

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATE : 08.03.2017

CORAM

THE HONOURABLE MR. HULUVADI G.RAMESH, ACTING CHIEF JUSTICE
AND
THE HONOURABLE DR. JUSTICE ANITA SUMANTH

O.S.A. NOS. 167 TO 169 OF 2014

P.M.Palani Mudaliar & Co.
rep. By its Managing Partner
Mr. P.Pandian
36, Coral Merchant Street
Mannady, Chennai 600 001. .. Appellant in all the appeals

- Vs -

1. M/s.Jansons Exports
No.129, SDN Road
Tiruchengode 637 211
Namakkal District.
2. M/s.Asher & Company
P.O. Box No.1100, Jabroo
Postal Code 114
Sultanate of Oman. .. Respondents in all the appeals

Original Side Appeals filed against the order dated
06.06.2014, passed by the learned single Judge in O.A. Nos.792
to 794 of 2013 in C.S. No.701 of 2013.

For Appellant : Mr. P.S. Raman, SC, for
Mr. Arun C.Mohan

For Respondents : Mr. G.Masilamani, SC, for
Mr. V.P.Sengottuvel

RESERVED ON	17.02.2017
PRONOUNCED ON	08/03/17

COMMON JUDGMENT
THE ACTING CHIEF JUSTICE

These appeals are directed by the unsuccessful applicant
against the order passed by the learned single Judge, whereby
the learned single Judge vacated the interim injunction granted
in favour of the applicant.

2. The appellant herein/applicant filed the original applications seeking an order of interim injunction against the respondents/defendants from using the words "SHAMS" and "ICE" in their label, as they being deceptively similar and further it infringes on the trademark of the appellant and for injunction restraining the respondents/defendants from passing off their product as that of the appellant herein/applicant.

3. It is the case of the appellant herein/applicant, before the learned single Judge, that the appellant being the prior user of the trademark "SHAMS" and "ICE", which is a registered mark, the respondents/defendants, with a view to gain productivity by the use of the already registered trademark, held by the appellant, have coined their label mark deceptively similar to that of the appellant so as to sell off their product as that of the appellant. It is the further case of the appellant that the 1st respondent, a relative of the appellant, due to business rivalry, with a view to capture the market of the appellant, has adopted the tactic of using the deceptively similar trademark and label as that of the appellant in order to further his business prospects and has registered the trademark with similarity in the label and also by using the word "SHAMS" and "ICE", which the appellant has been using for almost a period of three decades. It is the further case of the appellant that the label of the 1st respondent, though not an identical depiction of the pictorial representation of the appellant's trademark, nonetheless, is deceptively similar and, therefore, in all probability there is all likelihood of confusion that could arise in the mind of the common buyer. It is the further case of the appellant that the overall label of the 1st respondent is so very identical in almost all types of pictorial depiction, be it the band on the side or the band on the lower portion, that any ordinary buyer, in all likelihood, would be misled into believing that he is buying the product of the appellant. It is the further case of the appellant that the word "SHAMS" and "ICE" that is depicted on the label is the one in which the appellant has been trading since 1988 and that the words have got a brand value for itself. It is the further contention of the appellant that mere prefixing of the word "JABEL" before the word "SHAMS", which is used by the appellant is not so very pertinent, since the word "JABEL" signifying mountain in Arabic, is almost used by the major chunk of the traders in their trading activity in Arab countries. Therefore, the thrust would be very much on the word "SHAMS" rather than on "JABEL SHAMS" as people would associate the textile only with "SHAMS" and "JABEL" has no significance in the whole context of the label. The act of the 1st respondent in just prefixing the word "JABEL" is only with a view to mislead the buyer into buying the commodity on the premise that what is being bought is the product covered under the label of "SHAMS". Therefore, it

is just and necessary that the interim injunction granted should have been made absolute, which, on a rather, misconstruction of the matter, has been vacated by the learned single Judge and the same requires to be interfered with by this Court.

