

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

+ C.S (OS) Nos. 1424/2003

Date of Decision: 13.09.2013

RAJESH RATHI & ORS.

.....Plaintiffs

Through: Mr. Amarjit Singh, Ms.
Vernika Tomar, Ms. Vibha
Arya, Advs

Versus

GOLDEN RATHI STAR INDUSTRIES LTD. & ANR.

.....Defendants

Through: Ex-parte.

CORAM:

HON'BLE MR. JUSTICE M.L. MEHTA

M.L. MEHTA, J.

1. This is a suit for permanent injunction restraining the infringement, passing off, unfair competition, dilution of the trademark "RATHI" along with rendition of accounts and for destruction of all material bearing the impugned trademark/trade name.

2. The case of the plaintiffs is as follows. Plaintiff no. 12, Rathi Foundation, plaintiff (the Trust) is a trust registered under the provisions of the Indian Trusts Act, 1882. Plaintiffs no. 1 to 11 are its trustees and they all belong to the families of late Sh. Gordhan Das Rathi, Sh. Hari Kishan Rathi and Sh. Chand Rattan Rathi. The

plaintiffs submit that the present suit has been instituted by all the trustees of plaintiff no.12 and is signed and verified by plaintiff no.4, Mr. Deepak Rathi, who is the constituted attorney of all the other trustees. Plaintiffs no.13 to 15 (hereinafter referred to as ‘the companies’) are the companies that are managed and controlled by the Trust. The companies were incorporated under the provisions of the Companies Act, 1956, having their registered offices in New Delhi. The suit on behalf of the companies has been instituted by Sh. Deepak Rathi, Sh. Pradeep Rathi and Sh. D. N. Khemka, who are the directors of plaintiffs no. 13 to 15 respectively.

3. The plaintiffs submit that the Trust was created with the object of maintaining uniform quality of the products manufactured and sold under the trade mark “RATHI” and to regulate the use thereof amongst the family members and family controlled companies. They further submit that the trademark “RATHI” was registered under No. 309435 on October 22, 1975 in the name of plaintiff no. 13, K. L. Rathi Steel Ltd. in respect of Ribbed T, Rounds, Squares, Flats, Joists, Angles, Channels and Re-rolled sections of common metal included in Class 6 of the Trade and Merchandise Marks Act, 1958. And that through a deed of assignment dated June 29, 1995 the registered mark “RATHI”, along with the goodwill and the business, was assigned in favour of the Trust. The plaintiffs further submit that the name of the Trust is recorded as subsequent proprietor of the registered trade mark “RATHI” in the records of the Registrar of Trade Marks and the said trademark has been renewed and is valid and subsisting till date.

4. The plaintiff submits that the trade mark “RATHI” has been continuously and extensively in use in the course of trade by the plaintiffs and their predecessors in interest for more than three decades in respect of Ribbed T, Rounds, Squares, Flats, Joists, Angles, Channels and Re-rolled sections of common metal. They further submit that on account of this long standing adoption and continuous extensive use, the Trust has acquired and retained the exclusive right to use the trademark “RATHI” and that the purchasing public recognizes the goods of the plaintiff to be indicative of the plaintiff’s source of manufacture and that of high quality.

5. The plaintiffs submit that by virtue of being the registered proprietor of the trade mark “RATHI”, the Trust has granted the companies a non-exclusive license dated March 2, 1998, to use the said trademark and to affix the mark on the goods of their manufacture. And that the companies have been manufacturing the goods in question on the basis of technical know-how provided by the Trust, and have been using the trademark “RATHI” as licensees of the Trust. They also submit that “RATHI” is not only being used as a trademark but is also being used as an essential key and leading portion of their respective corporate names. They further submit that the trademark “RATHI” is being used by them in conjunction with trademarks like “TOR”, “KL”, and “THERMEX”. And that the said marks when used in conjunction with one or other prefix or suffix, are separately embossed on the steel bars.

