

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 11.10.2018

Delivered on : 26.10.2018

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

O.A.Nos.705 and 706 of 2018

&

A.Nos.7190 and 7191 of 2018

in

C.S.No.511 of 2018

O.A.Nos.705 and 706 of 2018

1.Mr.A.D.Padmasingh Isaac
Trading as Aachi Spices and Foods
Old No.4, New No.181/1
6th Avenue, Thangam Colony
Anna Nagar, Chennai - 600 040

2.M/s.Aachi Masala Foods (P) Ltd.,
Old No.4, New No.181/1
6th Avenue, Thangam Colony
Anna Nagar, Chennai- 600 040
Represented by its Director
Mr.Ashwin Pandian .. Applicants
O.A.Nos.705 &706/2018
Vs.

Eastern Condiments Pvt. Ltd.,
No.34/137A, NH Bypass
Edapally (PO)
Kochi- 682 024
and also at
Opp.Mini Industrial Estate
Eastern Valley, Adimalli
Kerala - 685 561 .. Respondent
O.A.Nos.705 &706/2018

These applications filed under Order XIV Rule 8 of Original Sides Rules and Order XXXIX Rules 1 and 2 CPC to grant an interim injunction restraining the respondent, by itself, its servants, agents, distributors or any one claiming through them from manufacturing, selling, advertising and offering for sale using same or similar get up and colour scheme used by the respondent shown in Document No.2 or any other similar Trademark or in any media and use the same in any goods, invoices, letter heads and visiting cards or by using any other Trademark which is in any way visually or deceptively or phonetically similar to the Applicants' Trademark - AACHI MASALA KULAMBU CHILLY

POWDER label as shown in Document No.1 or in relation to any masala items and use the same pouches, packets of masalas and spices or any other goods or use the mark in invoices, letter heads and visiting cards or any other trade literature or by using any other Trademark which is in any way visually and deceptively similar to the Applicants' registered Trademark No.1318495 or in any manner infringe the applicants registered Trademark pending disposal of the above suit and to grant an interim injunction restraining the respondent, by itself, its servants, agents, distributors or any one claiming through them from manufacturing, selling, advertising and offering for sale using same or similar get up and colour scheme used by the respondent shown in Document No.2 or any other similar Trademark or in any media and use the same in invoices, letter heads and visiting cards or by using any other trade mark which is in any way visually or deceptively similar to the Applicants' Trademark AACHI MASALA KULAMBU CHILLY POWDER label as shown in Document No.1 or in relation to any masala items and use the same pouches, packets of masalas and spices or any other goods or use the mark in invoices, letter heads and visiting cards or any other trade literature or by using any other Trademark which is in any way visually and deceptively similar to the Applicants' Trademarks AACHI MASALA KULAMBU CHILLY POWDER as shown in Document No.1 or in any manner pass off the applicants goods pending disposal of the above suit.

For Applicants : Mr.P.S.Raman
Senior counsel
for Ms.Gladys Daniel

For Respondent : Ms.Pushpa Menon

A.Nos.7190 and 7191 of 2018

Eastern Condiments Pvt. Ltd.,
No.34/137A, NH Bypass
Edapally (PO)
Kochi- 682 024
and also at
Opp.Mini Industrial Estate
Eastern Valley, Adimalli
Kerala 685 561 ... Applicant
in both applications

Vs.

1.Mr.A.D.Padmasingh Isaac
Trading as Aachi Spices and Foods
Old No.4, New No.181/1
6th Avenue, Thangam Colony
Anna Nagar, Chennai 600 040

2.M/s.Aachi Masala Foods (P) Ltd.,
Old No.4, New No.181/1
6th Avenue, Thangam Colony
Anna Nagar, Chennai- 600 040
Represented by its Director
Mr.Ashwin Pandian .. Respondents
in both applications

These applications have been filed to vacate the order of ex parte of interim injunction granted in favour of the respondents / applicants/plaintiffs in O.A.No.705 and 706 of 2018 dated 30.07.2018.

For Applicants : Ms.Pushpa Menon

For Respondent : Mr.P.S.Raman

Senior counsel

for Ms.Gladys Daniel

COMMON ORDER

This common order will dispose of aforementioned four applications.

2.In the main suit i.e., C.S.No.511 of 2018, there are two plaintiffs and a lone defendant. Plaintiffs 1, 2 in the main suit are Applicants 1 , 2 respectively in O.A.Nos.705, 706 of 2018 and they are Respondents 1, 2 respectively in A.Nos.7190, 7191 of 2018. Sole defendant is the sole respondent in O.A.Nos.705, 706 of 2018 and Applicant in A.Nos.7190 , 7191 of 2018.

3.In this common order in these four applications, parties shall be referred to by their respective ranks in the main suit for the sake of convenience and clarity.

4. O.A.Nos.705 of 2018, 706 of 2018 have been taken out by the plaintiffs with prayers for interim injunctions qua infringement and passing off respectively. Ex parte interim injunctions were granted on 30.07.2018. A.Nos.7190, 7191 of 2018 have been taken out by the sole defendant for vacating interim orders in O.A.Nos.705 and 706 of 2018 respectively.

5.In short, two interlocutory applications taken out by the plaintiffs in which interim orders were granted (which are operating) and two vacate injunction applications taken out by the sole defendant for vacating the aforesaid interim injunctions shall stand disposed of by this common order.