4. Per contra, it is the case of the respondents that the word "JABEL SHAMS" is different from that of the word "SHAMS", which is used by the appellant and, therefore, in no way, could it be termed as deceptively similar so as to pass off the products of the respondents as that of the appellant. It is the further case of the respondents that their product is registered under Classification No.25, whereas the product of the appellant is registered under Classification No.24. While Classification No.24 deals with textile products and handkerchiefs, Classification No.25 deals with undergarments and knitted vests. Therefore, on that count as well, the product of the respondents is in no way similar to that of the appellant. It is the case of the respondents that the pictorial depiction in the label of the respondents is wholly different from that of the appellant and the plea of the appellant that the label creates a confusion in the mind of the average buyer in buying the product of the 1st respondent as that of the appellant has no legs to stand. It is the case of the respondents that the pictorial depiction in the two labels, viz., the label of the appellant and the label of the respondents speak for themselves that no prudent buyer would get carried away in buying the product construing one as that of the other. The learned single Judge had taken all the above into consideration and arrived at a well considered finding, which does not warrant any interference at the hands of this Court.

5. Learned single Judge, after exhaustively dealing with the labels of both the appellant and the respondents and taking note of the fact that the classification of the product of the appellant is different from that of the respondents and further the fact that the product of the respondents is registered in Sultanate of Oman only and further the fact that the label as well as the words being not deceptively similar and that the usage of the item of the appellant is different from that of the respondents, vacated the order of interim injunction granted in favour of the appellant on the further ground that the word mark is generic and, therefore, no monopoly could be claimed over the said word as a trademark, which has got into the general stream due to its usage. Aggrieved against the said order, the appellant is before this Court by filing the present appeals for the relief as stated above.

6. Mr. P.S.Raman, learned senior counsel appearing for the appellant submitted that the appellant has been using the word "SHAMS" and "ICE" in their label since 1988 and that they have been using it openly, continuously and exclusively and that

their products are sold not only in India, but in many countries across the world, including Sultanate of Oman. The label "SHAMS" and "ICE", due to its relativity with the appellant for quite a long time, has been solely associated with the appellant alone and none else and that the products are well reputed among the public all over the world. By virtue of long, continuous and extensive use, the trademarks and artistic work associated with the said mark, viz., "SHAMS" and "ICE" have become so distinctive so that it is exclusively identified with the appellant alone.

7. It is the further submission of the learned senior counsel for the appellant that the 2nd respondent, who was a former authorised distributor of the appellant in the Sultanate of Oman till the year 2011, in collusion with the 1st respondent, had been selling/marketing the products with the infringing label, with mala fide intention of causing loss to the appellant. It is further submitted by the learned senior counsel for the appellant that the label mark of the respondents, seen as a whole, would clearly portray that the mark is deceptively similar to that of the appellant's mark. It is the further submission of the learned senior counsel for the appellant that though the case as put forward by the respondents that the label mark has many distinguishing features to distinguish the marks separately, however, an analysis of the marks would reveal that the basic features, as available in the appellant's mark has been copied by the respondents in their mark, though there are some subtle additions/deletions. It is the further submission of the learned senior counsel for the appellant that just the prefixing of the word "JABEL" would not alter the character of the infringement. It is the submission of the learned senior counsel for the appellant that the word "JABEL" is a commonly used word in Arab countries, which is not so with the case of the word "SHAMS" and, therefore, the usage of the word "SHAMS" along with the word "JABEL" would not in any way alter the significance attached to the word "SHAMS". The respondents, in order to exploit the goodwill of the appellant in the market, with an ulterior motive, have coined their label with the word "SHAMS" suffixed to the word "JABEL", a common word in the Middle Eastern Countries, which is nothing but entering the market through the back-door to gain mileage and share in the market, which the appellant has established over the past three decades through their quality, workmanship and goodwill. It is the further submission of the learned senior counsel for the appellant that the placement of features, size of the label, get-up and layout, shape, arrangement of other artistic features of the respondents' label are all similar to that of the appellant's label, which is nothing but an attempt on the part of the respondents to infringe on the appellant's trademark so as to pass off its products as that of the appellant and gain undue advantage by utilising the goodwill and

reputation earned by the appellant in the worldwide market.

