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

Reserved on: 5 December 2023

Pronounced on: 25 January 2024

+ CS(COMM) 454/2023, I.A. 12308/2023, I.A. 17542/2023 and I.A. 19426/2023

LOTUS HERBALS PRIVATE LIMITED Plaintiff

Through: Mr. Akhil Sibal, Sr. Advocate with Mr. Abhishek Bansal, Ms. Asavari Jain, Mr. Mohan Vidhani, Mr. O.P. Bansal, Mr. D.K. Gupta, Ms. Bahuli, Mr. Rahul Vidhani, Mr. Prakhar Singh, Ms. Elisha Sinha and Ms. Mikshita Gautam, Advs.

versus

**DPKA UNIVERSAL CONSUMER VENTURES
PRIVATE LIMITED & ORS.** Defendants

Through: Mr. Dayan Krishnan, Sr. Advocate with Mr. Pravin Anand, Mr. Dhruv Anand, Ms. Udita Patro and Ms. Nimrat Singh, Advs.

Mr. Azeem Khan, Ms. Arundhati Dhar, Ms. Shreya Puri and Ms. Deepa Rathi, Advs. for Defendant 3

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR

JUDGMENT
25.01.2024

I.A. 12308/2023 (under Order XXXIX Rules 1 & 2 CPC)

1. The plaintiff claims to have, in its repertoire, over 1000 skin, beauty and hair care products, all of which are sold under the house



mark/trade Mark LOTUS. Use of the mark LOTUS is stated to have commenced in 1993. The plaintiff is also the proprietor of the following registered trade marks, which may be called the “LOTUS formative marks”:

S. No.	Trade Mark	Word/ Device	Trade Mark No.	Date of filing	Class
1.		Device	711932	1996.08.02	5
2.		Device	711934	1996.08.02	3
3.	LOTUS	Word	1123692	2002.08.02	3
4.	LOTUS	Word	1123693	2002.08.02	5
5.	LOTUS HERBALS PROFESSIONAL	Word	1423171	2006.02.21	5
6.	LOTUS HERBALS PROFESSIONAL	Word	1423176	2006.02.21	3
7.		Device	1451464	2006.05.08	3
8.		Device	1451465	2006.05.08	5
9.	LOTUS SUNSAFE	Word	1967373	2010.05.18	5
10	LOTUS GLOWHITE	Word	1967374	2010.05.18	3
11		Device	2322460	2012.04.26	3



12		Device	2322462	2012.04.26	5
13	Lotus Organics+	Word	2633760	2013.11.27	3
14	Lotus Organics+	Word	2633761	2013.11.27	5
15		Device	2769531	2014.07.08	3
16	LOTUS SAFE SUN	Word	3008852	2015.07.15	3
17	LOTUS SAFE SUN	Word	3008853	2015.07.15	5
18	LOTUS WHITE GLOW	Word	3008855	2015.07.15	5
19	LOTUS ECOSTAY	Word	3008856	2015.07.15	3
20	LOTUS ECOSTAY	Word	3008857	2015.07.15	5
21	LOTUS COLORKICK	Word	3008858	2015.07.15	3
22	LOTUS COLORKICK	Word	3008859	2015.07.15	5
23	LOTUS YOUTH RX	Word	3008861	2015.07.15	5
24	LOTUS PROFESSIONAL PHYTO RX	Word	3008862	2015.07.15	3
25		Device	3008866	2015.07.15	3
26		Device	3008867	2015.07.15	5



27		Device	3008868	2015.07.15	3
28		Device	3008869	2015.07.15	5
29		Device	3008870	2015.07.15	3
30		Device	3008871	2015.07.15	5
31		Device	3008872	2015.07.15	3
32		Device	3008873	2015.07.15	5
33		Device	3406127	2016.11.08	3
34		Device	3406128	2016.11.08	3
35		Device	3406130	2016.11.08	3
36		Device	3561211	2017.06.01	3
37		Device	3561212	2017.06.01	5



38		Device	3656610	2017.10.13	3
39		Device	3656611	2017.10.13	5
40	LOTUS HERBALS BABY +	Word	3656693	2017.10.13	3
41	LOTUS HERBALS BABY +	Word	3656694	2017.10.13	5
42		Device	3732456	2018.01.20	3
43		Device	3732457	2018.01.20	5
44		Device	3817448	2018.04.26	3
45		Device	3817449	2018.04.26	5
46		Device	3843467	2018.05.25	3
47		Device	3843468	2018.05.25	5
48		Device	4585414	2020.07.28	3



49		Device	4585539	2020.07.28	5
50		Device	4614971	2020.08.19	3
51		Device	4614972	2020.08.19	5
52		Device	4650261	2020.09.10	3
53		Device	4650262	2020.09.10	5
54		Device	5336638	19.02.2022	3
55		Device	5336640	19.02.2022	5

2. Copyright, in the logo  also stands registered in the plaintiff's favour vide Registration No A-97661/2013, with effect from 10 February 2011.

3. To vouchsafe its goodwill and reputation, and the command that its "LOTUS" marks have in the market, the plaintiff has provided its sales figures from use of the LOTUS marks which, during the years



2021-2022 and 2022-2023 are in the region of ₹ 529 crores and ₹ 695 crores respectively. The plaintiff also expends considerable amounts on advertisement and promotion of brands, with the amount so spent being in the region of ₹ 103 crores in 2021-2022 and ₹ 98 crores in 2022-2023.

4. The plaintiff also owns and operates the website www.lotusherbals.com. It is further averred, in the plaint, that the plaintiff has organised and sponsored various prestigious events and programs and was also a sponsor of the IPL Cricket team KINGS XI PUNJAB during the period 2017 to 2023.

5. The LOTUS formative marks are claimed to have become indelibly associated, in the public psyche, with the plaintiff and with no one else. They have, therefore, become source identifiers.

6. The plaintiff is aggrieved by the use, by the defendants, of the name/logo “Lotus Splash” for the face cleanser/face wash manufactured and sold by it:





7. The use of the name “Lotus Splash” for its product, according to the plaintiff, amounts to infringement of the plaintiff’s registered “LOTUS” formative marks and also misrepresents the product of the defendants as having an association with the plaintiff. The defendants’ impugned product is sold in brick and mortar stores as well as online through the website www.82e.com of the defendants.