6. Plaintiffs have filed the main suit under Sections 27(2), 29, 134 , 135 of the Trademarks Act, 1999 (hereinafter referred to as "TM Act" for brevity) complaining of infringement and passing off. There are also prayers for surrender of offending material, accounts, costs and the usual residuary limb in the prayer paragraph.

7.Nucleus of this suit is one of plaintiffs' registered Trademark being Trademark No.1318495 in Class 30 of the relevant schedule under the TM Rules. Date of Registration is 01.11.2004. Registration has been renewed on 01.11.2014 and is valid upto 01.11.2024. In other words, registration is subsisting. Legal Use Certificate ('LUC' for brevity) regarding this Trademark Registration has been produced by the plaintiffs. LUC is dated 21.03.2006 and the Certificate Number is 523358. LUC reveals that plaintiffs are using the registered trademark from 10.05.2002. LUC also reveals that the trademark type is 'DEVICE' and that the word mark is 'Aachi MASALA' (LABEL). Goods and descriptions as contained in the LUC is 'Kulambu Chilli Powder'. The device / label as in the LUC is as follows:

8. The aforesaid trademark being TM No.1318495, details of which are set out supra and which has been described as the nucleus of this suit, shall hereinafter be referred to as 'suit TM' for the sake of convenience and clarity. To be noted, according to LUC, suit TM stands in the name of the first plaintiff and it is plaintiffs' case that second plaintiff, which is a company, is a licensee under the first plaintiff qua suit TM. Considering that we are dealing with interlocutory applications, it may not be necessary to delve further into these aspects of the matter.

9. It is plaintiffs' case that besides a wide array of goods and a large volume of turn over, plaintiffs are manufacturing and selling Kulambu Chilli Powder. According to plaintiffs, some time in June 2018, they came to know that the defendant is also selling Kulambu Chilli Powder in deceptively similar sachets/ pouches. According to plaintiff, this is a clear case of infringement and passing off qua suit TM.

10. Before I proceed further, it is necessary to scan and reproduce the sachet/pouch which is being used by the defendant. The same is as follows:

11. There is no dispute or disagreement before me regarding registration of suit TM in favour of plaintiffs and use of the aforementioned alleged offending sachet/pouch by the defendant. Therefore, the scope of these interlocutory applications get substantially narrowed down.

12. Before I proceed to examine rival submissions, it is necessary to notice some dates. As mentioned supra, according to LUC, plaintiffs are using suit TM from 10.05.2002 and the suit TM has been registered on 01.11.2004. It is defendant's specific case that they started dealing with Kulambu Chilli Powder from 2005-06. It is also not in dispute that defendant was using another sachet/pouch, for selling its Kulambu Chilli Powder upto April 2018 and that sachet/pouch is as follows:

13. It is defendant's case that the alleged offending sachet/pouch (which shall hereinafter be referred to as 'offending mark' for brevity, clarity and convenience) was designed by one Prince Paul for defendant sometime in December 2017. It is also defendant's case that they started using the offending mark from March/April 2018. On coming to know about the use of the offending mark in June 2018 (as mentioned supra) plaintiffs presented the instant main suit in this Court on 09.07.2018 and interim orders in O.A.Nos.705 and 706 of 2018 were granted on 30.07.2018. To be noted, O.A.No.705 of 2018 is for interim injunction regarding infringement qua suit TM and O.A.No.706 of 2018 is for interim injunction regarding suit TM qua passing off. A common interim order was granted on 30.07.2018. Defendant, on being served with injunctions, submits that they stopped selling Kulambu Chilli Powder in any sachet and the instant vacate injunction applications being A.Nos.7090 and 7091 of 2018 were filed by the sole defendant on 12.09.2018.

14. After noticing the aforesaid dates, I now proceed to examine the rival submissions.

15. Submissions made on behalf of plaintiffs by learned senior counsel Mr.P.S.Raman, instructed by counsel on record Ms.Gladys Daniel can be summarized as follows:

- a) There are four distinctive features in suit TM i.e., Colour combination, a rondel shape which forms part of the mark, arrangement of spices in a bowl and the yellow border.
- b) Adoption of offending mark is dishonest as the reason given is least convincing, more so in the light of the fact that defendant was admittedly using a different pouch/sachet till April 2018;
- c) Products of the plaintiffs and sole defendant are the same i.e., Kulambu Chilli Powder and therefore deception is inevitable.
- d) The channel of sale of the two products i.e, products of the plaintiff and products of defendant are the same and therefore confusion and deception is not only inevitable, but indisputable too.

16. Submissions made by Ms.Pushpa Menon, counsel on record for the sole defendant can be summarized as follows:

- a) There is a disclaimer made by the Trademark Registry, qua the suit TM and according this disclaimer, plaintiffs have no right in the words Kulambu Chilli Powder and the types of spices and cereals in the label;

- b) Several others in the market are using similar labels with more or less similar colour combination and therefore, plaintiffs complaint is not tenable;
- c) Nobody can claim trademark rights in colours; and
- d) A mark has to be looked at as a whole.

