

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

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Judgment delivered on: 06.01.2023

+ **FAO(OS) (COMM) 172/2022 & CM APPL. 30278/2022**

**RAMAN KWATRA & ANR.**

..... Appellants

versus

**M/S. KEI INDUSTRIES LIMITED**

..... Respondent

**Advocates who appeared in this case:**

For the Appellants : Mr. Jayant Mehta, Sr. Adv. with Mr. Sanjeev Singh, Mr. Prerak Khurana & Mr. Akash Chatterjee, Advs.

For the Respondent : Mr. C.M. Lall, Sr. Adv. with Mr. Pallav Palit, Ms. Shreya Bhojnagarwala & Ms. Ananya Chugg, Advs.

**CORAM**

**HON'BLE MR JUSTICE VIBHU BAKHRU**

**HON'BLE MR JUSTICE AMIT MAHAJAN**

**JUDGMENT**

**VIBHU BAKHRU, J**

1. The appellant has filed the present intra-court appeal, impugning the order dated 17.05.2022 (hereafter '**the impugned order**') passed by the learned Single Judge, whereby the respondent's (plaintiff's) application under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 was allowed and the appellant was restrained from



using the “” mark (hereafter ‘**the impugned trademark**’) or any other marks deceptively similar to the registered trademarks of the respondent in relation to electrical goods or instruments, including electrical fans, room coolers, geysers, electric heating apparatus etc., or any allied or similar goods, pending disposal of the appeal.

### **Factual Context**

2. Appellant no.1 is the sole proprietor of appellant no. 2 and is engaged in the business of manufacturing electrical fans and other appliances (hereafter ‘**the appellant**’).

3. KEI Industries Limited (hereafter ‘**the respondent**’) is engaged in the business of manufacturing, marketing and sale of wires and cables. The respondent claims that the said business commenced in the year 1968. The respondent filed the present suit [being **CS(COMM) 9/2021**] alleging infringement of its registered word mark “KEI”, the

device mark “” (hereafter ‘**the device mark**’) and other formative marks. The mark “KEI” is derived from the initials of the respondent’s trade name i.e. (K)rishna (E)lectrical (I)ndustries.

4. The respondent claims that the trademark/trade name “KEI” has been in use continuously since the year 1968. The business was commenced by a partnership firm, which was subsequently incorporated into a public limited company on 31.12.1992.

5. The respondent claims that the device mark was conceptualized and adopted in the year 2007 and was registered in Classes 6 and 9 on 14.06.2007 and 29.06.2007, respectively. The respondent also obtained the registration of the device mark in the allied Classes 16, 35, 37 and 42.

6. The respondent claims that around the month of September, 2017, while conducting a routine check of the records of the Registry of Trade Marks it came across the appellant's application for the impugned trademark under the Classes 07, 11 and 35. The respondent claims that on further inspection, it found that the appellant was engaged in the sale of electrical goods and appliances. Thereafter, the respondent issued a cease and desist notice dated 31.10.2017 to the appellant, *inter alia*, calling upon the appellant to cease and desist from using the impugned trademark. The appellant responded by a letter dated 27.11.2017, disputing the allegations of passing of and infringement of the respondent's trademarks.

7. Thereafter, the respondent has also opposed the appellant's applications before the Registry of Trade Marks.

8. In view of the disputes between the parties with respect to the impugned trademark, the respondent filed the instant suit, *inter alia*, seeking a permanent injunction against the appellant, as the appellant had failed to discontinue the use of the impugned trademark.

9. Before the learned Single Judge, the respondent contended that the mark “KEI” has, with the passage of time, become a source identifier of the goods and services of the business carried on by the respondents. It further contended that the letters ‘KEI’ are the most prominent, essential and striking part of the respondent’s trademark. The respondent claims that it is inevitable that a person who comes across the appellant’s mark would be deceived into believing that the respondent is the source of the said goods.

10. The respondent further stated that the confusion and deception caused by the adoption of the mark “KEI” by the appellant would be aggravated by the fact that the appellant is using the impugned trademark and the mark “KEI” in relation to electrical goods, which – according to the respondent – is the same line of business as that of the respondent. The respondent alleged that the appellant is overtly and illegally trying to capitalize and ride on the coat-tails and goodwill of the respondent’s popular ‘KEI’ brand so as to deceive the consumers in the marketplace to buy their products under the misconception that they are buying the goods of the respondent. The respondent claimed that the dilution of goodwill and reputation of the respondent’s mark is imminent if the appellant is allowed to continue their use of the letters ‘KEI’ and the impugned trademark



11. The appellant states that the trademark/label “ **KWALITY** ” (hereafter ‘**Kwality Label**’) was adopted in a *bona fide* manner in the year 1966. The aforementioned label and trade name was then used in relation to electrical fans, room-coolers, geysers, electrical-heating apparatus, electrical irons, electrical kettles, electric rods, testers and other electrical accessories and appliances.

