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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

**NOTICE OF MOTION NO. 268 OF 2014
IN
SUIT NO.127 OF 2014**

Kalpataru Properties Pvt. Ltd.	...Applicant/Plaintiff
VS	
Kalpataru Buildtech Corp. Ltd. & Ors.	...Defendants

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Dr. V.V.Tulzapurkar Sr. Counsel with Mr Amit Jamsandekar i/b V.A.Associatess
for the Plaintiffs.

Dr Ashwani Kumar, Sr. Counsel a/w Ms Laxmi Jenkins i/b Juris Consultas for
Defendant Nos.1,2,7 and 9.

**CORAM : S.C. GUPTE, J.
ORDER RESERVED ON : 20/01/2015
ORDER PRNOUNCED ON : 09/06/2015**

JUDGMENT :

This Motion is for an interlocutory injunction in a trade mark infringement and passing off action. This Court has already granted leave to the Plaintiff under Clause XIV of the Letters Patent to combine the two causes of action.

2 The Plaintiff, Kalpataru Properties Pvt. Ltd., carries on business as builders and developers. The Plaintiff was established in the year 1975 in the name of Kalpataru Construction Pvt. Ltd. The name was first changed in 1982 to Kalpataru Construction Overseas Pvt. Ltd. and later in 2006 to its present name. The word 'Kalpataru' throughout remained the integral part of its corporate name.

The Plaintiff claims to be a flagship company of Kalpataru Group of Companies, which carry on diverse activities including property development and management, infrastructure projects, warehousing, logistics, etc. The Plaintiff has allowed the various group companies and entities to use the word 'Kalpataru' as part of their corporate or trading names. The Plaintiff has been using the trade mark consisting of a device of a tree and the word 'Kalpa-taru' written in a stylized manner since 1977. The Plaintiff holds a registration for marks (i) 'Kalpa-taru' written in a stylized manner and (ii) 'Kalpa-taru' so written with the device of a tree in Class 16 for paper and paperboard, cardboard articles, printed matter, etc. as of 14 July 2003 and also in Class 19 for building and road making materials for use in civil engineering since 14 July 2003, and in Class 36 in respect of insurance and real estate affairs included therein and Class 37 in respect of building construction, repairs, installation services since 21 January 2004 and also as a word mark 'Kalpataru' in Class 37 in respect of building construction, etc. since 25 October 2011. Besides these marks, the Plaintiff also holds registrations of the mark 'Kalpataru' (Label) in black and white as well as colour and is also an applicant of the word mark 'Kalpataru' under various other Classes. The mark has been extensively advertised and has come to be associated with the Plaintiff and its group companies. The mark 'Kalpataru' is also included in a list of well known trademarks maintained by the Registrar of Trade Marks.

3 It is the grievance of the Plaintiff that in or about May 2003, the Plaintiff received several inquiries about a certain project at Agra – Mathura Highway in Uttar Pradesh. Upon inquiries, the Plaintiff learnt that this was a housing project undertaken by the Defendants with the use of the Plaintiff's

business name and registered trade mark 'Kalpataru' or a mark deceptively similar thereto. It is the Plaintiff's case that the members of the trade and ordinary public were misled into believing that the project belonged to a group company of the Plaintiff or was somehow connected with the Plaintiff. The Plaintiff also came across articles in print and electronic/web media about some wrongdoing on the part of, and financial complaints about, Defendant No. 1 and its directors dealing in the business name and with the use of the mark. The Plaintiff, thereupon, addressed a cease and desist notice to Defendant No. 1 and its directors, followed by a reminder. There was no response from the Defendants. It is the grievance of the Plaintiff that not only did the Defendants not desist from using the mark 'Kalptaru', but after the receipt of the cease and desist notice, made several new application for registration of the mark 'Kalptaru' in different Classes including Classes 36 and 37. (These applications are being opposed by the Plaintiff and the matters are pending before the Registry.) The Plaintiff, in the premises, has approached this Court with the present infringement and passing off suit and applied for interim reliefs by the present Motion.

