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IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of Reserve : 11.08.2009

Pronounced on : 24.08.2009

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CS (OS) 1519/2007 & I.A. NO. 9440/2007

M/S. BIKANERVALA

..... Plaintiff

Through: Mr. Ajay Sahni with Mr. Siddharth Bambha and Mr. Devanshu Jain, Advocates.

versus

M/S. BIKANER SWEETS

.....Defendant

Through: Nemo.

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

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| 1. | Whether the Reporters of local papers may be allowed to see the judgment? | Yes |
| 2. | To be referred to Reporter or not? | Yes |
| 3. | Whether the judgment should be reported in the Digest? | Yes |

HON'BLE MR. JUSTICE S.RAVINDRA BHAT

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1. This suit for permanent injunction has been filed by the plaintiff praying for a restraint order against the defendant (through its proprietor/partners, servants, retailers, stockists, distributors, representatives and agents) from infringing its trade mark and copyright of the plaintiff in its distinct style in the expression 'BIKANERVALA' and passing off its products as being those of the plaintiff. Damages at Rs. 20,00,000/- are also prayed (Rs. 15,00,000/- for loss suffered by the plaintiff on account of illegal trade activities of the defendant and Rs. 5,00,000/- as punitive damages)

2. The plaintiff claims to be a partnership firm; the partners in the plaintiff claim to have inherited the business of manufacturing and marketing ethnic foods including sweets and namkeens from their forefathers, who have been in this business for the last about 100 years and have inherited a vast treasure of recipes of traditional Indian sweets and namkeens developed and perfected down the generations. In the year 1981 the plaintiff established a major outlet in the capital at Karol Bagh, under a coined trade name / trade mark 'BIKANERVALA' which, as a whole, is inherently distinctive and was not being used by any competitor of the plaintiff firm before it was coined. The Hinglish expression 'BIKANERVALA' of the plaintiff due to its unique combination of English and vernacular language and because of the goodwill and reputation generated by the plaintiff by its untiring efforts for more than two decades has been a runaway success amongst the trade and public and has succeeded in achieving an extremely high recall value in the minds of the intending purchasers. It is contended that the plaintiff's business has grown by leaps and bounds and at present is one of the major traders in traditional sweets and namkeens in India along with its associate firms / companies and a number of retail outlets spread far and wide so much so that the said trade mark/trade name 'BIKANERVALA' has assumed a secondary significance as a household name and qualifies to be a well known and famous trade mark under section 2(1)(zg) of the Trade Marks Act, 1999. It is further alleged that due to the extensive and wide user of the said coined trade mark / trade name 'BIKANERVALA', the same has become a household name which is recognized and hailed by one and all as a source of superior and impeccable quality of the sweets, namkeens and other cognate products originating from the plaintiff firm exclusively. It is stated that the plaintiff's products are manufactured under strict quality control measures and after following international standards of hygiene and freshness. Regular laboratory checks in respect of quality of final product and raw materials are carried out. The plaintiff operates highly advanced manufacturing plants and fully automated processing units and high quality in-house packaging, as such the products of the plaintiff have earned a reputation for high quality in the eyes of public at large.

3. It is stated that in 1992 the plaintiff adopted a distinctive and eye-catching artistic label titled 'BIKANERVALA' which in its essential features consists of (i) alternate parallel strips of red and yellow in a rectangle, below which the trade mark/trade name / artistic work 'BIKANERVALA' of the plaintiff firm is written in a white script on a red background and further below which appears the device of 'Jhalar' having a distinctive alternate red and yellow colour combination with a circle of the other colour enclosed in each strip of the 'Jhalar', (ii) the trade mark/name 'BIKANERVALA' of the plaintiff in itself is used in a unique script in as much as each alphabet of the is written in a unique thick font in white on a red background having each alphabet in a distinct rounded font, as opposed to pointed in an ordinary script and such colour combination in itself also constitutes a separate trade mark of the plaintiff. The plaintiff contends that its artistic work, which is described in the documents, is duly registered under the provisions of the Copyright Act, 1957 under no. A-58102/2000 (Ex. PW-1/9). It also applied for registration of its trade mark/name 'BIKANERVALA' on 01.01.2004 in class 30 (Ex. PW- 1/10), which was duly registered. It claims to have several other registrations for its mark including in class 42 (Ex. PW-1/12).

4. The Plaintiff says that it, in association with its sister concerns and franchisees/licensees has conducted sales in respect of its various products bearing the aforesaid trade mark for an amount of more than Rs. 400 crores. The plaintiff further claims that such sales figures establish its popularity, goodwill and reputation which its products have acquired in the trade and the public, which is an indication of the confidence reposed in the products originating from its (the plaintiff's) firm. These, in turn, indicate that the said trade mark and the distinctive label/packaging of the plaintiff have achieved the status of well known trademarks.

