

Delhi High Court

Rockwool International A/S & Anr. vs Thermocare Rockwool (India) Pvt. ... on 16 October, 2018

SINDHU KRISHNAKUMAR

16.10.2018 19:36

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\* IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on : 11th October, 2018

Date of decision :16th October, 2018

+ CS (COMM) 884/2017

ROCKWOOL INTERNATIONAL A/S & ANR. .... Plaintiffs

Through: Mr. Peeyosh Kalra, Standing Counsel  
with Mr. C. A. Brijesh, Ms. Shreyosi  
Pal and Ms. Navya Chopra,  
Advocates. (M:9711742188)

versus

THERMOCARE ROCKWOOL (INDIA) PVT. LTD. .... Defendant

Through: Mr. Arun Kathpalia, Senior Advocate  
with Mr. Neel Mason, Ms. Sabia  
Vesar, Mr. Uday S. Chopra, Ms. P.  
Vennela and Mr. Vishesh Kumar,  
Advocates.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUDGMENT

Prathiba M. Singh, J.

I.As. 15262/2016 & 15263/2016 (U/O XIII A CPC)

1. The Plaintiff No.1 is a Denmark Corporation with the trade name - Rockwool International A/S and its subsidiary, Plaintiff No.2 - Rockwool BV is based in Netherlands. The Plaintiffs claim to be the world's largest producers of stone wool fibre products which are environment friendly insulation products and control the temperature of indoor environment both in hot and cold temperatures. The Plaintiffs use the mark and name 'ROCKWOOL' as a word mark and also in logo form.

2. The Plaintiffs claim to have been founded in 1936. They operate 35 factories in 18 countries and the products of the Plaintiffs are claimed to be sold in more than 30 countries.

3. The Plaintiffs also have operations in India and they have incorporated their wholly owned subsidiaries/affiliates - 'Roxul-Rockwool Insulation India Pvt. Ltd.' in the year 2008 and 'Roxul Rockwool Technical Insulation Pvt. Ltd in 2010. Plaintiffs have a green field factory located in Dahej, Gujarat. The Plaintiffs also claim to have registration for the mark/name 'ROCKWOOL' in several foreign countries. The earliest trademark registration goes back to 1936. In India, the Plaintiffs claim that the word 'ROCKWOOL' and three device marks were also registered. However, it is stated that one of the marks was abandoned due to non- receipt of renewal notice from the Trademark Registry. The said abandonment of the mark has been challenged in the Intellectual

Property Appellate Board (hereinafter, 'IPAB') and the appeal is pending. However, the Plaintiffs submit that the trademark application was filed on 22nd February, 1989 which shows priority of adoption and use.

4. The grievance in the present case is that the Defendant company filed applications for registration of the mark/logo 'ROCKWOOL' in classes 17 and 19. Upon the Plaintiffs opposing the said marks, the Defendant gave an undertaking dated 28th March, 2011, which was filed with the Trademark Registry, that they would not use the mark 'ROCKWOOL' in any manner.

5. However, despite the same, the Defendant continued to use the trademark 'ROCKWOOL' on its business and products. In view of the continued violation of the Plaintiffs' rights in the mark 'ROCKWOOL', the present suit was filed.

6. On 20th November, 2014, after issuing notice in the suit, this Court passed the following order:

"(1) Learned counsel for the defendant seeks time to file written statement/reply. Let it be filed within four weeks.

(2) Replication/rejoinder (if any) be filed within two weeks.

(3) In the meanwhile, the defendant shall comply with the undertaking dated 28th March, 2011 till the next date of hearing which is reproduced as under:

"-- We are the Applicants in the captioned matter. The matter is amicably settled between the parties and the applicants agreed that they would desist from using the mark ROCKWOOL. The Applicants agree and undertake that they shall not in any manner use the trade mark ROCKWOOL in relation to Mineral wool and Slag wood or any other goods contained in class 17. It is therefore requested that in the above circumstances the above application for the registration of the trade mark 'ROCKWOOL' may be treated as withdrawn. "

(4) Relist on 12<sup>th</sup> March, 2015 for disposal of the captioned IA."

7. The said statement continues to operate. On 15th April, 2015 on a contempt application filed, being I.A.5160/2015, the Court directed the personal presence of the promoters of the Defendant company. The Defendant had filed further trademark applications for registration of the mark 'ROCKWOOL'. On 28th September, 2015, this Court directed the Defendants to withdraw the said applications and file an affidavit of compliance. Upon the same being filed on 9th October, 2015, the contempt application was disposed of.