17. In reply to the aforesaid submissions of Ms.Pushpa Menon, learned senior counsel Mr.P.S.Raman, instructed by counsel on record Ms.Gladyes Daniel, made submissions by way of reply, which can be summarized as follows:

- a)There is no disclaimer in the LUC and therefore disclaimer will not apply to suit TM;
- b)With regard to others in the market using similar sachets/pouches, they fall in three categories, one category is where the plaintiffs have initiated legal proceedings, second category is where several distinguishing features keeping in tune and tandem with the safe distance rule have been incorporated and therefore, there is no infringement and the third category is one where the plaintiffs, are coming to know about their presence in the market only now i.e, from defendant's pleadings. With regard to Trademark rights in colours it was submitted that the plaintiffs are on colour combination and not on colours per se.
- c)With regard to the arguments pivotted on Section 17 of the TM Act, by way of reply it was submitted that comparison of the two marks as a whole demonstrates infringement and passing off.

18. Before setting out deliberation and discussion on the debate that emerges from the aforesaid rival submissions, it is necessary to set out two aspects which can be noticed by me and which were brought up in the hearing. One aspect pertains to description of goods in the LUC and the other aspect pertains to combining causes of action i.e., infringement and passing off.

19. With regard to goods and descriptions in LUC, as noticed supra, the same reads as "Kulambu Chilli Powder". As mentioned supra, suit TM is under Class 30 i.e., Class 30 of Fourth Schedule. With regard to the first aspect noticed by me i.e., goods and descriptions in LUC, as mentioned supra, the description reads "Kulambu Chilli Powder". LUC also says that it is in Class 30. As the LUC is dated 21.03.2006, it is obviously under class 30 of the Fourth Schedule to TM Rules, 2002 (hereinafter referred to as "2002 TM Rules"). To be noted, 2002 TM Rules is a set of subordinate legislation made by the Central Government in exercise of its Rule Making Powers under Section 157 of the TM Act. I deem it appropriate to extract Class 30 as in Fourth Schedule to 2002 TM Rules and the same reads as follows:

"30. Coffee, Tea, Cocoa, Sugar, Rice, Tapioca, Sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionary, ices; honey, treacle; yeast, baking powder; salt, mustard; vinegar, sauces, (condiments); spices; ice.'

20. A perusal of aforesaid Class 30 reveals that there is an enumeration of about 23 goods therein. To be noted, one of the 23 goods i.e., condiments alone has been given in parenthesis. None of the 23 goods read as 'Kulambu Chilli Powder'. Therefore, I put it to learned Senior counsel as to the legal basis on which LUC has been issued by the Trademark Registry (hereinafter referred to as "TM Registry" for brevity).

21. In response, learned senior counsel referred to Section 7 of the TM Act, which reads as follows:

"7.Classification of goods and services. (1)The Registrar shall classify goods and services, as far as may be, in accordance with the International Classification of goods and services for the purposes of registration of trade marks.

(2) Any question arising as to the class within which any goods or services falls shall be determined by the Registrar whose decision shall be final.'

22. By referring to aforesaid provision of law, it was submitted that classification of goods and services by the Registrar shall be "as far as may be" in accordance with the international classification of goods and services for the purposes of registration of Trademarks.

23. In the considered opinion of this Commercial Division, the expression "as far as may be" occurring in Section 7(1) of TM Act has to be read in conjunction with the expression "in accordance with" occurring in the same Section 7(1). Therefore, while the expression "as far as may be" gives some play in the joints to the Registrar for the purpose of registration of trade marks, it is not plenary discretion wherein and whereby Registrars can grant registration to any goods /services without mentioning the goods contained in a given class and without setting out how and why the goods are relatable to particular goods/services adumbrated in the class in which registration is given. It is merely play in the joints as any classification has to be "in accordance with" international classification of goods and services. Therefore, a reading of the two expressions occurring in Section 7(1) i.e., "as far as may be" and "in accordance with" jointly and harmoniously, in my considered view means that the Trademark Registry (Registrar) can classify goods and services in a particular class, but if it does not fit into any of the goods therein, neat and clean, the Registrar should mention which one of the pigeon holes it is relatable to and also set out how and why it is relatable. To be noted, I have noticed that there is an enumeration of 23 goods in Class 30. I am looking at each one of these 23 goods as a pigeon hole. In other words, I look at those 23 goods as 23 pigeon holes. As alluded to supra, LUC merely says 'Kulambu Chilli Powder' without referring to any one of the pigeon holes, much less as to how and why it is so relatable.

24. Faced with the above situation, learned senior counsel fairly submitted that it is related to spices, which is last but one pigeon hole supra. In my considered opinion, it is closer to the second last in the enumeration in Class 30, namely condiments which is within parenthesis. For the limited purpose of this order in these interlocutory applications we can take it that it is relatable to condiments and spices. Now that a reference has been made to Section 7(1) of TM Act and as Section 7(1) talks about international classification of goods and services, I deem it appropriate to delve little more into this aspect of the matter.

25. On 14.01.2013, Central Government by a notification GRS 21(E) deleted the aforesaid Fourth Schedule from 2002 TM Rules in its entirety with effect from 08.07.2013. Simultaneous with this, by the same notification i.e., GRS 21(E), Central Government amended Rule 22 of 2002 TM Rules and the amended Rule 22 reads as follows:

' 22. Classification of goods and services. (1) For the aim of registration of trademarks. The goods and services shall be classified as per current edition of the International Classification of goods and services (Nice Classification). It is published by (WIPO) World Intellectual Property Organization.' (2) The registrar shall publish alphabetical index and a class wise of such goods and services, including goods and services of Indian Origin.