5. The plaintiff has alleged that in the third week of August, 2004 it learnt that the defendant had adopted a label that infringed its (the plaintiff's) mark in as much as the defendant has imitated the script and artistic font of writing the mark 'BIKANER' and within the 'Jhalar' device. It is alleged that the two competing labels are deceptively similar; the defendant has lifted all salient features of the plaintiff's mark except for the suffix 'VALA', the absence of

which in no way dilutes/mitigates the deceptive similarity of the defendant's packaging _____ the plaintiff's packaging. It is claimed that from the consumers' point of view and that of the public at large the defendant's mark is bound to give an impression of some connection with the plaintiff so as to result in consumer confusion about the defendant's products being those of the plaintiff, which amounts to a fraud played on the public and also results in dilution of the plaintiff's hard earned reputation. The misrepresentation of the defendant is not only relatable to the origin of the goods but also to the quality as the defendant's products are of much inferior quality. It is alleged that the defendant has no justification for the adoption of the impugned trade mark/trade name/label exception to "free-ride" and encash upon the tremendous goodwill and reputation of the plaintiff's prior used trade mark/trade name/artistic label. The plaintiff further states that the defendant even has no connection whatsoever with the city of Bikaner (Rajasthan), and the adoption of the impugned name 'BIKANER' by it is malafide.

6. By order dated 08.04.2009 the defendant was proceeded *ex-parte* as it failed to enter appearance despite service and the plaintiff was required to file its *ex-parte* evidence by way of affidavit. Sh. Baidyanath Mishra, the General Power of Attorney (Ex. PW-1/4) holder of the plaintiff, filed his *ex-parte* evidence by way of affidavit where in it was reaffirmed that the defendant's conduct in using the mark 'BIKANER' is an infringement of the plaintiff's registered trade mark with malafide intentions of trading on the goodwill of the plaintiff. The plaintiff has established that it has undertaken extensive advertising activities to popularize its product under the trade mark 'BIKANERVALA' (copies of advertisements published in various newspapers, magazines etc. Ex. PW-1/13 to PW- 1/40). The plaintiff has also annexed certified copies of a few invoices raised by it to establish its popularity and goodwill (Ex. PW-1/41 to PW-1/74). It is further stated such adoption by the defendant of the expression 'BIKANER' in the impugned manner so as to be deceptively similar to the trade mark of the plaintiff and infringe its copyright in the artistic work of the label is most likely to lead to immense confusion and deception and create an impression that the defendant's products are in some way connected with the products of the plaintiff's products. Such a misrepresentation is calculated cause

financial loss to the plaintiff on account of diversion of business and also loss of reputation to the plaintiff as the products of the defendant are much inferior in quality to that of the plaintiff.

7. Under the provisions of the Trade Marks Act, 1999 for the Court to conclude that a mark is deceptively similar to another the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character so as to prevent the design from being mistaken for the other. If the impugned mark bears such an overall similarity to the earlier mark as would be likely to mislead an ordinary consumer of average intelligence to accept the other, if offered to him.

8. After considering the pleadings and the material placed on record, it is established that plaintiff is the registered trademark owner of the mark 'BIKANERVALA', it is also established that it has been using the said expression even prior to it being registered. There is no doubt that the plaintiff is a leading and highly popular brand dealing in sweets and namkeens and other allied products in India alongwith its associate firms/ companies/ franchisees and a number of retail outlets spread far and wide. On a perusal of the two competing marks as they appear on the sample packaging annexed to the plaint and exhibited as Ex. PW-1/8 (plaintiff's) and Ex. PW-1/75 and PW-1/76 (defendant's) prima facie similarities are apparent, in so far as the mark of the defendant has similar appearance in terms of colour scheme (red, yellow and white) and font, the only difference which is ostensible is the missing suffix 'VALA' in the defendant's mark. Therefore, it both the marks are unquestionably deceptively similar. It is also established that the products of both the plaintiff and the defendant are similar / identical.

9. Section 29 (2) (b) of the 1999, Act provides that:

"29. Infringement of registered trade marks-

.....

(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-

....

(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."

The test to determine whether a mark is deceptively similar to a registered trade mark was laid down by the Hon'ble Supreme Court as back as 1965 in *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*, AIR 1965 SC 980 that-

"When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be "in the course of trade", the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for then the infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered (Vide s. 21). A point has sometimes been raised as to whether the words "or cause confusion" introduce any element which is not already covered by the words "likely to deceive" and it has sometimes been answered by saying that it is merely an extension of the earlier test and does not add very materially to the concept indicated by the earlier words "likely to deceive". But this apart, as the question arises in an action for infringement the onus would be on the plaintiff to establish that the trade mark used by the defendant in the course of trade in the goods in respect of which his mark is registered, is deceptively similar. This has necessarily to be ascertained by a comparison of the two marks-the degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standards. The persons who would be deceived are, of course, the purchasers of the goods and it is the likelihood of their being deceived that is the subject of consideration. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. 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. The identification of the essential features of the mark is in essence a question of fact and depends on the judgment of the Court based on the evidence led before it as regards the usage of the trade. It should, however, be borne in mind 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."