8. It is further submitted by the learned senior counsel for the appellant that though the appellant has registered its trademark under the classification No.24, and the respondents have registered their trademark under classification No.25, that would not in any way change the character of infringement. The products of the appellant and the respondents are similar. It cannot be pleaded that the material produced by the 1st respondent is worn underneath a clothing and that the goods manufactured by the 1st respondent is not identical to that of the appellant for the appellant to plead infringement, is legally unsustainable. Learned senior counsel placed stress on the word undergarment, as is synonymous to underwear to plead that the cloth so worn should be usually next to skin to be termed as undergarment/underwear. However, the product of the 1st respondent falling short of the very crucial aspect, that it is not an undergarment/underwear in the general parlance as is used with undergarment/underwear, the plea of the respondents that their product is not identical to that of the appellant cannot be sustained.

9. In fine, it is the contention of the learned senior counsel for the appellant that the appellant being the prior user of the trademarks "SHAMS" and "ICE", having got it registered way back in the year 1988 and having used it for almost three decades, cannot be deprived of the privilege and goodwill it has been enjoying ever since due to the decoying tactic adopted by the respondents in coining their trademark as "JABEL SHAMS", wherein the prefix "JABEL" is a common word used in most of the business entities in the Middle Eastern countries and, thereby, the usage of the said word cannot be said to clear any iota of doubt in the mind of the common man that the products of both the appellant and the respondents are not one and the same. The appellant, being the prior user of the trademarks "SHAMS" and "ICE", which are words coined for the purpose of the business activities of the appellant, cannot be said to be a term, which is very much within the public domain so as to be held as not an infringing mark. The usage of the trademark as registered by the appellant, in no way affecting the right of the common man, it is not open or exercisable by all persons, more so when the said trademark was registered way back in the year 1988 itself and the appellant has a right to carry on the trade by using the trademark without the interference of any person, more so by the respondents herein. In short, the appellant prays for making the injunction, which has been vacated by the learned single Judge to be restored.

10. Learned senior counsel appearing for the appellant placed reliance on the following judgments :-

- i) Kirorimal Kashiram Marketing & Agencies

Pvt. Ltd. - Vs - Shree Sita Chawal Udyog Mill
(2010 (44) PTC 293 (Del.) (DB);
ii) Laxmikant V.Patel - Vs - Chetanbhai Shah &
Anr. (2002 (3) SCC 65) ;
iii) Revlon Inc. & Ors. - Vs - Sarita
Manufacturing Co. (AIR 1998 Del. 38) ;
iv) J.C. Eno Ltd. - Vs - Vishnu Chemical Co.
(AIR 1941 Bom. 3) ;
v) Midas Hygiene Industries (P) Ltd. & Anr. -
Vs - Sudhir Bhatia & Ors. (2004 (3) SCC 90) ;
vi) J.K. Jain & Ors. - Vs - Ziff Davies Inc.
(2000 (56) DRJ 806) ;
vii) Trans Tyres India Pvt. Ltd. - Vs - Double
Coin Holdings Ltd. & Anr. (2012 (49) PTC 209
(Del.)).

11. Per contra, Mr. G.Masilamani, learned senior counsel appearing for the respondents submitted that the words "SHAMS" and "ICE" are not words used by the appellant alone, to be said to be a trademark exclusively available to the appellant. In fact, the examination report dated 19.11.2012, issued by the Trademark Registry, reveals that there are many persons using the word "SHAMS" and in response to the letter of the Trademark Registry, the appellant had replied that the marks are not in conflict with its trademark and, therefore, no objection was raised. It is the submission of the learned senior counsel for the respondents that, that being the attitude of the appellant in response to the query by the Trademark Registry, the present action of the appellant smacks with mala fide intent, only with a view to prevail upon the respondents to close their business venture. It is the further submission of the learned senior counsel for the appellant that while the registration of the appellant's trademark is under classification No.24, which pertains to handloom cotton lungies and handkerchief, whereas the respondents trademark is registered under classification No.25, viz., "Inner Garments". It is the submission of the learned senior counsel for the respondents that both the classification as also the products and usage being not similar, the contention of the appellant that the trademark of the respondents infringes upon the trademark of the appellant and, thereby, the products of the respondents are being passed off as that of the appellant are per se incorrect and unsustainable.