26. To be noted, thereafter, 2002 TM Rules were superseded by Trademark Rules 2017 (which shall hereinafter be referred to as "2017 TM Rules"). In and by 2017 TM Rules, aforesaid Rule 22 of 2002 TM Rules was renumbered as Rule 20.

27. In other words, the contents did not change. What was Rule 22 in 2002 TM Rules, became Rule 20 in 2017 TM Rules. Therefore, this takes us to the expression 'International Classification of Goods and Services occurring in Section 7(1) of TM Act. There is no dispute or disagreement before this Commercial Division that this expression as per obtaining position today is a reference to what has come to stay as Nice Classification. A look at Class 30 in Nice Classification, as it exists on the day I am penning this order reads as follows:

[30. Coffee, tea, cocoa and artificial coffee, rice, tapioca and Sago; flour and preparations made from cereals, bread, pastries and confectionary, edible ices; sugar, honey, treacle; yeast, baking

powder; salt; mustard; vinegar, sauces (condiments); spices; ice (frozen water).'

28. It is submitted that Trademark Registry or in other words, the Registrar of TM Registry has not yet published alphabetical index with Class wise classification of goods and services including the goods and services of Indian origin as mandated by Sub-rule (2) of Rule 20 of 2017 TM Rules, though same has been in existence for over half a decade now i.e., on and from 08.07.2013, initially as sub-rule (2) of Rule 22 of 2002 TM Rules, subsequently renumbered as Rule 20 of 2017 TM Rules.

29. Considering the number of litigations and the enormity of the litigation scenario touching upon trademark registrations complaints of infringement arising therefrom and passing off, I am constrained to write that it is high time the Registrar of Trademarks does the needful as mandated in aforesaid Rule 20 of 2017 TM Rules, particularly sub-rule (2) therein.

30. Besides the enormity of the litigation, a short history of Trade marks law in India has also impelled me to hold that it is high time that classification as mandated in sub-rule (2) of Rule 20 of 2017 TM Rules is made by the Trademark Registry.

31. The short history as noticed by me is as follows:

TM Act came into force on and with effect from 15.09.2003. Prior to TM Act, Trade and Merchandise Marks Act, 1958 (hereinafter referred to as '1958 TM Act') was holding the field. That was preceded by Trade Marks Act, 1940 (hereinafter referred to as '1940 TM Act'). 1940 TM Act which was the first enactment in this part of the world and a machinery for registration and statutory protection of Trade marks was introduced in India. 1940 TM Act was based on the Trade marks Act, 1938 of United Kingdom. Prior to 1940 TM Act, law relating to Trademark in India was based on common law and was substantially the same as was applied in England before the passing of the Trade Marks Registrations Act, 1875 in England.

32. Be that as it may, under 1958 TM Act, registration of goods were classified as Part A and Part B goods. Part A was considered to be goods entitled to a higher degree of protection and Part B marks are those which don't qualify as marks entitled to a higher degree of protection. In 1958 Trademarks Act, there were no service marks. Service marks were introduced for the first time only in the TM Act i.e., Trademarks Act, 1999, which is now operating. Those aspects which are of great relevance for registration of marks, which have been introduced in the TM Act are dilution of Section 29(4) and well known Trademark definition 2(1)(zg) which were not there in the 1958 Act.

33. Before the aforesaid provisions which have been introduced in the TM Act, which are now operating, one provision which is of great significance with regard to classification of goods and services, which we are now concerned with in this order, is Section 7 of TM Act. Section 7 of TM Act captioned 'Classification of Goods and Services' has already been extracted supra. In my considered opinion, there is no direct equivalent of Section 7 of TM Act in the 1958 TM Act. However, some books show Section 8 of the 1958 TM Act as comparable with the present Section 7 of the TM Act in comparative tables/charts. This may be because Section 8 of the 1958 TM Act read with Sections 28 and 29 of the 1958 TM Act is the basis for making the registration of Trademarks class driven. Therefore, I deem it appropriate to extract Section 8 of the 1958 TM Act and the same reads as follows:

'8.Registration to be in respect of particular goods. (1) A trade mark may be registered in respect of any or all of the goods comprised in a prescribed class of goods.

(2) Any question arising as to the class within which any goods fall shall be determined by the Registrar whose decision in the matter shall be final.'

34. A careful perusal/comparison of Section 8 of the 1958 TM Act and Section 7 of the TM Act would

reveal that there is no mention about International Classification of Goods and Services in the 1958 TM Act, whereas the same has been brought in, in the TM Act.

35. In this regard, it is interesting to notice some developments in the international scenario of Intellectual Property Rights ('IPR' for brevity) regime, India's stand and participation in the same. 'Trade Related Intellectual Property Rights' ('TRIPs' for brevity) was negotiated at the end of what is known as Uruguay round of 'General Agreement of Tariff and Trade' ('GATT' for brevity) in 1994. This laid the foundation for establishment of 'World Trade Organization' ('WTO' for brevity). To be noted, ratification of TRIPs, which is a treaty by itself became a condition precedent for membership in WTO. TRIPs being a treaty by itself became a pivotal multilateral instrument for globalization of intellectual property laws with the objective of harmonizing and making intellectual property laws across the globe homogeneous. India being a founder member of both GATT and WTO, became an automatic signatory to TRIPs. Section 7 of the TM Act incorporating international classification of goods and services which was until then not there in the 1958 TM Act (though trademark registrations were class driven) is clearly a step in aid to make the classification of goods and services with regard to trademark registrations in India in tandem with those in other parts of the world. As already alluded to in the earlier part of this discussion, making the intellectual property laws homogeneous across the globe is one of the objectives of TRIPs.

