

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON:03.03.2017

DATE OF DECISION: 28.04.2017

CORAM:

THE HONOURABLE MR.JUSTICE R.SUBRAMANIAN

A.S.No.1072 of 2012

1.A.N.Annadurai
2.A.Karpagam @ Vijaya
3.M/s.Erode No.1 Mangaiyar Choice,
A Partnership firm represented by
its partner A.Karpagam @ Vijaya
4. N.Ganga ... Appellants/Defendants

Vs

M/s.Mangai Agencies,
A Partnership firm represented by its partner
V.M.A.Gunasekar,
No.325, Katcheri Road,
Erode-638 001 ... Respondent/Plaintiff

This appeal is filed under Section 96 C.P.C. read with Order 41 Rule 1 and 2 C.P.C. against the judgement and decree dated 24.09.2012, made in O.S.No.61 of 2007 on the file of the Principal District Judge, Erode.

For Appellants : Mr.G.Muthukumaravel
G.M.S.Law Associates
For Respondents : Mr.Rajasekar
for Mr.S.Rajmakesh

J U D G E M E N T

The defendants who have suffered a decree for declaration that the plaintiff is the owner of the Trade Mark "Mangai Agencies" and for a consequential injunction restraining the defendants from using the trade name "Mangaiyar Choice" which is deceptively similar to the trade name of the plaintiff, are the appellants.

2. The plaintiff has been doing business in retail sales of house hold articles like Gas Stove, Mixer Grinders, Cookers

etc. Apart from selling the house hold articles, they are also doing service of all type of LPG gas stoves, Mixer Grinders, Cookers etc. for the past 17 years. The plaintiff claims to be carrying on business in the name of "Mangai Agencies" and an application has been made for registration of the Trade Mark namely, Mangai Agencies on 21.11.2006 under Section 42 of the Trade Marks Act and the same is awaiting registration. According to the plaintiff, the defendants who were doing business in the trade name 'Saravana Stores' earlier, during December 2006, adopted the name and style of " Erode No.1.Mangaiyar Choice".

3. The defendants had depicted their trade name in the name board in such a manner as that of the plaintiff. It is also similar to the plaintiff's name board "Mangai Agencies". Since the said depiction of the trade name " Erode No.1.Mangaiyar Choice" by the defendants is similar and almost identical to that of the plaintiff's trade name and the business of both the parties being almost same, the user of the name "Erode No.1.Mangaiyar Choice" by the defendants would definitely create confusion in the minds of the people, particularly, the women from rural areas, who are not very well educated. The plaintiff would further contend that the defendants action would definitely create confusion in the minds of the people particularly women from rural areas.

4. The plaintiff would further contend that the defendants by adopting the word phonetically similar to that of the plaintiff's trade name, encashed upon the hard earned reputation of the plaintiff. Therefore, the plaintiff caused a legal notice on 28.12.2006 requiring the defendants to desist from using the trade mark or trade name "Mangaiyar Choice". The said notice was replied to by the defendants on 19.01.2007 making untenable and false allegations. Pending suit, the plaintiff's claim for registration was accepted. The plaintiff has the registered trade mark with reference to the trade name " Magai Agencies". Hence, the plaintiff had filed the suit for the relief stated supra.

5. The defendants resisted the suit contending that the suit itself is not maintainable and the plaintiff cannot seek a declaration that it is the proprietor of the Trade Mark in contravention of Section 18 of the Trade Mark Act. It was further contended that there was no question of passing of, since the term "Mangai Agencies" and "Mangaiyar Choice" are neither depictively nor phonetically similar. It is also contended that the plaintiff being an unregistered partnership firm having registered only in 2006 cannot claim any right prior to the registration. In the absence of any bills or other documents to show that the plaintiff has been doing business in the name of "Mangai Agencies" right from 1989 onwards, the theory that the plaintiff's trade name "Mangai Agencies" has

acquired any significance whatsoever, cannot be accepted. On the above contentions, the defendants sought for dismissal of the suit.

6. The learned Principal District Judge, Erode, who tried the above suit framed the following issues:

- 1) Whether the suit as framed is maintainable?
- 2) Whether the name of the defendants' shop has caused confusion to the public?
- 3) Whether the description of the plaintiff and the defendants are similar in nature and identical?
- 4) Whether the defendants infringed the right of the plaintiff?
- 5) To what other relief the plaintiff is entitled to?

The learned Trial Judge recast the issue as follows:

1. Whether the defendants have infringed the registered trade mark of the plaintiff by using the word "Mangaiyar Choice" in their trade name?