4 This Court, by its order dated 9 January 2014, granted an ad-interim injunction in terms of prayer clauses (a) (I) and (II) of the Motion. There is some controversy between the parties as to whether the notice of the ad-interim application was duly served on the Defendants. The Defendants' case was that it was not and they in fact applied for vacating the ad-interim relief on that footing. The matter, however, being anyway ripe for hearing of the Notice of Motion, this Court posted the Motion for final hearing. There is a reply as well as additional reply filed by the Defendants to the Motion. To these, there are rejoinders of the

Plaintiff. After some applications for adjournment, which, a learned Single Judge of this Court felt, were in the nature of dilatory tactics, the matter was adjourned to a peremptory date with directions that no further affidavits shall be filed by the Defendants in the matter. Finally the matter reached effective hearing on 12 December 2014, was heard on a couple of dates and reserved for orders. That is how this Motion is being disposed of finally by this order.

5 The Defendants resist the interlocutory application on various grounds. It is the contention of the Defendants that the word 'Kalptaru' is a generic term with Sanskrit mythological origins and there are many traders or businessmen who use the term 'Kalptaru' in their trading or business names. Defendant No. 9 and its partners, Defendant Nos. 2 and 7, have been using the word 'Kalptaru' since about December, 1995 in connection with their trade name for doing business in various goods and services in different classes. Defendant No. 9 is also a registered proprietor of the trade mark 'Kalptaru' (written in a particular manner) in different classes, about 20 of them as set out in the Defendants' affidavit in reply. Besides, it is submitted that there is sufficient difference in the word 'Kalptaru' as registered and used by Defendant No. 9 and the word 'Kalpa-taru' or 'Kalpataru' as used by the Plaintiff to distinguish their respective goods and services. It is contended that at any rate the use by the Defendants of their mark 'Kalptaru' is bonafide and concurrent with the Plaintiff's use. It is also submitted that the Plaintiff has not only been guilty of delay and laches but suppressed facts including its having objected to earlier in 2007 of the use of the word 'Kalptaru' by the Defendants, and is disentitled to any equitable relief. Lastly, it is contended that the purpose of an interim injunction is rather

maintenance of status quo and not restoration of status quo ante especially if it results into driving the defendant out of the market.

6 Let us first take up the question of deceptive similarity between the two marks, which is anyway at the heart of any infringement or passing off action. The Defendants submit that the word 'Kalpataru' is written in a stylized manner with a hyphen between the two parts 'KALPA' and 'TARU' in the Plaintiff's mark, whereas in the Defendants' mark 'KALPTARU', the word is spelt differently and also styled differently. It is submitted that having regard to these differences, there is no likelihood of confusion or deception. It is submitted that there is no actual case of deception or confusion before the Court and in any event, any possibility of confusion or deception is a matter of trial and the Court should hold its hands as of now till this is examined at the trial.

7 In **Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories**¹, the Supreme Court has considered the question of deceptive similarity thus:

“29. When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be “in the course of trade”, the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for then the infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered (Vide S. 21). A point has sometimes been raised as to whether the

1 AIR 1965 Supreme Court 980

words “or cause confusion” introduces any element which is not already covered by the words “likely to deceive” and it has some times been answered by saying that it is merely an extension of the earlier test and does not add very materially to the concept indicated by the earlier words “likely to deceive”. But this apart, as the question arises in an action for infringement the onus would be on the plaintiff to establish that the trade mark used by the defendant in the course of trade in the goods in respect of which his mark is registered, is deceptively similar. This has necessarily to be ascertained by a comparison of the two marks – the degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standards. The persons who would be deceived are, of course, the purchasers of the goods and it is the likelihood of their being deceived that is the subject of consideration. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. The purpose of the comparison is for determining whether the essential features of the plaintiff's trade mark are to be found in that used by the defendant. The identification of the essential features of the mark is in essence a question of fact and depends on the judgment of the Court based on the evidence led before it as regards the usage of the trade. It should, however, be borne in mind that the object of the enquiry in ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar to that of the registered mark of the plaintiff.”