8. The plaintiff accordingly issued a notice to the defendants on 6 February 2023, calling on the defendants to cease and desist from using the mark “Lotus Splash” for its product. As the notice did not deter the defendants from continuing to use the mark, the plaintiff has instituted the present suit against the defendants, seeking a decree of permanent injunction, restraining them from using “Lotus” as part of the mark under which they sell their product.

9. The present application, filed with the suit under Order XXXIX Rules 1 and 2 of the CPC, seeks an interlocutory injunction, pending disposal of the suit, restraining the defendants from continuing to use the impugned “Lotus Splash” Mark, or any other mark which includes “Lotus” as a part thereof, pending disposal of the suit.

10. This judgment decides the said application.



11. I have heard Mr. Akhil Sibal, learned Senior Counsel for the plaintiff and Mr. Dayan Krishnan, learned Senior Counsel for the defendants, at extensive length.

Rival Contentions

Contentions of Mr. Akhil Sibal for the plaintiff

12. Mr. Sibal submits that, given the fact that the plaintiff and the defendants are both using the mark “Lotus” – though, in the case of the defendants, in conjunction with the word “Splash” – for similar products, there is bound to be confusion in the minds of the public or a presumption of association between the marks of the plaintiff and the defendants. He has drawn my attention to para 40 of the plaint, in which it is specifically averred that talks were on, between the plaintiff and Defendant 2 in March 2021 for Defendant 2 to be an agent of the plaintiff, but could not fructify. As such, at the time when the defendants adopted the impugned “Lotus Splash” mark, they were well aware of the pre-existing registered “Lotus” formative marks of the plaintiff.

13. Mr. Sibal submits that, in their response to the present application, the defendants have sought to contend that the mark “Lotus Splash” is used by them in a descriptive sense. He has drawn my attention to para 13 of the reply, in which it is averred as under:



“13. Under the Brand, the Defendant Nos. 1 and 2 sell a variety of skin care products under diverse names which describe the main ingredient of the product like ‘Ashwagandha Bounce’, ‘Turmeric Shield’, ‘Lotus Splash’ (product in suit), ‘Licorice Beam’, ‘Gotu Kola Dew’ and ‘Patchouli Glow’. An infographic representation of the said products is annexed with the list of documents being filed with the reply. As a matter of fact, none of these are the subject matter of any trade mark registrations or even applications seeking registration clearly demonstrating the Defendants’ use of these expressions is not in a trademark sense.”

The “infographic representation”, to which para 13 alludes, is the following:



14. Mr. Sibal submits that the assertion in para 13 of the reply to the present application is false, as Defendant 1 has, in fact, applied for registration of all marks, except “Lotus Splash” as trade marks under



the Trade Marks Act. If “Ashwagandha Bounce”, “Licorice Beam”, “Patchouli Glow” and “Turmeric Shield” are being used in the trade mark sense, he submits that the defendants cannot seek to contend otherwise in the case of “Lotus Splash”. He submits that Defendant 1 applied not only for registration of “Ashwagandha Bounce”, “Patchouli Glow” and other marks in conjunction with “82°E”, but also by themselves. He has taken me through the said applications, which have been placed on record.

15. Concealing the fact that they had applied for registration of “Ashwagandha Bounce”, “Patchouli Glow” and other such marks for registration as trademarks, he submits that the defendants filed an affidavit dated 8 August 2023 before this Court, seeking to contend that “Ashwagandha Bounce”, “Turmeric Shield”, “Lotus Splash”, and the like were merely product names and not trade marks, and that the name of the ingredients in each of these product names was only to identify the name of the product. This contention, he submits, cannot be available to the defendant as they have actually applied for the said marks as trade marks. Defendant 1 and 2 have, in fact, contended, in para 3 (A), (B) and (C) of affidavit dated 8 August 2023, thus:

“3. In this regard, these Defendants state that the contents of the concerned Paragraphs are not factually correct on account of *bona fide* error. These Defendants state that the present affidavit is being filed to place on the record of this Hon’ble Court the correct factual position:

A. KA Enterprises LLP, in which Defendant No. 2 is a majority shareholder and which is a holding company for Defendant No. 1 has applied in 3 classes viz. Class 1, 3 and 5 for 3



types of marks, in relation to its product range (excluding 'Lotus Splash'):

- i. The product name *simpliciter i.e.* Ashwagandha Bounce, Turmeric Shield, Gotu Kola Dew, Patchouli Glow, Bakuchiol Slip, Licorice Beam, Sugarcane Soak and Jasmine Breeze.
- ii.. The product name combined with the main brand/trademark of Defendant No. 1, for instance 82°E Ashwagandha Bounce and 82°E Turmeric Shield. Registration has been sought for these brands as '*word marks*'.
- iii. An image mark/device mark of the product name combined with the main brand/trademark of Defendant No. 1, for instance 82°E Ashwagandha Bounce and 82°E Turmeric Shield.

B. In this relation, these Defendants state that the applications for registration of the marks described in (ii) and (iii) above are wholly irrelevant to the suit. These Defendants state that the applications for registration as described in (ii) and (iii) are based on the marquee brand of these Defendants viz. 82°E. The Plaintiff's do not and cannot assert any right qua these registrations for they are based on the marquee brand of these Defendants viz. 82°E.

C. These Defendants state therefore that the assertion in the concerned Paragraphs that '*As a matter of fact, none of these are the subject matter of any trademark registration or even applications seeking registration*' is therefore not correct and it is requested that the same be treated as struck from the record."

(Emphasis supplied)

16. Though, in para 3(C) of the said affidavit, Defendant 1 and 2 have acknowledged that the assertion, in the written statement, that none of the names of the defendants' products was the subject matter of any trade mark registration or applications seeking registration was incorrect, they have still concealed the fact that they have actually applied for registration not only in respect of the said names in



conjunction with “82°E”, but also in isolation. They have, for this purpose, also contended, in para 4(B), that, as a trade mark has to be considered as a whole, the use of the ingredient when combined with another word, in a manner which is novel and distinctive, is capable of protection. In para 6(A), the affidavit points out that the defendants have not sought registration of the trade mark “Lotus Splash” and have further sought to contend that the word “Lotus” in “Lotus Splash” is used in a descriptive manner, as the product actually contains lotus extract.

17. Mr. Sibal submits that “Lotus” in “Lotus Splash” cannot be regarded as descriptive, but is, at the highest, suggestive. He submits that face wash is not required to contain “Lotus”. He also submits that, for a consumer, the point of reference is the name of the mark, and not its ingredient.

