

THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment Reserved on: 9.2.2011
Judgment Pronounced on: 14.2.2011

+ CS(OS) No. 1233/2009

M/s Giani Gurcharan Singh & Sons Plaintiff

- versus -

Madhusudhan Singh and Another Defendants

Advocates who appeared in this case:

For the Plaintiff: Mr. Ajay Amitabh Suman, Adv.

For the Defendant: None.

CORAM:-

HON'BLE MR JUSTICE V.K. JAIN

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| 1. Whether 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 Digest? | Yes |

V.K. JAIN, J

1. This is a suit for injunction, delivery up of infringing material and rendition of accounts or in the alternative for damages.
2. The plaintiff is a partnership firm engaged in the business of manufacturing and marketing of edible items including milk and dairy products, ice creams, faluda, milk

shakes etc. The plaintiff claims to have adopted through its predecessors the trademark/trade name/label GIANI'S in the year 1960 and using the same since then. The plaintiff also claims to be the proprietor of the artistic features involved in the trademark/trade name/label GIANI'S. the trademark has been registered in the name of the plaintiff in respect of flour and preparations made from cereals including faluda as well as in respect of milk and other dairy products. The plaintiff claims sale of Rs.34,90,040/-, 36,03,980/- and 49,649,30/- during the years 2006-07, 2007-08 and 2008-09 respectively. It is also claimed that on account of continuous and extensive user since 1960, the goods/services and business being carried under the trademark GIANI'S have come to be identified and associated exclusively with the plaintiff. The plaintiff claims to have incurred substantial expenditure on promoting and advertising its products as well as the trademark and trade name adopted by it.

3. It is alleged that the defendants have adopted and started using the trade name GIAN'S in respect of edible items including milk and dairy products, ice creams, faluda, milk shakes etc. Mr. Madhusudhan Singh, defendant Nof.1

is alleged to be the proprietor of defendant No.2 M/s GIAN'S. It is also alleged that the trademark adopted by the defendant is deceptively similar to the trademark of the plaintiff on account of phonetically, visually and structurally similarity and by using the trademark GIAN'S, the defendants have infringed the registered trademark of the plaintiff and they are also passing off their goods and business as that of the plaintiff. It is further alleged that members of the public including house wives and person in village and semi rural areas are being deceived in dealing with and purchasing the defendants goods/services and business under the impression that they emanate from the plaintiff or there exists some link between the plaintiff and defendants and thereby the defendants are creating confusion and deception in the market. The plaintiff has sought permanent injunction restraining the defendants from using the trademark GIAN'S and from manufacturing, selling, offering for sale or advertising any product bearing the aforesaid trademark or some other mark deceptively similar to the trademark of the plaintiff as also from passing off their goods as those of the plaintiff. The plaintiff has also sought delivery up of all the packaging material, cartons

and goods etc. for the purpose of destruction and erasure of the mark GIAN'S. The plaintiff has further sought rendition of accounts and in the alternative, damages amounting to Rs.20,01,000/- from the defendants.

4. The defendants were proceeded ex parte vide order dated 6th October, 2009.

5. The plaintiff has filed an affidavit of its partner Shri Param Jeet Singh by way of ex parte evidence. In his affidavit, Mr. Param Jeet Singh has stated that the plaintiff through its predecessors adopted the trademark/trade name/label GIANI'S in the year 1960 and has been continuously using the same since then. According to him, the word GIANI'S is an essential key material of the trade name of the plaintiff firm. He has further stated that the business being carried out by the plaintiff is quite extensive and its products are being distributed in major parts of the country. He has claimed that the goods/services and business under the aforesaid trademark/trade name/label is identified as the goods/services/business originating from the plaintiff and have become associated with it on account of long and continuous user since 1960. According to him, the goods/services of the plaintiff are highly in demand on

account of their standard and quality and the aforesaid trademark/trade name/label has acquired tremendous goodwill and enviable reputation in the market. According to him, the plaintiff had sale of Rs.34,90,040/-, 36,03,980/- and 49,649,30/- during the years 2006-07, 2007-08 and 2008-09 respectively and it has been spending enormous amount on publicity by way of advertising, trade hoardings etc.

