

IN THE HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHARA PRADESH

C.M.A.No.27 of 2017

Between:

M/ s Hotel Swagath

.....Appellant/ Plaintiff

AND

M/ s Hotel Swagath East Court

.....Respondent/ Defendant

Date of Judgment pronounced on : 28-11-2017

HON' BLE DR. JUSTICE B. SIVA SANKARA RAO

1. Whether Reporters of Local newspapers
May be allowed to see the judgments? : Yes/ No
2. Whether the copies of judgment may be marked
to Law Reporters/ Journals: : Yes/ No
3. Whether The Lordship wishes to see the fair copy
Of the Judgment? : Yes/ No

* HON' BLE DR. JUSTICE B. SIVA SANKARA RAO

+ C.M.A.No.27 of 2017

%28-11-2017

Between:

M s Hotel Swagath

.....Appellant/ Plaintiff

AND

\$ M s Hotel Swagath East Court

.....Respondent/ Defendant

< GIST:

> HEAD NOTE:

! Counsel for the appellant : Sri K. Mohan Kumar

^ Counsel for the respondent : Sri Venkat Reddy Douthi Reddy

? Cases referred

1. (1946) 63 RPC 39 HL
2. (2004) 28 PTC 404 (Delhi)
3. (1970) RPC 238



HONOURABLE Dr. JUSTICE B.SIVA SANKARA RAO

CIVIL MISCELLANEOUS APPEAL No.27 of 2017

ORDER:

The appellant-M/s Hotel Swagath (registered partnership firm) is plaintiff in O.S.475 of 2016 on the file of the IX Addl. Chief Judge, City Civil Court, filed for the relief of permanent injunction restraining defendant-M/s Hotel Swagath East Court (represented by V.Narasimha Reddy) and his men, his successors-in-interest and others claiming under him from infringing the plaintiff's exclusive statutory right to the registered trademark 'Swagath' and common law right to the trade name/ trademark/ service mark of the plaintiff and from passing off his business under the impugned trade name consisting of 'Swagath' with or without any laudatory epithet or generic or descriptive expressions as its prefix or suffix depicted in any form or in any language, which is identical or similar or deceptively similar, either visually, phonetically or structurally to the plaintiff's registered tradename/ trademark/ service mark, 'Swagath' as the business of the plaintiff.

2. During pendency of the suit, the plaintiff filed I.A.No.817 of 2016 U/O.XXXIX Rules 1 and 2 r/w Sec.151 CPC for grant of interim injunction against the defendant. After contest, the trial Court dismissed the petition by order dt.14.10.2016.

3. Impugning said order, the plaintiff preferred the present appeal with grounds in memorandum of appeal that the lower court failed to appreciate or understand either the facts of the case or the provisions of the Trademarks Act, 1999 or the principles laid down in common law relating to trademarks under which the suit is filed or the case law relating to the subject matter of the suit. The lower Court failed to appreciate that the appellant is the registered user of the

trademark (label) under No.20222183 and should have recorded its specific finding on the question of infringement. The lower Court failed to appreciate the difference between the rights conferred by virtue of registration of the trademark under Section 28 of the Act and the rights acquired by common law by use of the mark prior in point of time. The lower Court erred in not recording its specific findings on the questions relating to infringement and passing off actions as required by law. The lower Court erred in ignoring the age old principle relating to passing off action under the Trademarks Law that 'similarity' between the competing marks is to be taken into consideration while determining the likelihood of deception and confusion which is being followed by various Courts of the country including the Apex Court. The lower Court erred in taking into consideration the 'dissimilarity' between the competing marks while determining the likelihood of deception and confusion and coming to the conclusion that there is no likelihood of deception and confusion. The lower Court erred in holding that a 'slight difference' between the plaintiff's and the defendant's trading style is a sufficient distinction by blindly following the extract of a part of the decision in Office Cleaning Services Ltd. Vs. Westminster Window and General Cleaners Ltd.¹ borrowed from Bharat Hotels Limited Vs. Unison Hotels Limited² without having the full text of the decision of House of Lords to appreciate the circumstances under which the said finding was arrived at by the House of Lords. The lower Court also erred in applying the dictum in the decision of the House of Lords in Office Cleaning Services Ltd. Supra that a 'slight difference' between the descriptive words, 'services' and 'association' occurring at the end of the respective services of the plaintiff and the defendant would be sufficient to