18. Relying on the judgment of this Bench in *Zydus Wellness Products Ltd v. Cipla Health Ltd*¹, Mr. Sibal submits that, in order to be entitled to the benefit of Section 30(2)(a)² of the Trade Marks Act, the entire mark of the defendant has to be descriptive. Even if “Lotus” were to be treated as descriptive, he submits that “Lotus Splash” is at the best suggestive and it is in clear recognition of the fact that the defendant has proceeded to apply for registration of all its marks, except “Lotus Splash”.

¹ 2023 SCC OnLine Del 3785

² (2) A registered trade mark is not infringed where –

(a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;



19. Mr. Sibal further submits that, even if one were to examine the “Lotus Splash” bottle, it is clear that “Lotus Splash” is used as a trade mark. The mark 82°E is relegated inconsequentially to the base of the bottle. Mr. Sibal submits that, of the text contained on the Lotus Splash bottle, the descriptor is the words “conditioning cleanser with lotus and bioflavonoid” and not “Lotus Splash”.

20. There is, he submits, a clear distinction in the language used in the descriptive “conditioning cleanser with lotus and bioflavonoid” slogan on the bottle and the “Lotus Splash” mark.

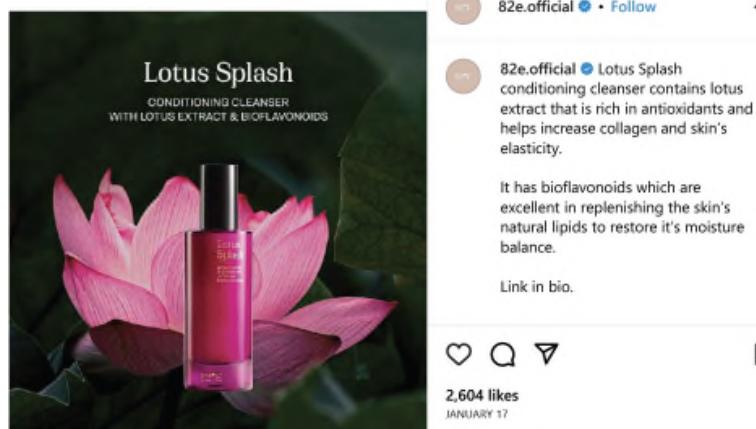
21. Mr. Sibal has also drawn my attention to an invoice dated 29 May 2023, placed on record by the plaintiff itself, in which the impugned product is sold as “Lotus Splash conditioning cleanser”. In this invoice, he submits, there is no reference to “82° E” at all.

22. The likelihood of market confusion, submits Mr. Sibal, is manifest from the fact that, when one does a Google search for “lotus”, the plaintiff’s and defendants’ products are both thrown up as search results. He has also referred me to the Instagram page of the defendants, which prominently highlights the name “Lotus Splash”, thus:

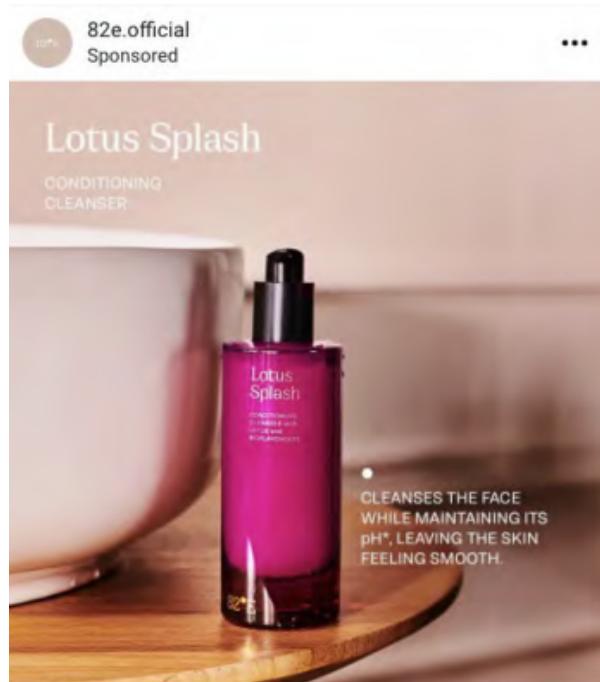


Instagram

Log In Sign Up



On other Instagram pages of the defendants, Mr Sibal points out that the product is referred to as “Lotus Splash”. The product is thus being sold on the defendants’ social media pages:



Thus, he submits, the defendants are using “Lotus Splash” as their trade mark, not as a mere descriptor.



23. Mr. Sibal submits, referring to the legal notice dated 6 February 2023 issued to the defendants alleging infringement, by the defendants of the plaintiff's "Lotus" formative marks, that the defendants were thus well aware of the plaintiff's mark. After this, he points out, Defendant 1 applied for registration of all their marks as trade marks, except "Lotus Splash".

24. An infringing trade mark would be entitled to the protection of Section 30(2)(a), he submits, only if it is "purely descriptive". Inasmuch as the "descriptor" argument is a shield to infringement, its scope is narrow. He relies, for this purpose, on the judgments of the High Court of Bombay in *Hem Corporation Pvt. Ltd. v. I.T.C. Ltd*³ and *Jagdish Gopal Kamath v. Lime & Chilli Hospitality Services*⁴.

25. Mr. Sibal has stressed the manner in which the defendants use "Lotus", by combining it with the fancy word "Splash". He submits, relying on the judgment of this Court in *Zydus Wellness Products*, that the defendants cannot seek protection under Section 30(2)(a) on the ground that "Lotus" per se is descriptive, as the entire mark has to be descriptive in nature. At the highest, submits Mr. Sibal, "Lotus" can only be regarded as a descriptive element of the whole mark "Lotus Splash". The entire mark is not descriptive either in intent or in effect. Mr. Sibal exhorts recourse to the "competitor's need" and "degree of imagination" tests, derived from McCarthy on Trade Marks and Unfair Competition, according to which the question as to

³ 2012 SCC OnLine Bom 551

⁴ 2015 SCC OnLine Bom 531



whether the mark is descriptive or suggestive, can be decided on the following tests:

- (a) degree of imagination required to connect the mark with the product; and
- (b) the competitor's need to use the mark.⁵

These tests have evolved, he submits, as Section 30(2)(a) does not explain when a mark can be said to be “indicative” of the features of the goods envisaged therein. The word “indicative of”, unless corseted within defined parameters, are extremely wide, and would result in ambiguity.