6. The plaintiffs submit that defendant no.2, Garg Steel Agency, was initially dealing with the goods manufactured and marketed by them for many years and had full knowledge about the use and reputation of the trademark “RATHI”, and that in view of the fact that the defendant no.2 was found to be indulging in illegal trade activities, the plaintiff stopped supplying materials to it. The plaintiffs allege that the defendant no.2 has started distribution and sale of goods manufactured by defendant no.1 under the impugned mark. Defendant no.1, Golden Rathi Star Industries Ltd., is a company that is engaged running a manufacturing/steel rolling plant which is engaged in the business of manufacture/sale of inter alia, re-rolled, ribbed/twisted steel bars, etc., and is promoted by Sh. Ombir Singh and his family members.

7. The plaintiffs allege that the defendants have adopted an identical mark “RATHI” in respect of the goods of its manufacture and sale, by adding a prefix “GOLDEN”, and that the defendant no.1 has also adopted “RATHI” with the prefix “GOLDEN” as the key, leading and essential part of its corporate name. They further submit that the defendants have dishonestly and malafidely adopted “RATHI” as a trademark and as a part of its corporate name to tread upon the reputation of the plaintiffs and with a view to pass off their goods and business as that of the plaintiffs, thus creating an impression that the defendant’s goods have also originated from the plaintiff’s source or are connected with them in one way or another. The plaintiffs allege that the defendants have full knowledge about the proprietary rights of

the plaintiffs in the trademark "RATHI" and the reputation accrued thereto as well as the quality of the goods sold thereunder. They also submit that the acts of the defendant constitute infringement, passing off, unfair competition, dilution and is likely to cause confusion and deception in the minds of the purchasing public. The plaintiffs also allege that on account of the unlawful business activities of the defendant, they are suffering losses in their business as well as in their reputation. The plaintiffs estimate that by its illegal trade activities, the defendant might have earned profits at least to the tune of Rs. 21 Lacs. And that the actual amount earned by the defendants can only be ascertained on the defendant's rendition of accounts.

8. The plaintiffs submit that the cause of action arose when their attention was drawn to the publication of an advertisement issued by the defendants under the impugned mark in the News Paper Punjab Kesri (Hindi Edition) dated April 9 and May 18, 2003. The plaintiffs also submit that the cause of action further arose when their attention was drawn to the article published by the defendant in the Hindi Daily Edition of the Punjab Kesri dated April 20, 2003 regarding the commencement of production carrying the impugned trade mark. And that the said cause of action is a continuous one and is still subsisting.

9. In its Written Statement, defendant no.1, Golden Rathi Star Industries Ltd. has taken the preliminary objection that the plaintiff cannot be permitted to monopolize the word "RATHI", because it is a common word derived from the name of a village, Rathi Was, in

Haryana. And that the great grandfather of promoters/directors of the defendant company belonged to the said village. And therefore, the adoption of the word "RATHI" by the defendants was made bona fide. In support of this defense, the answering defendant submits that there are various business undertakings which have adopted the word "RATHI" in their trading names. For instance, M/s. Rathi Super Store, Gurgaon; Rathi Enterprise, Rani Bagh, Rathi Agencies, Karol Bagh etc. The answering defendant also submits that the word "RATHI" is a general Hindi word having the dictionary meaning 'booming or progressive' and is commonly adopted as a trading name.

10. The answering defendant also submits that there is no likelihood of confusion regarding the origin of the defendant's products, because its products were available in the local market at a higher price. Whereas, the plaintiff's products were only available in specific stores carrying the name and style THE RATHI TOR STEEL SHOP. And that in any event, the parties were dealing in different goods. While the plaintiff is manufacturing and selling Ribbed T, Rounds, Squares, Flats, Joists, Angles, Channels and Re-rolled sections of metals, the defendants purportedly were only manufacturing and selling Cold Twisted Steel Bars under the distinct name and style GOLDEN RATHI, GOLDEN STAR and GOLDEN STEEL, thereby mitigating any likelihood of any confusion in the minds of the customers. And that by no stretch of imagination, the two names, i.e. RATHI-TOR and GOLDEN RATHI can be said to be said to be deceptively similar.

