

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT:

THE HONOURABLE MR. JUSTICE P.B.SURESH KUMAR

WEDNESDAY, THE 20TH DAY OF MAY 2015/30TH VAISAKHA, 1937

RFA.No. 852 of 2013 ()

**AGAINST THE JUDGMENT & DECREE IN OS.NO. 2/2010 OF DISTRICT COURT,
PALAKKAD DATED 23-09-2013**

APPELLANT/PLAINTIFF :

**M/S. KANAKA SILKS,
CALICUT ROAD, PUTHANATHANI, MALAPPURAM DISTRICT
REPRESENTED BY ITS MANAGING PARTNER
E.P.SAIDALAVI HAJI, AGED 61 YEARS, S/O.KAMMU
RESIDING AT ERATHIPARAMBIL HOUSE, KUMARAMBATHUR POST
THIRUNAVAYA, MALAPPURAM DISTRICT.**

**BY ADVS.SRI.JOHN MATHEW
SRI.V.P.MUHAMMED SUNEER**

RESPONDENTS/DEFENDANTS :

- 1. V. NOUSHAD, AGED 38 YEARS
S/O.KUNJUMOHAMMED HAJI, VAZHATHODI HOUSE
CHERUKARA POST, MALAPPURAM DISTRICT, PARTNER
M/S.KANAKA WEDDING CENTRE.**
- 2. M/S.KANAKA WEDDING CENTRE,
DOOR NO.9/77,
79, 80, 81, K.V.M. PLAZA, MAIN ROAD
OTTAPALAM - 679 101
REPRESENTED BY ITS PARTNER V. NOUSHAD.**
- 3. UNEENKUTTY C.P., AGED 33 YEARS
S/O.MUHAMMED, CHERUPADATH HOUSE, CHEERATAMALA
PALACHODU POST, KULATHUR VILLAGE, MALAPPURAM DISTRICT
PARTNER, M/S.KANAKA WEDDING CENTRE.**
- 4. ABDUL BARI V., AGED 42 YEARS
S/O.KUNHUMAMMED HAJI, VAZHATHODI HOUSE
CHERUKKARA POST, MALAPPURAM DISTRICT, PARTNER
M/S.KANAKA WEDDING CENTRE.**
- 5. MOHAMMED C.P., AGED 58 YEARS
S/O.MOIN, CHERUPADATH HOUSE, CHEERATAMALA
PALACHODU POST, KULATHUR VILLAGE, MALAPPURAM DISTRICT
PARTNER, M/S.KANAKA WEDDING CENTRE.**

6. ABDUL RAHIMAN K.B., AGED 50 YEARS
S/O.MUHAMMED MUHARI MUSLIAR, KOKKATH HOUSE
KUNNAKKAVU POST, CHERUKKARA, MALAPPURAM DISTRICT
PARTNER, M/S.KANAKA WEDDING CENTRE.
7. IBRAHIM HAJI V., AGED 55 YEARS
S/O.KUNHIPPU HAJI, VAZHATHODI HOUSE, CHERUKKARA
MALAPPURAM DISTRICT, PARTNER
M/S.KANAKA WEDDING CENTRE.

THIS REGULAR FIRST APPEAL HAVING BEEN FINALLY HEARD
ON 20-03-2015, THE COURT ON 20-05-2015 DELIVERED THE FOLLOWING:

Mn

C.R.

P.B.SURESH KUMAR, J.

R.F.A.No.852 of 2013.

Dated this the 20th day of May, 2015.

J U D G M E N T

The defeated plaintiff in an action for passing off as also for infringement of a trade mark is the appellant.

2. The plaintiff is a firm running a textile shop since 2006 in the name 'Kanaka Silks' at Puthanathani in Malappuram district. They are engaged in the retail as also wholesale trade of clothes, fabrics and dress materials. One of the partners of the plaintiff is also running a textile shop in the very same name 'Kanaka Textiles' at Kulappully in Palakkad district with the permission of the firm. According to the plaintiff, they have customers from Malappuram, Thrissur and Palakkad districts; that on account of the quality of service provided to their customers, they could earn a goodwill in the business and that their sales turnover is being increased year by year. It is alleged that during July, 2010, they came to know that the defendants are planing to open a textile shop at Ottappalam in