¹ (1946) 63 RPC 39 HL

² (2004) 28 PTC 404 (Delhi)

distinguish their services in the absence of fraud, to the present case where the trading styles of both the parties consist of the fancy word 'Swagath' as prefix part, which is not a descriptive word. The lower Court has failed to appreciate the decision in Effluent Disposals Ltd., Vs. Midlands Effluent Disposal Ltd.³ that the dictum 'small differences may suffice' in cases concerned with the descriptive names in Office Cleaning Services Ltd. supra does not apply to the case before them where the addition of 'MIDLANDS' as prefix to an otherwise identical name amounted to 'no distinction at all' aptly applies to the present case where the common words, 'Hotel Swagath', East Court are added in an insignificant way as suffix to an otherwise identical trading style of the plaintiff. The lower Court also failed to appreciate the difference between 'fancy', 'generic or descriptive' and 'common' words. The lower Court also failed to appreciate that while the 'fancy' word like 'Swagath' indicates a single source, the 'generic or descriptive' words like, 'hotel', 'restaurant' etc., indicate the nature of services/ goods and the common words are the words which have been in use and became *publici juris*. The lower Court failed to appreciate that the consumers/ customers always remember and identify the services/ goods with the distinctive word 'SWAGATH', which appears predominantly in the appellant's trading style and not by the last common words like, 'East Court' occurring in the trading style of the respondent and that there is every likelihood of confusion or deception being caused in the minds of the consuming public. It is not out of place to submit that the word 'Swagath' which is recollected by the consumers and not the other descriptive expressions contained in the trading styles of the rival parties and therefore the goodwill and reputation revolves around the word 'Swagath'. The lower Court failed to appreciate that the case of

³ (1970) RPC 238

the plaintiff is that the reputation is attached to the tradename/ trademark can neither be regained nor compensated in terms of money, if lost, and has erroneously held that the appellant has not produced any material to show that their business has been adversely affected by the use of the expression, Hotel Swagat East Court by the respondent. It is not out of place to submit that the courts including Apex Court on several occasions granted injunctions in passing off cases, when there is likelihood of creating confusion or deception in the minds of the consumers. The lower Court failed to appreciate that the trading style of the plaintiff containing the prefix fancy word 'Swagath' is inherently distinctive entitling them to the grant of injunction when the defendant fraudulently adopted the prefix identical fancy word in conjunction with descriptive or common words 'East Court' for identical business. The lower Court erred in holding that if the respondent/ defendant's business is stopped the irreparable loss cannot be compensated whereas the petitioner/ plaintiff can be compensated for the damages prayed in the suit, ignoring the fact that the damage caused to the hard earned goodwill and reputation can neither be restored nor be compensated in terms of money. The lower Court erred in applying the irrelevant decisions without appreciating the distinction between the facts in those cases and the facts in the present case and also in considering the documents marked as Exs.P.1 to P.3,P.7 and P.13. Hence, to set aside the order impugned herein of the lower Court.

4. Heard both sides and perused the material on record.

5. The factual background, in deciding the appeal is while sitting against the impugned dismissal order of the temporary injunction application pending disposal of the suit for permanent injunction with

regard to the registered trademark and since earlier of the passing off rights, is that:

a) The case of the plaintiff is that it is one of the largest, renowned and reputed business houses rendering the services of hotels snack bars food catering and restaurants under the tradename/ trademark/ servicemark, 'Swagath', preceded by the generic or descriptive expression Hotel and they have been continuously rendering the services bearing the service name in various parts of the erstwhile composite state of Andhra Pradesh from 1991 and also after its bifurcation in both the States of Andhra Pradesh and Telangana, that plaintiff's partnership firm was though registered bearing No.04483 of 1994, dt.26.05.1994, the partnership firm was constituted with effect from 09.04.1991 in continuously, extensively and openly rendering the hotel services under the name and the style of Swagath(vegetarian restaurant) till it was registered and continue to provide said services by the registered firm as Hotel Swagath with the Registrar of Firms and wherein 'Swagath' being the key word and main feature in identifying and recognizing their services known as 'Swagath' among the public in general and the customers who patronize their services in particular. In 1993, the plaintiff created an artistic logo consisting of the letters 'H' and 'S' being the acronym of the tradename Hotel Swagath and they being the originators of the artistic work in the logo enjoy the copyright therein and applied for registration of the composite label consisting of the letters 'H' and 'S' and the expression Hotel Swagath under the trademarks Act, 1999 and obtained its registration under No.2022183 in class-43 in respect of the services "providing food and drinks, catering, hotels, restaurants and snackbars; accommodation bureaux(hotels), rental of temporary accommodation, canteens, barservices, holiday

