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

\+ **FAO (OS) No.286/2008**

Reserved on : 19th August, 2010
Pronounced on: 30th August, 2010

M/S KIRORIMAL KASHIRAM MARKETING
& AGENCIES PVT. LTD. ..... Appellant

Through: Sh. S.K.Bansal, Advocate

VERSUS

M/S. SHREE SITA CHAWAL UDYOG
MILL TOLLY VILL. ....Respondent

Through: Mr. Manav Kumar, Mr. P.C.Arya
and Ms. Neha Kapoor, Advocates

CORAM:
HON'BLE MR. JUSTICE SANJAY KISHAN KAUL
HON'BLE MR. JUSTICE VALMIKI J.MEHTA

1. Whether the Reporters of local papers may be allowed to see the judgment? Yes.

2. To be referred to the Reporter or not? Yes.

3. Whether the judgment should be reported in the Digest? Yes

% **JUDGMENT**

VALMIKI J. MEHTA, J.

1. The present appeal arises from the order dated 21.5.2008 (impugned order) whereby the learned Single Judge has dismissed the application of the plaintiff for injunction and by which application the plaintiff had prayed for an injunction restraining the defendant from using the trademark "Golden Deer", which was said to be deceptively similar to 'Double Deer', the registered trademark of the plaintiff. The plaintiff is the appellant and the defendant is the respondent before us.

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2. As already stated above, the appellant's registered trademark is "Double Deer" with respect to the product rice and which is also the product for which the respondent is using the offending trade mark. The suit therefore seeks the reliefs of injunction and rendition of accounts.

3. The operative portion of the order of the learned Single Judge is contained in paras 4 and 5 of the impugned order and these read as under:-

> "4. A perusal of the documents filed by the plaintiff would show that the trademark of the plaintiff consists of a figure of two deers facing each other with a flag in between. The figures and flat are enclosed in a white colour semi circle. The base of the packing is yellow and prominent colour of the trademark is red with cooked/uncooked rice shown on the pack. The trademark being used by the defendant is one single deer enclosed in a standing oval shape ring. There is peripheral rim in the ring which is having holes at regular intervals. On both sides of the ring are spikelets. The word 'Golden deer' is written on the top. Neither the artistic design nor the words nor the colour combination has anything common with the design of the plaintiff's trademark. The figure of deer is also altogether different from that of the plaintiff. While the two deers in the plaintiff's trademark are males with antlers, the deer of defendant is a female only having ears and no antlers. The deers in the plaintiff's trademark are running deers with both front feet bent and rear feet stretched in running condition, the deer in the defendant's trademark is a standing deer with one front feet a little raised and bent. The contention of the plaintiff that the defendant's trademark is deceptively similar to that of the plaintiff is on the face of it a false and wrong contention. Neither the trademark of the plaintiff was being infringed by defendant. The plaintiff has no prima facie case to contend that the defendant was passing off the goods as that of the plaintiff. There is no similarity between

the label of plaintiff and that of the defendant. The learned counsel for plaintiff vehemently argued that the defendant had no right to use the word 'golden deer' since the plaintiff was using the word 'double deer'. He submitted that the rice may be purchased by the illiterate persons and they purchase the same only looking at the figure of deer and they would not go into the nicety of the fact whether there were two deers or one deer and, therefore, use of the word 'deer' by the defendant amounted to infringement of the plaintiff's trademark.

5. The test to be applied as if the defendant was passing off his goods as those of the plaintiff. It is not the case of the plaintiff that goods of the plaintiff were known by the name of 'deer' or by the mark deer alone. It is the plaintiff's own case that its goods are known by mark of 'double deer'and two stags with antlers were shown on the mark facing each other, across a flag. The goods bearing the mark of two deers with antlers cannot be confused by the goods having mark of one deer, which is altogether different from that mark of plaintiff. The devise used by the plaintiff along with double deer is materially different from one used by the defendant along with golden deer. There is no likelihood or customers' confusing one deer with two deers and golden deer with double deers, even if the customer is illiterate. There is no similarity between the defendant's label and that of plaintiff's name. Neither there is visual similarity between defendant's name and the plaintiff's name. Any customer of plaintiff's rice would certainly ask for double deer and would not ask for golden deer. Even an illiterate person who can see if there are two deers on the label or there is only one deer on the label. It is not the case of the plaintiff that defendant has tried to present its device in such a manner so as to look similar or deceptively similar with the devise of the plaintiff. Neither the plaintiff has placed on record any material to show that the defendant has attempted to pass off its goods as those of the plaintiff's. Even the areas of business of plaintiff and defendant are different."