12. Late Shri Om Prakash Kwatra, father of the appellant, obtained registration of the Kwality Label under Classes 9 and 11 (bearing registration numbers 754688 and 754690, respectively) with a disclaimer in respect of the words ‘KWALITY’ and ‘INDIA’.

13. The appellant states that in the year 2008, the impugned trademark was conceived and has been in use since then. The impugned trademark contains the same three initials ‘KEI’ in the font and style as used in the Kwality Label.

14. The appellant filed trademark applications for the impugned trademark on 11.05.2016, which were opposed. Hence, it has not been registered as yet. The appellant claims that his rights in respect of the impugned trademark arises from use of the Kwality Label since 1966 and he is entitled to use the letters ‘KEI’ (in the same font and style) as used in the Kwality Label.

**Impugned Order**

15. The learned Single Judge noted that the controversy in the suit related to four trademarks – the word mark “KEI”, the device mark, the Kquality Label and the impugned trademark. Whilst, the word mark “KEI” and the device mark are registered in favour of the respondent; the impugned trademark is not a registered trademark. The Kquality Label, which, the appellant claims was used by him and his predecessors, is a registered trademark but the appellant is not the proprietor of that mark; the appellant’s brother, Mr. Rakesh Kwatra, is the registered proprietor of the Kquality Label.

16. The learned Single Judge considered the rival contentions and found that, *prima facie*, the use of the impugned trademark infringes the respondent’s word mark “KEI” and the device mark and therefore, the respondent is entitled to an order restraining the appellant from using the impugned trademark. The learned Single Judge reached the aforesaid conclusion on the basis that the goods in respect of which the appellant was using the impugned trademark – electric fan, geyser and water immersion rods – were allied and similar to the goods in respect of which the respondent’s trademarks were registered. Thus, the court concluded that the respondent has successfully set up a *prima facie* case for infringement of the registered word mark “KEI” and the device mark.

17. Next, the learned Single Judge found that the appellant had no right to use the Kwalitiy Label as the same had been bequeathed by the appellant's father to the appellant's brother; therefore, the appellant could neither claim any proprietary right in the said trademark nor any benefit of its use in the past. The court also rejected the appellant's defence of being an honest and concurrent user. The Court held that an honest and concurrent user was not statutorily recognized as a ground for denying relief to a plaintiff whose registered trademark is infringed.

18. The appellant had also referred to the respondent's response to the Registry of Trade Marks on being confronted with the appellant's trademark. It was contended by the appellant that since the respondent had claimed, in the said proceedings, that there was no ground of confusion, the respondent was estopped from contending to the contrary. The learned Single Judge rejected the said contention on the strength of the decision of this Court in *Telecare Networks India Pvt. Ltd. v. Asus Technology Pvt. Ltd.*: (2019) 262 DLT 101. In that case the court had held that there is no estoppel against the statute and the stand taken by the plaintiff in that case, in reply to an examination report, was not relevant.

### **Submissions**

19. Mr. Jayant Mehta, the learned senior counsel for the appellant has assailed the impugned judgment on several grounds. First, he submitted that the learned Single Judge had erred in proceeding on the basis that the impugned trademark is not registered. He contended that the

appellant had applied for and was granted the registration of the



trademark “  ” (Registration No.4639094) in Class 11 (in respect of Fans, coolers, geyser, heating elements, immersion rods, LED lights, torches, apparatus for lighting, heating, cooling, cooking, ventilation and its spare parts and accessories). The appellant had filed an application seeking amendment of the written statement, to place on record the relevant facts and documents relating to the registration of the said trademark (hereafter ‘**the Pedestal Fan Label**’) and the



application for registration of the label mark, “  ”. He contended that since the impugned order does not consider the appellant’s registered trade mark, the impugned order is liable to be set aside.

20. Second, he contended that the learned Single Judge had grossly erred in finding that the goods, in respect of which the plaintiff’s / respondent’s trademarks were registered, were similar to the goods covered under the impugned trademark or the Pedestal Fan Label.