6. Mr. Param Jeet Singh has further stated that the defendants are engaged in the same business in which the plaintiff is engaged and they have adopted and started using the trademark/trade name/label GIAN'S in respect of edible items including milk and dairy products, ice creams, faluda, milk shakes etc. He has further stated that the plaintiff had come across the goods of the defendant being sold under the impugned trademark/trade name/label GIAN'S in the beginning of May, 2009 and sent a legal notice to him, which was not replied to.

7. The case of the plaintiff against the defendants is based upon infringement of their registered trade mark as well as on passing off. Section 28 of Trade Marks Act, 1999 gives to the registered proprietor of the trade mark the

exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act. The action for infringement is, thus, a remedy provided by Trade Marks Act to the registered proprietor of a registered trade mark in case there is an invasion of the statutory right provided to him for use of that trade mark in relation to the goods for which the trade mark has been registered in his name. In a case based on infringement of this statutory right it is necessary for the plaintiff to prove that his registered trade mark has been used by the defendant, though no such use is required to be established in an action for passing off. It is also a settled proposition of law, which was reiterated by Supreme Court in ***Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories, PTC (Suppl) (2) 680 (SC)***, that if the defendant resorts to colourable use of a registered trade mark such an act of the defendant would give rise to an action for passing off as well as for infringement. In an action based upon infringement of a registered trade mark if the mark used by the defendant is visually, phonetically or

otherwise so close to the registered trade mark of the plaintiff that it is found to be an imitation of the registered trade mark, the statutory right of the owner of the registered trade mark is taken as infringed. In such a case if it is found that the defendant has adopted the essential features of the registered trade mark of the plaintiff, he would be liable even if he is able to establish that on account of packaging, get up and other writings on his goods or on the container in which the goods are sold by him, it is possible to clearly distinguish his goods from the goods of the plaintiff. On the other hand in a case of passing off if it is shown that on account of these factors it is very much possible for the purchaser to identify the origin of the goods and thereby distinguish the goods of the defendant from the goods of the plaintiff, the defendant may not be held liable.

8. Section 29(1) of Trade Marks Act, 1999 provides that 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.

9. A person is well within his right to sell his goods or render services using any trade name for the purpose. With the passage of time the goods sold or the services rendered by him, as the case may be, may acquire certain reputation or goodwill in the market which becomes the property of that person and needs to be protected by the court. It is not permissible for any other person to start selling goods or rendering services either using the same name or imitating that name so as to cause injury to that person and enrich himself at the cost of the person who had already been using that name and had acquired a certain reputation with the passage of time and on account of the quality of the goods sold or services rendered by him. Any attempt on the part of a person to enrich upon the goodwill generated by any other person needs to be curbed by the court whenever approached by the aggrieved party in this regard.

10. In **Corn Products Refining Co. vs. Shangrila Food Products Ltd.** 1960 (1) SCR 968, the Supreme Court observed that the question whether two competing marks are so similar as to be likely to deceive or cause confusion is

one of first impression and it is for the court to decide it. The question has to be approached from the point of view of a man of average intelligence and imperfect recollection.

11. In ***Parle Products (P) Ltd. v. J.P. & Co., Mysore***, AIR 1972 SC 1359, Supreme Court inter alia observed as under:-

According to Karly's Law of Trade Marks and Trade Names (9th Edition Paragraph 838) "Two marks, when placed side by side, may exhibit many and various differences, yet the main idea left on the mind by both may be the same. A person acquainted with the one mark, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted.

It would be too much to expect that persons dealing with trademarked goods, and relying, as they frequently do, upon marks, should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing. Marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole. Moreover, variations in detail might well be supposed by customers to have been made by the owners of the trade mark they are

already acquainted with for reasons of their own.

It is therefore clear that in order to come to the conclusion whether one 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 as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him.