the name 'Kanaka Wedding Centre' and though the plaintiff contacted the first defendant over telephone and requested him to refrain from establishing any textile shop using the name 'Kanaka', the defendants were adamant in establishing a textile shop in the name 'Kanaka Wedding Centre'. In the circumstances, according to the plaintiff, on 3.7.2010, they have published a notice informing the public about their exclusive right to use the name 'Kanaka' for textile shops and despite the said notice, the defendants have started the textile shop on 10.7.2010 as proposed by them. The suit was filed, in the circumstances, for injunction based on the principles of passing off. In the course of the proceedings, the plaintiff obtained registration of their trade mark 'Kanaka Silks' as per the provisions of the Trade Marks Act, 1999. Thereupon, the plaint was amended and the pleadings necessary for an action for infringement of the trade mark were also incorporated in the plaint.

3. The defendants contested the suit contending inter alia that the word 'Kanaka' is a dictionary word over which no

one can claim any protection; that they were not aware of the existence of the shop of the plaintiff until the institution of the suit and that the establishment of the shop by them was without any intention to harm anybody including the plaintiff. As regards the alleged infringement of the trade mark, the contention raised in the written statement was that they do have registration under the Trade Marks Act, 1999 for their trade name 'Kanaka Wedding Centre'.

4. The evidence in the case consists of the oral testimony of Pws.1 to 10 and Exts.A1 to A104 on the side of the plaintiff and the oral testimony of defendants 1 and 2 and Exts.B1 to B28 on the side of the defendants.

5. The trial court, though found that the plaintiff is the prior user of the name 'Kanaka' for textile shop and that the plaintiff has acquired a steady business in course of time, took the view that the plaintiff has not established that their goodwill and reputation transcended beyond the limits of Malappuram district and therefore, there is no question of any misrepresentation to the public so as to pass off services as

that of the plaintiff. The trial court also found that since the plaintiff is selling only textile goods manufactured by others, it cannot be said that the trade mark 'Kanaka' is capable of distinguishing the goods sold by the plaintiff from the goods sold by others. The trial court further found that the materials on record do not indicate that any damage has been caused to the plaintiff on account of the commencement of the shop by the defendants in the name 'Kanaka Wedding Centre'. As regards infringement, the trial court found that the plaintiff has not established that the defendants have infringed their registered trade mark. In the light of the aforesaid findings, the trial court dismissed the suit with costs. Hence this appeal.

6. A trade mark includes a trade name as well. The right in a trade mark accrues by use. A single use of a trade mark with an intention to continue such use confers on the user a right to such trade mark. True, the word 'Kanaka' has a meaning in Malayalam. Nobody can, therefore, claim any monopoly for the use of the word 'Kanaka' for the product which the word represents. But, the said word can be used and

protected for other goods and services. Since the word 'Kanaka' has nothing to do with textiles, the same can be used as a trade mark with or without any suffix or prefix for textile shops.

7. Passing off is a common law remedy available to the proprietor of a trade to protect his ownership right over the trade mark. The principle behind an action for passing off is that one shall not sell his goods or services under the pretense that they are the goods or service of another. The facts to be established by the plaintiff in an action for passing off in relation to a service are; that the plaintiff has acquired a goodwill in the service which he renders; that the purchasing public are able to identify the service of the plaintiff on account of the distinctiveness of his trade mark; that the identity or similarity of the trade name of the defendants is leading or likely to lead the purchasing public to believe that the service offered by them is the service of the plaintiff and that he suffers or likely to suffer damage by reason of the erroneous belief engendered by the misrepresentation of the defendants.

8. Both the plaintiff and the defendants are running textile shops. Both of them are not manufactures of clothes and other materials dealt with by them. They are sourcing clothes, fabrics and dress materials from various manufactures and displaying the same in their shops to enable their customers to conveniently view and purchase the same. The plaintiff is running the textile shop in the name 'Kanaka Silks' and the defendants are running the textile shop in the name 'Kanaka Wedding Centre'. The essential part of the names of the shops is the word 'Kanaka'. It is now settled that the question of resemblance and likelihood of the deception are to be considered not only with reference to the whole mark, but also with reference to its essential features. It is also settled that the question whether the use of a mark is likely to cause confusion among the public as to the source of the product or service is to be determined in the context of an unwary person of average intelligence with imperfect recollection. From the materials on record, I have no doubt in my mind that the use of the trade mark 'Kanaka Wedding Centre' by the defendants is

likely to create confusion among the purchasing public.