12. It is the further contention of the learned senior counsel for the respondents that the trademark of the respondents, as a whole, is totally different from the trademark of the appellant. While the trademark of the appellant contains a square label with Sun shown as a dark dot with black rays containing long and short lines and the word "SHAMS" printed on the top right side, the respondents trademark contains the bright Sun printed as a white dot with white line as rays of

equal length and that the word "JABEL SHAMS" printed therein. The word mark of the respondents is a two letter word, whereas that of the appellant is a single letter word and the meaning of the appellant's mark "SHAMS" denotes Sun, while that of the respondents "JABEL SHAMS" denotes Mountain Sun, which is the name of a mountain range in Sultanate of Oman. Therefore, by no stretch of imagination either the word mark or the label mark could be said to be deceptively similar so as to cause confusion in the mind of the common man of average intelligence. The single word, that is common in both the trademarks, viz., "SHAMS", cannot be taken in isolation to say that there is infringement of the trademark of the appellant.

13. It is the further submission of the learned senior counsel for the respondents that the registration of the respondents' trademark is at Sultanate of Oman and pertains to the said region alone, whereas it is not so in the case of the appellant. It is further submitted by the learned senior counsel that the products of the respondents are region friendly and are usable in the particular region, which is not the case of the appellant. The product of the respondents are used as inner garments by the people in Oman, whereas the products manufactured by the appellant are used as outer garments all over the world, as is evident from the classification of the products. Such being the case, it is the submission of the learned senior counsel for the respondents that just the usage of the single word "SHAMS" alone will not suffice to bring the term within the ambit of being termed as infringement, as all the ingredients of deceptive similarity needs to be fulfilled to term it as infringement. In the case on hand, it is the submission of the learned senior counsel for the respondents that the word "SHAMS" is not used only by the appellant, but by very many persons who are involved in multifarious activities in the garment industry and the respondents being one of them and the garment manufactured by them not in any way similar to that of the appellant in usage, it cannot be said that there is any deceptive similarity with the usage of the word "SHAMS" by the respondents alone, who are being singled out of the lot of very many persons using the said word "SHAMS", which goes to show that the appellant, with vendetta, is acting/bringing action against the respondents and not on the ground of infringement on account of deceptive similarity.

14. It is the further submission of the learned counsel for the appellant that the classification under which the garments manufactured by the appellant is No.24, which denotes that they are Cotton Handloom Lungies and Handkerchiefs, while that of the respondent is classification No.25, which is for Undergarments. That being the case, it is the submission of the learned senior counsel that both the garments being not similar in usage, they cannot be termed that the respondent is trying to usurp

advantage by using the appellant's trademark for reaping gains. The usage of garments manufactured by the respondents is as inner garments, whereas that of the appellant is as outer garments. So the plea of the appellant that their goodwill is being utilised by the respondent in passing off their goods as that of the appellant is erroneous and is unsustainable.

15. It is the further submission of the learned senior counsel for the respondents that the word mark "JABEL SHAMS" stood registered in Sultanate of Oman and the attempt of the appellant to register another trademark under the word mark "JABEL AL SHAMS" was rejected by the Trademark Registry in the Sultanate of Oman. This clearly shows that the word mark "SHAMS" used by the appellant is different from the word mark "JABEL SHAMS", which was the main reason for the respondents' mark being registered at the first instance and further the fact that the subsequent attempt of the appellant to register another mark with similarity in the name as that of the respondents, which act was rejected by the Trademark Registry in the Sultanate of Oman would only prove the fact that the trademark of the respondents is in no way similar or deceptively similar to that of the appellant's mark. Therefore, the contention of the appellant that the mark of the respondents is similar or deceptively similar to its mark is per se erroneous and does not have legs to stand. Considering all the above facts, learned single Judge has given a categorical finding with regard to the above issue and, therefore, has vacated the interim order, passed earlier, which does not suffer from any legal infirmity or illegality warranting interference at the hands of this Court.

