

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 13.11.2018

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

C.S.No.445 of 2016

B.Kishore Jain,
Trading as
Khazana Jewellery,
252A, TTK Road, Alwarpet,
Chennai-600 018.

..Plaintiff

Vs.

Mr Waseem Jawaid
The KHAZANA Imitation JEWELLERY and Bags
2nd Floor, Dasapalla,
Chitralaya Cine Mall
Surya Bagh
Visakhapatnam-20

.. Defendant

This Civil Suit is preferred, under Order IV Rule 1 of Madras High Court O.S. Rules read with Order VII Rule 1 of Civil Procedure Code, read with Sections 27, 28, 29, 134 and 135 of the Trademarks Act, 1999 and praying to

a) A permanent injunction restraining the Defendant, his partners, men, agents, servants, assigns, successor-in-business, legal representatives or anyone claiming through or under him from in any manner infringing the plaintiff's Register Trade KHAZANA Jewellery bearing under No.544884 registered trade mark in class 14 by use of the KHAZANA Imitation JEWELLERY and Bags as a trademark and/or as part of trade name/trading style or by use of any other trade mark/ trade name containing the word

KHAZANA Register Trade Mark Jewellery or any word Identical/deceptively similar thereto or in any other manner whatsoever;

b) Grant a permanent injunction restraining the Defendant, his partners, men, agents, servants, assigns, successor-in-business, legal representatives or anyone claiming through or under him from in any manner passing off or enabling others to pass off the defendant's goods, business, services, jewellery etc., by use of trade mark and/or trade name/trading style The KHAZANA Imitation JEWELLERY and Bags or in any other manner whatsoever which is identical/deceptively similar to plaintiff's Register Trade Mark trademark Khazana Imitation Jewellery and Bags;

c) Directing the defendant to surrender to the plaintiff all name boards, stationery, labels, dyes, screen prints, packing materials, advertising material etc., using the trademark The KHAZANA Imitation JEWELLERY and Bags which is deceptively similar to the plaintiffs trademark KHAZANA.

d) A preliminary decree be passed in favour of the plaintiff directing the defendant to render account of profits made by use of trademark The KHAZANA Imitation JEWELLERY and Bags and a final decree be passed in favour of the plaintiff for the amount of profits thus found to have been made by the defendant after the latter have rendered accounts;

e) The defendant be ordered and decreed to pay to the plaintiff a sum of Rs.29,50,000/- as damages for acts of infringement of trade mark and passing off;

f) for costs of the suit; and

g) Pass such further order or other reliefs as this Hon'ble Court may deem fit and necessary in the circumstances of the case and thereby render justice.

For Plaintiff : Mr.D.Nagesh Babu for
Mr.R.Subramanian

For Defendant : *Set ex-parte*

JUDGMENT

There is a sole plaintiff and a lone defendant in this suit.

2. Mr.D.Nagesh Babu, learned counsel representing the counsel on record for sole plaintiff is before this Commercial Division.

3. Suit has been listed before me after recording of *ex-parte* evidence. In this regard, jurisdiction of this Commercial Division and the trajectory of this suit leading to *ex-parte* evidence being recorded has been encapsulated and captured by predecessor learned Judge vide proceedings dated 21.6.2018, which reads as follows:

“Suit related seeking permanent injunction restraining the defendant from infringing the plaintiff’s registered Trademark “KHAZANA JEWELLERY” and for consequential reliefs.

Since the suit related to protection of the intellectual property right of the plaintiff this Court has jurisdiction to entertain the issues raised by the plaintiff.

It is seen from the records that the service on the defendant had been completed by the learned Master on 02.03.2017, the name of the defendant is printed in the

cause list. There is no representation either in person or through court.

Even the learned master had referred the matter before the Court, since written statement had not been filed, the matter had also been posted, under the Undefended Board on an earlier occasion. The defendant is therefore set ex-parte.

The plaintiff to appear before the learned Additional Mater No.III for recording evidence on 04.07.2018. After recording evidence the matter to be posted before this Court.”

4. The afore said proceeding gives the trajectory of this suit leading to recording *ex-parte* evidence in a nutshell. However, elaborating on jurisdiction of this Commercial Division qua this suit though the same has been captured in the aforesaid proceedings, for the sake of specificity, learned counsel for plaintiff submitted that this suit pertains to complaints of infringement of trademark and passing off. In this view of the matter, Section 134 (1) of 'Trade Marks Act, 1999' ('TM Act' for brevity) operates, is learned counsel's say. It is his further submission that in the light of Section 134(1) of TM Act, this Commercial Division will have jurisdiction to entertain this suit under first proviso to Section 7 of 'The Commercial Courts Act, 2015' ('said Act' for brevity).

5. In the light of the submissions and in the light of the aforesaid

earlier proceedings of this Commercial Division dated 21.6.2018, I perused the plaint and there is no difficulty in accepting the aforesaid submissions. In other words, there can be no doubt or two ways about the obtaining position that this Commercial Division will have jurisdiction to entertain this Suit under first proviso to Section 7 of said Act.