36. Nice Agreement which is a treaty by itself is also of immense significance owing to adoption of International classification of goods and services by India. To be noted, Nice Agreement is administered by 'World Intellectual Property Organization' ('WIPO' for brevity) and India is a member of WIPO from 01.05.1975.

37. An International classification of goods and services for trade mark law in the IPR regime came to be concluded in Nice, France and this came to be known / referred to as 'Nice Classification'.

38. The aforementioned expression now in Section 7 of TM Act which was not there in the 1958 TM Act, much less in Section 8 of 1958 TM Act appears to have been brought in to make classification of goods and services under the TM Act in India in tune and in tandem with International classification of goods and services. In other words, expression referred to supra, particularly the expression '..... accordance with the International classification of goods and services...' appears to have been introduced in Section 7 of TM Act for homogenising classification globally. This appears to be the parliamentary wisdom behind bringing in the aforesaid expression in section 7 of TM Act as it exists today. As mentioned supra, TM Act is of the year 1999, but it came into force on and with effect from 15.09.2003. Subsequently, when India adopted Nice Classification, the same were built into 2002 TM Rules and 2017 TM Rules which has been alluded to supra elsewhere in this order.

39. With the above, I move on to the next aspect noticed in this case as a short reference to the history will suffice considering the nature of this order.

40. The second aspect noticed by me, as mentioned supra, is combining two causes of action. The main suit is a composite suit with prayers for injunctive reliefs regarding infringement of Trademark and passing off. To be noted, injunctive relief for infringement is a statutory remedy and injunctive relief for passing off is a common law remedy.

41. At the time of inception of suit, A.No.5821 of 2018 was taken out by the plaintiff under Clause 14 of the Letters Patent. Clause 14 of Letters Patent reads as follows:

'14. Joinder of several causes of action : And we do further ordain that where plaintiff has several causes of action against defendant, such cause of action not being for land or other immovable property, and the said High Court shall have original jurisdiction in respect of one of such causes of action, it shall be lawful for the said High Court to call on the defendant to show cause why the several causes of action should not be joined together in one suit, and to make such order for trial of

the same as the High Court shall seem fit.'

42. However, aforesaid A.No.5821 of 2018 was allowed on 30.07.2018, when interim orders in O.A.Nos.705 and 706 of 2018 were granted. In other words, Clause 14 application was allowed without notice to the defendant. A perusal of Clause 14 supra mandates that the defendants should be called upon to show cause before a prayer for combining causes of action is acceded to.

43. To be noted, in the instant application two injunctive reliefs, one pertaining to infringement and other pertaining to passing off in O.A.Nos.705 and 706 of 2018 respectively are being persuaded on the one side and sought to be vacated on the other side. Therefore, this order combining two causes of action assumes significance and importance. This was noticed and put to learned senior counsel Mr.P.S.Raman and Mr.P.S.Raman in his usual fairness submitted that Clause 14 does mandate that the defendant be called upon to show cause before a prayer for combining causes of action is acceded to. However, he submitted that the defendants have not chosen to assail the order and therefore, the order dated 30.07.2018 made in A.No.5821 of 2018 will remain for now for the limited purposes of deciding these interlocutory applications. On this basis, it was submitted that plaintiffs are entitled to pursue reliefs against infringement and passing off.

44. Having discussed the two aspects the Court has noticed i.e, description of goods / description as in LUC and combining of causes of action which have been alluded to supra, in the light of the narrative in this regard supra, I deem it appropriate to leave both these questions open to be decided in the main suit. With regard to Clause 14, I make it clear that I leave it open for the defendant to pursue any remedy, which may be available to the defendant in law and if the defendant chooses to take such a course, this order will not become an impediment.

45. I now revert to the rival submissions.

46. A perusal of the label as in the suit TM reveals that plaintiffs' contention that there are four distinctive features is correct. To be noted, four distinctive features are colour combination, rondel shape, arrangement of cereals/spices in a bowl and the yellow border. To my mind, a comparison of the same with the offending mark reveals that there is deceptive similarity. To be noted, I made the comparison using the Parle principle i.e, the methodology of comparison laid down by the Hon^{ble} Supreme Court in Parle Products (P) Ltd. Vs. J.P. and Co., [(1972) 1 SCC 618. Paragraph 9 is relevant and the same reads as follows:

[9. It is, therefore, clear that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him. In this case we find that the packets are practically of the same size, the colour scheme of the two wrappers is almost the same; the design on both though not identical bears such a close resemblance that one can easily be mistaken for the other. The essential features of both are that there is a girl with one arm raised and carrying something in the other with a cow or cows near her and hens or chickens in the foreground. In the background there is a farm house with a fence. The word "Gluko Biscuits" in one and "Glucose Biscuits" on the other occupy a prominent place at the top with a good deal of similarity between the two writings. Anyone in our opinion who has a look at one of the packets today may easily mistake the other if shown on another day as being the same article which he had seen before. If one was not careful enough to note the peculiar features of the wrapper on the plaintiffs' goods, he might easily mistake the defendants' wrapper for the plaintiffs' if shown to him some time after he had seen the plaintiffs'. After all, an ordinary purchaser is not gifted with the

powers of observation of a Sherlock Homes. We have therefore no doubt that the defendants' wrapper is deceptively similar to the plaintiffs' which was registered. We do not think it necessary to refer to the decisions referred to at the bar as in our view each case will have to be judged on its own features and it would be of no use to note on how many points there was similarity and in how many others there was absence of it.□

47. To be noted, Parle has been affirmatively referred to by the Supreme Court in S.M.Dyechen Vs. Cadbury (India) reported in (2000) 5 SCC 573.

48. Therefore, this takes us to the disclaimer aspect. With regard to disclaimer, it is to be noticed that the Trademark registration application ought to have been made on 01.11.2004 as the date of registration of suit TM is 01.11.2004. A letter dated 17.03.2005 from the Trademark Registry to the plaintiffs□ counsel regarding disclaimer is before me. Publication in journal has been made thereafter on 01.05.2005. Journal Number is 1330. To be noted, this Journal Number is reflected in the LUC. The journal publication has also been placed before me and the same reads as follows:

49. A perusal of the journal publication (scanned and reproduced supra) reveals that there is no reference to aforesaid letter dated 17.03.2005. It was pointed out by plaintiffs that several other publications have been made with such disclaimers.

50. There is no difficulty with regard to this aspect of the matter, but what is not clear is, why the plaintiffs caused a journal publication to be made without the disclaimer though 17.03.2005 letter specifically directs the plaintiffs to do so. 17.03.2005 letter refers to a hearing held on 08.03.2005. What transpired in the hearing on 08.03.2005 is not clear. However, notwithstanding 17.03.2005 letter from the Trademark Registry, Journal publication has been made without the disclaimer, but that has been accepted and LUC has been issued. To be noted, the usual certificate in Form O2, which is referred to as O2 certificate with regard to trademark registration has not been placed before me. Therefore, the question as to what impelled the Trademark Registry to accept the journal publication made without the disclaimer and issue the LUC is not clear. As there is no material to demonstrate that this aspect was examined, it may or may not have been examined. Therefore, I leave this question also open to be canvassed in the main suit, if

the defendant chooses to do so. As of now, at this stage of interlocutory applications, a valid LUC has been placed before me. As there is no disclaimer and I have come to the conclusion that the offending mark is deceptively similar, I have to necessarily hold that the complaint of infringement and passing off made by the plaintiffs is justified at this interlocutory stage subject to issues that have been left open to be decided in main suit and / or any other manner known to law.

51. To be noted on an extreme demurrer, even if there is a disclaimer in the LUC, plaintiffs will be entitled to the relief of passing off complaint as that relief is a common law remedy. Therefore, at this interlocutory stage, this disclaimer may not have an immense impact and this Commercial Division deems it appropriate to leave it open in the aforesaid manner.

52. With regard to the submissions of the plaintiffs that the products are same, there is no dispute or disagreement. With regard to the further submission of the plaintiffs that the channel of sale is same, there is no dispute or disagreement, with regard to others in the market using similar marks on the same product, as alluded to supra, the same falls in three categories. With regard to those categories where the plaintiffs have initiated proceedings enumeration of Court proceedings as given by plaintiffs reads as below:

S.No

Case No

Defendant

Result

1

C.S.No.82 of 2008

Ram Masala

Compromise

2

C.S.No. 304 of 2008

Aru Suvai

Compromise

??Contempt Notice has been sent by the lawyers of the plaintiff

3

CS 110/2008

Raj Masala

Compromise

53. All the others according to learned senior counsel for plaintiffs, have maintained several distinctive features and none of those are as deceptively similar as that of the offending material. In other words, they have maintained the sale distance rule, in his say.

54. With regard to the third category, where the plaintiffs say that they came to know only through defendant, it is open to the plaintiff to pursue appropriate legal action. Therefore, the argument of others in the market using similar marks for the same product does not help the sole defendant in advancing its' case in these interlocutory applications.

55. With regard to there being no trademark rights in colours, the submission of plaintiffs that they are pitching themselves only on colour combination and over all essential features being copied, in the light of Parle principle supra, referred to in Cadbury, this argument pales into insignificance. Further, learned senior counsel submitted that he would rely only on the Parle principle. This is dovetailed with other arguments regarding Section 17, which says that the marks have to be compared as a whole. To be noted, as alluded to by me supra, marks have been compared as a whole.

56. Notwithstanding this obtaining position, learned counsel for defendant, placed before me following six case laws:

- i) Colgate Palmolive Co. Limited and Ors. Vs. Patel and Ors. Reported in 2005 (31) PTC 583 (Del);
- ii) Britannia Industries Ltd., Vs. ITC Limited reported in 2017 (70) PTC 66 (Del);
- iii) Bombay Plaster Industries Vs. Jagdamba Plaster reported in AIR 2018 Raj 57;
- iv) Godfrey Philips India Limited Vs. PTI Private Limited & Ors. Decided by the Delhi High Court on 22.12.2017 (C.S.(common) No.851/2017 and IA Nos. 14952-54/2017;
- v) Columbia Sportswear Company Vs. Harish Footwear and Ors. Reported in 2017VAD (Delhi) 153;
- vi) Om Prakash Gupta Vs. Parveen Kumar and Ors. Reported 86(2000)DLT181.