Thus, though the degree of resemblance between the two marks necessary to make out a case of deception or confusion is not capable of any precise definition by laying down any objective standards, the Court has to consider whether there is any phonetic, visual or structural resemblance in the marks or in the basic idea represented in them. The Court considers the essential features of the two marks and compares the two marks. In essence, it is a question of fact and depends on the judgment of the Court based on the material available before it including the usage of the trade. Finally, it is important to remember that the object of the inquiry in the ultimate analysis, as held by the Supreme Court, is: **Whether the mark used by the defendant as a whole is**

deceptively similar to that of the registered trade mark of the plaintiff.

8 Looked at in this light, it is palpably clear that the word 'Kalpataru' is the essential feature of all the device marks of the Plaintiff. In fact, the Plaintiff even holds a registration for the word mark 'Kalpataru' in Class 37 in respect of building construction, repairs, installation services included in the class, with which we are particularly concerned in the present case. The use of the hyphen in between the "Kalpa" and "Taru" in the device mark 'KALPA-TARU' or the stylized manner of writing is hardly a distinguishing feature. So also, the different spelling, namely, 'Kalpataru' in the Plaintiff's mark and 'Kalptaru' in the Defendants', is hardly of any significance. There is a high degree of phonetic and visual similarity as well as similarity in the idea conveyed insofar as the marks used by the Plaintiff and Defendant No. 1 are concerned. Purchasers of goods or services are clearly likely to be deceived or at any rate, confused. They are likely to go by the pronunciation of the word, whether 'Kalpataru', 'Kalpa-Taru' or 'Kalptaru', and also the close visual similarity between all these marks, rather than notice the hyphen or the stylized writings.

9 At this stage, I must note a particular submission of the Defendants, which, at the first blush, even sounds attractive. Mr. Ashwini Kumar, learned Senior Counsel for the Defendants, submitted that the goods or services in the present case, namely, the flats and premises and development of real estate, are not ordinary goods or services bought off the counter but rather expensive items which by their very nature call for due diligence. The purchasers of these goods and services and people in the trade are expected to make proper inquiries and

only then venture into the act of buying. Learned Counsel relies on particularly the judgment of **Khoday India Ltd. Vs. Scotch Whisky Association**² and submits that having regard to the class of goods or services and the purchasers likely to buy these, there is no real or concrete possibility of deception or confusion. No doubt the goods or services are expensive and ideally call for due diligence, but it is common knowledge that people, even whilst purchasing these, go by their impressions and assumed reputations. They do not necessarily inquire about individual directors or promoters, but go by corporate names. There are a number of sundry elements, such as brokers and agents, some of them even unscrupulous, who are not exactly expected to illuminate the purchasers on these matters, but are even wont to mislead them. Then there are traders and other sundry dealers dealing with construction companies, who may not make inquiries as to the directors or promoters, but are rather likely to deal with these companies on tentatively held impressions. In all, there is a clear likelihood of deception or confusion. One of the indices is the very queries received by the Plaintiff regarding the Agra-Mathura Project of Defendant No. 1. People obviously mistook the project to be the Plaintiff's project. No doubt these are matters of trial, but at this *prima facie* stage, the Court has to go by probabilities presented by the material on record. Taking into account the high degree of resemblance between the marks, the industry practices and the material on record, at this *prima facie* stage the Plaintiff must be taken to have made out a fairly arguable case that there is deceptive similarity between the Plaintiff's registered trade mark and the 1st Defendant's offending mark, both being also part of their respective trade names.