9. The plaintiff is running their shop since 2006 and the defendants are running their shop since 2010. There cannot be any dispute to the fact that the use of the trade name 'Kanaka Wedding Centre' by the defendants is likely to create confusion in the mind of the purchasing public as to the identity of the source of the service. The plaintiff being the prior user of the name 'Kanaka', it cannot be said that the plaintiff has not acquired a goodwill and reputation in textile business in the name 'Kanaka Silks', especially when the court below found that the plaintiff has developed a steady business in course of time and that their sales turnover has increased year by year. The correctness of the findings rendered by the trial court has to be examined in the light of the aforesaid facts which are not in dispute.

10. In the light of the advanced means of communications available at present, it can never be said that knowledge and awareness of the trade mark of a shop rendering a particular service is restricted to the people in an

around the shop. In today's world, a trade name transcends beyond the geographical regions and acquires even extra territorial reputation. [See **Whirlpool Co.& Anr. v. N.R.Dongre & Ors.** (1996 PTC (16) 415)]. In the instant case, the fact that the plaintiff has been advertising the services provided by them is not in dispute. The fact that a partner of the plaintiff firm is running a textile shop in Palakkad district in the very same name is also not in dispute. As found by the trial court, the shop of the plaintiff is a growing establishment. In the first year itself, their sales turnover reached three crores. They have acquired a steady growth in their business in the succeeding years is also not in dispute. As such, the finding of the court below that the reputation of the plaintiff has not transcended beyond Malappuram district cannot be accepted. From the available materials, it has to be held that the plaintiff has acquired reputation in the field of textile business not only in Malappuram district but also in the adjoining districts of Palakkad and Thrissur.

11. As noticed above, the essence of the contention of

the defendants is that they were not aware of the existence of the shop of the plaintiff until the institution of the suit and therefore, the use of the name 'Kanaka' for their shop was without any intention to harm the plaintiff. It has come out in evidence that all the defendants except one are residing in Malappuram district and one of the routes through which they could reach their respective houses from Ottappalam is through Puthanathani where the plaintiff is running the textile shop. It has also come out in evidence that on coming to know of the intention of the defendants to establish a textile shop in the name 'Kanaka Wedding Centre', the plaintiff has caused to publish Ext.A7 notice informing the general public about their exclusive right to use the word 'Kanaka' for textile shops. Ext.A7 notice is seen published in a newspaper having circulation in Malappuram district where all the defendants except one are residing. The size of Ext.A7 notice published in the newspaper is such that it may not normally escape the attention of the reader of the newspaper. As such, it is very difficult to believe the contention of the defendants that they

were not aware of the existence of the shop of the plaintiff at the time when they opened their shop at Ottappalam. Further, even if it is accepted that the defendants had originally adopted the mark 'Kanaka' honestly and innocently, either in ignorance of the existence of the plaintiff's mark or in the belief that their mark is so different than the mark as not to be calculated to mislead an ordinary purchaser, their conduct in continuing to use the mark after they become aware of the prior usage of the name by the plaintiff and the likelihood of confusion, would not be less fraudulent in the eye of law than if they had originally begun to use it with a fraudulent intent. It is so held in **Mitchell v. Henry** (1880) XV Law Reports Chancery Division 181). The relevant portion of the said judgment reads thus:

“..... even if it were made out that the Defendants had originally adopted a mark honestly and innocently, either in ignorance of the existence of the Plaintiffs' mark, or in the belief that their mark was so different from that of the Plaintiffs as not to be calculated to mislead an ordinary purchaser, their continuing to use the mark after they became aware that their use of it did cause their goods to be mistaken for the goods of the Plaintiffs, would be not less

fraudulent in the eye of the Court than if they had originally begun to use it with a fraudulent intent. The Defendants must bear in mind that the original honesty of intention does not protect the continued user, if the user is found practically to have the result of deceiving, or is calculated to deceive purchasers, because it is very easy for manufacturers to avoid any possibility of misleading purchasers if they are minded to avoid it.”