21. Third, he submitted that the learned Single Judge had failed to consider that the trademark ‘Kwality Label’ was adopted by the appellant’s father in relation to electric fans, room coolers, geysers and electric heating apparatus etc. in the year 1966. The said mark was used

continuously by the appellant's father till 1998. The appellant's father applied for registration of the device trademark 'Kwality Label' on 04.04.1997 and the same was registered in Class 11 (Registration No.754690). The appellant's father had inducted the appellant and his brother, Mr. Rakesh Kwatra, as partners to run the business in partnership with effect from 01.04.1998. The business of the said firm had devolved on the appellant and he has been running the said business as a sole proprietorship since. As far as the trademark 'Kwality Label' is concerned, the same is registered in favour of appellant's brother, Mr. Rakesh Kwatra. However, the fact that the trademark 'Kwality Label' was used in respect of the business, which devolved on the appellant, clearly indicates that the appellant had coined the impugned trademark by adopting the letters 'KEI' in the same font and style as included in the trademark 'Kwality Label'.

22. Fourth, he submitted that the learned Single Judge had erred in rejecting the contention that the respondent was estopped from claiming that the impugned trademark is deceptively similar to its trademarks after having obtained the registration of the said trademarks on the premise that the two marks were dissimilar.

23. Lastly, he contended that the learned Single Judge had erred in concluding that the defence of honest and concurrent user was not available.

24. Mr. Lall, learned senior counsel appearing for the respondent, countered the aforesaid submissions. He contended that although the

respondent was not manufacturing fans or other electrical appliances, there was scope for the respondent to expand its portfolio of products in the future and its registered trademark also covered such appliances. He pointed out that the device mark also covers various goods other than electrical wires and cables as it also includes other kinds of ‘electrical and electronic instruments’.

25. He earnestly contended that the defence of honest and concurrent user, was not available. He referred to the decisions of the Supreme Court in *Power Control Appliances v. Sumeet Machines (P) Ltd.:* (1994) 2 SCC 448 and in *Laxmikant Patel v. Chetanbhai Shah:* (2002) 3 SCC 65; the decisions of the Bombay High Court in *Cadila Pharmaceuticals Ltd. v. Sami Khatib of Mumbai:* 2011 SCC OnLine Bom 484, *Kalpataru Properties Pvt. Ltd. v. Kalpataru Buildtech Corp. Ltd.:* 2015 SCC OnLine Bom 5817 and the decisions of this Court in *Inder Industries v. GEMCO Electrical Industries:* 2012 SCC OnLine Del 2416, *Metro Playing Card Co. v. Wazir Chand Kapoor:* 1972 SCC OnLine Del 325, *Ansul Industries v. Shiva Tabaco Company:* 2007 SCC OnLine Del 74, *Radico Khaitan Ltd. v. Brima Sagar Maharashtra Distilleries Ltd.:* 2014 SCC OnLine Del 2036, *Hindustan Pencils Pvt. Ltd. v. India Stationary Products Co.:* 1989 SCC OnLine Del 34 and *S. Oliver Bernd Freier GmbH & Co. v. Jaikara Apparels:* 2014 SCC OnLine Del 2686.

### **Reasons & Conclusions**

26. At the outset, it is relevant to note that the impugned judgment is premised on the basis that the respondent is a registered proprietor of the word mark “KEI”, the device mark and other formative marks using the letters ‘KEI’, and the appellant’s goods are allied and cognate to the goods covered under those marks.

27. As noted above, the appellant has seriously contested the aforesaid finding. Admittedly, the respondent is not engaged in the business of manufacturing or dealing in electrical appliances. The respondent is engaged in the business of manufacturing and marketing power cables and various other kinds of cables including flexible-house wires and stainless-steel wires. The respondent has described its business activities in paragraph no. 6 of the plaint. The same reads as under:

“6. The Plaintiff Company is presently engaged in the business of manufacturing and marketing of power cables – Low Tension (LT), High Tension (HT) and Extra High Voltage (EHV), control and instrumentation cables, specialty cables, elastomeric cable, rubber cables, submersible cables, flexible and house wires, winding wires and stainless steel wires that address the cabling requirements of a wide spectrum of sectors such as power, oil refineries, railways, automobiles, cement, steel, fertilizers, textile and real estate, amongst others. The Plaintiff Company is among the first company in India having manufacturing capabilities up to 400 KV. The

Plaintiff Company has also ventured into the Engineering, Procurement and Construction (“EPC”) space by bagging several orders / contracts for survey, supply of materials, design, erection, testing & commissioning on a turnkey basis.”