57. Om Prakash Gupta and Columbia Sportswear Company cases cited supra, are for the principle regarding suppression. In the instant case, suppression, if any, can be pivoted only on the disclaimer argument. In the light of discussion supra regarding disclaimer, I have no difficulty in holding that suppression does not help defendant advance its case at this interlocutory stage.

58. In the case of Britannia Industries Ltd, there was a reference to trinity test qua passing off and

the principle that the colour combination should be looked at as a whole and the mark should be looked at as a whole were reiterated. In this case as mentioned supra, marks have been looked at as a whole and compared and therefore, this case law does not help the defendant to advance their case any further.

59. In Cavanders case, the issue was dissection of marks. That does not arise in the instant case. However, in Cavanders the marks were found to be completely different.

60. Colgate was a case where the subject matter was toothpaste and that the red and white combination for dental products had become publici juris was the issue. In the instant case for the defendant to succeed on this principle, defendant should be able to establish that colour combination in the suit TM has become publici juris qua Kulambu Chilli Powder or any one of the goods in Class 30, I hold that this question has to be decided only in the trial on the basis of oral and documentary evidence. In other words, it cannot be decided on affidavits and counter affidavits in the interlocutory application.

61. Bombay Plaster Industries was cited for the principle that there can be no monopoly over colour and use of single does not give distinctive source. As mentioned supra, this case is on colour combination and mark as a whole. Therefore, Bombay Plaster does not help the defendant.

62. To be noted, all the aforesaid 6 judgments referred to by learned counsel for sole defendant are not those of Madras High Court. They are not judgments of coordinate Benches. However, as the same were placed before me, I have dealt with the same.

63. Be that as it may, I have noticed a judgment of a Division Bench of our High Court being SVS Oil Mills Vs. S.V.N. Agro-refineries reported in (2004) 29 PTC 548 referred to as SVS Oil Mills Case. In this case, the principal argument turns on consumers and customers being driven by a colour combination. The Division Bench while reversing a dismissal order of the single Judge, granted injunction holding that they are of the view that impression regarding colour scheme and get up in the labels or containers can get imprinted in the minds of the customers and that can be carried in their mind in choosing the product by their appearance in the Departmental shops, or in the supermarket or in any other shops. To be noted, SVS Oil Mills case also is a product which is comparable with the instant case as it is edible oil. Relevant paragraphs in SVS Oil Mills case are Paragraphs 22 and 23 and the same read as follows:

22. It is true that the plaintiff cannot claim any monopoly over any colour or scheme and the colours and it is also seen that yellow and red colours are commonly used by oil manufacturers in the containers for the sale of edible oil. Nor is it the case of the plaintiff that it has any monopoly right over the colours yellow and red, but the case of the plaintiff is that the second defendant was a partner of the plaintiff firm till February, 2001 and the second defendant has known the reputation and goodwill of the plaintiff's trademark SVS on inverted triangle. The case of the plaintiff is that after the second defendant left the firm, he started business using the word SVS and when the use of the word SVS was objected to and this Court passed an order holding that the second defendant should not use the trade name SVS, the second defendant changed the trade name into SVN instead of SVS but started to use the labels with the similar colour scheme and getup of the plaintiff from December, 2002 to exploit the goodwill and reputation of the plaintiff to market his products as that of the plaintiff. As already observed by us, no manufacturer can claim any monopoly over a particular colour as it is permissible for any manufacturer to use any colour on his packages. It is true that while the brand name of a manufacturer is a relevant factor, the colour scheme and getup of the container or packages are also equally important in the marketing of the goods as the customers would normally associate the colour scheme and getup of the packages with the products of their choice. There are many cases where the popular consumer goods are identified by the colour

scheme and the way in which the articles are packed. We are of the view that the impression regarding the colour scheme and the getup in the labels or container would get imprinted in the minds of the customers and that would carry in their mind in choosing the product by their appearance in the departmental shops or in the super market or in any other shop. The Supreme Court has repeatedly held that what has to be seen in the case of a passing off action is the mind of an unwary purchaser with average intelligence and imperfect recollection. When such a person goes to the market for the purchase of an article, the entire layout including the brand name, colour scheme and getup of the container would be the guiding factor in the purchase of the article. We are prima facie of the view that the domestic articles are purchased not only by their brand names, but also by the colour scheme and getup of the container in which the goods are marketed. In our view, it would be totally unrealistic to focus one's attention to the brand name of an article ignoring the colour scheme and getup in the case of passing off action. In our view, even in the case of articles of daily use, like toothbrush, the same colour scheme and getup found in two articles with slight variation in brand name of the article would cause confusion in the mind of the user. It is true that a customer may select the oil on the basis of the brand name. However, if the articles of the same kind are displayed in a shop with slight variation in the trade name with the same colour scheme and getup, there is likelihood of deception to be caused in the mind of an unwary purchaser in the purchase of the article. The oil is not sold on medical prescription, but it is openly available and openly sold in the shops and departmental stores. We are of the view that if same colour scheme and getup of the labels of the plaintiff are used by the defendants with the trademark phonetically similar to the plaintiff with reference to the same kind of articles it would create confusion in the minds of unwary purchasers while purchasing the articles of one manufacturer as that of the other manufacturer. We are unable to accept the wide proposition submitted by the learned counsel for the respondents that since the plaintiff's articles are sold only by the trademark SVS on inverted triangle which are prominently displayed on the label, the colour scheme and getup are not important. We have already observed that it is not open to the plaintiff also to claim monopoly over the particular colour or getup. As rightly submitted by Mr. Sharma, learned counsel for the appellant, there cannot be serious objection for the use of same colours by the defendants with a different getup. Equally, there is no explanation from the defendants for their change in the getup and colour of the label from the one previously used and in the absence of any explanation we find that there is some force in the submission of Mr. Sharma, learned counsel for the appellant that the defendants have adopted in the label the same colour scheme and getup as that of the plaintiff with a view to cash on the reputation and goodwill of the plaintiff.