As such, I have no hesitation to hold that the continuous use of the name 'Kanka' by the defendants is with a view to misrepresent the purchasing public. Above all, it is now settled that where there is probability of confusion in business the innocence of the defendant is no defence. See **Montari Industries Ltd. v. Montari Overseas Ltd.** (1995 PTC 15, 399).

12. Coming to the aspect of damage, it is not necessary for the plaintiff in an action for passing off to establish that he has suffered damage or loss. Likelihood of damage is sufficient to sustain an action for passing off. [See **Satyam Infoway Ltd. v. Sifynet Solutions Pvt.Ltd.** (AIR 2004 SC 3540)]. Further, the damage contemplated by law includes damage to

reputation as well. In so far as the plaintiff and the defendants are doing the very same business in the adjacent districts, it cannot be said that the establishment of the textile shop by the defendants is not likely to cause any damage to the plaintiff.

13. A trade mark is suggestive of the quality of a product or service and the purpose of use of the trade mark is to enable the purchasing public to identify the source of the product of service to ensure its quality. In the instant case, the specific case of the plaintiff is that they have earned reputation in the service of bringing together variety of clothes, fabrics and dress materials to enable their customers to conveniently view and purchase the same. It is that reputation they are attempting to protect in the present action. The view of the trial court that since both plaintiff and defendants are only selling textile goods manufactured by others, the trade mark does not serve the purpose of distinguishing the goods sold by them is therefore unsustainable.

14. Coming to the aspect of infringement, Ext.A6 is the certificate of registration of the trade mark of the plaintiff. It is

seen from Ext.A6 that the plaintiff has obtained registration of the trade mark 'Kanaka Silks' under class 35 of the fourth schedule to the Trade Marks Rules, 2002 for bringing together clothes, fabrics and other dress materials to showrooms and stalls to enable the customers to conveniently view and purchase the same. Section 29 of the Trade Marks Act deals with infringement of registered trade marks. Sub-sections (1), (2), (5) and (9) of Section 29 of the Trade Marks Act read thus:

“29. Infringement of registered trade marks:- (1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such

registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

xxx xxx xxx
xxx xxx xxx

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

xxx xxx xxx
xxx xxx xxx

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly."

It is beyond dispute that the distinctive element of the trade mark of the plaintiff is the word 'Kanaka' and the said word is being used by the defendants also as part of their trade mark. It is evident from sub-sections (5) and (9) of Section 29 of the Act that the use of the distinctive part of the registered trade mark by another person who is dealing in goods or services in respect of which the trade mark is registered would amount to infringement. Ext.B5 is the registration of the trade mark 'Kanaka Wedding Centre' obtained by the defendants. It is evident from Ext.B5 that defendants have obtained registration under class 24 of the fourth schedule to the Trade Marks Rules, 2002. The goods dealt with in class 24 are textiles and textile goods, not included in other classes; bed and table covers. The goods description contained in Ext.B5 reads thus:

“Goods Description: All kinds of textiles goods including textile fabrics, textile piece goods, dress materials, suitings and shirtings, churidhar bit, sarees, ready to switch jeans, cotton, linen clothes, bed cover table, curtain and sealing clothes, fancy embroidery, printed suit dupatta and dress materials included in class 24.”

The fourth schedule to the Trade Marks Rules, 2002 indicates that Class 24 deals with goods and not with service. In the light of the said registration, the defendants can certainly use the trade name 'Kanaka Wedding Centre' on any product coming under class 24, but the same is not sufficient to defend the action for infringement initiated by the plaintiff based on the registration obtained under class 35 of the fourth schedule to the Trade Marks Rules, 2002 for bringing together clothes, fabrics and other dress materials to showrooms and stalls to enable customers to conveniently view and purchase the same. The registration obtained by the defendants is therefore of no benefit to them. It is thus clear that the defendants have also infringed the registered trade mark of the plaintiff.

In the result, the appeal is allowed, the impugned judgment is set aside and the defendants and the persons claiming under them are restrained by a decree of permanent prohibitory injunction from using the word 'Kanaka' or any other name deceptively similar to the name 'Kanaka Silks' as part of their trade mark in their sign boards, hoardings, bills, visiting

R.F.A.No.852/2013.

17

cards, advertisements etc. There will be no order as to costs.

Sd/-

P.B.SURESH KUMAR, JUDGE.

Kvs

(true copy)

P.A. to Judge