

C.R.

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT:

THE HONOURABLE MR. JUSTICE P.B.SURESH KUMAR

TUESDAY, THE 9TH DAY OF JUNE 2015/19TH JYAISHTA, 1937

RFA.No. 458 of 2012 ()

OS 5/2010 of DIST COURT, ALAPPUZHA

APPELLANT/PLAINTIFF:

MERCY BIGI, AGED 44 YEARS,
W/O.BIGI MATHEW, KUTTICHIRA HOUSE, . AVALOOKKUNNU
PROPRIETRESS, M/S.PALMY RESIDENCY, ALAPPUZHA
REPRESENTED BY HER POWER OF ATTORNEY HOLDER MR.BIGI MATHEW
49 YEARS, S/O.K.L.MATHEW, KUTTICHIRA HOUSE
AVALOOKKUNNU P.O., PIN-688 006.

BY ADVS.SRI.M.V.BOSE
SRI.VINOD MADHAVAN
SMT.NISHA BOSE

RESPONDENT(S)/DEFENDANT.:

SUNILKUMAR
S/O.YASODHARAN, PROPRIETOR,
M/S.PALMY REGENCY, ALAPPUZHA
RESIDING AT INDRAPRASTHAM, PUNNAPRA P.O.
ALAPPUZHA DISTRICT-688 004.

BY ADV. SRI.B.PRAMOD

THIS REGULAR FIRST APPEAL HAVING BEEN FINALLY HEARD ON 09-06-2015, THE
COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

C.R.

P.B.SURESH KUMAR, J.

R.F.A. No.458 of 2012

Dated 9th June, 2015.

J U D G M E N T

The plaintiff in an action for passing off is the appellant in this appeal.

2. The plaintiff is engaged in home stay business in the name and style 'Palmy Residency' at Alappuzha from 2006 onwards. According to her, on account of the use of the name 'Palmy Residency' for the home stay run by her at Alappuzha from year 2006 onwards, she acquired a goodwill and reputation in the home stay business in the name 'Palmy Residency'. It is also her case that she had applied for registration of the trade mark "Palmy" during 2010. The grievance highlighted by the plaintiff in the suit is that she had sold the building in which she was running the home stay in the name 'Palmy Residency' to the defendant on 2.4.2010 and in the very same building, the defendant started a home stay in

the name 'Palmy Regency'. According to the plaintiff, the attempt of the defendant is with a view to pass off his services as that of the plaintiff and therefore, she is entitled to a decree of permanent prohibitory injunction restraining the defendant from using the name "Palmy" or any other name deceptively similar to the name "Palmy" for his home stay.

3. The defendant contested the suit. The fact that the defendant is running a home stay in the building purchased from the plaintiff is not disputed. According to the defendant, the name of his home stay is 'Lotus Palmy Regency' and not 'Palmy Regency' as contended by the plaintiff. It was also contended by the defendant that the style of writing and the colour used for writing the name of his home stay are different from the style of writing and the colour used by the plaintiff. It is further contended by the defendant that the logo of the trade name of the plaintiff is different from the logo of the trade name of the defendant. According to the defendant, a picture of a Palm tree is there in his logo which is absent in the logo of the plaintiff. Above all, it was contended by the defendant that

the word "Palmy" is a dictionary word and the plaintiff cannot claim exclusive right to use the same.

4. The evidence in the case consists of the oral testimonies of PW1 to PW3 and Exts.A1 to A15 on the side of the plaintiff and the oral testimony of DW1 and Exts.B1 to B4 on the side of the defendant.

5. The trial court found that the plaintiff has not established that she has acquired reputation and goodwill in the business in the name "Palmy Residency". The trial court also found that the word "Palmy" being a dictionary word, the plaintiff cannot claim exclusive right to use the same. In the light of the said findings, the suit was dismissed. The plaintiff is aggrieved by the said decision of the trial court and hence this appeal.

