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

+ **FAO 532/2011 & C.Ms.22380/11, 29217/15, 29058/16**

KRBL LTD

..... Appellant

Through: Mr. Chetan Sharma, Senior
Advocate with Mr. S.K. Bansal,
Mr. Ajay Amitabh Suman and Mr.
Anil Kumar Sahu, Advocates

versus

PK OVERSEAS PVT LTD

..... Respondent

Through: Mr. Akhil Sibal, Mr. Akhil Sachar,
Mr. Nikhil Chawla and Mr. Raghu
Vashist, Advocates

CORAM:

HON'BLE MR. JUSTICE SUNIL GAUR

ORDER

04.11.2016

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1. Impugned order of 27th August, 2011 rejects appellant's application for interim injunction and dismisses respondent-defendant's application under Order 7 Rule 10 of CPC. It is noted in the impugned order that the instant case is not of infringement of trademark of plaintiff, but of passing off appellant's trademark qua the artistic work in favour of its owner and the user of appellant-plaintiff is since the year 2005 whereas the user of respondent-defendant is from the year 1995. Regarding the trade dress/colour combination, it is observed in the impugned order that mere identical brown shadow border does not make out balance of convenience in favour of plaintiff as the descriptive and visual features are different.

2. The factual backdrop of this case already stands noticed in the impugned order and needs no reproduction. Suffice to note that appellant-plaintiff is claiming prior user in the colour combination relating to its brand/label '*India Gate Basmati Rice Classic*' whereas respondent-defendant is marketing its rice under the label '*India Salam Pure Basmati Rice Classic*'.

3. Appellant-plaintiff claims to have earned goodwill and reputation in India as well as overseas and that appellant-plaintiff in June, 2010, had learnt about respondent-defendant using the impugned label and the suit was filed by appellant in July, 2010 whereas it is the case of respondent-defendant that appellant-plaintiff has concealed the factum of sending the legal notice of 14th April, 2010 wherein appellant had objected to adoption of appellant's colour combination by the respondent. The stand of respondent is that application for registration of trademark was filed by respondent on 8th December, 2009 wherein user of the trademark was claimed from the year 2006 and appellant's subsequent application for registration of its trademark was filed on 5th July, 2010 claiming user of its trademark since the year 2005.

4. The challenge to the impugned order by learned senior counsel for appellant is on the ground that there is no material on record to show respondent's user of its trademark since the year 1995 and infact, the user of the trademark by respondent is from the year 2006 as is evident from its application made to the Registrar, Trademark. So, it is submitted that appellant is the prior user of the trademark in question. It is further submitted that trial court erroneously ignores the colour combination,

which is the main issue and proceeds to decide the stay application on the respective marks, which is uncalled for, as appellant has no objection to the respondent using the trademark “*India Salam*” *per se*. It is vehemently contended by learned senior counsel for appellant that there is deceptive similarity of colour combination of respondent’s label/ packaging with that of appellant and so, respondent ought to be directed to change its colour combination, otherwise it would mislead the consumers of the branded rice in question.

5. Reliance is placed by appellant’s counsel upon decisions of co-ordinate Bench of this Court in I.A. 10669/2014 and I.A. No.12699/2014 in CS (OS) No.1660/2014 titled *RSPL Health Private Limited v. M/s. Deep Industry*, rendered on 10th November, 2014 and in CS (OS) 3760/2014 titled *Deere and Co. and Anr. v. S. Harcharan Singh and Anr.*, rendered on 5th December, 2014 to submit that in a case of deceptive similarity of trade marks in the same business, interim injunction has been granted to restrain use of deceptive similar labels, trade-dress/colour combination.

6. Reliance is also placed upon a decision of a co-ordinate Bench of this Court in CS (COMM) 1128/2016 entitled *ITC Ltd. v. Britannia Industries Ltd.* rendered on 6th September, 2016 to submit that the aspect of deception and confusion has to be considered in the light of the trade-dress adopted by respondent, which is identical to that of appellant.