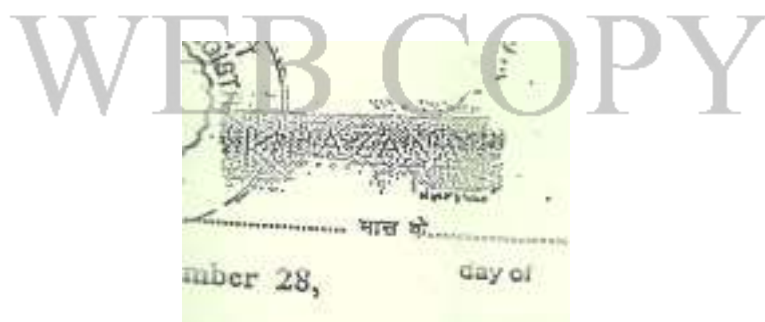
6. It is submitted by learned counsel for plaintiff that plaintiff is carrying on business of manufacturing and selling jewellery made of gold, silver and other precious stones for several decades. It is submitted that the business in the name and style of 'Khazana Jewellery' was started on 14.04.1989 and that plaintiff's place of business is located in Cathedral Road and T.Nagar, both being different locations in the city of Chennai. It is submitted by learned counsel for plaintiff that besides these two locations in the city of Chennai, plaintiff has branches in the State of Karnataka, New Delhi, Telangana, Puducherry, Vijayawadda, Vizianagaram, Guntur and several other locations in Andhra Pradesh.

7. It is submitted by learned counsel for plaintiff that plaintiff is the registered proprietor of the trademark 'KHAZANA' in class 14, vide Trademark No.544884 dated 7.02.1991, with respect to precious metals or coated alloys with Jewellery, Precious stones, ornaments made out of precious metals and their alloys. The relevant trademark registration

certificate has been marked as EX.P2. This trademark registration is the nucleus of this suit and shall therefore be referred to as 'suit TM' for the sake of brevity, convenience and clarity.

8. It is the case of the plaintiff that suit TM is used from 1989 openly, extensively and continuously in respect of Jewellery by plaintiff and that suit TM is associated exclusively with plaintiff and none else. It is also submitted that plaintiff has showrooms under suit TM in major shopping arcades. To show continuous and open use of suit TM by plaintiff, Exs.P3 to P6 have been marked. EX.P3 is a sale invoice. EX.P4 is a copy of an advertisement placed by plaintiff with suit TM in a newspaper. EX.P5 is an advertisement placed by plaintiff with suit TM in the telephone directory. Ex.P6 is a bunch of about 14 bills showing sale by the plaintiff using suit TM.

9. Suit TM, as depicted in EX.P2 trademark registration certificate, is as follows:



10. Advertisements as in the aforesaid Exs.P4 and P5 are as follows:

Ex.P4



Ex.P5





11. Under the afore said circumstances, it is plaintiff counsel's say that plaintiff came to know in 2015 that defendant has started Jewellery business in Visakhapatnam under the name and style 'The Khazana Imitation Jewellery and Bags'.

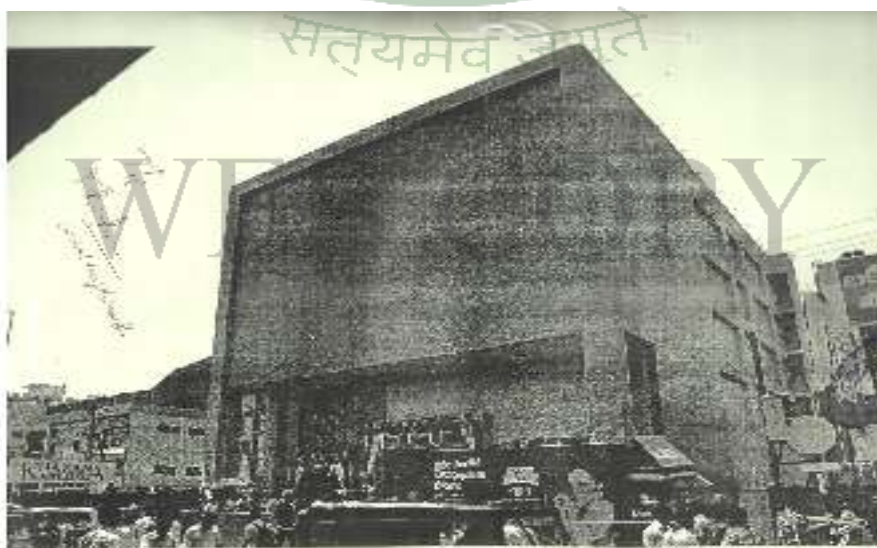
12. Ironically and incidentally, defendant's name includes the term 'imitation', is also his say.