camp services(lodging)". They also sought registration of the mark 'Swagath' word per se under No.2037599, class-43 in respect of the same description of services as aforesaid mention. While so, also was granted SWAGATH marriage and Function Hall in 2003 a partnership firm and Dhanturi group of hotels private limited to render hotel services under the name and style consisting of 'Swagath' as a key word of main feature thereof with liberty to add any further suffix in the twin cities of Hyderabad and Secunderabad, the first licensee started service under the name and style of hotel Swagath Grand at A.S.Rao nagar, Malkajgiri and Suchitra Swagath Grand Conventional Hall, at Jillellaguda and Swagath marriage and function hall at Ameerpet, the second licensee started hotel service under the name and style of hotel Swagath at Kukatpally, Swagath residency at K.P.H.B. and hotel Swagath grand at Nagole. In all 9 hotels consisting of SWAGATH of the main feature or key word thereof are existing under the plaintiff's control and supervision in the twin cities of Hyderabad and Secunderabad. By virtue of origination of the artistic logo and its registration as part of the composite label consisting of the expression 'Swagath' and continuous user of the expression 'Swagath' in relation to the services rendered by them from 1991 they enjoy right thereof to the exclusion of the others under the Trademark Act, 1999 and Copyright Act, 1957 and are entitled to restrain others from rendering similar service by using any artistic logo or expression 'Swagath' which is identical with, same or similar or deceptively similar to the artistic logo or the expression 'Swagath' with or without the logo or any other prefix or suffix. They came to know that the respondent started rendering identical descriptive services under the tradename/ trademark/ servicemark Hotel Swagath East Court, the prefix part of Swagath, viz; Hotel is generic or descriptive and suffix part of Swagath,

viz; East Court being laudatory epithets which is identical and similar with the main feature or key word of their tradename/trademark/servicemark, Hotel Swagath got issued a cease and desist notice bearing No.TMC.L:7765:2016/ 17,dt.15.04.2016 through their advocates 'Rao and Rao' Secunderabad and though respondent received it on 25.04.2016, did not give reply. Respondent is not prior user of the tradename/trademark/servicemark Hotel Swagath, its main feature or keyword being Swagath. Under passing off action law, the rights of prior user being superior placed on higher pedestal against the subsequent user of the mark. The malafide intention of the respondent in adopting identical tradename/trademark/servicemark and similar service is nothing but to pass off his business/service as their business/service and to make easy gain at the cost of reputation and goodwill built over it at a heavy cost of plaintiff which cannot be compensated in terms of money of such invasion of this property right and thereby respondent should not be allowed to usurp such rights of plaintiff in reaping without sowing being not entitled apart from the statutory right the plaintiff got over Swagath to prevent the respondent of such user by infringement and thus entitled to the suit relief and pending disposal for the temporary injunction as the available relief to invoke, from the prima facie case, balance of convenience and irreparable injury otherwise being caused.

b) The case of the defendant is that the suit claim is false with unclean hands by suppression of material facts, plaintiff is not competent to file the suit, the word 'Swagath' per se is not registered on the name of the plaintiff, in the plaintiff firm with four partners as per the firm registration and income tax form 45-D and no authorization by other partners by D.Ravinder filed with plaint much less with leave of the Court under Rule 32 of the CRP and there is no cause of action to the