16. In support of the above submissions, learned senior counsel appearing for the respondents relied on the following decisions :-

- i) Coca-Cola co. of Canada Ltd. - Vs - Pepsi-Cola Co. of Canada Ltd. (R.P.C. (1942) 59 (7)) ;
- ii) Corn Products Refining Co. - Vs - Shangrila food Products Ltd. (AIR 1960 SC 142) ;
- iii) Amritdhara Pharmacy - Vs - Satyadeo Gupta (AIR 1963 SC 449) ;
- iv) Durga Dutt Sharma - Vs - Navaratna Pharmaceutical Laboratories (AIR 1965 SC 980) ;
- v) K.R.Chinna Krishna Chettiar - Vs - Sri Ambal & Co., Madras & Anr. (1969 (2) SCC 131) ;
- vi) F.Hoff-La Roche & Co. Ltd. - Vs - Geoffrey Manners & Co. P. Ltd. (1969 (2) SCC 716) ;
- vii) Parle Products (P) Ltd. - Vs - J.P. & Co., Mysore (19762 (1) SCC 618) ;
- viii) Cadila Health Care Ltd. - Vs - Cadila Pharmaceuticals Ltd. (2001 (5) SCC 73) ;
- ix) Crompton Greaves Ltd. - Vs - Salzer Electronics Ltd. (2011 (3) CTC 453) ;

- x) Crompton Greaves Ltd. - Vs - Salzer Electronics Ltd. (2011 (6) CTC 157 (DB)) ;
xi) Dabur India Ltd. - Vs - K.R.Industries (2008 (10) SCC 595) ; and
xii) Paragon Rubber Industries - Vs - Pragathi Rubber Mills (2014 (14) SCC 762).

17. This Court has given its anxious consideration to the submissions advanced by the learned senior counsel appearing on either side and also perused the materials available on record to which the attention of this Court was drawn as also the various decisions relied on by the learned senior counsel for the parties.

18. Before advertng to the issue as to whether the mark used by the respondents is one infringing on the mark of the appellant, it would be relevant to understand the term publici juris to find out whether the word marks used by the appellant is in the public domain. It is the submission of the appellant that the appellant, being the prior user of the trademark "SHAMS", that too for more than three decades, cannot be said to be a term, which is publici juris so as to be held as not an infringing mark, as the said term, in no way, affects the right of the common man, nor the same has been put in the public domain by virtue of it being used generally by the public and, therefore, it is not open or exercisable by all persons, more so when the said trademark was registered way back in the year 1988.

19. The word publici juris is a Latin word and deals with public right. The word "public" in this sense means pertaining to the people, or affecting the community at large; that which concerns a multitude of people; and the word "right," as so used, means a well-founded claim; an interest; concern; advantage; benefit. This term, as applied to a thing or right, means that it is open to or exercisable by all persons. It designates things which are owned by "the public," that is, the entire state or community, and not by any private person. When a thing is common property, so that any one can make use of it who likes, it is said to be publici juris; as in the case of light, air, and public water (vide Black's Law Dictionary - 5th Edn.).

20. Kerley in his book "Law of Trade Marks and Trade Names" (13th Edn.) states that names, which once carried a distinctive reference to a particular trader may, in consequence of successful piracies, or of their use by the trader himself for goods which are the goods of others, or are put forward as such, or for other reasons, lose it and fall into common use and become publici juris, in the same way as trade marks may be lost or abandoned. The proper test whether an exclusive right has become publici juris is whether the use of the trade mark by

other persons has ceased to deceive the public as to the maker of the article and that piracy, which exceeds in volume the genuine goods may fail to destroy the reputation of a mark, if it remains surreptitious, so that the ultimate consumer never appreciates the true position.