28. The respondent claims that its marks are registered in various Classes. The respondent is a registered proprietor of the word mark “KEI”, which is registered in Class 9 for the goods described as “Wires and Cables (Electric and telecommunication)”. Clearly, the said registration does not cover electrical appliances. The device mark is registered in Class 6 in respect of goods described as “Stainless Steel Wires included in Class-6”. The device mark is also registered in Class 9 and the details of the goods and services covered under the said registration are set out below:

“ELECTRICAL WIRES & CABLES (VIZ. POWER CABLE, CONTROL CABLE, INSTRUMENTATION CABLE, RUBBER CABLE, WINDING, FLEXIBLE & HOUSE WIRE), ELECTRICAL SWITCHGEARS, CONTROL PANELS, CIRCUIT BREAKERS, TRANSFORMERS, AMPLIFIERS, ELECTRIC AND ELECTROMAGNETIC AND MECHANICAL RELAYS, SWITCHES, FUSES OF ALL KINDS AND OTHER KINDS OF ELECTRICAL AND ELECTRONIC INSTRUMENTS”.

29. The respondent is also the proprietor of other label marks including the letters ‘KEI’ in the style and font as the device mark, in Class 6 and Class 9. The respondent has also obtained the registration of the word mark “KEI” in Class 35 in respect of the following goods and services:

“Advertisement, promotion and marketing of services relating to integrated design, engineering, material procurement, field services, construction, cable laying, project monitoring and project management services, Wholesale, Retail, export, Advertising, Distribution, Marketing, Sales Promotion services related to metal, wires and cables including Extra High Voltage Cables, High Tension Cables, Low Tension Cables, Control Cables, Instrumentation Cables, Thermocouple Extension, Rubber Cables, House Wires, Single / Multicore Flexible Wires, Winding Wires, Stainless Steel Wires, Marine & Offshore Cables, Solar Cables, Advertising and marketing of the aforesaid goods and services.”

30. It is apparent from the above that none of the trademarks cover electric appliances such as fans, geysers, immersion rods etc. These appliances are household appliances used for specific purposes.

31. The learned Single Judge had proceeded on the basis that the appellant was using the impugned trademark in respect of goods, which are similar to the goods in respect of which the respondent’s word mark “KEI” and the device mark are registered.

32. Section 29(4) of the Trade Marks Act, 1999 (hereafter ‘**the TM Act**’) provides that a registered trademark 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 that is identical or similar to the registered mark in respect of goods that are not similar, if the following conditions – as set out in section 29(4)(c) – are met: *“the registered trade mark has a reputation in India and the use of the mark is without*

*due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trade mark.”.*

33. The appellant contended before the learned Single Judge that the conditions, as set out under Section 29(4)(c) of the TM Act, were not established and therefore, the use of the impugned mark did not infringe the registered trademarks of the respondent. The learned Single Judge rejected the said contention by reasoning that Section 29(4) of the TM Act was not applicable because all goods in respect of which the impugned mark was used were similar to the goods covered under the respondent’s registered trademarks. Paragraph nos. 38, 39 and 40 of the impugned judgment, which sets out the aforesaid reasoning, reads as under:

“38. Section 29(4) does not come in for application in the present case at all, inasmuch as it relates to cases in which the allegedly infringing mark is used in relation to goods or services which are not similar to those for which the trademark is registered. In the present case, the goods in respect of which the

defendants are using the impugned  are, *prima facie*, similar to the goods in respect of which

the plaintiff’s “KEI” word mark and  device mark are registered, as the registration held by the plaintiff covers, apart from the specific items referred to in the registration, also “other kinds of electrical and electronic instruemnts”. If one were to construe the expression “other kinds of electrical and electronic instruments” *ejusdem generis* to the words

which precede the said expression in registration certificates issued to the plaintiff, the electrical and electronic instruments which would be covered by the said expression would be analogous to electrical wires and cables, electrical switch gears, control panels, circuit breakers, transformers, amplifiers, switches and fuses of all kinds.