26. Referring once again to paras 62.6 to 62.10 of *Zydus Wellness Products*, Mr. Sibal submits that “Lotus Splash” cannot be regarded as descriptive of the defendants’ product. To a consumer, he submits that “Lotus Splash” would be immediately apparent as the brand name of the product, and not as a mere descriptor. He refers me, in this context, to paras 64.1 and 64.2 of *Zydus Wellness Products*, paras 2, 36 to 38, 49, 50 and 52 to 53, 56 and 76 of *Renaissance Hotel Holdings Inc. v. B. Vijaya Sai*⁶, paras 22 to 24 of *Anil Verma v. R.K. Jewellers S.K. Group*⁷ and paras 1 and 8 of *Marico Ltd v. Agro Tech Foods Ltd*⁸.

⁵ Refer *Central Park Estates Pvt Ltd v. Godrej Skyline Developers Pvt Ltd*, 2019 SCC OnLine Del 11580

⁶ (2022) 5 SCC 1

⁷ (2019) 78 PTC 476

⁸ 174 (2010) DLT 279 (DB)



27. Mr. Sibal points out that the words used in Section 30(2)(a) are the same as those in Section 9(1)(b)⁹. If, therefore, the defendants' submission is accepted, then, tomorrow, they would be able to register "Lotus Splash" as a trade mark by claiming that it has acquired reputation and a secondary meaning over time.

28. Urging, once more, that the present case is one of plain infringement, Mr. Sibal prays for interlocutory injunctive relief as sought in this application.

Submissions of Mr. Dayan Krishnan in reply

29. In response, Mr. Dayan Krishnan submits that the defendants are clearly entitled to the benefit of Section 30(2)(a) as "lotus" is a principal ingredient of the "Lotus Splash" product and is, therefore, indicative of its constituents. He has, in this context, invited my attention to the advertisement for the impugned Lotus Splash product on Defendant 1's website where, below the picture of the product, the following caption figures:

Lotus Splash

Conditioning cleanser with lotus and bioflavonoids

⁹ 9. Absolute grounds for refusal of registration. –

(1) The trade marks –

(b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service; shall not be registered:

Provided that a trade mark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trade mark.



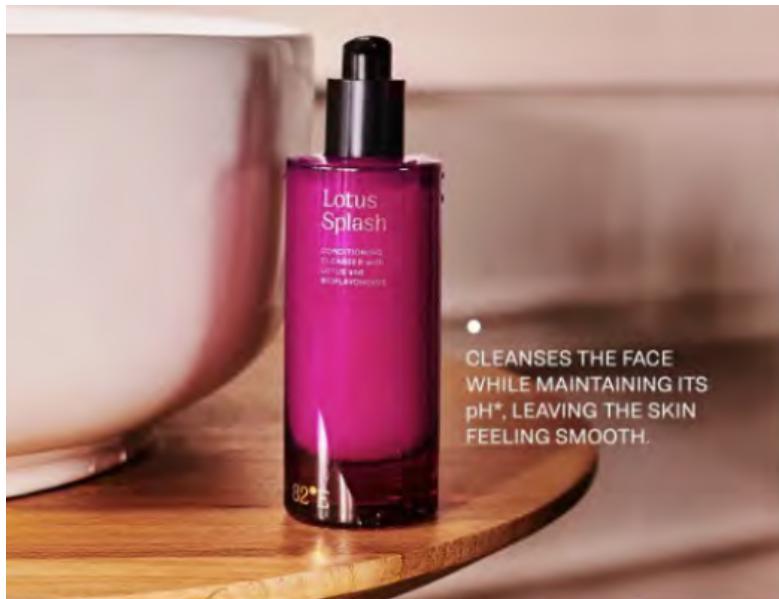
Below it is the recital:

“Lotus extract is rich in antioxidants which help to enhance blood circulation, increase collagen and maintain skin’s elasticity to diminish dark spots and fine lines.”

On the second page of the advertisement, points out Mr. Dayan Krishnan, the ingredients of Lotus Splash are set out, one of which is **“Nelumbo Nucifera Extract** – A lotus plant extract that contains antioxidants”.

30. Mr. Dayan Krishnan also refers to the following advertisements of Lotus Splash, also on the defendants’ website, in each of which lotus, or lotus extract, is underscored as a primary ingredient in the product:





[Shop now](#)



82e.official Save 40% | Enter Code CLEANSER40

(ii) A gentle conditioning face cleanser with Lotus ... [more](#)

In other advertisements, the following text is to be found, alongside the pictorial representation of the product:

(i) “Deepika Padukone’s self-care brand 82E is out with its fourth skincare product. This cleanser is enriched with purifying lotus extract and bioflavonoids, making it a collagen booster and restorative for the skin. Moreover, the cleanser is vegan and cruelty-free.”

(ii) “A new year brings with it endless possibilities. And for this, this means the possibility of finding a new holy grail product for our vanity. Whether it’s experimenting with new



skincare ingredients like lotus extract or goji berries, or finding your signature scent, we're here to help. So, here's a round-up of January's beauty launchers that we're thrilled to share with you, for you to take your pick from."

31. Mr. Dayan Krishnan submits, further, that Section 30(2)(a) does not refer to "use in the trademark sense". Moreover, he submits that the defendants are also entitled to the benefit of Section 35¹⁰. He submits that the defendants sell all the cosmetic products under the 82°E mark similarly. There is no want of *bona fides*. On each product, the 82°E mark prominently figures.

32. Mr. Dayan Krishnan relies on paras 76 and 77 of *Zydus Wellness Products* and paras 2, 3, 5, 8 and 9 of *Cadila Health Care Ltd. v. Gujarat Co-operative Milk Marketing Federation Ltd*¹¹ in support of his submissions. In fact, points out Mr. Dayan Krishnan, the Division Bench, in *Cadila Health Care*, deleted even the protective caveat that the learned Single Judge had imposed, whereby the defendant in that case was allowed to use the expression "Sugar Free" as part of a sentence or as a catchy legend so as to describe the characteristic feature of a product. There is, therefore, an absolute right to use a descriptive expression on a product, and there can be no injunction against such use.

¹⁰ **35. Saving for use of name, address or description of goods or services.** – Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any *bona fide* use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any *bona fide* description of the character or quality of his goods or services.

