date as "June 07, 2022" the immediately following invoice on record is dated November 02, 2023 i.e. more than one year later. The invoices which follow thereafter

are in reasonable succession being invoices of January 24, February 24 and March 24. The time-gap between the first and the second invoice precipitates an inference that the defendant's products under the trademark "METERIVA" did not have much business during such phase and it may have gathered steam later. Indeed it was not for nothing that the defendant expressed its willingness to sell the plaintiff's goods and also struck a deal with the plaintiff. We have also noticed that appellant/defendant has itself projected on its website (a copy whereof has been annexed to the plaint and the stay application) that "METERIVA" has been a brand of the appellant/defendant since 2023. All this taken cumulatively leads to the *prima facie* conclusion that the defendant's conduct *leads to or is intended or calculated to lead to deception.*

53. Mr. Basu had relied on the judgment in the case of ***Kaviraj Pandit Durga Dutt Sharma[1]*** (supra) for asserting that added matter is sufficient to distinguish the goods of the defendant from that of the plaintiff and that the marks have to be seen as a whole. We feel that the said judgment supports the plaintiff more than the defendant. It was a case of infringement of trademark. In the said case too, the Hon'ble Supreme Court had held in paragraph 29 thereof that the ***"****purpose of the comparison is for determining whether the essential features of the plaintiff's trade mark are to be found in that used by the defendant"* and it was in such context that the Supreme Court observed that "……. *the object of the enquiry in ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar to that of the registered mark of the plaintiff".* A reading of the said judgment as whole reveals that the Hon'ble Court cautioned not to disregard parts which are common, because it is that part which would ultimately deceive and create confusion. In fact the observations of the Hon'ble Supreme Court in paragraph 30 of the ***Kaviraj Pandit Durga Dutt Sharma[1]*** judgment clarify all doubts. The said paragraph is quoted hereinbelow:

> *30. The mark of the respondent which he claims has been infringed by the appellant is the mark 'Navaratna Pharmaceutical Laboratories',*

and the mark of the appellant which the respondent claimed was a colourable imitation of that mark is 'Navaratna Pharmacy'. Mr Agarwala here again stressed the fact that the 'Navaratna' which constituted an essential part or feature of the Registered Trade Mark was a descriptive word in common use and that if the use of this word in the appellant's mark were disregarded there would not be enough material left for holding that the appellant had used a trade mark which was deceptively similar to that of the respondent. But this proceeds, in our opinion, on ignoring that the appellant is not, as we have explained earlier, entitled to insist on a disclaimer in regard to that word by the respondent. In these circumstances, the trade mark to be compared with that used by the appellant is the entire registered mark including the word 'Navaratna'. Even otherwise, as stated in a slightly different context : [Kerly on Trade Marks 8th Edn. 407]

"Where common marks are included in the trade marks to be compared or in one of them, the proper course is to look at the marks as wholes and not to disregard the parts which are common".

[Emphasis supplied by underscoring]

54. If the marks are seen as a whole it will appear that both the expressions "METRAVI" and "METERIVA" which are constituted by seven letters contain "MET" in the beginning and "R" in the middle and "V" at the penultimate position. Goods sold under the mark "METERIVA" are likely, (if not certainly) to deceive any person into believing them to be those sold under the mark "METRAVI", more so on the online platform. While we are conscious of the law on the subject of passing off that if an added matter sufficiently distinguishes the defendant's mark from that of the plaintiff then the defendant would escape the liability but in the case at hand we *prima facie* find that addition of a *sign wave at bottom* of the expression "METERIVA" would not make much difference or at least such difference that would obviate or prevent deception.

55. Before moving further the following observations of the Hon'ble Supreme Court in the case of ***Satyam Infoway Ltd. v. Siffynet Solutions (P) Ltd.***[9] deserve to be noticed:

[9] *(2004) 6 SCC 145*

"14. The second element that must be established by a plaintiff in a passing-off action is misrepresentation by the defendant to the public. The word misrepresentation does not mean that the plaintiff has to prove any mala fide intention on the part of the defendant. Of course, if the misrepresentation is intentional, it might lead to an inference that the reputation of the plaintiff is such that it is worth the defendant's while to cash in on it. An innocent misrepresentation would be relevant only on the question of the ultimate relief which would be granted to the plaintiff [Cadbury Schweppes v. Pub Squash, 1981 RPC 429 : (1981) 1 All ER 213 : (1981) 1 WLR 193 (PC); Erven Warnink v. Townend, 1980 RPC 31 : (1979) 2 All ER 927 : 1979 AC 731 (HL)] . What has to be established is the likelihood of confusion in the minds of the public (the word "public" being understood to mean actual or potential customers or users) that the goods or services offered by the defendant are the goods or the services of the plaintiff. In assessing the likelihood of such confusion the courts must allow for the "imperfect recollection of a person of ordinary memory" [Aristoc v. Rysta, 1945 AC 68 : (1945) 1 All ER 34 (HL)]."

[Emphasis supplied by underscoring]

56. We, therefore, now need to examine as to whether the products sold by the defendant under the trademark "METERIVA" cause confusion in the minds of the public. It had been submitted by Ms. Mitra that when a search was made for made for products of the plaintiff company by feeding the name "METRAVI" the products of the appellant/defendant also got displayed because the algorithm of the online retail platform was unable to differentiate between the two names i.e. "METRAVI" and "METERIVA" and as such displayed products of "METERIVA" also alongwith those of "METRAVI." We have seen the print-outs of pages from the website of Amazon an online retail platform which form part of the stay application. The same reveal that upon the name "metravi boroscope" being fed in the search–bar a product under the name "meteriva boroscope" has also got displayed. We have also noticed that along with "meteriva" and "metravi" boroscopes, other products carrying different names with the suffix boroscope have also been popped up but then "meteriva" and "metravi" get too close to be easily differentiated. Indeed in today's digital age when life has become faster than usual

confusion of the nature as aforesaid cannot and should not be lightly ignored.

57. We have already *prima facie* found that owing to the sameness of the syllables used as well as positioning thereof goods sold under the mark "METERIVA" are likely, (if not certainly) to deceive any person into believing them to be those sold under the mark "METRAVI", more so on the online platform.

58. We also take note of the plaintiff's submission relying on *"McCarthy on Trademarks and Unfair Competition"* that if a subsequent user adopts a similar mark as that of the prior user despite having knowledge about the prior users mark, the subsequent user must give a cogent explanation as regards the adoption of in case and we agree that the same should be so. In the case at hand the defendant has denied having knowledge about the plaintiff's mark (in paragraph 24 of its affidavit in opposition) and as such no explanation could be offered by the defendant as to why it adopted a mark similar to that of the plaintiff subsequent to the plaintiff's adoption. In any case the explanation offered by the defendant that its trademark "METERIVA", being composed by integration of the word "METER" and "IVA" of which the word "METER" is a generic term (in which no one can claim proprietary interest) and the word "IVA" has been derived from Slavic and Hebrew which means "God is gracious" does not appeal to us. We are not impressed by such explanation because we have *prima facie* found that the use of the same alphabets in the two equally lettered words at almost the same position deceives the eyes (viz. "MET" in the beginning and "R" in the middle and "V" at the penultimate position).

59. We have seen that the learned Single Judge has observed in the order impugned that the two rival marks thinly differ only in the interchange of syllables. We agree with such observation. We also agree with the observation of the learned Single Judge that the two marks have such degree of phonetic similarity that the same may create confusion. We,

therefore, hold that there is indeed *prima facie* evidence of the defendant's products causing confusion.

60. We have also seen the comparative charts of the two rival marks annexed to the written notes of submissions provided by both the parties. We note that there is sufficient similarity in the two for creating confusion. Indeed the marks are not the same word for word or syllable for syllable or even design for design, but that is not what is required to be seen either. What is required to be noticed is, whether or not the impugned mark deceives a person of normal prudence to believe it to be the mark of the plaintiff and get misled into purchasing goods under the said other mark believing it to be the goods of the plaintiff. What is required to be established in a case of passing off is deceptive similarity and not total similarity. In the words of the statute the impugned mark should be shown to be such that the same "*so nearly resembles that other mark as to be likely to deceive or cause confusion". "The likelihood of confusion"* is to be tested on the touchstone of the "*imperfect recollection of a person of ordinary memory"* as felicitously put by the Hon'ble Supreme Court. We find that such likelihood is there.