2 AIR 2008 Supreme Court 2737

10 Let me now take up the argument that the word 'Kalpataru' is generic and that many traders use it as part of their trade name or hold registration for the same. In the first place, the Defendants having themselves obtained registrations of the trademark 'Kalptaru' and further having applied for more registrations, it hardly lies in their mouth to claim that the mark is generic or not distinctive. The registration of the mark is *prima facie* proof of the mark being distinctive. Besides, the word 'Kalpataru' (or 'Kalptaru' for that matter) may have a particular meaning or a Sanskrit mythological origin, but that does not make it descriptive of the goods or services with which we are concerned here. A 'Kalpataru' in Sanskrit means a tree which grants all your wishes. It is difficult to see how this word can be termed as generic when used in connection with building construction, repairs or installation services. Secondly, the use by other traders *per se*, or even registrations, of the mark held by others, does not *ipso facto* make the mark 'Kalpataru' *publici juris*. There is no material available on record to show the extent of its use or indeed the breadth of its use across the spectrum or in particular reference to the construction industry. As noted above, based on its registration by the Plaintiff in Class 37, the Plaintiff is *prima facie* entitled to exclusive use of the mark for the goods covered and can restrain the Defendants from using the same in connection with identical or similar goods.

11 That brings us to one of the main planks of the defence as submitted by learned Counsel for the Defendants, namely, honest and concurrent user of the mark by the Defendants. Here we must, at the outset, distinguish between the use of the mark 'Kalptaru' by Defendant No. 1 for building

construction, repairs etc. in Class 37, and its use by Defendant No. 9 in other classes for other goods. As far as the latter use is concerned, we may not even have consider the question of honesty and concurrence of user, since Defendant No. 9 is actually the registered proprietor of the mark 'Kalptaru' for these goods and classes, and that by itself affords a good defence to Defendant No. 9, as noted below. Now, as far as Defendant No. 1 is concerned the case is that Defendant No. 1 is a group company of the Defendants established on 4 September 2009; it commenced its business of building construction and development of real estate in 2009 including the Agra-Mathura Highway housing project; it has already sold or agreed to sell millions of square feet of living space; it has a land bank at present of approximately 2000 acres spread across North and West India, particularly in U. P., M. P., Rajasthan and Gujarat. Based on these facts, it claims to be honestly and concurrently using the mark 'Kalptaru' for its construction work and as part of its business name.

12 Dr. Tulzapurkar, learned Senior Counsel for the Plaintiff submits that the ground of honest and concurrent user is available as a defence only if the defendant's mark is registered on the date when the defence is raised; if not so registered, the mark must be shown to have been used by the defendant from a date prior to the use of the plaintiff's registered trade mark or to the date of registration of the plaintiff's trade mark, whichever is earlier, within the meaning of Section 34 of the Trade Mark Act, 1999. Learned Counsel relies upon the judgment of Delhi High Court in the case of **Metro Playing Card Co. Vs. Wazir Chand Kapoor**³ in this behalf. In that case, Delhi High Court held that though

3 AIR 1972 Delhi 248

registration may be granted for concurrent user as provided by Section 12 of the Act, till such registration is granted the plaintiff's trade mark is infringed by the defendant and the statutory right which the plaintiff has as a registered proprietor under Section 28 of the Act is violated, and it is not open to the defendant to plead Section 12 defence.

13 If one has regard to the decided cases on the point, the Courts have dealt with the defence of honest and concurrent user in an infringement action in a variety of ways. There are instances where the Courts have stayed the infringement proceedings pending consideration by the Registrar of the defendant's application for registration on the basis of honest and concurrent user, using their inherent powers to grant stay of proceedings. The English case of **J.U.James & Sons Vs Wafar Razer Co., Ltd.**⁴ and the Indian case of **D. Adinarayana Setty Vs Brooke Bond Tea of India Ltd.**⁵ decided by a Division Bench of Mysore High Court are cases where Courts have stayed the suits. There are also cases where the Courts have granted interlocutory injunction to the Plaintiff restraining the defendant from using the offending mark, only to be discharged when the defendant secures a registration on the basis of his honest and concurrent user of the offending mark. That is what the Court did in **Bristol Myers Company Vs. Bristol Pharmaceutical Co. Ltd.**⁶ There have also been cases, where the Court held that the mark was infringed by the defendant, but relief was suspended in view of the long concurrent use by the defendant to enable him to apply for registration. That was in **Electrolux Vs. Electrix.**⁷ Then