¹¹ **ILR (2010) II Delhi 85**



33. Mr. Dayan Krishnan also handed over, across the Bar, the following comparative tabular statement of the plaintiff's and defendants' products, to stress that there was no likelihood of confusion:

<u>DISTINCTION</u>	<u>Plaintiff</u>	<u>Defendant</u>
CHANNEL OF SALE	The Plaintiff sell its products in retail stores, its own e-commerce website and via other 3 rd party e-commerce platforms	The Defendants are sold exclusively via the Defendants website www.82e.com . The persons visiting the website, associate it with the goodwill of Defendant No. 2.
PRICING	The products of the Plaintiff are sold for between ₹ 140 to ₹ 390.	The products of the Defendant are 4 times the price with the offending product retailing at ₹ 1200.
GET UP	The Plaintiff's product bears the mark "LOTUS HERBALS" in entirety in respect of its product which is depicted in a stylized manner. On a detailed examination it is observed that the word 'Lotus' is shown in a larger prominent font, wherein the letter 'O' is shown to be a combination of a crescent moon and blooming lotus plant, and the word 'Herbals' is used as a suffix to the Plaintiff's Lotus mark in commerce and is depicted as a sub-tagline.	In comparison the Defendants product Lotus Splash is depicted without any stylized font and/or logo. It is imperative to note that the entire word 'Lotus Splash' is depicted in a common size in Sica font, and the same is intended to be a product describer informing to the general masses that the said product offered under the brand contains Lotus essence.



34. A comparative depiction of the products is thus provided in the reply to the present application, to emphasize that they are totally different in appearance:

Plaintiff's Cleanser Product	Defendants' Cleanser Product
 	

35. Mr. Dayan Krishnan relies on paras 10, 12, 35 and 37 to 39 of **Marico** to support his submissions.

36. Apropos Mr. Sibal's contention that Defendant 1 had applied for registering other similar marks used by it as trade marks, Mr. Dayan Krishnan submits that, even if such applications were filed seeking



registration of descriptive trade marks, they could at worst be regarded as misconceived, and could not operate as estoppel against the defendants in the present case.

Mr. Sibal's submissions in rejoinder

37. Adverting, first, to the various advertisements to which Mr. Krishnan had drawn attention, Mr. Sibal submits that, while reference to “lotus” may have been made in the advertisements, and the slogans and recitals therein, in a descriptive manner, that does not mean that “Lotus Splash” as a mark is *per se* descriptive. At the highest, he submits that “Lotus Splash” may be regarded as a suggestive mark. This is in stark contradistinction to “Sugar Free” or “Lo Absorb” which were subject matter of consideration in *Cadila Health Care* and *Marico* respectively.

38. Mr. Sibal further points out that, when the defendants' misstatement that they had not filed any trade mark application for registration of their trade marks – like “Patchouli Glow”, “Turmeric Shield”, “Licorice Beam” and the like – was brought to the notice of the Court, the defendants filed an affidavit seeking to gloss over the misstatement by terming it a “lawyer's error”. In the said affidavit, the defendants had also stated that they had not sought registration of the mark “Lotus Splash”, and that the defendants were using “lotus” in “Lotus Splash” in a descriptive manner. This, he submits, does not



constitute descriptive use of the mark “Lotus Splash”, as held by this Court in *Zydus Wellness Products*.

39. *Cadila Health Care*, submits Mr. Sibal, was a pure case of passing off, as the plaintiff’s mark in that case was unregistered. In that case, moreover, there was a specific finding that the mark “Sugar Free” was “inherently descriptive in nature” in para 3(g) of the judgment, which meant that it was ineligible for registration. The observations in *Cadila Health Care*, therefore, essentially dealt with the entitlement to registration, and the right to claim exclusivity over, the “Sugar Free” mark. As against this, the plaintiff is the holder of valid registrations for the “Lotus” marks, the validity of which has never been questioned. “Lotus”, for cosmetics, he submits, is not inherently descriptive, unlike “Sugar Free”. Moreover, there was also a finding, in *Cadila Health Care*, that the respondent could not be injunctioned from using “Sugar Free” “only in the descriptive and not trademark sense”. The plaintiff’s grievance, submits Mr. Sibal, is that the defendants are *not* using “Lotus Splash” in a purely descriptive sense, but are using it as a trade mark. He places special reliance on paras 3(d) to (h), 5 and 11 of *Cadila Health Care*, and submits that the following finding, in para 14 of *Cadila Health Care* squarely covers the plaintiff’s case:

“A mere descriptive usage of the expression ‘Sugar Free’ by the respondent may thus blunt the edge of claim of distinctiveness by the appellant. However, we make it clear that if any party enters into the domain of artificial sweeteners with the trademark ‘Sugar Free’ the appellant may have a just cause in seeking restraint.”



Mr. Sibal also places reliance on paras 8 to 12 and 29 of *Marico*.

40. Mr. Sibal reiterates that, having applied for registration of 'Patchouli Glow', 'Licorice Beam' and the other marks used by them as trade marks, it does not lie in the mouth of the defendants to contend that 'Lotus Splash' is descriptive. Even if Defendant 1 were to withdraw the applications for registration of the said marks, it would nonetheless remain estopped from pleading that 'Lotus Splash' is a descriptive mark, and cites, for this purpose, para 20 of the judgment of *Anil Verma*.

41. The tabular statement prepared by the defendants, and reproduced in para 33 *supra*, submits Mr. Sibal, does not answer the allegation of infringement levelled by the plaintiff. He also cites, in this context, para 56.10 of *Zydus Wellness Products*.

42. Relying, for the purpose, on paras 34 to 38 of the judgment of this Court in *I.C.A.I. v. Institute of Cost Accountants of India*¹², Mr. Sibal submits that, as the plaintiff's goodwill in its 'Lotus' family of marks is clear from the averments in the plaint, which are not denied, a clear case of passing off is also made out.

43. Mr. Sibal submits, in conclusion, that, on the 'Lotus Splash' bottles, marked prominence is given to 'Lotus Splash' as compared to

¹² 2023 SCC OnLine Del 1809



“82°E”. There is, therefore, high probability of initial interest confusion in the mind of a consumer of average intelligence and imperfect recollection.

Analysis

I. The aspect of infringement vis-à-vis Section 29 of the Trade Marks Act

44. Trade Mark infringement is a statutory tort, the boundaries of which are delineated by Section 29 of the Trade Marks Act. The infringed mark has to be registered. Subject to compliance of this essential condition, the existence of the circumstances envisaged by Sub-sections (1) to (5) and (7) to (9) of Section 29 would *ipso facto* indicate infringement. Not all these sub-sections are of relevance in the present case.