61. Mr. Basu had contended that as the class of consumers in the test and measurement equipment market are technical professionals or informed buyers, who are more likely to be interested with the specification of the products there was no chance of deception in the wake of the apparent differences in the packaging and information provided thereat. For such purpose Mr. Basu had relied on ***Cadila Health Care***[2] (supra). Paragraph 35 of the report is relevant for the present purpose and the same is quoted hereinbelow:

> ***"35.*** *Broadly stated, in an action for passing-off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors are to be considered:*
>
> *(a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.*
>
> *(b) The degree of resembleness between the marks, phonetically similar and hence similar in idea.*

(c) The nature of the goods in respect of which they are used as trademarks.

(d) The similarity in the nature, character and performance of the goods of the rival traders.

(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

(f) The mode of purchasing the goods or placing orders for the goods.

(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks."

62. The aforesaid proposition of law enunciated by ***Cadila Health Care²*** (supra) is indubitably salutary but in our considered view the same does not apply to the facts of the present case where confusion is evidently rampant. It must be noted that about more than two decades back, when the ***Cadila Health Care²*** judgment came to be passed online market portals in India were not so prominently in use. Indeed there is a great deal of difference in shopping online and shopping physically. The chances of being deceived in shopping online are far greater than when done physically. It is common knowledge that satisfaction level in verification of the product purchased online is way lower compared to that purchased physically/offline.

63. We also note that given the nature of the products dealt in by the parties, in the age of retail sale through online platforms, it cannot be said with certainty that all the products would necessarily be purchased by a class of informed customers only. Electrical and electronic test and measurement instruments which fall under class 9 and in which the rival parties deal is a genus which comprises a wide range of instruments, all of which are not necessarily used by well informed and educated people. While it is a fact that certain specialized equipment/instrument which require special technical expertise are used by technical experts yet there are many test and measurement tools which are used by a large section of people which may include normal technicians, electricians and even common people. Technicians, mechanics and electricians in our country

are mostly free-lancers and may not be attached to reputed organisations and therefore all of them may not be so well informed as to purchase a product after analysing the name of the company that has manufactured it. We feel that the dictum of the Hon'ble Supreme Court is meant to be applicable to cases where the entire class of persons is comprised of persons of the same standard in terms of intelligence, knowledge and understanding and not to a case of this nature which involves a heterogeneous class of purchasers.

64. We are *prima facie* satisfied that there is misrepresentation on the part of the defendant leading to confusion or at least "*the likelihood of confusion in the minds of the"* customers and as such the second requirement also stands answered by the plaintiff.

DAMAGES:

65. The third test that is required to be answered by the plaintiffs is that the defendant's act may cause or is likely to cause damage to the plaintiff's business. Once it is found that the (*prima facie* though) that the plaintiff has sufficient goodwill and the defendant's conduct has led to misrepresentation, likelihood of damages being caused to the plaintiff becomes almost a certainty. At this stage we are not required to be satisfied that actual damage has been caused to the plaintiff. Mere likelihood of damage would do. In this regard paragraph 13 of the judgment of the Hon'ble Supreme Court in the case of ***Laxmikant V. Patel***[3] (supra) may be noticed:

> *"13. In an action for passing-off it is usual, rather essential, to seek an injunction, temporary or ad interim. The principles for the grant of such injunction are the same as in the case of any other action against injury complained of. The plaintiff must prove a prima facie case, availability of balance of convenience in his favour and his suffering an irreparable injury in the absence of grant of injunction. According to Kerly (ibid, para 16.16) passing-off cases are often cases of deliberate and intentional misrepresentation, but it is well settled that fraud is not a necessary element of the right of action, and the absence of an intention to deceive is not a defence, though proof of fraudulent intention may materially*

assist a plaintiff in establishing probability of deception. Christopher Wadlow in Law of Passing-Off (1995 Edn., at p. 3.06) states that the plaintiff does not have to prove actual damage in order to succeed in an action for passing-off. Likelihood of damage is sufficient. The same learned author states that the defendant's state of mind is wholly irrelevant to the existence of the cause of action for passing-off (ibid, paras 4.20 and 7.15). As to how the injunction granted by the court would shape depends on the facts and circumstances of each case. Where a defendant has imitated or adopted the plaintiff's distinctive trade mark or business name, the order may be an absolute injunction that he would not use or carry on business under that name (Kerly, ibid, para 16.97)." [Emphasis supplied by underscoring]