7. Lastly, it is submitted by learned senior counsel for appellant that the overall effect of a colour scheme has to be seen in a case of trade-dress and trial court in the impugned order has gone contrary to a

Division Bench's decision FAO (OS) 247/2014 titled *Devagiri Farms Pvt. Ltd. v. Mr. Sanjay Kapur & Anr.*, rendered on 1st February, 2016 and so, impugned order deserves to be set aside and the interim injunction prayed for ought to be granted.

8. On the contrary is the submission of learned counsel for respondent, who supports the impugned order and submits that appellant has approached this court with unclean hands as the date of knowledge of respondent's user has been deliberately misstated to be from June, 2010 whereas as per appellant's legal notice of 14th April, 2010, appellant had known about respondent's user of the colour combination in question much prior to the sending of the legal notice and so, appellant ought to be non-suited on this ground alone.

9. It is next submitted by learned counsel for respondent that appellant has failed to establish its reputation to the extent to exclude respondent from using the colour combination in question because there is nothing on record to show that the reputation of appellant in the colour combination is such that appellant would be identified from the said colour combination alone in respect of the brand '*India Gate Basmati Rice Classic*'. It is pointed out that reliance placed upon *ITC (supra)*, is of no avail to the case of appellant because in this decision, the acquired reputation was evident from the fact that the sale figures were to the extent of ₹5 crores in a short span of five months, which was an indicator of growing reputation of *ITC* whereas in the instant case, there is nothing on record to show as to what is the market reputation of appellant's product in question.

10. It is pointed out by respondent's counsel that in *Devagiri (supra)*, the injunction sought related to the fabric sleeves and not to the colour combination and the user of trade mark was of three decades by a party to whom injunction was granted and the substantial sale figures of the said party were taken into consideration in a case of passing off and so, the reliance placed upon this decision is misplaced. It is further submitted by respondent's counsel that this decision does not advance appellant's case due to lack of market presence of product in question. It is also pointed out that the decision in *Deere and Co. (supra)* cited by appellant relates to an *ex parte* injunction and the suit of the *Deere and Co.* was later on decided on 5th December, 2014 wherein long duration of the user of the trade-dress was taken into consideration while taking note of the sale figures of the party in favour of whom the injunction was granted.

11. It is submitted by respondent's counsel that no sale figures of appellant's product are on record to justify grant of any interim injunction. It is further submitted by respondent's counsel that the decision in *RSPL Health Private Limited (supra)* relied upon by appellant is of no avail for the reason that there was no similarity between the two labels, packaging, the getup, the layout design and the artistic features and that the class of consumers of the dish bar and the rice in question are entirely different.

12. Learned counsel for respondent draws the attention of this Court to the packaging of appellant's as well as of respondent's product in question to submit that the shade of brown colour on the border of these

two packagings is not identical. It is pointed out that appellant has numerous colour combinations and so, appellant's product in question cannot be identified by mere colour combination alone and since appellant has failed to establish its reputation for the brand in question in the market and so, no case is made out for grant of any interim injunction.

13. Attention of this Court is drawn by learned counsel for respondent to the packaging of the other companies (*whose photocopies are on record in the paper-book on pages No.946 to 953 and 1217 to 1223*) in relation to the product in question to show that the colour combination of yellow and brown are being used by other brands also and so, it cannot be said that this colour combination is unique to the appellant. Reliance is placed by respondent's counsel upon a decision of a Division Bench of this Court in *Carlsberg India Pvt. Ltd. v. Radico Khaitan Ltd.*, 2012 (49) PTC 54 (Del.) to submit that mere use of black and gold colour combination, which is fairly common to the labels of alcoholic products was held to be not unique to Radico and so, respondent's counsel submits that on colour combination alone, appellant is not entitled to any interim injunction.

14. Reliance is also placed by respondent's counsel upon Supreme Court's decision in *Mohd. Mehtab Khan and Others v. Khushnuma Ibrahim Khan and Others*, (2013) 9 SCC 221 to submit that if the view taken by trial court is a possible view then the appellate court should not interfere with the exercise of discretion by trial court. Lastly, it is submitted by respondent's counsel that in rare cases interim injunction is

granted merely on the basis of colour combination infringement and instant case is not of such kind. So, it is submitted that this appeal deserves to be dismissed.