suit claim which is also barred by non-joinder and mis-joinder of parties. The defendant is running hotel business with name and style Hotel Swagath East Court since 2010 without any interference and it was originally coined as Swagath Hotel Vegetarian in the year 2005 and thereby running in use of the word 'Swagath' of the Hotel name at Santoshnagar, even to the knowledge of plaintiff and the operation of the defendant extended in 2010 at Kharmanghat road. The defendant coined the word Swagath bonafide and honestly to mean welcome so it is a generic and common word for services rendered in hotel and hospitality business and there are several hotels in and around Hyderabad with similar name Swagath and no one can monopolize the word 'Swagath', even plaintiff is running the hotel business in rendering services under the name and the style Hotel 'Swagath' since 1994. The user status mentioned in the plaintiff's trademark application is since 24.10.1993 and the firm registered later is on the name Hotel SWAGATH on 26.05.1994 and the partnership deed, dt.09.04.1991 indicates the firm name as Swagath Vegetarian Restaurant and there are conflicting statements with regard to the user status thereby. The trademark application of plaintiff No.2022183 for registration of Hotel Swagath as a devise, is filed on the name of two partners Danturi Harishankar and Pavinder contrary to the mention of more names in the partnership deed. It is false to state that SWAGATH is the keyword in the composite trademark Hotel Swagath, for the trademark is to be considered as a whole and not be dissected including for infringement of passing off and plaintiff cannot pickup the word 'Swagath' from the composite trade mark to claim monopoly over the word 'Swagath'. The plaintiff's trademark Hotel Swagath consists of letters 'S' and 'H' in the circle along with the word Hotel and Swagath and as per Section 17 of the

Trademark Act, 1991 plaintiff can only claim rights for the composite trademark consisting of the words hotel Swagath and logo consisting 'S' and 'H' and trademark registration certificate on application No. 2022183 clearly indicate that conditional order was passed allowing the trademark Hotel Swagath restricted for States of AP and Telangana. Said trademark is registered as associated trademark along with trademark application 443819 and Registrar of Trademarks initially objected for registration of trademark Hotel Swagath for the goods in clause-43 of Section 11 of the Act. Similar trademarks are in progress of registration on the name of the different entities and the plaintiff replied to the objection of Registrar saying - *'a) The Applicant's trademark is for the registration of trademark Hotel Swagath as a device. Whereas, the marks reflected in the Search Report are word marks and also channel of distribution and service circle for Applicant's trademark is different from other marks, hence the Applicant's trademark is pleased to be considered for the registration and b). As per Sec. 12 of the Trademarks Act, 1999, similar trademarks can be registered if the Applicant is honest and concurrent user. The Applicant herein is using the trademark continuously from 24.10.1993'*. It implies the trademark Hotel Swagath of plaintiff is registered as a device and another application No. 2037599 for goods in class-43 of plaintiff for trademark Swagath, was opposed by one of its partners Mrs. Anupama which is pending and as such plaintiff can not claim exclusive rights of the word Swagath. The plaintiff did not approach the Court with clean hands thereby in not put forth real facts and otherwise the word Swagath is generic and common word for which the plaintiff cannot claim monopoly and there is no specific registration for the word Swagath in favour of plaintiff and there is no violation of any of the

rights of the plaintiff by the defendant under the Copy Rights Act and the Trademarks Act, much less impairing any reputation and the goodwill and turnover of plaintiff. Plaintiff also not established any act of passing off of services by defendant much less to demonstrate the confusion and deception in the market because of the use of the trademark Hotel Swagath East Court by the defendant and the claim of damages is frivolous and the suit claim is only to trouble the defendant 6 years after the defendant started the business with that logo, the plaintiff thereby cannot prevent the defendant from using the logo or the word 'Swagath' therein. The other contention is plaintiff filed suit against own partner O.S.No.476 of 2016 and another suit against one Sai Lakshmi for using trademark Swagath and said Sai Lakshmi filed rectification application before Intellectual Appellate Board, Chennai, challenging registration of trademark Hotel Swagath of the plaintiff.

c). The rejoinder of the plaintiff to the counter of defendant is that Rule 32 of CRP not applicable to the suit filed by partnership firm represented by partner for the firm's business activity concerned for not a case appointing an agent by the principal with authorization to permit or recognize. If at all defendant is a partnership firm plaintiff seek amendment of cause title array. The prior use of a mark always considered on highest pedestal even those of a registered proprietor of a mark. There are no any inconsistent pleas much less suppression of material facts in the claim against the defendant. The partnership deed of 09.04.1991 to be read with registration certificate dated 26.05.1994 of the firm registration in use of the word Swagath continuously as prior use. It is wrong to say Swagath is a generic word and used only to welcome for in fact it is the main keyword of the plaintiff's trading style and in the trademark which they coined and invented. Plaintiff came to

know of the use in questioning by issuing notice and otherwise use of the mark by the defendant allegedly since 2010 will not give any right nor take away the right of the plaintiff of the exclusive user.