11. In their reply, the plaintiffs submit that the defendants have concocted a story regarding the ancestors of their promoters hailing from the village of Rathi Was, Haryana. And that, in any event, owing to prior use and extensive sale and advertisement, the plaintiff's mark "RATHI" has acquired enviable reputation with respect to iron and steel bars. The plaintiffs also submit that the defendant's product carrying the impugned trade mark are Cold Twisted Steel Bars, which fall within the category of Re-rolled sections of common metals, and hence there is a very strong likelihood of confusion in the minds of the purchasing public. The plaintiffs also submit that while they have a dedicated store by the name THE RATHI TOR STEEL SHOP, their products are also available in open market due to the reputation and goodwill accrued in their favour due to many years of trade.

12. The plaintiffs submit that the defendants cannot be permitted to prefix or suffix any other word along with their registered trade mark, because the term "RATHI" is the essential part of their trade mark. And that they are also using the said mark in conjunction with other registered trade marks such as TOR, THERMEX, KL etc., used as either prefix or suffix. The plaintiffs submit that the word "RATHI" in their corporate name also amounts to infringement of their registered trade mark. And the prefix of the term GOLDEN thereto is immaterial in the eyes of law. The plaintiffs also submit that the defendants are at liberty to adopt any other corporate name/trading name such as GOLDEN STAR or GOLDEN STEEL, but has no right to use the

plaintiffs registered trade mark RATHI singularly, or in conjunction with any other word.

13. Vide order dated July 21, 2003, this Court granted an interim injunction in favour of the plaintiff restraining the defendants from using the plaintiff's trade mark "RATHI" either singularly, or by adding prefix or suffix thereto in any manner. Vide the same Order, this Court also appointed two Local Commissioners to visit the defendants' premises and seize the offending materials. The report of the Ld. Commissioners is also placed on record. Vide Order dated April 27, 2006, this Court framed the following issues for consideration

- 1) Whether the plaintiffs are the proprietors of the trade mark "RATHI" in respect of Ribbed T, Rounds, Squares, Flats, Joists, Angles, Channels and Re-rolled Sections of common metal under the common law? OPP
- 2) Whether the plaintiffs are the registered proprietors of the trade mark "RATHI" registered under No. 309435 in class 06 in respect of Ribbed T, Rounds, Squares, Flats, Joists, Angles, Channels and Re-rolled Sections of common metal? OPP
- 3) Whether the use of the mark "GOLDEN RATHI" on the part of the defendants as a trade mark in respect of twisted steel bar and/or as a corporate name constitutes an act of infringement to registered trade mark no. 309435? OPP

- 4) Whether the use of the mark "GOLDEN RATHI" on the part of the defendants as a trade mark and/or as a corporate name constitute an act of passing off? OPP
- 5) Whether the plaintiff is entitled for rendition of accounts from the defendants, if so, for what period? OPP
- 6) Whether the defendants are entitled to use the word "RATHI" with any suffix and prefix, being a common word and/or surname in respect of the goods manufactured and sold by them and as their corporate name? OPD
- 7) Relief.

14. Vide Order dated April 21, 2010, defendants no.1 and 2 were proceeded ex parte. On February 2, 2013, the Ld. Counsel for defendant no.2 has gave an undertaking before this Court that the defendant no.2 has stopped trading the goods from the defendants no.1 and henceforth, will not allege in infringement of trade mark or passing off the goods of the plaintiffs. On the same date, the Ld. Counsel for defendant no.1 has stated that the defendant no.1 company is no longer in existence since its promoters/directors have expired. Subsequently, vide Order dated April 3, 2013, this Court noted that based on the undertaking given by the Ld. Counsel for defendant no.2 on February 2, 2013, nothing further survives against defendant no.2 and appropriate decree will be passed against the defendant no.3 at the appropriate stage. On the same date, the Ld. Counsel for the plaintiff has stated that the defendant no.1 company is still in existence.

15. I have heard the Ld. Counsels for the parties. I have also perused through the documents placed on record and the report of the Local Commissioner. Issue wise findings are hereunder:

Issues no.1 and 2:

16. This Issue pertains to the proprietary rights of the plaintiffs to under common law as well as the statute. Section 2(v) of the Trade Mark Act, 1999 stipulates that –

“(v) "registered proprietor", in relation to a trade mark, means the person for the time being entered in the register as proprietor of the trade mark.”