15. After having heard learned counsel for the parties at length and on perusal of impugned order, the material on record and the decisions cited, I am constrained to note that trial court in the impugned order has summarily dealt with the crucial issue of trade-dress in spite of appellant's claim being to colour combination alone.

16. During the course of hearing, learned counsel for respondent had conceded that respondent respondent's user of the packaging of the product in question is from the year 2006 and otherwise also, it is so evident from respondent's application seeking registration of trademark that the user claim is infact from the year 2006. In the course of hearing, appellant's counsel clarified that non disclosure of legal notice indicating appellant's knowledge about respondent's impugned colour combination was not intentional but due to inadvertence. In view of respondent's above noted admission (*confined to interim injunction stage*), this aspect pales into insignificance. There is no material on record to indicate that respondent's user of the trade dress on packaging in question is from the year 1995-96. In view thereof, observation in the impugned order of respondent's packaging with the colour combination question being there in the market since the year 1995 is factually incorrect.

17. Regarding the deceptive user of colour combination in question by respondent on the packaging in question, trial court has not addressed the issue of trade-dress/colour combination in the right perspective. The

crucial question which falls for consideration while dealing with application for interim injunction regarding the deceptively similar user of the brown and cream shade in the packaging in question has been summarily brushed out by trial court by merely observing that mere identical brown shade border does not make out '*balance of convenience*' in favour of appellant-plaintiff as the other descriptive and visual features are different.

18. Regarding the market presence of appellant, there are averments in the plaint that appellant has a substantial market presence. However, sale figures, advertisements, etc., are not on record to indict appellant's market presence in the product in question with the impugned colour combination on the label/packaging in question. However, during the course of the hearing, learned senior counsel for appellant had submitted that due to inadvertence, the sale figures, advertisements etc. qua the product in question with the packaging/label with the colour combination of brown and yellow, could not be placed on record though the same are with appellant.

19. In the peculiar facts and circumstances of this case, this Court finds that appellant ought not to be non-suited on aforesaid inadvertent lapse as no admission and denial of documents was carried out prior to hearing the application for interim injunction although the written statement by respondent was on record. In cases like the instant one, the court should normally ensure that the pleadings are complete and the admission and denial of documents done and thereafter, the application for interim injunction is decided.

20. Since the averments of market presence of appellant is already there in the plaint, therefore, it is deemed appropriate to direct appellant as well as respondent to place on record any other documents, which they wish to rely upon within a period of two weeks so that effective admission and denial of documents is done and thereafter, the application for interim injunction is decided afresh by trial court. Such a view is being taken because the material question of reputation in the product in question has not been addressed at all in the impugned order.

21. To say the least, trial court has lost sight of the fact that the descriptive and visual features were not the subject matter of consideration while dealing with application for interim injunction as the case of appellant from the very beginning is that the interim injunction is sought in respect of the colour combination of brown and yellow shade alone. It is true that the discretion exercised by trial court in the matters like in the instant one is not to be lightly interfered with, but the view taken by trial court discloses utter non-application of mind and so, there is no option except to interfere with it and direct the trial court to hear the application for interim injunction afresh.

22. In a case of passing off, it is incumbent upon trial court to have effectively dealt with the aspect of reputation as well and that of deception and confusion. Since trial court has not done so, therefore, impugned order is set aside with direction to trial court to permit the parties to file their respective documents within a period of two weeks and thereafter, conduct admission and denial of documents within a reasonable period of not more than four weeks and then to decide the

application for interim injunction afresh within eight weeks after the admission and denial is done. Trial court shall afford an opportunity of hearing to both the sides and shall decide the application for interim injunction in light of the decisions relied upon here and the ones cited before trial court. The parties through their counsel shall appear before trial court on 21st November, 2016 at 2:00 p.m. Trial court record be sent back forthwith through special messenger.

23. With aforesaid directions, this appeal and the applications are disposed of while refraining to comment upon merits of this case.

(SUNIL GAUR)
JUDGE

NOVEMBER 04, 2016

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