6. The Court originally granted ad-interim injunction in I.A.No.817 of 2016 against the defendant on 09.08.2016.

7. It is from the above material and with reference to the respective contentions and referring to documents, the trial Court by the impugned dismissal order in I.A.No.817 of 2016 dated 14.10.2016 observed that as per dictionary Swagatham is not defined. The defendant also running hotel Swagath Vegetarian since 2010 though claimed since 2005 and thereby acquired acquiescence and the suit thus suffered by delay and laches as per Section 33 of the Trademarks Act. Further as held by our High Court in 2004 in Chennai Hotel Saravana Bhavan and Bharat Hotels Limited of Delhi High Court supra where a Trader adopts dictionary words in common user for his trade name such Trader cannot be allowed to monopolize the common language words a slight difference between that of plaintiff and defendant's title in the descriptive words in the absence of fraud is a sufficient distinction apart from customers who patronize such hotels are well educated and well informed particularly with more literacy rate in Hyderabad and there shall be no question of confusion among customer and clientele. The elements of passing off action are reputation of goods, possibility of deception, and likelihood of damage to the plaintiff and the same principle applies to trademark and tradename. In action for passing off on the basis of unregistered trademark generally in deciding on descriptive similarity the factors to consider are - nature of the mark as to word mark or label mark or its composition, degree of reasonableness between the marks, phonetically similar and similar in idea, nature of

goods in respect of which they are in use as trademarks, similarity in nature, character and performance of goods of rival traders, class of purchasers likely to buy the goods bearing the marks and their intelligence, degree of care in such purchase for use, mode of purchasing and placing orders for such goods or services and other relevant surrounding circumstances on extent of dissimilarity as held in Lakshmikanth Vs. Patel by Supreme Court, that was referred by our High Court in Shaik Nazeemuddin Vs. Mahammad Aslam in CMA No.878 of 2015 also referring to Cadila Health Care Vs. Cadila Pharmaceuticals. In the plaintiff's firm doing hotel business under the name and style M/s Hotel Swagath and defendant's firm running with name and style M/s Hotel Swagath East Court, both are thus distinct to each other with dissimilarities and no confusion in the mind of customers in their identity and the word 'Swagath' is generic and thereby there is no infringement and plaintiff has no prima facie case or balance of convenience nor suffer any irreparable loss in dismissing the injunction petition vacating the ad-interim injunction.

8. Said dismissal order impugned in the present appeal with the grounds urged supra. The learned counsel for the appellant reiterated the same in the course of hearing. Whereas, counsel for the respondent supported the order of the lower Court from his contentions referred supra in the counter. In the course of hearing, the expression of the three Judge Bench of the Apex Court in Cadilla Health Care supra of 2001, two Judge Bench of the Apex Court in Ramdev Food Products Private Limited Vs. Arvindbhai Rambhai Patel and Others (2006 (7) Supreme 224), Chennai Hotel Saravan Bhavan supra, Bharat Hotels Limited supra, Division Bench of our High Court in Trinetra Vs. Mee Trinetra (2011) 4 ALT 692, Rich products Corp. Vs. Indo Nippon Food

Limited (2004) Delhi, Bajaz Auto limited Vs. TVS Motors, (2009) 9 SCC 797, Shaik Nazeemuddin supra of 2015, Three Judge Bench of the Apex Court in Skyline Education Institute India Vs. SL Vaswani (2010) 2 SCC 142, Power Control Appliances Vs. Sumeeth Appliances (1994) 2 SCC 448, Ultratech Cement Limited Vs. Dalmia Cement and Bharat Limited (2016) Bombay are drawn attention in support of the rival claims.

9. In the light of the above, it is now to consider:

- i). Whether the impugned dismissal order of the lower Court of the temporary injunction application of the plaintiff is unsustainable and requires interference by this court while sitting in appeal?
- ii). To what result?