17. We are of the view that the material form, colour and getup of the wrapper or label or container of the articles are the physical means of expression and the design of the container or the label is of great significance as it is meant to catch the vision of any purchaser. The design of the label would include not only the trademark, but also the colour scheme and getup of the wrapper or container as well. It is well known that there are several eye-catching designs and the customers familiar with the articles would invariably be guided and attracted to purchase goods by the sight of label and they would invariably be guided by the physical appearance of the labels used for the articles for sale. We are of the view, there is a power behind the design of the label as the customers have the intuitive instinct to select the goods by the design, colour and getup and the trade name and if the goods of same kind with the same colour scheme and getup in the labels belonging to two manufacturers with phonetic similarity in trade names are exhibited or offered for sale, a normal consumer of average intelligence with imperfect memory would take one article as belonging to other.

(Underlining made by me to supply emphasis and highlight.)

64. In the light of the narrative supra, I have no hesitation in coming to the conclusion that plaintiffs are entitled to have the interim injunctions granted on 30.07.2018 continued (post contest) subject to various aspects set out supra, that have been left open inter alia for trial.

65. In other words, injunctions are continued (post contest) subject to questions that have been left

open to be decided inter alia in trial.

66. This takes us to the stage of the main suit. This Commercial Division is informed that written statement has been filed by the sole defendant and therefore, pleadings are complete. As pleadings are complete, next procedural steps under amended "The Code of Civil Procedure, 1908" ("CPC" for brevity) as amended by 'The Commercial Courts Act, 2015' ("said Act" for brevity) are "Inspection of Documents" followed by "Admission and Denial" under Rules 3 and 4 respectively of Order XI of amended CPC as amended by said Act. Four weeks for inspection of documents and 15 days for admission and denial of documents are the time lines prescribed. Therefore, parties will do well to complete the exercise of inspection of documents followed by admission and denial within six weeks from the date of this order being pronounced in open Court.

67. I deem it appropriate to draw the following time lines:

- a) Inspection of Documents followed by admission and denial under Rules 3 and 4 of Order XI of amended CPC as amended by said Act, shall be completed within 6 weeks from the date of this order being pronounced in open Court.
- b) Suit shall be listed for Case Management Hearing ("CMH" for brevity) under Order XV-A of amended CPC as amended by said Act within four weeks there from.
- c) In CMH, time lines as per amended CPC as amended by said Act shall be drawn up in such a manner that recording of oral and documentary evidence is completed within six months there from.
- d) Written arguments under Order XVIII Rule (2) Sub-Rules 3(A) to 3(F) shall be filed within four weeks there from.
- e) Oral arguments shall be advanced as expeditiously as possible, after filing of written arguments and that will conclude this suit in less than one year from the date of this order being pronounced in open Court.

68. In the result, interim orders granted in O.A.Nos.705 and 706 of 2018 shall continue to operate for one year from the date of pronouncement of this order in open Court, A.Nos.7190 and 7191 of 2018 are dismissed, but with liberty to both parties, i.e., plaintiffs and defendant to take out suitable applications to continue/not continue this interim order beyond one year, if the aforesaid time lines for disposal of the main suit are not adhered to and if delay in trial of the suit is caused by one party or the other.

69. I part with this case with the hope that such an application to continue/not continue this interim order does not become necessary and if my hope is belied such an application shall be dealt with on its own merits, depending on which party is responsible for delay. To be noted, if it becomes necessary to file such an application to continue / not continue this interim order, the merits of these applications cannot be re-agitated or agitated afresh on new points. Scope will be limited to continuing the interim order or not continuing the interim order depending solely on which of the parties, i.e, plaintiffs or defendant is responsible for delay / breach of time lines set out supra for disposal of the main suit.

70. Though obvious, for the purpose of eliminating ambiguity and enhancing clarity, it is set out that the opinions and views expressed in this order are solely for the purpose of disposal of these interlocutory applications. In other words, the main suit will be disposed of independent of and untrammelled by the opinions and views expressed in this order.

All four applications are disposed of as above. Considering the trajectory of this litigation thus far, parties are left to bear their respective costs as far as these applications are concerned.

26.10.2018
Speaking order
Index : Yes
gpa

M.SUNDAR.J.,
gpa

O.A.Nos.705 and 706 of 2018 &
A.Nos.7190 and 7191 of 2018 in
C.S.No.511 of 2018

26.10.2018