6. Heard Sri.Vinod Madhavan, the learned counsel for the appellant and Sri.B.Pramod, the learned counsel for the respondent.

7. Ext.A2 is the receipt evidencing payment of professional tax by the plaintiff in connection with the business

carried on by her on 28.7.2006. Ext.A3 is the certificate issued by the Commercial Tax Officer, Alappuzha on 29.9.2008. In Ext.A3, it is stated that the plaintiff has got registration in respect of M/s.Palmy Residency under the Kerala Tax on Luxuries Act, 1976. Ext.A4 is an international travel guide published in September, 2007. It is seen that Ext.A4 travel guide is published by a website called 'Lonely Planet.com', providing travel services from Australia. Ext.A4 contains the particulars of the home stay of the plaintiff 'Palmy Residency', such as its website, telephone number, tariff plan, facilities etc. Ext.A5 is another travel guide published by the very same organisation during September, 2009. Ext.A5 also contains the particulars of the home stay of the plaintiff. Ext.A6 is a travel guide containing the particulars of the various hotels, resorts etc. around the world in English as also in French. According to the plaintiff, Ext.A6 travel guide, namely 'Le guide du Routard' is a travel guide published from France. Ext.A6 also contains the particulars of the home stay of the plaintiff. Ext.A7 is the application submitted by the plaintiff in connection with the

registration of the trade mark. Ext.A7 contains a visiting card of the plaintiff. Ext.A7 indicates that the plaintiff uses in her visiting card the word “Palmy” in a particular style using a particular colour with a black underline. Ext.A11 is the visiting card of the home stay of the defendant. It indicates the manner in which the word “Palmy” is used by the defendant for his home stay. Ext.A15 is the professional tax receipt issued to the husband of the plaintiff in the name 'Palmy Residency' for the year 2008-09.

8. An action for passing off is a common law remedy available to a person who is doing a trade or rendering a service to prevent others from passing off their goods or services as that of the plaintiff. In order to establish a case for passing off, the plaintiff has to establish that the plaintiff had acquired a goodwill or reputation attached to the goods or services which he supply in the mind of the purchasing public in association with the identifying name or mark under which his particular goods or services are offered to the public. He should also establish that the misrepresentation by the defendant to

the public, whether intentional or not, leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. The plaintiff should further establish that he is likely to suffer damage by reason of the misrepresentation of the defendant. Lord Diplock redefined the ingredients to be established in an action for passing off in *Erven Warnink BV v. J.Townend & Sons*. It was held in the said case that the modern tort of passing off has five elements namely (1) a misrepresentation (2) made by a trader in the course of trade (3) to prospective customers of his or ultimate consumers of goods or services supplied by him (4) which is calculated to injure the business or goodwill of another trader and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought.

9. It is established beyond doubt that the plaintiff has started the home stay in the year 2006 and has been running the same in the name and style 'Palmy Residency'. The fact that the plaintiff is the prior user of the name "Palmy" with the suffix 'Residency' for the conduct of the home stay is not in

dispute. Ext.A2 professional tax receipt would indicate that the plaintiff has been paying professional tax in respect of her business from the year 2006. Ext.A3 certificate issued by the Commercial Tax Officer would indicate that the plaintiff has obtained registration under the Kerala Tax on Luxuries Act in connection with the conduct of her home stay. The fact that Exts.A4 and A5 are travel guides published abroad during 2007 and 2009 is not in dispute. In the said travel guides, the particulars of the home stay of the plaintiff are available. Ext.A6 is another travel guide published from France in 2009. In Ext.A6 also, the particulars of the home stay of the plaintiff is available. From Exts.A4, A5 and A6, it can be safely concluded that the plaintiff has acquired a reputation and goodwill in the home stay business, as otherwise, the particulars of her business would not have been collected and published by the publishers of Exts.A4 to A6 travel guides. As noticed above, the specific case of the plaintiff is that the building where the plaintiff was running her home stay had been sold to the defendant and it is in the very same building, the defendant is