10. The fact that plaintiff started the unregistered partnership business in 1991 covered by Ex.P.4 partnership deed dated 09.04.1991 is not in dispute before the lower Court much less in the appeal. Ex.P.3 refers to certificate of the Chartered Accountant no doubt dated 21.04.2016 of the turnover of the Hotel Swagath of the plaintiff at Ameerpet from the financial year 1991-92 till the financial year 2015-16. It also substantiates the partnership business of plaintiff started in 1991 of the firm with name and the hotel with name. The copy of partnership deed of 1991 filed for reference is incomplete in the appeal. Even according to the counter with reference to the documents before the trial Court supplied it is the firm name Hotel Swagath particularly counter para-9 and the business name mentioned in form No.45-B of the Income Tax Act, shows M/s Swagath Vegetarian Restaurant and the hotel business started in November, 1991 as a partnership firm mentioning four partners. Even from that, the hotel business started is with name Swagath that is devised, leave about the further title to it as Vegetarian restaurant from the documents drawn attention by the respondent which they placed reliance as Ex.R.1. In fact, during 1991-92 the commercial

tax registration obtained with M/s Swagath Vegetarian Restaurant supra and renewed again in 1994. The firm was later registered with the Registrar of Firms covered by Ex.P.7 certificate dated 26.05.1994 as Hotel Swagath, pursuant to which Ex.9 issued of the firm registered as M/s Hotel Swagath supra. The Ex.P.11 showing four partners in the Registrar of Firms dated 19.05.1994 of the Firm registered as M/s Hotel Swagath supra. The commercial tax fresh registration obtained with M/s Hotel Swagath supra in 1996-97 as per Ex.P.8. Ex.P.12 VAT registration also confirms the same besides Ex.P.13 bunch of bills of Hotel Swagath. From this, though in 1991 firm started in doing business with name M/s. Swagath Vegetarian Restaurant, within no time later and at least from 1994 as per the above the firm is registered and doing business with the name M/s Hotel Swagath. What the defendant contends is that he is doing business with the name and style M/s Hotel Swagath East Court from 2010 and earlier started in 2005 as Swagath Hotel Vegetarian.

11. So far as the words Hotel and Vegetarian and Restaurant respectively concerned, they are the generic terms undisputedly. Swagath whether generic term or not is the issue. It is not to say Swagatham, that only to mean welcome in English for the Sanskrit word. There is a difference between Swagatham and Swagath even otherwise, apart from the fact that in Swagatham, there is no 'h' after 't' but in Swagath used herein since 1991 there is 'h' after the letter 't'. From this, coming to the trademark registration of the plaintiff Ex.P.1 shows the certificate of trademark u/sec.23(2) and Rule 62(1) of the Trademarks Act, 1991 issued on 29.01.2016, valid till 13.09.2020 as used since 24.10.1993 and the type of trademark as device (for the logo with 's' and 'h' within 's' in the circles and word mark HOTEL SWAGATH from the trademark No.2022183, class-43 dated

13.09.2010 J.No.1687 by Registrar of Trademarks, Chennai, shows the Trademark/ representation is annexed hereto has been registered in the name of Hotel Swagath, ----- Ameerpet. Names of two persons who are no doubt among the four partners of the firm supra mentioned in their application for registration and in registration of the trademark Hotel Swagath, trading as M/s. Hotel Swagath, service provider, a partnership firm. The annexure of certificate No.1260240 for above trademark Number as referred supra contains the logo like in round seal by inscription of the letters 's' and within it 'h' in their description of the device and it is also with the capital letters underneath the logo HOTEL SWAGATH. Thus, it is the registration of the trademark not only for the logo covered by the device but also for the word mark as Hotel Swagath as referred supra and that also says the same in use since 1993. In fact, as per the partnership deed it is in use as referred supra from 1991 though between 1991-1993, it was in referring as Swagath Vegetarian Restaurant and from 1993-94 as Hotel Swagath. Thus, if not from 1991, at least from 1993-94 the passing off rights of the user as Hotel Swagath of the plaintiff cannot be disputed. Once such is the case, it is to be seen whether there is acquiescence, from the use by defendant with the word Hotel Swagath East Court since 2010 and whether it is within the knowledge of the plaintiff all through. In M/s. Power Control Appliances Vs. Sumeeth Missions supra of the Apex court in 1994 it was observed that family business of family members involved with shares and directorship and son of sole proprietrix of the appellant company is Managing Director of respondent company in starting marketing of the family product but subsequently commencing business of manufacturing same product and suits filed for infringement later it was held mere averments in the pleadings would not amount implied

consent use of trademark by rival manufacturer not permissible and thereby there is no question of implied concerned in saying interim injunction to be issued for use of same trademark. Here it is not that case with reference to the facts leave about a little change in the facts may even tilt the result and any such acquiescence really exists or not is a serious disputed issue ultimately to decide in suit and not to non-suit the temporary injunction relief sought for therefrom if petitioner otherwise entitled. Thus, from the above, so far as the registered trademark/wordmark Hotel Swagath concerned, though Hotel is a generic word, for Swagath is not prima facie from what is discussed supra, the defendant cannot use it even by adding the words after Hotel Swagath as 'East Court- the generic words'.