21. Dr.Venkateswaran in the book "The Law of Trade Marks and Passing Off" (4th Edn.), has stated that marks, which are common to the trade cannot be distinctive to the goods of any particular manufacturer and will not be registered. A mark may be common to the trade when it is in common use in the trade in the goods concerned or is open to the trade to use. A word to the exclusive use of which as a trade mark a particular trader has been entitled, may subsequently become publici juris and if this happens no monopoly can thereafter be claimed by any person in that word. Every trader has a right to use for his trade purposes the terminology common in his trade, provided always that he does this in a fair, distinct and unequivocal way. The author is also of the opinion that the phrase "common to the trade" is capable of two meanings--

"i) in common use in the trade ;

ii) open to the trade to use"

and that it is a question of fact in each case whether a mark is common to the trade.

22. In Cadila Health Care Ltd. Vs. Cadila Pharmaceutical Ltd. (AIR 2001 SA 1952), it was held by the Supreme Court that the real question to decide in cases is to see as to how a purchaser, who must be looked upon as an average man of ordinary intelligence, would react to a particular trade mark, what association he would form by looking at the trade mark, and in what respect he would connect the trade mark with the goods which he would be purchasing. The Supreme Court further held that in deciding a question of similarity between two marks, marks have to be considered as a whole and that the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. It further held that to decide the question it must be seen as to how an unwary purchaser of average intelligence and imperfect recollection split the name into its component parts and consider its etymological meaning thereof or even consider the meaning of the composite words.

23. In Lakshmikant V.Patel Vs. Chetanbhat Shah & another (AIR 2002 SC 275), the Supreme Court held that an action for passing off will lie whenever the defendant company's name or its intended name is calculated to deceive, and so to divert business from the plaintiff, or to occasion a confusion between the two businesses and if this is not made out there is no case. It further stated that where there is probability of confusion in business, an injunction will be granted even though the

defendants adopted the name innocently. The Supreme Court was of the further view that honesty and fair play are, and ought to be, the basic policies in the world of business and that when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of some one else to himself and thereby resulting in injury. The Supreme Court referred to the judgment in Oertil - Vs - Bowman ((1957) RPC 388) and held that gist of passing off action was defined by stating that it was essential to the success of any claim of passing off based on the use of given mark or get-up that the plaintiff should be able to show that the disputed mark or get-up has become, by user in the country, distinctive of the plaintiff's goods so that the use in relation to any goods of the kind dealt in by the plaintiff of that mark or get-up will be understood by the trade and the public in that country as meaning that the goods are the plaintiff's goods.

24. In the case on hand, the word "SHAMS" and "ICE", as is used by the appellant, is a coined word and not a generic word. The words "SHAMS" and "ICE", as has been held by the learned single Judge, is not a generic word, but is more of a coined word, and, therefore, cannot be said to be a word, which can be applied by any person or business, unless proved to the contrary, which can be done only at the time of trial. The enactment of the Trademark and Copyright Act is to prevent misuse of coined words, which are registered as trademark so that persons/entities can stake monopoly over those words, unless proved that the same has come into the public domain due to efflux of time and being used by entities as a common word of everyday use. Therefore, the observation of the learned single that no one can claim monopoly in any trade on the ground of trademark being deceptively similar on the ground of the word being a generic word, is totally erroneous and unsustainable.

25. Turning to the question of classification of the products of the appellant and the respondents being different and, therefore, the deceptive similarity would be of no consequence, it would be trite to refer to the types of classification made therein and what the classification denotes. While the classification of the product of the appellant is No.24, which is classified as Cotton Handloom Lungies and Handkerchiefs, the classification of the product of the respondents is No.25, which is classified as Inner Garments and Knitted Vests. It is the submission of the learned senior counsel for the respondents that the products of the respondents are classified as inner garments, which undoubtedly denotes that those are used for inner wear, while the products manufactured by the appellant are cotton lungies, which are basically outer garments. The garments being totally dissimilar to each other

in their usage, there would be no question of confusion in the minds of the general public insofar as trademark is concerned and, therefore, the contention of the appellant has to fail.