8. Thereafter, the Defendant moved an application under Order XIII A of the CPC, as amended by the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 (hereinafter, 'Commercial Courts Act') seeking dismissal of the suit for infringement, as the trademark application of the Plaintiffs had been abandoned. The Plaintiffs also moved an

application under Order XIII A of the Commercial Courts Act seeking summary judgment in terms of the reliefs prayed in the plaint. The three applications i.e., the application for interim injunction and the said two applications under Order XIII A have been taken up for hearing.

9. Mr. Peeyosh Kalra, Ld. counsel appearing for the Plaintiffs submits that the Defendant is a dishonest adopter of the mark 'ROCKWOOL'. The Defendant filed trademark applications for the said mark and on opposition proceedings being initiated by the Plaintiffs, the Defendant gave an undertaking. After having given an undertaking, the Defendant has continued to use the mark 'ROCKWOOL' as part of its trade name and also as part of its brochure. He relies upon the judgments in Procter and Gamble Manufacturing (Tianjin) Co. Ltd. & Ors. v. Anchor Healthcare & Beauty Care Pvt. Ltd. [2014 (59) PTC 421 (DEL)] (hereinafter, 'Procter and Gamble Manufacturing Co.') and Automatic Electric Ltd. v. R.K. Dhawan 77 (1991) DLT 292 to argue that once the Defendant itself sought trademark rights in the word 'ROCKWOOL', it was not open to them to argue that the mark is generic. He relies on the brochure of the Defendant where the word 'ROCKWOOL' is being used with the trademark of the Defendant i.e. 'SUNROCK'. It is further submitted by the Plaintiffs that the Plaintiffs' mark is registered in more than 100 countries of the world.

10. On the other hand, Mr. Arun Kathpalia, Learned Senior Advocate appearing for the Defendant has relied on a large amount of material to submit that the word 'ROCKWOOL' is generic. He relies specifically upon extracts from the Websters Dictionary, Oxford Dictionary, various standardisation bodies such as BIS, departments who use the word 'ROCKWOOL' as part of their tender documents, etc. He further submits that various international bodies including foreign government agencies etc. use the word 'ROCKWOOL' as a reference to 'WOOL' made out of 'ROCK'. He also submitted that the World Customs Organisation has allotted a specific HSN code for 'ROCKWOOL' which is also used by the Plaintiffs in their invoices.

11. He further relied upon patent documents dating back to the 1920's from the US Patent Office to argue that the word 'ROCKWOOL' has been used in these documents and in fact various processes for manufacture of 'ROCKWOOL' have been patented. This itself shows that the word 'ROCKWOOL' is generic to the product and cannot be a trademark. Counsel for the Defendant also relies on various textbooks to submit that the word 'ROCKWOOL' cannot be monopolised. In support of the application filed by the Defendant for summary judgment, it is submitted that the trademark application of the Plaintiff having been abandoned, the suit for infringement is not maintainable, even though the matter may be pending before the IPAB.

12. In rejoinder, learned counsel for the Plaintiffs submits that except Websters Dictionary, the other dictionaries have agreed to honour the trademark rights of the Plaintiffs in the word 'ROCKWOOL'. It is submitted that the predecessor of the Plaintiffs dates back to the year 1909 and thus, all usage shown by the Defendant has been subsequent to the said year. The Plaintiffs are taking steps to protect their legal rights in the trademark 'ROCKWOOL'.

13. In the present case, the Court is at this stage dealing with applications for summary judgment. The kind of cases that can be decided in a summary manner have to be those cases where a party has

no real prospect of succeeding in the claim. A perusal of Order XIII A Rule 3 as amended by the Commercial Courts Act reads as under:

"Order XIII-A Summary Judgment

1.....2.....

3. Grounds for summary judgment. - The Court may give a summary judgment against a plaintiff or defendant on a claim if it considers that -

(a) the plaintiff has no real prospect of succeeding on the claim or the defendant has no real prospect of successfully defending the claim, as the case may be; and

(b) there is no other compelling reason why the claim should not be disposed of before recording of oral evidence."

14. The pre-conditions for passing of a summary judgment under this provision are:

i) that there is no real prospect of a party succeeding in a claim;

ii) that no oral evidence would be required to adjudicate the matter;

iii) there is a compelling reason for allowing or disallowing the claim without oral evidence.