12. In N.R.Domgiri Vs. Whirlpool Corporation of 1996 the Apex Court, held that a mark in the form of a word which is not a derivative of the product, points to the source of the product. The mark/ name 'WHIRLPOOL' is associated for long, much prior to the defendants' application in 1986 with the Whirlpool Corporation-plaintiff. In view of the prior user of the mark by Plaintiff and its trans-border reputation extending to India, the trade mark 'WHIRLPOOL' gives an indication of the origin of the goods as emanating from or relating to the Whirlpool Corporation, Plaintiff. The High Court has recorded its satisfaction that use of the 'WHIRLPOOL' mark by the defendants indicates prima facie an intention to pass off the defendants' washing machines as those of the plaintiffs or at least the likelihood of the buyers being confused or misled into that belief.

13. The same is quoted with approval by the three Judge Bench of the Apex Court in Skyline supra of 2010, though deferred on facts in

saying internationally the word 'Skyline' for several educational institutions and the like popularly in use is proved, apart from not chosen to interfere with the concurrent findings of the Courts below for not found any perversity from the limited scope to sit against. Here, there is nothing to show prima facie of the word 'Swagath' is popularly in use by several business or service activities including for hotel and hospitality services, but for to establish any such if at all during trial to consider and same aspect totally ignored by the trial Court in dismissing the injunction application. In fact, it is the similarity not the dissimilarity that is criteria. In this regard, Cadila Health Care Ltd. supra of the 3 Judge Bench of the Apex Court of 2001, particularly at paras-18 to 20 it is observed that what was observed in S.M.Dyechem Limited Vs. Cadbery (India Limited) 2000(5) SCC 573 of comparative strength as to dissimilarities is essential rather than similarity is held not good law in saying the decision in the last four decades of the Apex Court clearly laid down that what has to be seen the case of passing off action is the similarity between the competing marks and to determine whether there is likelihood of deception or causing confusion and for that it referred several expressions in coming to the conclusion that the dissimilarities found be given more importance than phonetic similarity or similarity in use of the words. It reiterated the earlier binding expressions of Amruthadhara's case and Durgadatta Sharma's case in saying the use of the defendant's mark is likely to deceive to be made out by the plaintiff in an action for infringement but where similarity between the marks of both is so close either visually, phonetically or otherwise the Court reaches the conclusion that there is an imitation and no further evidence is required to establish that plaintiff's rights are violated. The products will be purchased by both villagers and

townsfolk, literate as well as illiterate and question has to be approached from the point of the view of a man of average intelligence and imperfect recollection and the purchasers in India cannot be equated with those of England and the decision in Dyechem did not lay correct law in this regard.

14. Thus, the trial court's observation of the Hyderabadies are literates is accordingly unsustainable for the hotel business of the both the States not confined even its location of Hyderabad area to Hyderabadies only and not for any rurals to attend and avail.

15. From the above, coming to the criteria on deceptive similarity, doctrine of passing off, acquiescence, the requirements for grant of temporary injunction and also on scope of interference with the trial Court's order, in an injunction order by sitting in appeal concerned, in Ramdev Supra it was held at Para 55 on facts in setting aside the concurrent findings of dismissal of temporary injunction and by granting the same by the Apex court that it is one thing to say that the respondents were permitted to carry on trade, but it would be another thing to say that they would be entitled to manufacture and market its products under the name which would be deceptively similar to that of the registered trade mark of the appellant. At Para 74 it was held further that what is needed by way of cause of action for filing a suit of infringement of trade mark is use of a deceptively similar mark which may not be identical for if it nearly resembles that other mark as to be likely to deceive or cause confusion. At Paras 80 to 82 it was further held on doctrine of passing off is a common law remedy whereby a person is prevented from trying to wrongfully utilize the reputation and good will of another by trying to deceive the public through passing off