2. Whether the word "Mangaiyar Choice" is generic and common and the plaintiff is not entitled to claim any right over the same?

3. Whether the plaintiff is entitled to the relief of declaration and permanent injunction as prayed for?

Upon hearing of the arguments of the learned counsel on either side, the learned Trial Judge recast the issues as follows:

1) Whether the defendants have infringed the registered trade mark by the use of "Mangaiyar Choice" and in their trade name?

2) Whether the word Mangaiyar Choice is as generic and common term and the plaintiff is not entitled to claim any right over the same?

3) Whether the plaintiff is entitled to the relief of declaration and permanent injunction?

7. On the side of the plaintiff, PW1 was examined and Exs.A1 to A14 were marked. DW1 was examined and Exs.B1 to B4 were marked on the side of the defendants.

8. On an analysis of the oral and documentary evidence as well as law relating to infringement, the learned Trial Judge concluded that the adoption of the name "Mangaiyar Choice" by the defendants would cause considerable confusion in the minds of the consumers. The learned Trial Judge also took note of the manner in which the entire trade name of the defendants namely "Erode No.1 Mangaiyar Choice" had been depicted by the defendants and found that the name has been so designed with an intention to create a confusion in the minds of the customers. The learned Judge had in fact found that the words "Erode No.1" were prefixed in very small letters and the word Choice had been suffixed on the last two letters of the word "Mangaiyar" written in Tamil, thereby making the word "Mangai" alone predominant.

This depiction, according to the learned Trial Judge would definitely confuse the minds of the customers. Hence, the learned Trial Judge granted a decree for declaration and injunction. Even though it was contended on behalf of the defendants that the suit for declaratory decree will not be maintainable, in the absence of registration and inasmuch registration was issued during the pendency of the suit, the learned Trial Judge granted the decree as prayed for.

9. Aggrieved defendants have come forward with this appeal. I have heard Mr.G.Muthukumaravel for M/s.G.M.S Law Associates, the learned counsel for the appellant and Mr.K.Rajasekar, for Mr.S.Rajmakesh, the learned counsel for the respondents.

10. Mr.G.Muthukumaravel, learned counsel appearing for the appellants would contend that the suit for declaratory relief is impliedly barred under Section 18 of the Trade Mark Act and without the amendment to the plaint consequent upon the registration, the Trial Court ought not to have granted a decree for declaration that the plaintiff is the owner of the trade mark.

11. The learned counsel would further contend that the term "Mangai" is generic and there cannot be any objection for the use of the said term by the defendants. The learned counsel would also point out what has been registered is a trade mark label under Class-42 comprising of the name "Mangai Agencies" with the name and address of the partner and the devise of a Saluting Lady. Whereas the defendants printed their trade name as "Erode No.1 Mangaiyar Choice". Though the defendants have not sought for trade mark registration, they have applied for rectification of the plaintiff's trade mark under Sections 57 and 125 of the Trade Marks Act 1999. The said application is pending. Therefore, the Trial Court is erred in granting a decree as prayed for.

12. Per contra, the Mr.K.Rajasekar, learned counsel appearing for the respondent would contend that though the suit is for declaration at the time it was filed, in the absence of registration, it is not strictly maintainable. But in view of subsequent registration, the defect has been cured. The learned counsel would also point out that the Trial Court took note of the photographs produced to show that the depiction of the word "Erode No.1 Mangaiyar Choice" by the defendants with an intention to make it similar to that of plaintiff's trade mark namely, "Mangai Agencies".

13. Inviting my attention to the photograph produced as Ex.A13, the learned counsel would contend that look at both the name boards of the plaintiff as well as the defendants would

categorically show that the customers particularly being women from rural areas, will definitely be confused as to the identity of the plaintiff and the defendants. The learned counsel would further contend that the business of the plaintiff and defendants is one and the same. According to the learned counsel, the use by the defendants, a portion of the plaintiff's registered trade mark would amount to infringement of the plaintiff's trade mark. Both the learned counsel have also dwelled upon the question of descriptive similarity. From the arguments of the learned counsels, the following points arise for determination in this appeal:

1) Whether the use/depiction of words "Erode No.1 Mangaiyar Choice" by the defendants could be said to have infringed the plaintiff's trade mark of "Magai Agencies?"

2) Whether the plaintiff is entitled to a decree for declaration and injunction as prayed for?