12. It is not necessary that in order to constitute infringement, mark should be an absolute replica of the trademark of the plaintiff. When the mark of the defendant is not identical to the mark of the plaintiff, it would be necessary for the plaintiff to establish that the mark being used by the defendant resembles his mark to such an extent that it is likely to deceive or cause confusion and that the user of the impugned trademark is in relation to the goods in respect of which the plaintiff has obtained registration in his favour. It will be sufficient if the plaintiff is able to show that the trademark adopted by the

defendant resembles its trademark in a substantial degree on account of extensive use of the main features found in his trademark. In fact, any intelligent person, seeking to encash upon the goodwill and reputation of a well-established trademark, would make some minor changes here and there so as to claim that the trademark being used by him, does not constitute infringement of the trademark, ownership of which vests in some other person. But, such rather minor variations or distinguishing features would not deprive the plaintiff of injunction in case resemblance in the two trademarks is found to be substantial, to the extent that the impugned trademark is found to be similar to the registered trademark of the plaintiff.

13. A perusal of mark 'A' (Colly.) which are the copies of Registration No. 622601 and 622602 dated 21st March, 1994 would show that the mark GIANI'S is registered in the name of the plaintiff Giani Gurcharan Singh & Sons under Class 30 in respect of milk and other dairy products as well as in respect of flour and preparation made from cereal. Ice creams, in my view, would be covered under dairy products.

Hence, the plaintiff is the registered proprietor of the trademark GIANI'S in respect of ice-creams.

14. The defendants are engaged in the business of selling ice-creams under the name GIANI'S, as would be seen from a perusal of Ex.PD-1. Thus, both the parties are engaged in the same business, i.e., of selling ice-creams, etc. one using the trademark GIANI'S and the other using the trademark GIAN'S. A comparison of the trademark of the defendant GIAN'S with plaintiff's registered trademark GIANI'S would show that visually and structurally the trademark being used by the defendant is same to the trademark being used by the plaintiff. The design of the letters being used by the defendant is identical to the design of the letters being used by the plaintiff and the first impression which one forms on seeing the defendant's trademark GIAN'S is that it so resembles the registered trademark GIANI'S of the plaintiff, that there is a likelihood of deception being practiced on the customer. Even phonetically, there isn't much difference between the trademark GIANI'S and GIAN'S.

15. As held by the Supreme Court in ***Amritdhara Pharmacy v. Satyadeo Gupta, AIR 1963 SC 449***, Whether a trade name is likely to deceive or cause confusion by its resemblance to another mark already registered is a matter of first impression and the standard of comparison to be adopted in judging the resemblance is from the point of view of a man of average intelligence and imperfect recollection. A person having purchased ice-cream, etc. being sold by the plaintiffs under the trademark GIANI'S, on coming across the ice-creams, being sold by the defendants using the trademark GIAN'S is likely to easily believe that the ice-cream being sold using the trademark GIAN'S was the same which is being sold using the trademark GIANI'S. What is important to keep in mind that the purchaser does not have both the marks lying side by side for comparison and, therefore, chances of deception are rather strong. A person purchasing ice-creams being sold under the trademark GIANI'S is not expected to remember all the letters used in the trademark and when he comes across the ice-creams being sold under the trademark GIAN'S, he, on account of imperfect recollection and his not having the ice-cream, bearing the trademark, i.e., with him at that time

may easily purchase the ice-cream being sold by the defendant in a mistaken belief that he was buying the product of the plaintiff firm. The letters GIAN'S are the essential features and primary components of the plaintiff's registered trademark GIANI'S and use of these very letters by the defendant for selling the same product is likely to give an impression that both the products were emanating from the same source or that the products being sold under the trademark GIAN'S had some trade link or association with the products being sold under the trademark GIANI'S.

16. In **Cadila Health Care Ltd. vs. Cadila Pharmaceuticals Ltd.** (2001) 5 SCC 573, the Supreme Court, inter alia, observed that its decisions in the last four decades had clearly laid down that what had to be seen in the case of a passing off action was the similarity between the competing marks and to determine whether there was likelihood of deception or causing confusion.

17. The defendant has not come forward to contest the suit and tell the Court as to why he chose to use the mark GIAN'S in particular. The obvious inference, therefore, is that on account of the mark GIAN'S being similar to the

well-known and reputed mark GIANI'S of the plaintiff, the defendant wants to encash on the reputation and goodwill, enjoyed the brand of the plaintiff in the ice-cream market.