39. In my prima facie opinion, electrical fans, geysers and water immersion rods, in respect of

which defendants are using the impugned  are allied and similar to the goods in respect of which the plaintiff's word mark and device mark are registered. They, therefore, fall within the ambit of the expression "other kinds of electrical and electronic instruments" as contained in the registration granted to the plaintiff of its 'KEI' word

mark and  device mark, and are, even otherwise, "similar goods" within the meaning of Section 29(2) of the Trademarks Act.

40. Insofar as similarity between  and the plaintiff's registered marks are concerned, the aspect of infringement is self apparent. The plaintiff holds a valid and subsisting word mark registration for the word 'KEI', in respect of electric wires and cables. Any use, by any other party, of the acronym 'KEI', in respect of identical or similar goods would amount to infringement. The use, by the defendants,

of the impugned  mark, in respect of

electric fans, electric water heaters, immersion water heaters etc. is, therefore, prima facie infringing of the plaintiff's registered work mark 'KEI' word mark

and  device mark, within the meaning of Section 29(2) of the Trademarks Act."

34. It is apparent from the above that the learned Single Judge was of the view that the words "*other kinds of electrical and electronic instruments*" which were covered by the registered device mark would cover the goods manufactured and dealt with by the appellant being pedestal fans, geysers, immersion rods and grills etc. The learned Single Judge applied the rule of *ejusdem generis* in concluding as above.

35. First of all, it is important to note that the respondent's registered word mark does not cover "*other kinds of electrical and electronic instruments*". As noticed above, the said word mark "KEI" is registered in Class 9 in respect of "Wires and Cables (Electric and telecommunication)". It is also registered in Class 35 in relation to certain services as noted above. Thus, the conclusion that the goods dealt with by the appellant were covered under the word mark "KEI" is, *ex facie*, erroneous.

36. Secondly, we are also of the view that the learned Single Judge fell in an error in concluding that the words '*other kinds of electrical and electronic instruments*' would cover goods such as household electrical appliances by applying the rule of *ejusdem generis*.

37. The rule of *ejusdem generis* is applicable where the words pertaining to a particular class or genus are followed by general words. By applying the rule of *ejusdem generis*, the general words are construed to be limited to the class of goods as specified. In ***Amar Chandra Chakraborty v. Collector of Excise, Government of Tripura & Ors.: (1972) 2 SCC 442***, the Supreme Court had explained the said rule of interpretation as under:

“9. The doctrine of *ejusdem generis* applies when (i) the statute contains an enumeration of specific words; (ii) the subjects of the enumeration constitute a class or category; (iii) that class or category is not exhausted by the enumeration; (iv) the general term follows the enumeration and (v) there is no indication of a different legislative intent.”

38. In ***Attorney-General v. Brown: (1920) 1 K.B. 773***, the Court had applied the said rule in considering the words “*or any other goods*” as used in Section 43 of the Customs (Consolidation) Act, 1876 to partake the character of goods preceding the same.

39. The rule of *noscitur a sociis* is used for interpreting general words by referring to other terms associated with it. As explained by the Supreme Court in ***State of Bombay v. Hospital Mazdoor Sabha: AIR 1960 SC 610***, the said rule is broader than the rule of *ejusdem generis*. In ***Rohit Pulp and Paper Mills Ltd. v. CCE: (1990) 3 SCC 447***, the Supreme Court had explained the said canon of statutory interpretation in the following words:

"This rule, according to Maxwell, means that, when two or more words which are susceptible of analogous meaning are coupled together they are understood to be used in their cognate sense. They take as it were their colour from each other, that is, the more general is restricted to a sense analogous to a less general. The same rule is thus interpreted in "*Words and Phrases*" (Vo. XIV, p. 207): "Associated words take their meaning from one another under the doctrine of *noscitur a sociis*, the philosophy of which is that the meaning of a doubtful word may be ascertained by reference to the meaning of words associated with it; such doctrine is broader than the maxim *Ejusdem Generis*". In fact the latter maxim "is only an illustration or specific application of the broader maxim *noscitur a sociis*". The argument is that certain essential features or attributes are invariably associated with the words "business and trade" as understood in the popular and conventional sense, and it is the colour of these attributes which is taken by the other words used in the definition though their normal import may be much wider. We are not impressed by this argument. It must be borne in mind that *noscitur a sociis* is merely a rule of construction and it cannot prevail in cases where it is clear that the wider words have been deliberately used in order to make the scope of the defined word correspondingly wider. It is only where the intention of the legislature in associating wider words with words of narrower significance is doubtful, or otherwise not clear that the present rule of construction can be usefully applied. It can also be applied where the meaning of the words of wider import is doubtful; but, where the object of the legislature in using wider words is clear and free of ambiguity, the rule of construction in question cannot be pressed into service."