17. Further, Section 34 of the Act pertains to saving of vested rights under the statute. The provision stipulates as follows:

“Nothing in this Act shall entitle the proprietor or registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark, identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior –

(a) to the use of the first-mentioned trade mark in relation to those goods or services be the proprietor or a predecessor in title of his; or

(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor of a predecessor in title of his;

whichever is the earlier, and the Registrar shall not refuse (on such use being proved) to register the second mentioned trade mark by reason only to the registration of the first-mentioned trade mark.”

18. The pith and substance of this provision is that rights accrue under common law upon a prior user of a trade mark, which are superior to the rights which are conferred by the statute through registration. Therefore, proprietary right under common law accrue the user not through registration of the said trade mark, but my prior, continuous and extensive use of the trade mark in question.

19. In the case of ***Century Traders v. Roshan Lal Duggar***, AIR 1978 Del. 25, the division bench of this Court, referring to the case of Consolidated ***Foods Corporation v. Brandon and Co., Private Ltd.***, AIR 1965 Bom. 35, held the following:

“A trader acquires a right of property, in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and the extent of his trade. The trader who adopts such a mark is entitled to protection directly, having assumed a vendible character is launched upon the market. Registration under the statute does not confer any new right to the mark claimed or any greater rights than what already existed at common law and at equity without registration. It does, however, facilitate a remedy which may be enforced and obtained throughout the State and it establishes the record of facts affecting the right to the mark. Registration itself does not create a trade mark. The trade mark exists independently of the registration which merely affords further

protection under the Statute. Common law rights are left wholly unaffected. Priority in adoption and use of a trade mark is superior to priority in registration.” (emphasis supplied)

20. In the instant case, the plaintiff no.4 has deposed on behalf of the Trust. He states that, in the year 1942, “RATHI” was adopted as a trade mark and as a part of the corporate name in relation to the business of steel bars, rolled and re-rolled products namely, angles, joists, channels, T’s, rounds, squares, flats, bars, rods etc. by the predecessor in interest, K. L. Rathi Steels Ltd., plaintiff no.13 company. And that the said company was incorporated in the year 1972 and continued the business of manufacture and sale of the above mentioned products. He also states that the company has been using the mark RATHI in the course of trade as a part of its corporate name since 1972.

21. He further states that the trade mark “RATHI” was registered in the name of plaintiff no.13 company, under No. 309435 in class 06, with respect to Ribbed T, Rounds, Squares, Flats, Joists, Angles, Channels and Re-rolled sections of common metal as on October 22, 1975. A true copy of the said Certificate of Registration was placed on record as Ex. P3. The plaintiff further states that by way of a Deed of Assignment, dated June 29, 1995, the registered trade mark “RATHI” was assigned by plaintiff no.13 company, to the plaintiff no.12 Trust, along with the goodwill of the business in which the said trade mark had been used. Subsequently, vide Order dated March 11, 1996, the names of the trustees of the plaintiff no.12 trust (plaintiffs no.1 to 11

herein), was recorded in the Trade Marks Registry as the subsequent registered proprietors of the mark “RATHI”.

22. The plaintiff witness states that since the year 1995, the trade mark “RATHI” has been used by plaintiff no.13, K. L. Rathi Steels Ltd. under a Registered User Agreement dated March 2, 1998. The copy of the Registered User Agreement is placed on record as Ex. P4. Similarly, Rathi Udyog Company (plaintiff no.14) and Rathi Super Steel Ltd., also executed a Registered User Agreements dated March 2, 1998. A copy of the said agreements is placed on record as Ex. P5 and Ex. P6, respectively. The plaintiff has also placed on record, the Details of Manufacturing and Trading Sale from the period 1991 to 2003, as Ex. P7. The Details of Advertisement Expenses for the period 1995 to 2003 is placed on record as Ex. P8. The plaintiff witness has also placed on record, the original Indian Standards Institution License dated May 31, 1976 as Ex. P73, to show that the plaintiffs have been manufacturing and selling products of superior quality since the year 1975.