14. It is not in dispute that the plaintiff has a registered trade mark label showing its name as "Mangai Agencies". The said label also contains the address of the partner and the devise of a Saluting Lady. It is not in dispute that the defendants have not sought for registration of any trade mark. But the defendants claimed that the term "Mangai" or "Mangaiyar" is a generic term and there cannot be any objection by the plaintiff for the said term being used by the defendants. The other substantial objection by the defendants is the frame of the suit. In view of the registration of the trade mark during the pendency of the proceedings, though the plaintiff had no registration/propriety over the trade mark on the date of the filing of the suit, the same has been granted subsequently. Mr.G.Muthukumaravel, learned counsel appearing for the appellants would vehemently contend that there was no amendment of the plaint to incorporate the details of the registration. Therefore, the court was not justified in taking into account the registration issued, during the pendency of the suit to grant the relief to the defendants.

15. Mr.K.Rajasekar, learned counsel appearing for the plaintiff would contend that the registration happened during the pendency of the suit and the defendants themselves have moved an application for rectification, which is pending. Therefore, there is no impediment to recognise the registration and grant relief based on such registration. According to him subsequent event has a bearing on the rival contentions to the suit. No doubt as rightly contended by the learned counsel for the appellant, the suit as framed on the date of its filing may not be strictly in accordance with law. However, in view of the admitted position that the plaintiff has been favoured with the

registration pending suit, I do not think that the Trial Court was wrong in granting the relief of declaration. No doubt the question of deceptive similarity will have to be gone in to.

16. The claim of the defendants is that the term "Mangai" is a generic term and therefore, there cannot be any prohibition/injunction against the defendants from using the said term. The term " Mangai " taken independently is definitely a generic term. But the plaintiff has obtained the registration for a particular coinage namely, "Mangai Agencies" and the said term "Mangai Agencies" is depicted in the plaintiff's name board in a particular fashion. The defendants, though have chosen to adopt slightly different name, namely, "Erode No.1 Mangaiyar Choice", the manner in which the word "Erode No.1 has been depicted in the name board of the defendants, creates doubts in the mind of the Court that there is an attempt to confuse the customers. The word "Erode No.1" has been written left side on the top of the board in a very small letters and it is almost invisible. The word "Mangai" has been written in the same font that has been adopted by the plaintiff for depicting the word "Mangai" and the word "choice" has been super imposed on the last two letters of "Mangaiyar" written in Tamil as " ah; " have been made almost invisible. Therefore, the only prominent visible part of the defendants' name board is the word " Mangai". This, in my considered opinion, is nothing but an attempt to confuse the minds of the customers.

17. It is a well settled principle of Trade Mark law that the Court should look into the alleged deception from the point of view of the customers and not from the legalistic angle. Whether, this alone gives a cause of action to the plaintiff to seek declaration and injunction, is the question that crops up. Mr.Rajasekar, learned counsel appearing for the respondent would rely upon the judgement of a division Bench of this Court in Devi Pesticides Private Ltd. vs.Shir Agro Chemicals Industries Reported in 2006 (32) PTC 434 Madras, wherein the Division Bench of this Court was concerned with the names used by manufactures of Pesticides and fertilizers. The Hon'ble Division Bench, taking into account the fact that the consumers are mostly agriculturists and they are likely to misled by the use of the word, because they would not be able to distinguish between the marks BOOM PLUS, BOOM FLOWER and SUPER BOOM. Noticing the similarity, both phonetical and pictorial, the Division Bench upheld the decree for injunction by quoting the judgement of the Supreme Court in Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. AIR 2001 SC 1952. The Division Bench had extracted the following passage:

"19. From the materials placed, we are satisfied that the applicants have prima facie case in their favour, the needy users are illiterate

farmers and common man, who eats the fruits and vegetables and whose interest has to be taken care of by this Court. The applicant being a prior user of the trademark since 1987, we are satisfied that if respondent is injuncted from use of applicants mark, no prejudice would be caused to them. On the other hand, if they are not so injuncted, irreparable loss and injury will be caused to the applicant. We are also satisfied that balance of convenience is in favour of the applicant. The learned Judge failed to consider the similarities in the marks and the resemblance in the phonetic, visual and the basic idea represented in the registered mark and the infringed mark. Further, the learned Judge failed to note that the design, appearance, label, etc. of the products are similar and as erroneously come to the conclusion that the word BOOM is a common word and the applicant cannot have coined the word. As rightly pointed out the registered trademark of the applicant since 1987 of the same word BOOM cannot be allowed to be used / infringed by others by just prefixing SUPER for marketing their products as that of the applicant."

Following the said observations, the Division Bench held as follows:

"Under these circumstances, the common order dated 26.04.2005 made in O.A.Nos.904 and 905 of 2004 in C.S.No.862 of 2004 is set aside and there shall be an order of injunction as claimed in both the applications till the disposal for the suit. Both the Original Side Appeals are allowed. No costs. It is made clear that the above conclusion of us is only prima facie, for the disposal of the injunction applications."