4. A reference to the above said two paras shows that the learned Single Judge has held that on account of various facts there is no

deceptive similarity or chance of confusion. Some of these facts distinguishing the two marks are that there is a single deer in the trademark of the respondent whereas there are two deers in the trademark of the appellant, the figure of the deer is different, the appellant's deers are males with antlers while the respondent's deer is a female having only ears and no antlers, the appellant's deers are running deers with both front feet bent and rear feet stretched but the deer in the respondent's trademark is a standing deer with one front feet a little raised and bent and so on. The learned Single Judge has arrived at a conclusion that there is no chance of confusion because the appellant's goods were not known by the name of 'deer' alone. The learned Single Judge held that the labels and the devices of the two trademarks are different and the same are not therefore resulting in confusion.

5. In our opinion, the learned Single Judge has fallen into an error in declining the grant of interim injunction to the appellant. The overriding aspect in a case such as the present is that deer is a prominent part of the trademark of the appellant. Copying of a prominent part of a trademark leads to deceptive similarity especially when the product of both the parties is the same. The expression "Deer" was arbitrarily adopted by the appellant with respect to its product being rice. A deer has no connection or co-relation with the product namely rice. Such arbitrary adoption of a word mark with respect to a product with which it has no co-relation, is entitled to a

very high degree of protection, more so, as the appellant's trademark is a registered trademark. The use by the respondent of its trademark is admittedly subsequent to that of the appellant. The first registration of the appellant is of the year 1985 and then of 1990. The respondent claims the first user only from the year 1999, and, as the later discussion will show, that is also not a correct fact because the user of the respondent is *prima facie* only from around the year 2003.

6. That copying of a prominent part of a trademark of a person is prohibited, more so, when the same is a registered trademark, is clear from the following observations of a judgment of a Division Bench of this court in the case reported as ***Goenka Institute of Education and Research Vs. Anjani Kumar Goenka AIR 2009 Del. 139.***

> "17. The question which follows now is that whether 'Goenka' being only a part of the trade mark/trade name 'G.D. Goenka Public School' whether even such part of larger trademark is entitled to protection. Putting it differently, if there is prior use of a larger trade mark will there be a prior use also for a part of the trade mark?
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> 18. The law in this regard is stated in para 34 to 39 of the impugned judgment. Some of the paras are reproduced below:-
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> > 34. A trade mark is infringed if a person other than the registered proprietor or authorized user uses, in relation to goods covered by the registration, one or more of the trade mark's essential particulars. The identification of an essential feature depends partly upon the Court's own judgment and partly upon the burden of the evidence that is placed before the Court.
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> > 35. In **James Chadwick & Bros. Lid. V. The National Sewin Thread Co. Ltd., MANU/MH/0063/1951** the Court ruled as under:

"in an action for infringement what is important is to find out what was the distinguishing or essential feature of the trade mark already registered and what is the main feature or the main idea underlying the trade mark. In Parle Products (f) Ltd. v. J.P. & Co. Mysore. :MANU/SC/0412/1972 the Supreme Court took the same view."

36. In the judgment of the Supreme Court in **Ruston and Hornby Ltd. v. Zamindara Engineering Co.,** MANU/SC/0304/1969. The High Court, in appeal, held that the offending trade mark infringed the appellant's trade mark "Ruston", and restrained the respondent from using the trade mark "Rustam", but further held that the use of the words "Rustam India" was not an infringement of the registered trade mark, as the appellant's goods were manufactured in England and not in India and the suffix of the word "India" constituted a sufficient distinguishing factor. The Supreme Court, white upholding the first part of the High Court Judgment and reversing the second part, held that an infringement of a registered trade mark takes place not merely by exact imitation but by the use of a mark so nearly resembling the registered mark as to be likely to deceive.

39. As observed by the **Privy Council in De Cordova and others Vs. Vick Chemical Company, 68 R.P.C. 103, 106** it was held as under:

"it has long been accepted that, if a word forming part of a mark has come in trade to be used to identify the goods of the owner of the mark, it is an infringement of the mark itself to use that word as the mark on part of the mark of another trader, for confusion is likely to result.".