23. I have perused through the Certificate of Registration and other related documents placed on record as well as the updated documents from the online Trade Mark Registry. It is evident to me from the Certificate of Registration that the plaintiff no.13 company (K. L. Rathi Steels Ltd.) made their application for registration of their trade mark “RATHI” on October 22, 1975, stating that they have been in continuous use of the said trademark since the year 1973. The

registration was granted by the Registrar of Trade Marks on September 28, 1981 with effect from the Date of Application.

24. Therefore, it is apparent to me that plaintiff no.13 company is the registered proprietor of the trade mark “RATHI” since October 22, 1975. Thereafter, the said trade mark was assigned to the plaintiff no.12 Trust vide Assignment Deed dated June 29, 1995. The said assignment is also reflected in the registry vide Order dated March 11, 1996, thereby also making plaintiff no. 12 Trust and its trustees, the registered proprietor of the said trade mark. Subsequently, plaintiff no.13 company have been using the said trade mark, along with plaintiffs no.14 and 15 under a Registered User Agreements since March 2, 1998. Newspaper advertisements carried out by plaintiffs no. 13 to 15 regarding the manufacture, marketing, sale of their products carrying the trade mark “RATHI” is also placed on record as Ex. P26 to P72. By virtue of prior and continuous use, plaintiffs no. 13 to 15, have acquired also common law proprietary rights under common law. Hence, Issues no. 1 and 2 are decided in favour of the plaintiffs.

Issues No 3, 4 and 7:

25. Issues no 3, 4 and 7 are connected and can be dealt with together. Issue No.7 decides as to whether the defendants can use the trademark ‘RATHI’ with a suffix or prefix by virtue of the said word being a common word/surname. Consequently, Issues no. 3 and 4, which pertain as to whether the use of the impugned mark “GOLDEN

RATHI” by the defendants amounts to infringement and passing off, can be decided.

26. The primary defense raised by the defendants is that the word “RATHI” is a common word derived from the name of a village, Rathi Was, Haryana. And that the term “RATHI” is also a dictionary word meaning progressive/booming. And that the defendant’s mark is distinguished from the plaintiff’s by prefixing the term GOLDEN.

27. The legal proposition regarding the use of common word marks in rival trademarks is well settled. The evolution of the said proposition can be traced from the *M/s. S. M. Deychem Ltd. v. M/s. Cadburry (India) Ltd.*, (2005) 5 SCC 573, in which the Apex Court observed that where common marks are included in the rival trademarks, more regard is to be paid to the parts not common and the proper course is to look at the marks as a whole, but at the same time not to disregard the parts which are common. The Court also sought to apply the principle that dissimilarity in essential features in devices and composite marks are more important than some similarity. However, in the Apex Court in the *Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd.*, AIR 2001 SC 1952 digressed from the view taken in the *Dychems Case* (supra) and observed:

“These observations appear to us to be contrary to the decision of this Court in Amritdhara Pharmacy v. Satya Deo Gupta, AIR 1963 SC 449, where it was observed that the products will be purchased by both villagers and town folk, literate as well as illiterate and the question has to be approached from the point of view of a man of average intelligence and imperfect

*recollection. A trade may relate to goods largely sold to illiterate or badly educated persons. The purchaser in India cannot be equated with a purchaser of goods in England. While we agree that in trade mark matters, it is necessary to go into the question of comparable strength, the decision on merits in **Dyechems case** (supra) does not, in our opinion, lay down correct law and we hold accordingly.”*