15. Insofar as the procedural requirements for Order XIII A CPC are concerned, as laid down by a Division Bench of this Court in *Bright Enterprises Private Ltd. and Ors. v. MJ Bizcraft and Ors.* 2017 (69) PTC 596 (Del) (hereinafter, 'Bright Enterprises Pvt. Ltd.') the same have been complied with. Applications have been filed seeking summary judgment. Grounds have been succinctly set out therein and parties have been given an opportunity to reply to the said applications. In *Bright Enterprises Private Ltd. and Ors.* (supra), a Division Bench of this Court had held that the procedure under Order XIII A has to be scrupulously followed. Relevant portion of the judgment reads as under:

"...

20.....It is true that Rule 3 of Order XIII A CPC empowers the Court to give a summary judgment against a plaintiff or defendant on a claim if it considers that - (a) the plaintiff has no real prospect of succeeding on the claim or the defendant has no real prospect of successfully defending the claim, as the case may be; and (b) there is no other compelling reason why the claim should not be disposed of before recording of oral evidence. But, in our view, this power can only be exercised upon an application at any date only after summons have been served on the defendant and not after the Court has framed issues in the suit. In other words, Order XIII A Rule 2

makes a clear stipulation with regard to the stage for application for summary judgment. The window for summary judgment is after the service of summons on the defendant and prior to the Court framing issues in the suit.

21. The provisions relating to summary judgment which enables courts to decide claims pertaining to commercial disputes without recording oral evidence are exceptional in nature and out of the ordinary course which a normal suit has to follow. In such an eventuality, it is essential that the stipulations are followed scrupulously otherwise it may result in gross injustice. As pointed out above, a specific period of time has been provided during which an application for summary judgment can be made. That period begins upon the service of summons on the defendant and ends upon the court framing issues in the suit. Even if we were to accept, which we do not, the argument of the respondents that the Court had suo moto powers to deliver summary judgment without there being any application, those powers also would have to be exercised during this window, that is, after service of summons on the defendant and prior to framing of issues. In addition to this, we also reiterate that, in our view, a summary judgment under Order XIII A CPC is not permissible without there being an appropriate application for summary judgment. The contents of an application for summary judgment are also stipulated in Rule 4 of Order XIII A. The application is required to precisely disclose all material facts and identify the point of law, if any. In the event, the applicant seeks to rely on any documentary evidence, the applicant must include such documentary evidence in its application and identify the relevant content of such documentary evidence on which the applicant relies. The application must also state the reason why there are no real prospects of succeeding or defending the claim, as the case may be.

22. Rule 4(2) of Order XIII A also requires that where a hearing for summary judgment is fixed, the respondent must be given at least thirty days' notice of the date fixed for the hearing and the claim that is proposed to be decided by the Court at such hearing. Rule 4(3) of Order XIII A makes provision which enables the respondents to file a reply within the stipulated time addressing the matters set forth in clauses (a) to (f) of the said sub-rule. In particular, the reply of the respondent ought to precisely disclose all the material facts and indentify the point of law, if any, and the reasons why the relief sought by the applicant for summary judgment should not be granted. Just as in the case of the applicant, the respondent is also given the opportunity to rely upon documentary evidence in its reply which must be included in the reply and the relevant content identified. The respondent's reply is also required to give reason as to why there are real prospects of succeeding on the claim or defending the claim, as the case may be. Importantly, the reply must also concisely state the issues that should be framed for trial and that it must identify what further evidence would be brought on record at trial that could not be brought on record at the stage of summary judgment. The reply should also state as to why in the light of the evidence or material on record, if any, the Court should not proceed to summary judgment.

23. From the provisions laid out in Order XIII A, it is evident that the proceedings before Court are adversarial in nature and not inquisitorial. It follows, therefore, that summary judgment under Order XIII A cannot be rendered in the absence of an adversary and merely upon the inquisition by the Court. The Court is never an adversary in a dispute between parties. Unfortunately, the learned Single Judge has not considered the provisions of Order XIII A CPC in this light."

16. Applying the tests laid down for an application under Order XIII A, as held by the Division Bench, to the facts of the present case, it is seen that the Plaintiff does have a global reputation and registration of the mark 'ROCKWOOL' in several countries of the world. The Plaintiffs also have registration for a device mark and a pending appeal before the IPAB in respect of the word mark application/registration which was abandoned. The status of the said trademark as per the Registry's website is shown to be "Registered" even as on date. The matter is still pending before the IPAB. The Plaintiffs have also been watchful about their rights in the mark in India and have opposed the trademark applications of the Defendant wherein the Defendant gave an undertaking that they would not use the trademark. The Plaintiffs have also thereafter filed the present suit and have prosecuted the same diligently.