40. Although, the learned Single Judge had applied the rule of *ejusdem generis*, the Court fell in error in not restricting the words “*other kinds of electrical and electronic instruments*” to cover goods of a similar character as that of the goods specified preceding the said words. The goods covered under the device mark are goods, which relate to conduction and manipulation of electricity. The electrical wires and cables (power cables, control cables, instrumentation cables, rubber cables, winding wires, flexible, and house wires) are wires which are used for conduction of energy and / or control of such flow. Electrical switch gears, control panel, circuit breakers are also devices for interruption and control of electricity. Transformers and amplifiers are devices used for manipulating the flow of electrical energy. Electric and electromagnetic mechanical relays, switches, and fuses are also devices used in relation to flow of electricity. In this view, the words “*other kinds of electrical and electronic instruments*” would necessarily require to be interpreted in a restrictive sense and confined to electrical and electronic instruments that are similar in their character as of the preceding specified goods. Thus, such electrical and electronic instruments would necessarily mean instruments for control, interruption and manipulation of flow of electric energy. Such words could not be read expansively to cover all electrical appliances. Such expansive interpretation would militate against the rule of *ejusdem generis*

41. It is apparent that if the words “*other kinds of electrical and electronic instruments*” are read in an expansive manner, as interpreted

by the learned Single Judge, the same would cover all other electrical appliances as well such as televisions, computers, electrical time pieces etc. Plainly, such interpretation would be contrary to the rule of *ejusdem generis* and *noscitur a sociis*. Thus, although the learned Single Judge had rightly held that the goods covered under electrical and electronic instruments must be read *ejusdem generis*, he has erred in concluding quite the opposite.

42. In view of the above, we are unable to accept that the respondent's registered trademarks cover the goods, which are similar to the goods, in respect of which, the appellant uses the impugned mark. Thus, the impugned judgment, to the extent it holds that the respondent's impugned trademarks are infringed in terms of Section 29(2) of the TM Act, is unsustainable.

43. We also find merit in the appellant's contention that a party, that has obtained the registration of a trademark on the basis of certain representation and assertions made before the Trade Marks Registry, would be disentitled for any equitable relief by pleading to the contrary. The learned Single Judge had referred to the decision in the case of ***Telecare Networks India Pvt. Ltd. v. Asus Technology Pvt. Ltd.*** (*supra*) holding that after grant of registration neither the Examination Report nor the plaintiff's reply would be relevant. We are unable to agree with the said view. In that case, the Court had also reasoned that that there is no estoppel against statute. Clearly, there is no cavil with the said proposition; however, the said principle has no application in the facts of the present case. A party that has made an assertion that its

mark is dissimilar to a cited mark and obtains a registration on the basis of that assertion, is not to be entitled to obtain an interim injunction against the proprietor of the cited mark, on the ground that the mark is deceptively similar. It is settled law that a person is not permitted to approbate and reprobate. A party making contrary assertions is not entitled to any equitable relief.

44. The respondent had applied for the word mark “KEI” in Class 11 (Application No.3693719). The Trade Marks Registry had cited three marks in its Examination Report including the impugned trademark (Application No.3256919). In its response to the Examination Report, the respondent had, *inter alia*, stated “.....the services of the Applicant are different to that of the cited marks and therefore, there is not any likelihood of confusion....” Clearly, in view of the aforesaid statement, it would not be open for the respondent to contend to the contrary in these proceedings.

45. Mr. Lall had contended that the aforesaid statement was not contrary to the stand in the suit. He submitted that a meaningful reading of the respondent’s response to the Trade Marks Registry would indicate that the respondent’s stand was that there was no likelihood of confusion since it was well-known that the word mark “KEI” was associated with the respondent’s goods. Given the unambiguous statement as quoted above, the said contention is unsubstantial. There is a clear assertion made by the respondent that its services are different to that of the cited marks. It is not open for the respondent to now claim

that appellant's goods covered under the impugned trademark are similar to its goods and services.