28. In the **Amritdhara Case** (supra), the Apex Court observed:

*“It is not disputed before use that the two names 'Amritdhara' and 'Lakahmandhara' are in use in respect of the same description of goods, namely, a medicinal preparation for the alleviation of various ailments, Such medicinal preparation will be purchased mostly by people who instead of going to a doctor wish to purchase a medicine for the quick alleviation of ;their suffering, both villagers and townsfolk, literate as well as illiterate. As we said in **Corn Products Refining Co. v. Shangrila Food Products Ltd, AIR 1960 SC 142**; the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. To such a man the overall structural and phonetic similarity of the, two names 'Amritdhara' and 'Lakshmandhara' is, in our, opinion likely to deceive or cause confusion. We must consider, the overall similarity of the two composite words 'Amritdhara' and 'Lakshman- dhara'. We do not think that the learned Judges of the High Court were right in Paying that no Indian would mistake one 'for the other. An unwary purchaser of average intelligence and imperfect recollection would not, as the High Court supposed, split the name into its component parts and consider the etymological meaning thereof or even consider the meanings of the composite words as 'current of nectar' or current of Lakshman'.” (emphasis supplied).*

29. Further, this Court in the case of ***Greaves Cotton Limited Vs. Mohammad Rafi and Ors.***, 180 (2011) DLT 749, was faced with a similar issue regarding the use of a registered trademark with a suffix or prefix by a defendant. The Court held:

“Neither deletion of a part of a registered trademark nor the prefix or suffix of another word to it would validate the use of the registered mark by an unlicensed user, once it is shown that the part used by the infringer is an essential part of the registered trademark.”

30. Similarly, in the case of ***B. K. Engineering v. U. B. H. I. Enterprises (Regd.) Ludhiana & Anr.***, AIR 1985 Del. 210 this Court was faced with rival trademarks B. K. and B. K. – 81 with respect to bicycles bells. The Court held:

“The defendants say that they are entitled to use "B.K.-81" as B.K. is an abbreviation of their deceased mother's name. Balwant Kaur. I cannot accept this argument. That the defendants use their mother's name with no intention to deceive anybody does not mean that such likelihood has not been created. It was then said that the defendants are using in addition to letters "B.K." to distinguish their product from the plaintiffs' product. This is merely "garnishing", as the expression goes, merely altering the name by the addition of 81. Even the altered name is likely to mislead. The defendants product will deceive people into thinking that their goods .are the goods of the plaintiffs. The setting of the law of passing'-off is competition between traders. There is a real risk of injury to the reputation of the plaintiffs if the defendants are not prevented from selling cycle bells under the name "B.K.-81". This is a misappropriation of plaintiffs' name. "B.K.-81" is strongly suggestive of association with the plaintiffs, or some license or endorsement from them. This is called "misappropriation of business reputation.” (emphasis supplied)

31. The defendant no.1 in its written statement claims that the word RATHI is a common word and that the name was adopted by them because the great grandfather of the promoter/director of the defendant no.1 was a resident of Rathi Vas village in Haryana. However no evidence has been placed on record to prove the said contention. Further, applying the ratio in the *Greaves Cotton Case* (supra), the defendants' use of the word 'GOLDEN' before the mark of the plaintiff 'RATHI' does not entitle them to use the impugned mark. The plaintiff's mark 'RATHI' is the essential part of their registered trademark and has been in use since the year 1975 as established in Issues No. 1 and 2. Further, it is also seen from the newspaper clippings of the advertisements of the plaintiff's products placed on record, that they sell the products under the trademark 'RATHI' along with suffixes like 'TOR' and 'THERMEX' thus bearing the marks 'RATHI TOR' and 'RATHI THERMEX'. Furthermore, it is stated by defendant no.2 in its written statement that the plaintiffs are also selling their products under the names 'RATHI EUROTEM' and 'RATHI PRAGATI'. Therefore it is clear to me that the word 'RATHI' forms an essential part of the plaintiff's trademark and thus, the defendants do not have the right to use the said word with any suffixes or prefixes. Issue No.7 is decided in favour of the plaintiff.

32. I will now proceed to decide Issues No. 3 and 4. The position of law on infringement and passing off is pithily summarised in the case

of *Kaviraj Pandit Durga Dutt Sharma v. Navratna Pharmaceutical Laboratories*, AIR 1965 SC 980. The Apex Court observed:

“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. No doubt, 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 the sense that what would be a colourable limitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must, no doubt, make out that use of the defendant's mark is likely to deceive, but were the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an limitation [sic: imitation], no further evidence is required to establish that the plaintiff's rights are violated.... [I]f the essential features of the 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 packs in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial.” (emphasis supplied).