26. Even from the very contention of the respondents, it is their case that the products manufactured by them are inner garments and it is not in any way similar to the products manufactured by the appellant. It would be trite to refer to what is meant by "inner garment". An overall search of the terminology of "inner garments" denotes that those are garments, which are used as "underwear" or "undergarments". The meaning of "underwear" as is synonymous with the word "undergarments", as is found place in Websters Dictionary is as under :-

"underwear

clothing worn under one's outer clothes, usually next to the skin, as undershirts, undershorts, or slips"

27. A reading of the above clearly shows that any garment, which is worn under one's outer clothes, usually next to the skin as undershirts, undershorts, or slips would qualify itself as underwear. From the above, it is clear that the said garment, to be treated as an "underwear" falling within the classification No.25, which is held by the respondents, should satisfy the test as prescribed above, viz., that it should be usually worn next to the skin. It is not the case of the respondents that the said product manufactured by them is worn next to the skin, though it is their case that it is not an outer garment, but is one that is worn below the outer clothes. Therefore, the usage of the product of the respondents, envisaged as inner garments, not satisfying the parameters of underwear, in the absence of a full fledged trial and without letting in evidence the said fact cannot be established and, therefore, it would be wholly unsafe to rely upon the stand of the respondents that their products are inner garments and qualifies as undergarment/underwear, tending to defeat the claim of the appellant, who is the prior user of the trademark "SHAMS" would be nothing but putting the cart before the horse. Therefore, it is for the respondents to establish their case at the time of trial that the usage of their product is as per the classification and that the products as also the marks are so very distinct that it could not cause any confusion in the mind of a person of average intelligence.

28. Further, a cursory perusal of the label marks, as also the word marks, as is found place in the typed set of documents, reveal that there is similarity in the overall layout and design of the template carrying the label. The template of the appellant as also the respondent, in very many ways, is identical, though there are some subtle variations. The said aspect has been observed by the earlier Division Bench, which

had granted interim order for the appellant by restricting the respondent from infringing on the said label and word marks. The Bench therein had observed that inspite of efforts at mediation between the parties, no settlement had been arrived at. It is also evident from the order therein that at the instance of the learned senior counsel appearing therein for the respondents, submission was made that the respondents would examine as to how their label as also the word marks could be made distinguishable from the label and word marks of the appellant. However, it further reveals that inspite of the best efforts, no via-media solution could be arrived at and, therefore, the Bench proceeded to hear the matter on merits insofar as interim order was concerned. The Bench, vide the said order dated 15.10.2015, observed as under:-

"7. It is not in dispute that the second respondent was the erstwhile authorised distributor of the petitioner/appellant for more than 11 years and had knowledge of all the trade marks and labels of the appellant including the mark 'SHAMS' and 'ICE' label. The distributorship agreement is stated to have been terminated in 2011 and the petitioner's case is that thereafter the second respondent clandestinely adopted almost identical trade mark and label and colluded with the first respondent in India to manufacture textile products for export and sale in Oman.

8. At the time when the application for interim injunction was moved before the learned single Judge, the Court was convinced that the petitioner had made out a prima facie case and granted an order of ex parte ad-interim injunction which was in force till it was vacated by the impugned order, dated 06.06.2014. We have perused the impugned labels and we are satisfied that the petitioner has made out a prima facie case and in fact, we put it to the learned counsel for the second respondent that the label of the second respondent with the mark ICE is deceptively similar and so far as the label 'SHAMS' we find that the shape of the label is identical, the rising sun and the words in Urdu."

29. The larger contention raised in regard to the present dispute pertains to the deceptive similarity of the trademarks of the appellant and the respondents. While it is the stand of the appellant that there is deceptive similarity between both the marks, it is countered otherwise by the respondents. To answer the issue as to what would constitute deceptive similarity, it would be useful to refer to the decision of the Apex Court in Cadila Health Care Ltd. - Vs - Cadila

Pharmaceuticals Ltd. (2001 (5) SCC 73) , wherein the Apex Court had enumerated the various ingredients that are necessary to be looked into when dealing with an issue pertaining to deceptive similarity of trademarks. For better clarity, the relevant portion is extracted hereunder :-

"35. Broadly stated, in an action for passing-off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors are to be considered:

(a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.