19. Therefore, subject to facts and circumstances of each individual case, no one can copy an essential part or predominant part of a trade mark and the benefit of prior use doctrine will also be available to an essential/prominent/predominant part of trade mark i.e. an important part of a trade mark of another person, but, that is however not the end of the matter. When two marks are identical nothing further needs to be seen in the cases of infringement, but if the marks are

> not identical but only deceptively similar, then, the tests of passing off are to be applied to see if user of a trade mark by a person other than the registered proprietor infringes the trade mark of the registered proprietor i.e. if after adopting an essential feature of a trade mark of a registered proprietor by another person, in the peculiar facts of that case, it is to be seen whether there is deceptive similarity by applying the tests of passing off, and in case there is no passing off of the trade mark, then it cannot be said that there is infringement. ....." (Emphasis added)

7. In fact, this case is more or less identical to the facts of the case reported as ***Amar Singh Chawal Wala Vs. Shree Vardhman Rice and Genl. Mills, 2009 (40) PTC 417 (Del.) (DB).*** In the case of ***Amar Singh Chawal Wala*** (supra) the registered trademarks were 'Golden Qilla' and 'Lal Qilla'. The trademark which was sought to be injuncted against was 'Hara Qilla'. The product in question in the said case was also rice. It is in these facts that the Division Bench of this court held as under:-

> "15. The submissions of the parties have been considered. It is not in dispute that the Plaintiff has in its favour registration of the four marks and devices as noticed hereinbefore. The suit filed by the Plaintiff is essentially one for infringement in respect of the Plaintiff's trade mark on the ground that the use by the Defendants of the mark and device HARA QILLA and QILLA respectively would cause confusion and deception among the users and the trade in general. The distinction between a suit based on infringement and that based on passing off was explained by the Supreme Court in ***Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories AIR 1965 SC 980***. It was explained that "while action for passing off is a common law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of

another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the „exclusive right to the use of the trade mark in relation to those goods." The use by the Defendant of the trade mark of the Plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement." It was further noticed that "where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, **the essential features** of both the actions might coincide, in an action for infringement, **the Plaintiff must, no doubt, make out that the defendant's mark is so close either visually, phonetically or otherwise** and the Court should reach the conclusion that there is an imitation" in which event it would be established that the Plaintiff"s rights are violated. The Supreme Court went on to further explain that "**if the essential features of a trade mark of the Plaintiff have been adopted by the defendant, the fact that the get up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sales show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial**; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the Plaintiff." (emphasis supplied)

16. In ***Amritdhara Pharmacy v. Satya Deo*** the question of phonetic similarity between Amritdhara and Lakshmandhara was considered. It was said that "an unwary purchaser of average intelligence and imperfect recollection would not split the name into its component parts and consider the etymological meaning thereof or even consider the meaning of the composite words as „current of nectar" or „current of Lakshman". Where the trade relates to goods largely sold to illiterate or badly educated persons, it is no answer to say that a person educated in the Hindi language would go by

the etymological or ideological meaning and see the difference between „current of nectar" and „current of Lakshman". It was emphasized that the whole word had to be considered. It was held that "the overall similarity between the two names in respect of the same description of the goods would likely to cause confusion within the meaning of Section 10(1) of the Trade Marks Act, 1940."

17. In the instant case as far as the registered marks in favour of the Plaintiff are concerned, applying the test laid down in ***Kaviraj Pandit*** it is seen that the essential feature of the mark is the word „QILLA". Whether the word is spelt as QILLA or KILLA, or even written in a different style or colour combination. To the customer who seeks to purchase the QILLA brand rice both names would sound phonetically similar. The customer is likely to ask the retailer: "Can I have the QILLA brand rice?" In the considered view of this Court, it is this essential feature of the Plaintiff"s mark, i.e the word QILLA, which has been adopted by the Defendant No.1. That the defendants have also used a pictorial representation of the device in the form of a fort also indicates that the Defendants too intended the same meaning to be assigned to the word, which is an Urdu one meaning "fort". Therefore, though the device QILLA is depicted in a slightly different way by the defendant, it is deceptively similar to the device used by the Plaintiff. Further the use is in respect of the same commodity, rice. Therefore there is every possibility f there being a confusion created in the mind of the purchaser of rice that the product being sold by the Defendant is in fact a product that has emanated from or has been manufactured by the Plaintiff.