33. In the instant case, the defendant no.1 has adopted the impugned mark with the prefix “GOLDEN”. However, upon closer inspection of the defendant no.1’s products, it is seen that their steel bars contain the terms “GOLDEN” and “RATHI” in separate portions of the steel bar in such a manner that the two cannot be seen together, unless one slightly

rotates the bar to reveal the other word. Further, since the bars contain multiple prints of the words “GOLDEN” and “RATHI”, it appears to me that the customers cannot decipher whether the name of the product is “GOLDEN RATHI” or “RATHI GOLDEN”. Thus it is clear to me that the registered mark of the plaintiff and the impugned mark are both visually and phonetically similar. In either case, the purchasing customer, in all likelihood, can be led to believe that the steel bars of the defendant belong to the plaintiffs since both the parties are engaged in similar businesses. Moreover, since the plaintiffs are also using the term RATHI with different prefixes and suffixes, the customers can be misled to believe that the defendant’s steel bar is a variant of the plaintiff’s product, presumably of better quality, since it contains the term “GOLDEN”.

34. With regard to the use of the mark ‘RATHI’ in the corporate name of the defendant no.1, it is pertinent to note the observation of the Supreme Court in the case of ***Mahendra & Mahendra Paper Mills Ltd. vs. Mahindra & Mahindra Ltd.*** In this case, the Apex Court was faced with the question as to whether the use of the appellants mark ‘MAHENDRA’ as a part of its corporate name constituted an act of passing off. The Apex Court held as under:

“People have come to associate the name 'Mahindra' with a certain standard of goods and services. Any attempt by another person to use the name in business and trade circles is likely to and in probability will create an impression of a connection with the plaintiffs' group of companies. Such user may also effect the

plaintiff prejudicially in its business and trading activities.”
(emphasis supplied)

Furthermore, Section 29 (5) of the Trade Marks Act, 1999 clearly stipulates that:

“(5) A registered trade mark is infringed by a person if he uses such registered trademark, 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.”

35. Thus I find that the use of the said mark “GOLDEN RATHI” by the defendants constitutes acts of infringement and passing off. Issues no.3 and 4 are decided in favour of the plaintiff.

Issues No. 5, 6, and 8:

36. The plaintiffs have contended that they have suffered an estimated loss of close to Rs. 21 lakhs, but the exact amount of pecuniary harm can only be ascertained upon rendition of accounts of profit of defendant no.1. In any event, the in accordance with Section 135 of the Act, the plaintiff is either entitled to a relief of damages or an account of profits. Since the plaintiffs have not prayed for damages, and have not led any evidence to substantiate their claim of 21lakhs in pecuniary harm, the plaintiff is only entitled to an Order on rendition of accounts and delivery up of the impugned products and labels. The relief is as hereunder.

Relief:

37. I find that the use of the impugned trade mark, “GOLDEN RATHI” by defendant no. 1 constitutes an infringement of the plaintiff’s registered trade mark, “RATHI”. Defendant no.1’s adoption of the impugned trade mark also amounts to passing off his products as that of the plaintiffs. I hereby grant a permanent injunction in favour of the plaintiffs, restraining the defendant no.1, or any other person acting on their behalf, from manufacturing, marketing and selling Cold Twisted Bars or similar goods under the mark “RATHI” and/or “GOLDEN RATHI” and/or any other mark with any suffix or prefix added thereto. Defendant no.1 is also prohibited from using the impugned mark either singularly or in conjunction with any other prefix or suffix as its corporate name. Defendant no.1 is also directed to render accounts of the profits earned by it through the use of the impugned trade mark. Further, the defendant no.1 is directed to hand over all the goods carrying the impugned trade mark, along with all moulds, dies, trade literature, publicity materials etc. As noted in Order dated April 3, 2013, nothing survives against defendant no.2 based on its undertaking to stop trading in the goods carrying the infringing trade mark. Decree be drawn accordingly.

M.L. MEHTA, J.

SEPTEMBER 13, 2013

kk/rmm