10. The consideration that the defendant's mark consists of a geographical name/word i.e. name of the city of Bikaner, in Rajasthan does seem dilute the allegation of infringement but in the opinion of this Court once the plaintiff has been able to show that it has coined and adopted his trademark 'BIKANERVALA' for more than 20 years and has been manufacturing and selling its products and with large turnover boasting of its good reputation, it has made out a case in its favour. In *Hi-Tech Pipes Ltd. v. Asian Mills Pvt. Ltd.*, 126 (2006) DLT 353=2006 (32) PTC 192 (Del.) the plaintiff manufactured and sold steel pipes under the mark 'GUJRAT'; the defendant was selling 'MS ERW' pipes under the mark 'GUJARAT'. The court observed that what had to be seen to determine infringement was whether the word 'Gujarat' had acquired secondary significance and was distinctive in respect of the plaintiffs' steel pipes. Similar protection was granted to the mark 'CHAMBAL' in *Geepee Ceval Protiens and Investment Private Limited v. Saroj Oil Industry*, 2003 (27) PTC 190 (Del.). In *Bharat Tiles and Marble Private Ltd. v. Bharat Tiles Manufacturing Company*, 1978 GLR 518 too, it was held by the Gujarat High Court that mere a geographical trade name or trademark, would not mean that an action could not be maintained, if the plaintiff establishes deceit by use of similar name, by the defendant. In *M/s. Hindustan Radiators Co. v. M/s. Hindustan Radiators Limited*, 1987 PTC 73, a similar view was expressed in respect of 'HINDUSTAN' for radiators.

The above legal position is therefore clear; if the plaintiff establishes that the mark, though having geographical associations is capable of protection. The trademark owner has to establish that he is the registered owner, or has used it for sufficiently long, to secure protection. In that respect, such marks are no different from other class of marks, such as word or descriptive marks (the latter class could be generic to the goods or services); yet what is vital is the degree of secondary significance which the trademark owner is able to establish, in relation to his products or services. If the mark, in relation to the goods, is sufficiently strong to conjure a logical association with the owner's products or services, and the alleged infringer unable to afford adequate explanation, the courts would not hesitate in granting the injunctive relief, sought.

The defendant was set aside ex-parte and it never approached this court for vacation of the said order in order to defend itself. In such circumstances it may be presumed that the defendant has done so with *mala fide* and deceitful intentions and with a view to trade upon the goodwill and reputation of the plaintiff relatable to the said trademark and with the sole intention of passing off its own goods as that of the plaintiff. There is nothing on record to suggest that the defendant used the mark before the plaintiff, or that it belonged to Bikaner, and has been bona fide using it. The plaintiff has established its long user, and that it is registered owner, with a large volume of growing sales. Thus, the plaintiff is held entitled for a decree of injunction, as claimed.

11. On the question of damages it is settled that the assessment of damages has to be based on cogent evidence furnished for the purpose. In its evidence by way of affidavit the plaintiff has not provided any record of the business procured by the defendant as being detrimental to its business nor has it annexed a statement of loss of profits suffered by it on account of business diversion due to the defendant's infringement of its mark. All that is stated by the plaintiff is that the profits made by the defendants by misappropriating the goodwill and reputation, as well as on account of business diversion is the loss suffered by the plaintiff and that as it has no access to the accounts of the defendants, it is unable to assess the profits made by them. In *Infosys Technologies Ltd. v. Park Infosys and Ors.*, 2007 (34) 178 (DEL), the court after noticing the observations of the court in *Microsoft Corporation v. Yogesh Popat and Anr.* 118 (2005) DLT 580, *The Heels v. V.K. Abrol and Anr.* CS (OS) No. 1385/2005, *Hindustan Pencils Ltd. v. Aparna Enamel Industries* 131 (2006) DLT 65 and *Hero Honda Motors Ltd. v. Shree Assuramji Scooters* 125 (2005) DLT 504 and discussing the reasoning of the court in detail and distinguishing the facts and law cited in those cases from the case for consideration before the court held as under:

"42. Upon a consideration of the plaint and the affidavit by way of the evidence filed before this court, I find that the plaintiff has failed to prove either the profits derived by the defendant from its illegal activities or such sales record to establish the loss which has resulted to the plaintiff by establishing a decline in the value of its business or a fall in the percentage increase in the business as

compared to preceding years. The only material which has been placed by the plaintiff on record is the value of its international sales over different years. Bald figures without even an assertion of loss or diminution in business and without any submission in this behalf do not establish the essential features noticed above which would have entitled the plaintiff to damages. Therefore, while holding that the defendants cannot be permitted to continue with its illegal activities, however, I find that no award of damages can be made in favor of the plaintiff."

The Court is in agreement with the above observations; the plaintiff cannot claim anything more than costs of these proceedings.

12. In view of the above discussion, the suit is entitled to succeed in so far as the claim for permanent injunction is concerned. Accordingly, the suit is decreed in terms of Para 24 (i)-(iv); with costs. Counsel's fee is quantified at Rs. 25,000/-. Let decree be drawn in these terms.

AUGUST 24, 2009

(S. RAVINDRABHAT)
JUDGE