17. On the other hand, the Defendant, has filed voluminous material to support its plea that the word 'ROCKWOOL' is generic. The documents from the US Patent office, the various textbooks, commentaries, tender documents, standards prescribed by various agencies, all go to show that the Defendant's defence cannot be rejected at this stage, without further evidence.

18. It is thus clear that there are several issues which arise in the present case which require adducing of oral evidence including the following questions:

- a) Whether the Plaintiffs were the original coiners of the mark 'ROCKWOOL' globally?
- b) Whether the use of the mark 'ROCKWOOL' in various patent documents and other documents by agencies etc. is subsequent in point of time and if so, what is its effect?
- c) Whether the word 'ROCKWOOL' is generic as argued by the Defendant?
- d) Whether the Defendant, having applied for the registration of the mark 'ROCKWOOL', is estopped from claiming that the word is generic?
- f) Whether the application/registration of the Plaintiffs' stands abandoned? If so, whether the suit for infringement is maintainable?

19. All the above issues and various other issues which may arise in the suit will require oral evidence. The same cannot be determined in a summary manner without trial. The summary procedure is prescribed in order to expedite passing of judgment by Courts in commercial disputes where the Court is able to arrive at a conclusion in the absence of oral evidence. The present case is

not one of that kind. The issues are contentious and the suit thus deserves to go to trial.

20. The two applications for summary judgment are, accordingly, dismissed.

I.As. 20191/2014 (U/O XXXIX RULE 1 AND 2 CPC)

21. In light of the above order, the question that arises is as to what should be the interim arrangement during the pendency of the suit.

22. What is relevant to be noted is that the Defendant applied for the mark 'ROCKWOOL', which by itself is a conduct which deprives the defendant from arguing that the mark is generic. The Defendant has further gone ahead and given an undertaking before the Registry of Trademark that it would not use the mark 'ROCKWOOL' in any manner whatsoever. The said undertaking dated 28th March, 2011 reads as under:

".....We are the Applicants in the captioned matter. The matter is amicably settled between the applicants agreed that they would desist from using the mark 'ROCKWOOL' The Applicants agree and undertake that they shall not in any manner use the trade mark ROCKWOOL in relation to Mineral wool and Slag wood or any other goods contained in class 17. It is therefore requested that in the above circumstances the above application for the registration of the trade mark 'ROCKWOOL' may be treated as withdrawn."

23. It is an admitted fact that the Defendant continues to use the word 'ROCKWOOL' as part of its corporate name as also in its brochure along with its trademark 'SUNROCK'. Interestingly, the device of 'SUNROCK' especially the 'O' is identical to the letter 'O' in the trademark application filed by the Defendant for the mark 'ROCKWOOL'. Within its brochure, it is using the word 'ROCKWOOL' along with the mark 'SUNROCK' as 'SUNROCK- ROCKWOOL'. The undertaking given by the Defendant is clear and categorical. The Defendant has attempted to over-reach the Court on more than one occasion. It continues to use the word 'ROCKWOOL' in its brochure, publicity material, website, etc., indiscriminately. It is also using the word 'ROCKWOOL' as part of its corporate name. Permitting the Defendant to continue its current conduct would be in the teeth of the undertaking dated 28th March, 2011 given to the Trademark Registry, as also the orders of this Court. While holding that the question as to whether the mark is generic would have to be gone into trial, at this stage, it is sufficient to hold, that the Defendant itself having applied for the registration of the mark 'ROCKWOOL', it cannot try to take advantage of an argument that the mark is generic. This is the settled position in law in various judgements of this Court including in Procter and Gamble Manufacturing Co (supra)., wherein the Ld. Division Bench observed as under:

"(xviii) As far as the argument, of the respondent/plaintiff not using the registered trade mark "ALLROUND" owing to having suffixed it with the word "PROTECTION" is concerned, again, the appellants/defendants in the US, obtained registration of the mark "ALL-AROUND PROTECTION"

disclaiming the word "PROTECTION". The same is indicative of the appellants/defendants admitted that use of the word "PROTECTION" as a suffix to the use of the registered mark "ALL-AROUND" not negating the use of the trade mark. The same reasoning, of approbate and reprobate, applied by the learned Single Judge, in our opinion, would apply to this aspect as well.