66. Mr. Bose had while inviting our attention to the communication between Mr. Prasad Nidhi and Mr. Vikram Bhansali pointed out that it would appear from the texts exchanged between them that Mr. Bhansali had seen the profile of Mr. Prasad Nidhi on Linked In and that being so it should be inferred that Mr. Vikram Bhansali had knowledge of the defendant's mark "METERIVA" in 2022 itself since the said mark was displayed there. Mr. Basu submitted that in view of the aforesaid the mandatory condition of pre-litigation mediation under Section 12A of the Commercial Court's Act, 2015 ought not to have dispensed with by the learned Single judge. Ms. Mitra had however disputed this and submitted that the plaintiff came to know about the use of the impugned mark by the defendant only in January 2024 and had approached the Court immediately thereafter. We may not be able to make any guess far less an educated and informed guess that Mr. Vikram Bhansali saw the defendant's mark "METERIVA" on the *Linked In* profile of Mr. Prasad Nidhi. We have also not been shown that the profile at the relevant point of time did project such mark. Therefore, there is no reason to infer that Mr. Vikram Bhansali must have seen the defendant's mark "METERIVA" on the *Linked In* profile of Mr. Prasad Nidhi as submitted by Mr. Basu.

67. The unreported judgment in case of ***SRMB Srijan Private Limited vs. B. S. Sponge Pvt. Ltd (APO 157/2023)*** hardly helps the appellant/defendant inasmuch as the said order was passed in a totally

different set of facts. In the said case, initially the plaintiff had issued a cease-and-desist notice on 25th May, 2021 and then had not pursued its claim. After about two years, in the year 2023 a suit was instituted, and urgency was sought to be artificially created by introducing the word 'recently' in the plaint in order to project that in case any notice was served, the plaintiff would suffer irreparably. Such is not the case here. Be that as it may, in view of the case made out in the plaint which thus far has not been so dented as to propel us to disbelieve the same and the fact that the appellant has on its own website (a copy whereof has been annexed to the plaint and the stay application) projected that "METERIVA" has been a brand of the appellant/defendant since 2023 the point raised by Mr. Basu need not detain us further. While on the subject we may note that in a judgment of a fairly recent origin in the case of ***Yamini Manohar v. T.K.D. Keerthi***[10] the Hon'ble Supreme Court has clarified the law regarding the power of Court under section 12A of the Commercial Courts Act, 2015 by observing that when a plaint is filed under the said Act with a prayer for an urgent interim relief, the commercial court should examine the nature and the subject-matter of the suit, the cause of action, and the prayer for interim relief and then decide as to whether the requirement of pre-litigation mediation should be dispensed with or not. The Courts have been instructed to consider the facts and circumstances of the case *holistically from the standpoint of the plaintiff*". The caution sounded in the said judgment is to ensure that the prayer for urgent interim relief does not become *a disguise or mask to wriggle out of and get over Section 12-A of the CC Act*. The facts and circumstances of the case at hand at least *prima facie* do not appear to be a cloak to walk away with an interim order. In fact in view of the discussion hereinabove, we are satisfied that the plaintiff has by *prima facie* passing the classical trinity test as aforesaid, made out a strong *prima facie* case. In view of the fact that the plaintiff has been able to make out a *prima facie* case of running substantial business under the said mark, the balance of convenience and inconvenience leans heavily in

[10] *(2024) 5 SCC 815*

favour of the plaintiff and we therefore feel that if interim order as prayed for is not granted, the plaintiff will suffer irreparably inasmuch as its goodwill and reputation may get compromised due to sale of products not belonging to it but being passed off as its.

68. Since the conclusion reached by the learned Single Judge is unexceptionable in view of the reasons provided in the order impugned and for the additional reasons that we have hereby supplied, we find no reason to interfere with the same. In any case, it is settled law that the appellate Court interferes only when the order appealed against is clearly wrong and not when it is not right. Such is not the case here. The appeal and application are therefore dismissed. No costs.

69. Urgent photostat certified copy of this judgment, if applied for, be supplied to the parties upon compliance of all formalities.

I agree.

(Arijit Banerjee, J.) **(Om Narayan Rai, J.)**