45. The marks that the plaintiff asserts are all registered trademarks. As such, this fundamental pre-requisite of Section 29 stands satisfied.

46. Of the various sub-sections of Section 29, sub-sections (1)¹³ and (7) to (9)¹⁴ deal with a case in which the allegedly infringed mark is

¹³ **29. Infringement of registered trade marks. –**

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

¹⁴ (7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.



identical to the registered trade mark which is infringed. These sub-sections do not apply, as the allegedly infringing mark is not “Lotus” but “Lotus Splash”, whereas the plaintiff does not hold any registration for the mark “Lotus Splash”. Sub-section (3)¹⁵ applies in a situation in which the case falls within Section 2(c)¹⁶, which again applies where both the marks are identical. Neither sub-section 2(c) nor sub-section (3) would, therefore, apply in the present case.

47. Sub-section (4)¹⁷ applies where the goods in respect of which the rival marks are employed are not similar to each other. Inasmuch as the case of the plaintiff is that the defendants are using the impugned “Lotus Splash” marks for goods which are similar to those in respect of which the plaintiff uses the “Lotus” formative marks, Section 29(4) is not applicable.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising—
(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or
(b) is detrimental to its distinctive character; or
(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.

¹⁵(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

¹⁶(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of—

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,
is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

¹⁷(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which—
(a) is identical with or similar to the registered trade mark; and
(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and
(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.



48. Section 29(5)¹⁸ deals with use of a registered trade mark by another person as his trade name or the name of his business concerned. This provision also, therefore, does not apply.

49. The aspect of infringement, in the facts of the present case, therefore, is restrained to Section 29(2)(a) and (b)¹⁹.

50. Section 29(2)(a) envisages a situation in which the rival marks are identical and the goods or services in respect of which they are used are similar. Section 29(2)(b) envisages a situation in which the rival marks are similar and the goods or services in respect of which they are used are either identical or similar. Inasmuch as the rival marks in the present case are not identical, Section 29(2)(a) would not apply. The case, therefore, narrows down to Section 29(2)(b).

51. Three cumulative conditions are required to be satisfied for a finding of infringement, within the meaning of Section 29(2)(b) to be returned. They are, firstly, that the rival marks must be similar; secondly, that they must be used in respect of identical or similar goods or services and, thirdly, that because of the existence of these

¹⁸ (5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

¹⁹ (2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of—

- (a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or
- (b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark;

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.



two factors/circumstances, there is likelihood of confusion on the part of the public or of the public believing an association between the marks.

52. When one examines whether these three conditions are satisfied in the present case, the first aspect that becomes immediately apparent is that the word mark “Lotus” per se, apart from various other word marks and device marks which use “Lotus” along with other suffixes such as “Lotus Herbals”, “Lotus Salon”, “Lotus Spa” and the like, stands registered as trade marks in favour of the plaintiff. Of the classes in which the word mark “Lotus” or the “Lotus” formative marks stand registered in favour of the plaintiff, Class 3 relates to “Cosmetic Preparations, Perfumes, Toilet and Bath Lotions and Beauty Preparations” and Class 5 relates to “Medicinal, Ayurvedic and Pharmaceutical Preparations”. Though the impugned “Lotus Splash” mark of the defendants is not registered, and the defendants have not sought registration thereof, it is clear that the products belong to the classes in which the word mark “Lotus” stands registered in favour of the plaintiff.

53. Moreover, the mark “Lotus Splash” is used by the defendants for face cleanser/face wash. There can be no manner of doubt that the goods in respect of which the defendants are using the impugned mark “Lotus Splash” are allied and, to an extent, even identical to the goods in respect of which the plaintiff uses its registered “Lotus” formative marks.



54. Again, it is clear that “Lotus” forms the dominant part of the “Lotus Splash” mark which immediately impresses itself on the psyche of a consumer of average intelligence and imperfect recollection, from whose perspective the aspect of infringement has to be examined, as held in *Amritdhara Pharmacy v. Satya Deo Gupta*²⁰. From the perspective of such a consumer, who has first come across the plaintiff’s “Lotus” formative marks, used on cosmetics and other skin treatments, and who later comes across the defendants’ “Lotus Splash” product, there is obviously the possibility of the consumer associating the defendants’ product with that of the plaintiff. Even a possibility of association is sufficient to constitute infringement. The test to be applied is one of initial interest confusion, and all that is required for infringement to be said to exist is the consumer being placed in a state of wonderment on seeing the defendants’ product, having earlier seen the plaintiff’s.

55. The principles in this regard stand comprehensively discussed in the judgment of the Division Bench of this Court in *Shree Nath Heritage v. Allied Blender & Distillers*²¹.

56. At a *prima facie* stage, there is no reason for this Court to feel that a consumer of average intelligence and imperfect recollection, who has first seen the plaintiff’s “Lotus Herbal” product and, later, comes across the defendants’ “Lotus Splash” face wash, would not, at least at first impression, be inclined to believe an association between

²⁰ AIR 1963 SC 449

²¹ (2015) 221 DLT 359



the two products, especially as, in both names, “Lotus” forms the predominant part.

57. That apart, where the plaintiff has a word mark registration and the entire word mark of the plaintiff is contained in the defendants’ impugned product name, there is clear possibility of a likelihood of confusion. This is not a case in which part of the plaintiff’s mark is to be found in the impugned mark of the defendants, so that there can be a possibility of confusion being mitigated by the surviving differences between the two marks. The entire mark “Lotus” is part of the defendants’ “Lotus Splash” mark and, as both marks are used for cosmetic preparations such as face wash, there is a *prima facie* likelihood of confusion as a result of the use, by the defendants, of the impugned “Lotus Splash” mark.

58. The three ingredients of similarity of marks, similarity/identity of the goods in respect of which the rival marks are used and likelihood of confusion or association in the minds of the public as a result of the existence of these two factors are *prima facie* satisfied in the present case.

59. Inasmuch as the plaintiff’s marks are registered, a *prima facie* case for infringement exists, *within the meaning of Section 29 of the Trade Marks Act.*

II. The aspect of infringement vis-à-vis Section 30(2)(a) of the Trade Marks Act



60. That, however, is only when one views the matter through the Section 29 lens. Section 30(2) of the Trade Marks Act is an exception to Section 29. The wordings of Section 30(2) are of significance. Section 30(2), in its various clauses (a) to (e) sets out circumstances in which a registered trade is *not infringed*. As such, if any one of the said circumstances applies, there is no infringement. In that event, there is no occasion to seek recourse to Section 29 at all as Section 30(2) would clearly override Section 29.