his goods. Although, defendant may not be using the actual trade mark of plaintiff, the get up of the defendant's goods may be so much like the plaintiff's that a clear case of passing off could be proved. At Para 93 it was held further on acquiescence that in an infringement of trade mark, delay by itself may not be a ground for refusing to issue injunction as for defence of acquiescence special knowledge on the part of the plaintiff and prejudice suffered by defendant is also relevant. It was ultimately at Para 109 to 113 concluded in saying plaintiff is entitled to injunction when prima facie made out from the above on comparative strength of cases of either party, with reference to balance of convenience if lies in favour of plaintiff, there is no need of showing more than loss of good will and reputation to fulfill the condition of irreparable injury. At Para 116 it was held that once trial Court granted injunction, appellate Court will not substitute their discretion unless the trial Court's conclusion is arbitrary and perverse. No doubt in the above expression of 'Ramdev' only Dyechem supra referred and not Cadilla supra which held Dyechem not laid down correct law on the aspect of similarities rather dissimilarities for considering prima facie case with reference to that principle also, for in other respects on acquiescence and irreparable injury what to make out, the decision of Ramdev no way can be said not good law. *From Cadilla supra it is observed that once the court of first instance exercises its discretion to grant or refuse to grant relief of temporary injunction based upon objective consideration of the material placed before the court and is supported by cogent reasons, the appellate court will be loath to interfere simply because on a de novo consideration of the matter it is possible for the appellate court to form a different opinion on the issues of prima facie case, balance of convenience, irreparable injury and equity.*

16. Here as discussed supra the lower Court's order is contrary to law and ill-appreciation of the facts and without any objective consideration of the material on record and prima facie unsustainable and thereby it is the duty of the Court while sitting in appeal against, to set aside the same. Further in Satyam Info way Limtied Vs. Sfinet AIR 2004 SC 3540 that was referred in Saravan Bhavan supra at para-18 also laid down that where there is likelihood of confusion to the public from there the use of the words Sfi and Sffy of the rival products and the plaintiff is the prior user plaintiff is entitled to interim injunction. Even referred Satyam at para-22 of Saravan Bhavan, only Dyechem of dissimilarity principle followed and even Dyechem overruled in Cadilla supra, Cadilla not even cited. Even in Bharat Hotels supra, the issue is use of the words the grand/ grand and Grand Hyatt. It was observed that the word Grand is an essential and prominent and uniform feature in all hotels thereby injunction cannot be granted. Thus, facts of that case are different to the facts on hand, for the reason Grand is generic word whereas Swagath is hardly appreciable of a generic word even the prayer in the plaint speaks on infringement of the registered trade mark 'Swagat' and registered as device and pointed out what Section 30 of the Act limits and what Section 35 of the Act saves to understand with reference to Section 17 of the Act. Coming to Trinetra supra, it is also observed at para-45 that a person trading with a particular mark is entitled to insist that no one else should use that mark for trading in the same or similar commodity. If there is any infringement of the mark used by the other of deceptively similar to his mark in nearly resembles his mark that is likely deceive or cause confusion he is undoubtedly ask the Court to restrain the other to trade with such deceptively similar mark. Here, no doubt only similarities aspect considered of Dyechem and not

even dissimilarities aspect laid down in Cadilla later by overruling Dyechem. Coming to Rich Products Corp. supra of Delhi High Court of 2004 and the rival products of similar use of words Whip Topping both generic and descriptive of products the words have not acquired a secondary meaning by saying the issues have to be determined on merits and delay in laches taken consideration in holding acquiescence of the claim. In Bajaj Auto supra by referring to earlier expression in 2009 in Sri Vardhaman rice and Jungle mills case observed without going into merits of controversy in matters relating to trademarks, copyrights and patents should be finally decided very expediently in the trial Court instead merely granting or refusing to grant injunction rather keep the matters for years together without finality in directing the courts to follow by disposal of the appeal.

17. Having regard to the above and in the result, the appeal is allowed by setting aside the dismissal order dt.14.10.2016 in I.A.No.817 of 2016 on the file of the IX Addl.Chief Judge, City Civil Court, Hyderabad, and by restoring the ad-interim injunction order passed pending disposal of the suit by directing the trial Court to dispose of the suit on merits within six(6) months from the date of receipt of the order. This order comes into force after 30 days from this day and suspended meantime to enable the respondent to approach Superior Court to invoke any available remedy to impugn it. Consequently, miscellaneous petitions pending if any, shall stand closed.

JUSTICE Dr. B.SIVA SANKARA RAO

Date: 28.11.2017
Note: L.R. Copy to be marked
(B/ o)
Vvr
Note: Issue C.C. within two days