18. The plaintiff has been using its registered trademark GIANI'S for last more than 50 years. The plaintiff has large turnover from sale of ice-creams under its registered trademark GIANI'S. The plaintiff claims substantial expenditure incurred on building and promoting its trademark GIANI'S. A certain reputation, therefore, has come to be associated with the trademark GIANI'S of the plaintiff and the ice-creams being sold by it using this trademark. If a person, who has earlier consumed ice-creams, being sold by the plaintiff under its trademark GIANI'S comes across ice-creams being sold under the trademark GIAN'S, it is likely to cause confusion and he may purchase the ice-cream being sold by the defendant on the assumption that he was purchasing the ice-cream being sold by the plaintiff under the trademark GIANI'S. This is more likely in case of unwary customer or a customer living in a semi-urban or rural area, or a person who though living in an urban area is not very well informed, and, therefore,

while purchasing a product like an ice-cream, is not likely to attach much importance to the absence of the letter 'I' in the trademark of the defendant. Such a customer, therefore, can be easily persuaded to purchase the ice-cream being sold by the defendant by representing to him that this was the same ice-cream which the plaintiff is selling under the trademark GIANI'S. Hence, there is a genuine likelihood of the defendant being able to pass his products as those of the plaintiff on account of his using the mark GIAN'S.

19. The case of the plaintiff is that on account of the high quality of its products, the customers consuming the ice-creams sold by it expect them to be a high standard and superior quality. If the ice-cream being sold by the defendant is purchased by the customer on a misconception that he was purchasing the product of the plaintiff and it later transpires that the quality of the product is not as good as the quality of the product being sold by the plaintiff, this may not only damage the brand equity and reputation of the plaintiff, but, may also adversely affect the interest of the consumer, who pays for and wants the ice-cream, being sold by the plaintiff but gets an inferior product. It is,

therefore, in the interest not only of the plaintiff but also of the customer that such confusion and deception is not allowed to continue and the consumer gets what he wants to buy and pays for. I, therefore, hold that the plaintiff has been able to prove not only infringement of its copyright and also that the defendant is passing off his products as those of the plaintiff. The plaintiff is, therefore, entitled to injunction against use of the trademark GIAN'S by the defendant in respect of ice-cream and other milk and dairy products as also in respect of flour and cereal products.

20. Though the plaintiff has also claimed delivery up of infringing material and rendition of accounts, these reliefs were not pressed during arguments. The learned counsel for the plaintiff, however, pressed for award of punitive damages, actual damage has not been proved by the plaintiff.

21. In **Times Incorporated v. Lokesh Srivastava & Anr.**, 2005 (30) PTC 3 (Del), this Court observed that punitive damages are founded on the philosophy of corrective justice and as such, in appropriate cases these must be awarded to give a signal to the wrong doers that the

law does not take a breach merely as a matter between rival parties but feels concerned about those also who are not party to the lis but suffer on account of the breach. In **Hero Honda Motors Ltd. vs. Raj Scooters** in CS (OS) No. 851/2004 Decided On 29.11.2005, this Court noticing that the defendant had chosen to stay away from the proceedings of the Court felt that in such case punitive damages need to be awarded, since otherwise to the defendant, who appears in the Court and submits its account books would be liable for damages whereas a party which chooses to stay away from the Court proceedings would escape the liability on account of the failure of the availability of account books. Also, the Court needs to take note of the fact that a lot of energy and resources are spent in litigating against those who infringe the trademark and copyright of others and try to encash upon the goodwill and reputation of other brands by passing off their goods and/or services as those of that well known brand.

22. For the reasons given in the preceding paragraphs, the defendant No.1 is restrained from manufacturing, selling or offering for sale, distributing or promoting in any

manner, any milk or milk product, including ice-creams as well as any flour or cereal products, using the trademark GIAN'S or any other mark similar to the registered trademark GIANI'S of the plaintiff. Taking into consideration all the fact and circumstances of the case, punitive damages, amounting to Rs 20,000/- are also awarded to the plaintiff. The name of defendant No.2, which is only a trade name adopted by defendant No.1, is deleted from the array of defendants. Decree sheet be prepared accordingly.

(V.K. JAIN)
JUDGE

FEBRUARY 14, 2011
vk/bg