(xix) As far as the contention, of Automatic Electric Ltd. (supra) having stood overruled by Marico Limited (supra) is concerned, we have perused Indian Hotels Company Ltd.(supra) and are unable to agree that the reference therein to Automatic Electric Ltd. is without affirming the same. It was the contention in Indian Hotels Company Ltd. also that the word "JIVA" therein was a descriptive word which could not be protected as a trade mark. The Division Bench however negated the said argument by holding that the appellant therein having itself applied for registration of "JIVA" as a trade mark, could not argue that the mark was descriptive. Reference to Automatic Electric Ltd. was made in support of the said reasoning. Unfortunately, neither Automatic Electric Ltd. nor Indian Hotels Company Ltd. were noticed in the subsequent judgment of the Division Bench in Marico Limited. We, at this interim stage are inclined to go along with the affirmation by the Division Bench in Indian Hotels Company Ltd. with the view in Automatic Electric Ltd.

(xx) The contention of the appellants/defendants that the registration of "ALLROUNDER" and "ALL- AROUND PROTECTION" was applied for and obtained mistakenly and the appellants/defendants are willing to surrender the same also does not impress us. The said statement came to be made only during the hearing; the appellants/defendants otherwise, neither in their written statement in the suit nor in this appeal have pleaded on oath that it was a mistake or the circumstance in which the said mistake came to be made and no explanation whatsoever therefor has been offered. The appellants/defendants, when so caught on the wrong foot, cannot be permitted to get away by, during the course of hearing call their action a mistake."

24. The Defendant is a corporate entity which is well advised and cannot be indulging in approbate and reprobate. It cannot be seen to argue that the mark is generic and at the same time, file applications seeking registration of the mark. However, since the issue is now to be adjudicated in trial, irrespective of the defendant's conduct, an interim arrangement needs to be in place during the pendency of the trial of the suit.

25. Under the Trademark Act of 1999, use of a registered trademark, even for a corporate name constitutes infringement. There is in fact, no difference between use as a mark or use as a name. However, in the present case, since the word mark application/registration of the Plaintiffs was abandoned and the same is subject matter of a pending appeal before the IPAB, there is a cloud over the Plaintiffs' word mark registration. The other marks of the Plaintiffs are device/logo marks.

26. In the interim injunction application, accordingly, the following directions are passed:

The Defendant is restrained from using the word 'ROCKWOOL' as a trademark, including in its brochure in conjunction with or without Defendant's trademark 'SUNROCK'. All references to the word 'ROCKWOOL' shall be removed within a period of 30 days from today;

The use by the Defendant of its corporate name 'Thermocare Rockwool (India) Pvt. Ltd.' is permitted only on letter heads, stationery and on the product in the manner as it is being currently used by the Defendant i.e. only to signify the name of the manufacturer and nothing more. An image of the current usage of the mark by the Defendant is set out below:

DEFENDANT'S MARK The corporate name shall not be used in a prominent manner as would constitute use as a trademark;

The Defendant shall file its annual sales turnover both domestic and international since the date of its undertaking before the Trademark Registry i.e. 28th March, 2011 within eight weeks. Subsequently it will continue to file the accounts on a quarterly basis; An undertaking shall be filed by the Managing Director of the Defendant that any decree for damages that may be passed by this Court would be duly honoured and that the accounts being filed are correct and genuine.

27. The Defendant is directed to place on record the modified brochure/publicity material, website printouts, etc., before court on the next date of hearing after removing all references to the word 'ROCKWOOL' as directed above.

28. I.A. is disposed of in the above terms.

CS (COMM) 884/2017

29. List before the Joint Registrar for marking of exhibits on 22nd November, 2018. Parties, shall firstly seek inspection of documents if necessary within two weeks. Irrespective of inspection being given, parties shall file their respective statements of admission/denial. The directions passed on 27th August, 2018 in Burger King Corporation v. Techchand Shewakramani & Ors. [CS(COMM) 919/2016 & CC(COMM) 122/2017] shall be followed, in respect of Admission/Denial of documents. Any unjustified denial would attract imposition of costs. After filing of statements of admission/denial, parties shall jointly file the 'Document Schedule' as per the Delhi High Court (Original Side) Rules 2018, prior to the date before the Joint Registrar.

30. In the facts and circumstances of the present case and in order to expedite the trial of the suit, recordal of evidence would be by a Local Commissioner, costs for which shall be equally shared by the parties. List before the Joint Registrar on 22nd November, 2018.

31. List for Case Management hearing and directions regarding appointment of Local Commissioner on 20th December, 2018.

PRATHIBA M. SINGH, J.

JUDGE OCTOBER 16, 2018 Rahul