(b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.

(c) The nature of the goods in respect of which they are used as trade marks.

(d) The similarity in the nature, character and performance of the goods of the rival traders.

(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

(f) The mode of purchasing the goods or placing orders for the goods.

(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks."

30. In Khoday Distilleries Ltd. - Vs - Scotch Whiskey Association (2008 (10) SCC 723), the Supreme Court held that the tests enumerated in Cadila Health Care case (supra) needs to be applied in each and every case to find out whether the ingredients of deceptive similarity are made out. The relevant portion is extracted herein below for better clarity :-

"The tests which are, therefore, required to be applied in each case would be different. Each word must be taken separately. They should be judged by their look and by their sound and must consider the goods to which they are to be applied. Nature and kind of customers who would likely to buy goods must also be considered. Surrounding circumstances play an important factor. What would be likely to happen if each of those trade marks is used in a normal way as a trade mark of the goods of the respective owners of the marks would also be a relevant

factor."

(Emphasis Supplied)

31. It is not in dispute that the 2nd respondent was the authorised distributor of the appellant in Oman till 2011 as is recorded by the Division Bench in the order above. Therefore, the stand of the appellant is fortified, in that, the 2nd respondent was fully aware of the trademark of the appellant, its design, layout and the intricate details connected with the trademark. As has been held by the Division Bench while granting the interim order, the infringing trademark of the respondents is deceptively similar to the trademark of the appellant, though there are subtle variations, as has been pointed out by the learned single Judge. The goods that are being produced and marketed by the appellant and the respondents as also the persons at whom the said goods are targeted are also important circumstance, which needs to be looked into before arriving at a decision. In the case on hand, though there are differences so also similarities between the two trademarks, however, the proportion of the differences and similarities needs to be gone into in detail only for answering the issue, which could be done only at the time of trial, by letting in evidence and analysing the same, so as to come to a conclusion whether it would be reasonably possible for a person of average intelligence not to get carried away by the infringing mark. The nature and character of the said infringing trademark so also the impact that it would have on the mind of a person of average intelligence are all matters, which has to be gone into at the time of trial, as they are matters pertaining to factual aspects, which cannot be gone into at this stage. Therefore, it would be very premature at this stage to say that the infringing trademark of the respondents is not deceptively similar so as to reject the contention of the appellant that no prima facie case is made out.

32. The other contention of the learned senior counsel for the appellant such as the seizure of the labels, identical to that of the appellant's label, made by the Advocate Commissioner at the office of the respondent are also matters, which go to the weight and admissibility of the evidence at the time of trial, which have to be proved based on factual materials and records and, at the present instance, the same can at best be taken as an associated material for the purpose of holding that the materials on record prove that the appellant has made out a prima facie case as has been held by the Division Bench while granting the interim order.

33. In view of the foregoing discussions, these appeals are allowed. However, it is made clear that the interim injunction already granted by this Court vide order dated 15.10.2015 shall be subject to the result of the suit pending before the learned

single Judge. All the contentions are left open to be urged before the learned single Judge. The learned single Judge is requested to complete the suit within a period of six months. The learned single Judge shall independently deal with the matter without being carried away by any of the observations, references and discussions made in these appeals, which are made only for the purpose of disposal of these appeals. In the circumstances of the case, there shall be no order as to costs.

s/d-
Assistant Registrar

True Copy

Sub-Assistant Registrar

To

1. The Sub Assistant Registrar
Original Side
High Court
Madras-104

+1 CC to M/s. Arun C. Mohan, sr 15111
+2 Ccs to M/s. V.P. Sengottuvel, sr 15429

O.S.A. NOS. 167 TO 169 OF 2014

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