4 (1932) 49 RPC 597

5 AIR 1960 Mys 142

6 (1968) RPC 259

7 (1953) 70 RPC 127

we also have some Indian cases such as the cases of **Hindustan Pencils Ltd. Vs Aptudet Industries**⁸ **Jain Rubber Industries Vs Crown (P) Ltd.**⁹ and **Vikas Makhija Vs the Bengal Phenyle & Allied Products (P)**¹⁰ of Delhi High Court, relied upon by learned Counsel for the Defendants, where in the facts of the particular cases, interim injunctions were denied to the plaintiffs based on honest and concurrent user of the defendants. The Courts have formulated these responses based on the particular facts of each individual case. If we have regard to the facts of our case, the user claimed by Defendant No.1 is only since December 2009. It is by no means clear whether the user since December 2009 to the date of the filing of the present suit or rather till the cease and desist notice of August 2013 can be termed as concurrent. There is no record before the Court of the extent of this user yearwise. So also, the Defendants admit having received a cease and desist notice to a group company of the Defendants, namely, Kalptaru Biotech Corporation Ltd. in August 2007 from the Plaintiff in respect of use of the mark 'Kalptaru' for building construction work. Having regard to this notice and also the Plaintiff's registration in Class 37 in respect of building construction, repairs, installation services etc. since 2004, it is also debatable whether the use of the mark 'Kalptaru' by Defendant No.1 for goods or services forming part of class 37 can be termed as honest. This Court, of course, would not like to prejudge these issues and would rather leave them to the Registrar to decide, when he hears the application for registration of Defendant No.1. Suffice it to say for the purpose of the present application that this is not a case where the Court would stay the proceedings pending the Defendant's

8 (1991 – PTC – 204)

9 34 (1988) Delhi Law Times 227

10 93(2001) Delhi Law Times 817

application for registration. Here is a case where the injunction applied for ought to be granted. The Defendants can always apply to the Court to have that injunction discharged as and when their mark is registered in Class 37. The cases of **Hindustan Pencils Ltd.**, **Jain Rubber Industries** and **Vikas Makhija** (supra) cited by the Defendants are clearly distinguishable. In **Hindustan Pencils Ltd.**, the defendants were found to be using the offending trade mark NATRAJ as also the device of NATRAJ since prior to the plaintiff's registration. The use was *prima facie* found to be open and honest; the products of the plaintiff and defendant were also found to be different; and these facts coupled with the fact that the plaintiff had taken no steps for about 5 years of his knowledge of the defendants' use were found to have given rise to equities in favour of the defendants. Even S.33 of the Act of 1958, which dealt with prior user of the defendants' mark, was considered in this context. In **Jain Rubber Industries**, the defendant was found to be using the offending mark 7 years prior to the filing of the suit by the plaintiff. The balance of convenience was held to be in favour of the defendant. In **Vikas Makhija**, the facts on record showed that the defendant's user was prior; that both the plaintiff and the defendant co-existed in the same market with knowledge of each other. In the premises, it was found to be totally inequitable to injunct the defendant at the interlocutory stage.

14 As for the defence of delay and laches of the Plaintiff, the Courts have time and again clarified that delay *per se* does not defeat an infringement action. It must be shown that the delay is of such a nature as would effectively amount to acquiescence on the part of the Plaintiff of the offending use by the defendant or give rise to other special equities in favour of the defendant. There

is no such case here. The Plaintiff claims to have come to know of the use of the word 'Kalptaru' by Defendant No.1 in May 2013; in August 2013, there was a cease and desist notice followed by a reminder; and then the suit was filed in January 2014. There is hardly any delay, much less suggestive of any acquiescence on the part of the Plaintiff.