now running his home stay “Lotus Palmy Regency”. It has come out in evidence that even after the sale of the building in which the plaintiff was conducting the home stay business to the defendant, she was conducting her home stay in the same building on a lease arrangement with the defendant, paying rent at the rate of Rs.40,000/- per month. The said fact would also show that the plaintiff was getting sufficient business in the home stay run by her and without a reputation and goodwill, the plaintiff would not have been able to run her business in that fashion. I, therefore, hold that the plaintiff has established a goodwill and reputation in the name ‘Palmy Residency’ in the home stay business.

10. As indicated above, the plaintiff has shown the manner in which she is using the word “Palmy” as trade mark in Ext.A7 application. Ext.A7 indicates that the plaintiff is using the word “Palmy” in a particular style with a particular colour and a black underline. It is seen from Ext.A11 visiting card of the defendant that the defendant is also using almost the same colour and style with a black underline while using the word

“Palmy”. True, the words “Lotus” as also “Regency” appear in the visiting card as part of the trade name of the defendant. But, it is explicit that the word “Lotus” is used as part of the trade name by the defendant in a very small font which may not draw the attention of anyone. It is now settled that similarity of two trade marks is to be examined in the context of an unwary person of average intelligence with imperfect recollection. In the context of an unwary person of average intelligence with imperfect recollection, the trade name of the defendant is likely to confuse the prospective customers of the plaintiff. Exts.A7 and A11 documents coupled with the fact that the defendant is running the home stay with almost the same name in the building where the plaintiff was earlier running his home stay would, therefore, establish that the intention of the defendant in adopting the name “Lotus Palmy Regency” is not bonafide and the name “Palmy” is used by him solely for the purpose of passing off his service as that of the plaintiff.

11. It is now settled that the damage caused to the plaintiff on account of the use of her trade name by the

defendant need not be established in actual terms and the likelihood of damage is sufficient to make out a case of passing off. From the facts stated above, it is evident that if the defendant is permitted to run home stay business in the name Lotus Palmy Regency, damage is likely to be caused to the plaintiff.

12. The learned counsel for the defendant contended that the word "Palmy" is a dictionary word over which nobody can claim any exclusive right. A device/mark/name can be considered as a trade mark only if it is distinctive. A distinctive device is a device which is capable of distinguishing the goods or services of one person from that of others. Trade marks can be categorised as generic, descriptive, suggestive and arbitrary or fanciful. There may be over-lapping in the categories on account of various factors. Devices that are fanciful, arbitrary or suggestive are considered distinctive enough to be used as trade marks. Generic terms are terms which refer to the genus of which a particular product is a species. Nobody can claim any exclusive right to use a

generic device as a trade mark. Descriptive devices are marks which describe the goods or services. Descriptive devices can be used as trade marks only if it has acquired a secondary meaning. A term is said to be descriptive if it conveys an immediate idea of the ingredients, qualities or character of goods. Suggestive devices require imagination, thought and perception to reach a conclusion as to the nature of the goods. As far the present case is concerned, Oxford dictionary gives two meanings to the word "Palmy". "Comfortable and prosperous" is one meaning and "covered with palms" is another meaning. The word "Palmy" which has several meanings can neither be considered as generic nor be considered as descriptive, in so far as home stay business is concerned. According to me, the word "Palmy", in so far as home stay business is concerned, can only be considered as an arbitrary or fanciful mark. As such, the plaintiff is certainly entitled to protection in respect of the said word.

In the result, the appeal is allowed, the impugned judgment is set aside and O.S.No.5 of 2010 on the file of the

District Court, Alappuzha is decreed, granting the plaintiff a decree of permanent prohibitory injunction restraining the defendant from using the word “Palmy” in connection with his home stay business.

Sd/-

P.B.SURESH KUMAR, JUDGE.

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