18. The learned counsel would also invite my attention to the judgement of this Court in Murigan IDLI Shop vs. Murgun IDLI Shop reported in 2011 (48) PTC 267, wherein this Court was concerned with the phonetically similar name of "Murigan Idli shop" and "Sri Murugan Idli shop". The learned Judge, who dealt with the case, after referring to various pronouncements on the question of phonetical or pictorial similarity, had observed as follows:

"8. But in all the above cases, phonetic similarity alone was not taken to be the sole deciding factor. On the other hand, the Supreme Court emphasized the need to apply the test of "overall structural and phonetic similarity" in Amridhara's

case and "visual and phonetic tests" in Cadila's case. Similarly, the Supreme Court applied the test of "broad and essential features" in Parle Products case.

9. Applying these tests of "overall structural and phonetic similarity", "visual and phonetic similarity" and "broad and essential features", to the case on hand, it is seen that the trade mark of the respondent (of which rectification is sought for by the appellant) consisted of a word mark in Tamil reading as "IRIS". Admittedly, the trade mark of the appellant consisted of a word mark in English reading "EYETEX" along with an artistic picture of a human eye. Therefore, the Registrar found that there was no structural or overall or visual similarity, though there was a phonetic similarity in so far as the first part of the word was concerned. The said phonetic similarity in the first part of the word also vanished when the word was taken as a whole along with the second part of the word. Therefore the Registrar as well as the learned Judge were right in coming to the conclusion that the marks were not identical or deceptively similar to each other."

19. A Reading of the above judgements would show that what is important is the effect depiction or over all structural and phonetic similarity would be on the customers. It would also depend on the class of the customers. It could be seen from the nature of the trade by both the parties, the customers would be mostly women from semi urban or rural areas. The manner in which the name board depicted especially the word "Mangai" would definitely create a confusion in the minds of those customers. No doubt true, the word "Mangai" is a generic term. But as pointed out by this Court Murigan IDLI Shep vs. Murgun IDLI Shop reported in 2011 (48) PTC 267, once the trade name has been registered, whether the words are generic or not will have to be decided by the authorities and not by the Court.

20. The fact that the rectification application is pending is also taken note of. The learned counsel for the appellant had also filed an affidavit of undertaking, suggesting that he would alter the depiction in the name board. He had also suggested two proposals to be adopted by him. The learned counsel for the respondent has rejected the proposals and contended that unless the word "Mangai" is changed confusion will continue. In the affidavit filed by the partner of the appellants dated 22.02.2017 apart from offering to alter the manner in which, the name has been written, the appellants have also undertaken not

to use the word "Mangai" separately, other than as part of the trade name as "Mangaiyar Choice". Taking note of the fact that word "Mangai" is a generic term and the fact that the plaintiff has got the registered trade mark, I do not think that the offer of the appellants/defendants for a different form of depiction of the same word could be accepted, as pointed out in Murigan IDLI Shep vs. Murgun IDLI Shop reported in 2011 (48) PTC 267.

21. The fact that the word "Mangai" is a generic term and therefore, no one can claim a trade mark and proprietorship over the same, has to be decided by the Registration authority and inasmuch as the application for rectification filed by the appellant/defendants is pending, I do not propose to go into the said question.

22. Once the infringement is made out, grant of injunction is automatic. Therefore, I do not think, a case has been made out for interference with the conclusion of the Trial Court. I find that the learned Judge had considered the arguments on either side while recasting the first issue relating to the question of infringement and therefore, there is no question of the plea regarding registration having not been taken. Only based on the arguments of both the counsels, , the Trial Court framed the issues relating to infringement.

23. For all the above reasons, the appeal is dismissed confirming the judgement and decree of the Trial Court. However this decree shall not precluded the defendants from pursuing their application for rectification of the registration, the same will be looked into by the authorities concerned on merits without being influenced by any of the observations made by me or by the Trial Court in the impugned judgement. In view of the peculiar circumstances of the case, I direct the parties to bear their own costs.

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Sd/-

Asst.Registrar

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Sub Asst. Registrar

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To

The Principal District Judge, Erode.

+1cc to Mr.S.Rajmakesh, Advocate Sr. 36564

+1cc to Mr.G.K.Muthukumar, Advocate Sr. 26273

PRE DELIVERY JUDGEMENT
IN
A.S.No.1072 of 2012

MG (CO)
VR(16/5/2017)



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