61. Mr. Dayan Krishnan seeks to avail the benefit of Section 30(2)(a), which provides that the use of a registered trade mark in relation to goods or services, to indicate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or of rendering of services or other characteristics of goods or services would not constitute infringement.

62. There are two important expressions used in this clause. The first is “indicates”. The second is “or other characteristics of goods or services”. These are two expressions which are compendious in their import and scope, unlike the other expressions to be found in the clause, which are precise.

63. The word “indicate” is not a term of art. It is a word of ordinary English usage. In P. Ramanatha Aiyar's Law Lexicon, “indicate” is defined as “to point out”. Anything which is, therefore, a pointer to a



particular aspect of goods or services, is indicative of that aspect. If a registered trade mark is, therefore, used by someone in such a manner that its use indicates the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or of rendering of services or other characteristics of the goods, Section 30(2)(a) is directly attracted.

64. Mr. Sibal sought to press into service two tests which find place in McCarthy on Trade Marks and Unfair Competition, namely, the competitors need test and degree of imagination test. No doubt, these tests have been applied by some single Benches of this Court in interlocutory orders. I do not, however, with great respect, see how, by applying these tests, which do not find place in the Trade Marks Act as a self-contained codified Statute on Trade Marks and Trade Marks infringement, the scope of the word “indicates” can be narrowed down in such a fashion. To my mind, the word “indicates” has, *in the absence of any other indication to the contrary in the Trade Marks Act itself*, is to be accorded its full scope and effect.

65. Expressed in a somewhat less radical fashion, a defendant cannot be restrained, in pleading its Section 30(2)(a) defence, by the “competitor’s need” or “degree of imagination” tests, helpful though they may be. It is always open to a defendant to contend that the impugned mark is “indicative” of one or more of the features envisaged in Section 30(2)(a) and is not, therefore, infringing in nature, and such a defence, is raised, has to be adjudicated by



examining the mark vis-à-vis the goods or services in respect of which it is used by the defendant.

66. Much was sought to be made, by Mr. Sibal, of the fact that the defendants had applied for registration, under the Trade Marks Act, of the marks “Licorice Beam” “Turmeric Shield” and the like, without applying for registration for the mark “Lotus Splash”. It was also sought to be contended that this fact was concealed in the written statement and that, even for this reason, the defendants are disentitled from any indulgence from this Court.

67. Not every concealment or suppression of facts can be regarded as culpable in nature. It is only suppression of material fact, which, if disclosed, would make a difference to the ultimate conclusion, that can be regarded as so nefarious that the suppressing party would stand disentitled to equitable relief.

68. The present dispute is not concerned with the marks “Licorice Beam”, “Turmeric Shield” or any of the other marks used by the defendants, but is concerned only with the mark “Lotus Splash”. There is no dispute about the fact that defendants have not applied for registration of the mark “Lotus Splash” as a trademark under the Trade Marks Act. That being so, there can be no question of any estoppel against the defendants invoking Section 30(2)(a) of the Trade Marks Act in their defence.



69. In so far as the applicability of Section 30(2)(a) is concerned, it clearly states that use of a registered trademark in such a manner as to indicate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or of rendering of services or other characteristics of the goods or services is not infringement. The submission of Mr. Sibal that the mark “Lotus Splash” does not qualify for the benefit of Section 30(2)(a) as it is not descriptive but only suggestive of the defendants’ product, *prima facie* fails to impress. There is no dispute about the fact that one of the ingredients in the defendants’ product is lotus. Mr. Dayan Krishnan has taken the Court through various advertisements – to which reference is also to be found in paras 29 and 30 (*supra*) – which indicate that the defendants were consciously advertising the product “Lotus Splash” as containing lotus flower extract as a key ingredient. “Lotus” forms such a dominant part of the overall mark “Lotus Splash” as to render the mark *prima facie* indicative of lotus flower extract as a key ingredient of the product, and, therefore, so as to entitle the defendants to the benefit of Section 30(2)(a) of the Trade Marks Act. It cannot, in my considered opinion, be held that the mark “Lotus Splash” is merely suggestive in nature.

70. That apart, the distinction between descriptive and suggestive marks is not really of serious significance, where the applicability of Section 30(2)(a) is concerned. Section 30(2)(a) excludes from the ambit of “infringement”, use of the plaintiff’s registered trademark where the use is indicative of the various characteristics of the product envisaged by the clause. The words, “kind”, “quality” and “other



characteristics" of the goods are wide and compendious in their scope and ambit. The use of "Lotus" as a part of the mark "Lotus Splash" is clearly indicative atleast of the "characteristic of the product" as containing, as a key ingredient, the lotus flower extract.

71. If anything, this is underscored by the description below the mark "Lotus Splash" on the bottle of the defendants' product, which reads "conditioning cleanser *with lotus* and bioflavonoid". "Lotus" as a key ingredient in the defendants' product is, therefore, emphatically underscored in this description. This description follows immediately below the impugned "Lotus Splash" mark. The impression that the words "Lotus Splash" as used by the defendants, convey to the mind of the consumer of average intelligence and imperfect recollection is, to my mind, bound to be influenced by the description which figures immediately below the said mark. Expressed otherwise, the gaze of such a consumer would fall equally on "Lotus Splash" as also on the descriptive explanation below "Lotus Splash" reading "conditioning cleanser with lotus and bioflavonoids". The words "Lotus Splash", thus seen, immediately convey, to such a consumer, the impression that the product contains lotus as one of its key ingredients.

72. It has to be remembered that all that is needed, for the benefit of Section 30(2)(a) to be available to the defendants, is that the impugned mark is *indicative of* one or more of the factors envisaged in the clause. *The mark is not required to be a "descriptor" per se.* If, therefore, the mark indicates the existence of one or more of the features, or factors, that the clause proceeds to speak of, the clause



applies. Given the prominence of lotus extract as an ingredient of the defendants' impugned product, as is apparent from the material cited by Mr. Dayan Krishnan, the moniker "Lotus Splash" is clearly indicative of the existence of lotus extract as an ingredient. That suffices, for Section 30(2)(a) to apply.