15 Here I must note one more ground urged by the Defendants. They claim that the Plaintiff had served a cease and desist notice to one of the group companies of the Defendants, namely, Kalptaru Biotech Corporation Ltd. in 2007 which was replied by the latter. The Defendants submit that this shows not only long delay and laches, but suppression of vital documents by the Plaintiff. The Plaintiff has explained in its rejoinder that the Plaintiff did not know about Kalptaru Biotech being a group company of the Defendants. Kalptaru Biotech and Defendant No.1 are separate companies and there is nothing whatsoever on record to show that the Plaintiff was aware that the former was a group company of the latter. Neither suppression nor delay can be urged against the Plaintiff on this score.

16 Lastly, it is submitted by the Defendants that the interlocutory remedy is meant to procure the status quo. It is submitted that in the present case the injunction would stop the business of Defendant No.1 and drive it out of the market. Any application for interlocutory injunction involves the questions of irreparable wrong and balance of convenience apart from the question of *prima facie* case. The cases of **Wander Ltd. Vs. Antox India P. Ltd.**¹¹ **M/s Power**

11 1990 (Supp) Supreme Court Cases 727

Control Appliances & Ors Vs. Sumeet Machines Pvt. Ltd.¹² and **Ramdev Food Products (P) Ltd. Vs. Arvindbhai Rambhai Patel**¹³ relied upon by the Defendants in this behalf do nothing more than reiterate this point. If we assess the facts of the present case in this light, it clearly emerges that the Plaintiff is likely to suffer irreparable prejudice if the injunction is not granted. So also, the balance of convenience is clearly in favour of the Plaintiff. Defendant No.1 can very well deal with the real estate developed by it in any other name of its choice; it can very well use its group's goodwill acquired in other businesses for doing its real estate business; and if it still transpires that it has incurred any damages as a result of the Plaintiff's injunction it can claim to be compensated.

17 In the premises, the Plaintiff has made out a case for grant of injunction against Defendant No.1.

18 As far as Defendant Nos.2 to 8 are concerned they are arraigned as parties on the basis that they are directors or shareholders of Defendant No.1. There is no separate cause of action made out in the plaint to sustain an infringement or passing off action against them individually. The impugned trade mark is alleged to have been used by Defendant Nos.1 and 9. No argument was advanced at the bar either to claim any relief against Defendant Nos.2 to 8.

19 As far as Defendant No.9 is concerned, there is no case for grant of an injunction for use of the trade mark 'Kalptaru' for the goods and classes for which the same is registered in favour of Defendant No.9. Registration of the

12 (1994) 2 Supreme Court Cases 448

13 (2006) 8 Supreme Court Cases 726

trade mark is a complete answer to the Plaintiff's claim for injunction against Defendant No.9 for these goods and classes. The case does not fall within the small window left open by the Full Bench of our Court in the case of **Lupin Ltd. Vs. Johnson And Johnson**¹⁴. The registration of the trade mark in the name of Defendant No.9 cannot be termed ex facie illegal or fraudulent or shocking to the conscience of the Court, so as to merit disregarding of the Defendant's registration for considering the Plaintiff's case of infringement. Defendant No.9 cannot, however, make use of the mark 'Kalptaru' in respect of building and road making materials for use in civil engineering included in class 19 or insurance or real estate affairs included in class 36 or building construction repair, installation services included in class 37.

20 Accordingly, the Notice of Motion is made absolute in terms of prayer clauses (a)(I) and (II) against Defendant No.1. Notice of Motion is made absolute in terms of prayer clause (a)(I) against Defendant No.9 only in respect of building and road making materials for use in civil engineering included in class 19, and insurance and real estate affairs included in class 36, and building construction, repair, installation services included in class 37. There shall be no order as to costs.

21 On the application of the learned Counsel for the Plaintiff, the ad-interim order operating till today is continued against Defendant Nos.2 to 9 for a period of four weeks.

(S.C.GUPTA J.)