18. It is not possible to agree with the reasoning of the learned Single Judge that the word QILLA is not associated with rice and therefore no ordinary purchaser of rice would associate the Defendant"s mark as that of the Plaintiff"s. It is plain from the pleadings that the Plaintiff has been using the words QILLA consistently in connection with the rice being sold by them with only the first word indicating the colour viz., GOLDEN, LAL or NEELA. It

must be held that the Plaintiff has been able to prima facie show that it has developed a „family of marks" and that by merely changing the first word from GOLDEN, LAL or NEELA to the word HARA there is every possibility of confusion being caused both in trade and in the mind of any person desiring to purchase rice. Likewise the use of the picture or depiction of a fort in the background on the label/packing of the rice is also likely to cause confusion in the mind of the purchaser and in the trade that the product being sold by the Defendants are in fact those manufactured by the Plaintiff.

19. This Court proposes to next consider the plea of the Plaintiff that use by the Defendants of the said marks was not in fact an honest one since the Defendant did not indicate how it came across the word/device associated with its product rice. It must be remembered that the Plaintiff has been in trade since 1962 onwards and it has been marketing its rice by using the words and device of QILLA. These words, as rightly pointed out by the learned Single Judge, do not automatically get associated with a consumable food product like rice. For the Defendants to have chance upon the same word i.e. QILLA and the same device in terms of depiction of a fort would have to be supported by its showing how it got inspired to use those words. It is not possible therefore to accept the plea of the Defendants that in the instant case, there was an honest concurrent use. The legal position was succinctly explained by the House of Lords in ***Alex Pirie & Sons' Application (1933) 50 R.P.C. 147*** where it was held as under: "Secondly, the appellants say, and this is their main line of attack upon the conclusion of the Court of Appeal, that though the respondents were honest in their user in the sense that they never intended to cause confusion or to pass off their goods as the goods of the appellants, yet inasmuch as they knew of the appellants" mark when they adopted their own and that the marks have been used on the same goods in the same market, the user of the respondents" mark cannot be treated as honest within the meaning of the section and that in any case by refusal of registration there

> would not in these circumstances be the hardship to the respondents which the section is intended to prevent.
> "My lords, it has never been suggested throughout this case that the conduct of the respondents has in the slightest respect been open to criticism, and I should be sorry to place upon this statute a construction which would brand as statutory dishonesty conduct justified in the eyes of honourable men. There is in fact no ground for doing so. Knowledge of the registration of the opponent's mark may be an important factor where the honesty of the user of the mark sought to be registered as impugned, but when once the honesty of the user has been established the fact of knowledge loses much of its significance, though it may be a matter not to be wholly overlooked in balancing the considerations for and against registration." (Emphasis added)

8. The aforesaid ratio of the Division Bench in the case of ***Amar Singh Chawal Wala*** (supra) squarely applies to the facts of the present case because the expression "Deer" is arbitrarily adopted with respect to the product rice and 'deer' is a prominent part of the trademark "Double Deer" of the appellant, similar to the prominent word mark Qilla in the case of ***Amar Singh Chawal Wala*** (supra). The respondent has also failed to give any satisfactory explanation as to why it adopted the expression " Deer" when there already existed a registered trademark "Double Deer" of the appellant.

9. Before us, the learned counsel for the respondent laid stress on three aspects; (i) that there is no deceptive similarity between the two trademarks ; (ii) that the claim of injunction is barred by delay and laches inasmuch as the respondent has been using the mark since 1999; (iii) there are other users of the trademark "Deer" including for

that of rice and therefore the word mark "Deer" is common to the trade.

10. The aspect of deceptive similarity we have already discussed above and held in favour of the appellant. In support of his second contention pertaining to delay/latches, learned counsel referred to some stray bills from 1999 till the year 2003 and more specifically relied upon a typed chart showing the alleged sale figures of the respondent with respect to the mark "Golden Deer" that the sales were in the region of 3 to 5 crores. In our opinion, the documents relied upon by the respondent do not inspire confidence. Merely because some documents are filed by a party, the court is not bound to believe them. A court must apply its mind to such documents to ensure that there is reasonable credibility and genuineness in the same so that the same can be relied upon to weigh the respective strength of the cases of the parties, otherwise, any and every document not having genuineness/credibility will be filed to deny relief to the opposite party. No doubt a mini trial is not conducted at the stage of grant of an interim injunction, however, the respective strength of the cases of the parties have to be considered and inherent in the same is right to see the genuineness and credibility of the documents. That respective strength of the cases set up by the parties have to be seen is no longer *res integra* and this has been so held by the Supreme Court in its two judgments reported as ***Colgate Pamolive (India) Ltd. Vs. Hindustan Lever Ltd. (1999) 7 SCC 1*** and ***Ramdev Food (P) Ltd.***