73. Mr. Sibal also sought to submit that the defendants were pleading the word "Lotus" in "Lotus Splash" to be descriptive in nature and that such a contention could not be sustained in view of the judgment of this bench in *Zydus Wellness Products*. At least at a *prima facie* stage, this contention cannot be accepted. The Court is concerned with whether the use by the defendants of the impugned mark is, or is not, indicative of the characteristics of the defendants' product envisaged in Section 30(2)(a). Viewed from the perspective of consumer of average intelligence and imperfect recollection, I am *prima facie* convinced that the words "Lotus Splash" immediately convey to the average consumer the impression that the product contains "Lotus" as a key ingredient.

74. It is also significant in this context to note that Section 30(2)(a) excepts from the scope of the expression "infringement", "the use" of the registered trademark in the manner as would indicate the various characteristics of the goods on which the mark is used, as envisaged by the clause. It is the use of the mark which is, therefore, determinative. The manner of such use in relation to the goods on which the mark is used, cannot therefore be ignored. The mark "Lotus Splash" is used by the defendants on the product bottle. The words are



immediately followed by the description “conditioning cleanser with lotus and bioflavonoid”. The use of the impugned mark “Lotus Splash” in relation to the goods on which the mark is used is, therefore, clearly indicative of the product as containing lotus extract as a key ingredient.

75. It is not possible to dichotomize the use of “Lotus Splash” on the bottle of the defendants’ product with the use of “Lotus Splash” on the defendants’ social media web pages or advertisements. If the defendants are using “Lotus Splash” in a manner which indicates lotus extract as being a key ingredient in the product, that would apply equally to the use of the mark on the bottle of the defendants’ product as to the use of the mark elsewhere. In any case, the mark “Lotus Splash” is obviously used to indicate that the product contains lotus extract as its key ingredients.

76. There is therefore *prima facie* substance in Mr. Dayan Krishnan’s contention that the defendants would be entitled to the protection of Section 30(2)(a) and that their use of the mark “Lotus Splash” cannot be regarded as infringing in nature.

77. The above impression is underscored by the fact that the defendants use similar names for all their products in which the key ingredients of the product form the first word of the name such as “Ashwagandha Bounce”, “Turmeric Shield”, “Licorice Beam”, Gotu Kola Dew” and “Patchouli Glow”. “Lotus Splash” is certainly no odd man out. As in the case of the other names of the defendants’



products, the name is intended to convey by its first word, the main ingredient in the product. The use of the second word in the names of the defendant's products reveals an interesting feature. Though, in some products such as "Licorice Beam" and "Gotu Kala Dew", words "beam" and "dew" may not invite any immediate connection, in the mind of the consumer, with the characteristics of the product, such a connection is invited in the case of "Turmeric Shield", "Patchouli Glow" and, indeed, "Lotus Splash". Turmeric is well known for its antiseptic and curative properties, which explains the use of the word "Shield" with it. Similarly, "Patchouli Glow" contains Patchouli leaf extract and is used as a sunscreen, which explains the word "Glow". "Lotus Splash" is a face wash, so that the word "Splash", when used with "Lotus", immediately informs the consumer that the product contains lotus extract and is to be splashed on the face. The entire mark "Lotus Splash" is, therefore, inherently indicative not only of the primary constituent of the product, which is lotus flower extract, but also of the characteristic of the product as a face wash.

78. In fact, this is one of those cases in which, in my view, over analysis would obfuscate an essentially simple issue. Given the manner in which the defendants advertise the impugned product, it cannot be denied that lotus extract is its essential – in fact, the prime – constituent. The use of "Lotus", in "Lotus Splash" is obviously to indicate this fact. Neither is it coincidence, nor is it an attempt to confuse the consumers with the plaintiff's product. *That is not to mean that it is only "Lotus" which is indicative of the characteristic of the product. The indicator, in an indicative mark, may be one of the*



words forming part of the mark, but so long as the word is a reasonably prominent part of the mark, its use may render the entire mark indicative. Mr. Sibal is, therefore, not correct in his contention that the defendants are not entitled to the benefit of Section 30(2)(a) because it is “Lotus” which is indicative of the product, and not the entire mark “Lotus Splash”. *The use of “lotus” is a key factor in rendering the entire mark “Lotus Splash” indicative of the characteristics of the defendants’ face wash, containing, as its key ingredient, lotus flower extract.* Moreover, as already observed earlier, the word “Splash” is also indicative of the nature of the product, especially when used in conjunction with “Lotus”. The reliance, by Mr. Sibal, on the decision of this Court in **Zydus Wellness Products** is, therefore, *prima facie* misplaced.

79. In each of the packs of the defendants’ product, the mark “82°E” figures at the lower edge of the bottle. Though this may not be determinative of the controversy, if all the bottles are lined up next to each other, as they may well be, in a store which dispenses the said products, or in a beauty salon – the consumer would immediately note the common “82°E” brand name at the foot of the bottle and that in each case, the name on the face of the bottle describes the ingredients of the product. The use of the common “82°E” indicates that the trade mark of the defendants is “82°E” and not “Lotus Splash”, “Licorice Beam” “Turmeric Shield” or anything else.



80. Inasmuch as the mark “Lotus Splash” is, therefore, indicative of the characteristics of the goods in respect of which it is used, the use of the mark cannot be regarded as infringing in nature.

81. If there is no infringement, there can be no injunction.

82. It is quite obvious that no case of passing off can *prima facie* lie in the present case, especially as the only common feature between the plaintiffs and defendants’ mark is the word “lotus”. The products are completely dissimilar in appearance with a wide difference in the prices of the products. A consumer who uses such products would be aware of the difference between “Lotus Splash” and the plaintiff’s lotus family of products. It cannot be said, therefore, that the defendants are by using the goods name “Lotus Splash” seeking to pass off its product as the product of the plaintiff.

83. As, on facts, the position is clear, I do not deem it necessary to advert to all the judicial authorities cited at the bar. Besides, as recently held by the Supreme Court in ***Pernod Ricard India Pvt Ltd v. United Spirits Ltd***²²:

“At the insistence of counsel for the petitioner, we clarify that it is well settled proposition of law that decisions on interlocutory applications are only made to protect rival interests pending suit. Somehow the interim applications itself are treated as final decision but it is not so. In all such cases, interim arrangements should be made and the trial should proceed rather than to spend time only on interlocutory applications. That protects the petitioner against the apprehension that the impugned judgment may be cited in other Court qua petitioner’s cases of a similar nature.”

²² Order dated 6 September 2023 in SLP (C) 17674/2023



Conclusion

84. In view of the aforesaid discussion, no *prima facie* case for grant of injunction is made out.

85. The application is dismissed.

C. HARI SHANKAR, J.

JANUARY 25, 2024

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