46. Mr. Lall also submitted that the respondent had reserved its right to take the appropriate legal remedies and its response to the Trade Mark Registry was without prejudice to its rights and contentions. Undoubtedly, the respondent had reserved its right to avail of appropriate remedies in respect of the impugned trademark, however, reserving a right to avail of other remedies would not include the right to make a contrary assertion. A party approaching the Trade Marks Registry must be held to its statements made before the Trade Marks Registry and cannot be permitted to make a factual assertion contrary to what it claims before the Trade Marks Registry. For this reason, as well, it was not permissible for the respondent to claim that the goods covered under its trademarks were similar to those of the appellant.

47. We also find merit in the appellant's contention that the learned Single Judge has erred in not considering that the appellant's trademark, the Pedestal Fan Label, which also incorporates the impugned trade mark, is registered in Class 11. The learned Single Judge has proceeded on the basis that none of the trademarks used by the appellant are registered trademarks.

48. The learned Single Judge had found that the appellant did not have any right to use the Kquality Label as the appellant's brother is a registered proprietor of the said label. It is material to note that it was the appellant's case that Kquality Label was used in the past in respect

of the business that was initially commenced by his father; subsequently carried on jointly in partnership; and solely by him after the demise of his father. The appellant had, thus, explained the reason for using the impugned trademark. It was also pointed out that the impugned trademark uses the letters 'KEI' in the same font and style as the letters used as a part of the Kquality Label. The appellant's contention regarding use of the letters 'KEI' must be understood in the context of the appellant's claim that its use was honest and not to ride on the goodwill of the respondent's mark. The issue whether the exclusive right to use the Kquality Label vested with the appellant's brother after the demise of their father is not the subject matter of the suit. Thus, it is necessary to clarify that the observations made by the learned Single Judge, regarding the appellant's right in respect of the Kquality Label, must be construed as limited to examining the respondent's prayer for interim relief.

49. The appellant had also raised a defence of honest and concurrent user. It is contended on behalf of the appellant that, in the given facts and circumstances of the case, it is entitled to use the impugned trademark and the Kquality Label, which includes the letters 'KEI' and have been concurrently used by the appellant (and/or the predecessor) as well as the respondent for several decades. The appellant had reasoned that by virtue of concurrent and honest use, the respondent could not claim an exclusive right to use the initials 'KEI'. The appellant is also be entitled to use the same. The learned Single Judge had held that the defence of honest and concurrent user is not available

under the TM Act and had referred to the decision of the Supreme Court in *Power Control Appliances vs Sumeet Machines Pvt. Ltd* (*supra*). It was noted that the said decision was rendered in the context of the infringement of copyrights. In that case, the Supreme Court had observed the plea of “*honest and concurrent user, as stated in Section 12(3) of 1958, Act for securing concurrent registration is not a valid defence for the infringement of copyrights*”. The learned Single Judge was of the view that the said principle would also be applicable in cases of infringement of trademarks under the TM Act as well. Section 12 of the TM Act contemplates registration of identical or similar trademarks in favour of more than one proprietor in respect of the similar goods and services in cases of honest and concurrent use and other special circumstances. *Prima facie*, it would follow that where special circumstances exist that warrant grant of registration of identical or similar trademarks in respect of similar goods and services, the person claiming entitlement to such registration may also be entitled to resist a restraining order for use of such trademark. However, in view of the finding that the appellant’s goods – ceiling fans, mini ceiling fans, wall fans, water geyser and commercial rods etc – are not covered under the respondent’s registered trademark, it is not necessary for this Court to examine the question whether any defence of honest and concurrent user, which entitles a proprietor of a trademark for registration under Section 12 of the TM Act, is available to the appellant.

50. In view of the above, we are of the view that the impugned order is liable to be set aside.

51. Mr. Lall contended that the respondent's case for infringement of its registered trademark was mainly under Section 29(4) of the TM Act and not under Section 29(1) & 29(2) of the TM Act. He contended that the respondent's case for infringement under Section 29(4) of the TM Act be considered by this Court. We do not consider it apposite to do so as it does not appear that any such contention was advanced before the learned Single Judge. However, since a reading of the plaint does indicate that the respondent had also made averments relevant for setting up of a case of infringement of its trademarks under Section 29(4) of the TM Act, we consider it apposite to set aside the impugned order and remand the matter to the learned Single Judge to, *prima facie*, examine the respondent's claim for infringement of its trademarks under Section 29(4) of the TM Act. It is so directed.

52. The appeal is disposed of in the aforesaid terms.

53. The parties are left to bear their own costs.

**VIBHU BAKHRU, J**

**AMIT MAHAJAN, J**

**JANUARY 06, 2023**

**'gsr/Ch'**