Vs. Arvindbhai Rambhai Patel & others (2006) 8 SCC 726 It is, in order to judge the *prima facie* genuineness and credibility of the documents of the respondent, we put it to the counsel for the respondent that if the sales were such huge why only stray bills were filed and that no profit and loss account and balance sheet or the audited accounts were filed so as to substantiate the credibility and genuineness of the documents being relied upon. The counsel for the respondent had no answer. In our opinion, after all, if there were such huge sales as claimed by the respondent with respect to the trademark "Golden Deer" from the year 1999-2000 then surely it was not difficult for the respondent to file audited accounts showing the sale of "Double Deer" from 1999-2000 and myriad other documents. In fact, we further and again put to learned counsel for the respondent that whether any such documents have been filed either before this court or before the learned Single Judge, to which the counsel for the respondent admitted that no such documents have been filed either before the learned Single Judge or this Court. As held by the Supreme Court in the case of ***Midas Hygiene Industries (P) Ltd & Anr. Vs. Sudhir Bhatia & others (2004) 3 SCC 90*** once there is a registered trademark, certain amount of delay would not prevent grant of an interim injunction. The delay is only of just about 2 odd years. Interim injunction could have been refused only if the delay on the part of the appellant/plaintiff was such so as to result in acquiescence or grave prejudice to the respondent. There is no question of acquiescence in

the facts of the present case, more so, because the adoption of the respondent is not honest and the defence that the mark "Deer" was common to the trade is clearly misconceived. It is in the light of this, we are convinced that the respondent does not have any strength in its case as compared to the case set up on the registered trademark of the appellant.

Our belief is further confirmed because the counsel for the respondent stated that others traders were also using the word mark "Deer" and that is why the respondent adopted the same as it was common to trade, however, when we refer to the documents which were relied upon by the respondent on this aspect we find that as regards the others who are using the word mark "Deer", the said trade mark "Deer" is not being used with respect to the product rice but is being used with respect to products such as Masalas, Chicory Powder and Wheat Flour. Clearly, therefore, the contention of the learned counsel for the respondent is misconceived that the word mark "Deer" is common to the trade of rice. In fact this shows that the dishonest adoption of the word mark "Deer" by the respondent in its trademark "Golden Deer" inasmuch as the appellant was already an established and registered user of the trademark "Double Deer" from 1985 when registration was first granted.

11. In view of the said discussion, since the learned Judge has clearly misapplied the law and arrived at a conclusion which is quite unsustainable in law, this court is of the opinion that the impugned

order is liable to be set aside. Ordinarily, if two views were possible, this court would not have interfered, however, we are of the firm opinion that only one view is possible in the facts of the present case because not only the appellant/plaintiff was the prior and the registered user of the trademark, the adoption of the respondent/defendant was not honest and it is not permissible to copy a prominent part of the registered trademark of another person, more so, when the said word mark is arbitrarily adopted with respect to the product in question. The balance of convenience is clearly not in favour of the defendant/respondent but is in favour of the appellant/plaintiff who will be caused serious, grave and irreparable injury with respect to its ownership and goodwill in the trademark "Double Deer". The Supreme Court in the case of ***Ram Dev Food Products (P) Ltd.*** (supra) has held that an Appellate Court is entitled in certain circumstances to interfere with the order of a learned Single Judge in such matters where the discretion has been exercised by the learned Single Judge arbitrarily, capriciously, perversely or where the court has ignored the settled principles of law regulating the grant or refusal of interlocutory injunctions. We find the present case to be fit case in accordance with the above for interference and the impugned order of the learned Single Judge dated 21.5.2008 is set aside and the I.A. 1315/2006 as filed by the appellant/plaintiff before the learned Single Judge is entitled to be allowed and thus the respondent/defendant is restrained from in any manner using the

trademark "Golden Deer" or any other mark deceptive similar to the appellant/plaintiff's registered trademark "Double Deer" with respect to the product namely rice and such other products as fall in the class of goods for which the trademark of the appellant/plaintiff is registered and for which the appellant/plaintiff is using the said trademark

12. The appeal is therefore allowed leaving the parties to bear their own costs.

CM No. 8972/2008 (Stay)

Dismissed.

VALMIKI J. MEHTA, J

SANJAY KISHAN KAUL, J.

August 30, 2010
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