13. On coming to know about the use of the aforesaid offending mark by the defendant, plaintiff caused a Cease and Desist notice dated 10.4.2015 to be issued to the defendant and a copy of the same together with postal receipt has been marked as Ex.P7. It is pointed out that defendant refused to receive the Cease and Desist Notice and the postal envelope showing return of the Cease and Desist notice with the postal endorsement 'refused' has been marked as Ex.P10.

14. Having refused to receive the Cease and Desist notice, the offending mark by the defendant was continuing unabated, necessitating the presentation of the instant suit in this Court on 21.3.2016, is learned counsel's further say.

15. Plaintiff photographs showing plaintiff's showroom have been marked as Exs.P8 and P9 and the same are as follows:

Ex.P8



Ex.P9



16. To establish that defendant is actually using the offending mark and doing business, an invoice showing sale transaction by the defendant using the infringing mark has been marked as Ex.P11 and the same is dated 30.05.2015.

17. As mentioned *supra*, defendant was set *ex-parte* on 21.06.2018 and the suit was set down for recording *ex-parte* evidence before learned Additional Master-III on 13.7.2018. One N.Ashok kumar, who has been described as Power of Attorney agent of plaintiff has deposed as PW.1 and the Power of Attorney, in his favour, dated 11.7.2018 has been marked as Ex.P1.

18. I have perused the evidence/deposition of PW.1. It is cogent and convincing. It buttresses and bolsters the plaint pleadings.

19. In the afore said circumstances, I compared the plaintiff's mark as in plaintiff's trademark registration certificate Ex.P2 as well as depiction of the mark as in Exs.P4 and P5 on the one side being advertisements of plaintiff (scanned, extracted and reproduced supra) and the offending mark as in Exs.P8 and P9 on the other side, which have also been scanned and extracted supra.

20. To be noted, I compared the plaintiff's mark and the defendant's mark using the time honored litmus test in this regard laid down in the celebrated judgment of Hon'ble Supreme Court in **Parle Products (P) Ltd. Vs. J.P. and Co., [(1972) 1 SCC 618]**. To be noted, Supreme Court has referred to with affirmation the aforesaid Parle principle in the year 2000 in **S.M.Dyechen Vs. Cadbury (India)** reported in **(2000) 5 SCC 573**.

21. Relevant paragraph in Parle judgment is paragraph No.9 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.'

22. For the purpose of abundant clarity and specificity I set out that the comparison made by me with Exs.P2, P4 and P5 on one side and Exs.P8 and P9 on the other side. It is by seeing the plaintiff's marks, taking it away from the sweep of my eyes and thereafter seeing the defendant's mark little later. While seeing the defendant's mark later, I asked myself the question as to whether a man of average intelligence with imperfect recollection and ordinary prudence will be lulled into the belief that what he is seeing now (alleged offending mark) is what he had seen earlier (plaintiff's mark). I have no hesitation in coming to the conclusion that the answer is in the affirmative. In other words, the answer is an emphatic 'YES'.

23. In the light of the narrative supra, I am convinced that plaintiff has proved his claim qua infringement of suit TM and passing off.

24. This takes us to the prayer paragraph in the plaint, which is paragraph 19 and same reads as follows:

'19. The plaintiff therefore prays for a judgment and decree in the following terms:

a) A permanent injunction restraining the Defendant, his partners, men, agents, servants, assigns, successor-in-business, legal representatives or anyone claiming through or under him from in any manner infringing the plaintiff's Register Trade KHAZANA Jewellery bearing under No.544884 registered trade mark in class 14 by use of the KHAZANA Imitation JEWELLERY and Bags as a trademark and/or as part

of trade name/trading style or by use of any other trade mark/ trade name containing the word KHAZANA Register Trade Mark Jewellery or any word Identical/deceptively similar thereto or in any other manner whatsoever;

b) Grant a permanent injunction restraining the Defendant, his partners, men, agents, servants, assigns, successor-in-business, legal representatives or anyone claiming through or under him from in any manner passing off or enabling others to pass off the defendant's goods, business, services, jewellery etc., by use of trade mark and/or trade name/trading style The KHAZANA Imitation JEWELLERY and Bags or in any other manner whatsoever which is identical/deceptively similar to plaintiff's Register Trade Mark trademark Khazana Imitation Jewellery and Bags;

c) Directing the defendant to surrender to the plaintiff all name boards, stationery, labels, dyes, screen prints, packing materials, advertising material etc., using the trademark The KHAZANA Imitation JEWELLERY and Bags which is deceptively similar to the plaintiffs trademark KHAZANA.

d) A preliminary decree be passed in favour of the plaintiff directing the defendant to render account of profits made by use of trademark The KHAZANA Imitation JEWELLERY and Bags and a final decree be passed in favour of the plaintiff for the amount of profits thus found to have been made by the defendant after the latter have rendered accounts;

e) The defendant be ordered and decreed to pay to the plaintiff a sum of Rs.29,50,000/- as damages for acts of infringement of trade mark and passing off;

f) for costs of the suit; and

g) Pass such further order or other reliefs as this Hon'ble Court may deem fit and necessary in the circumstances

of the case and thereby render justice.'

25. A perusal of the prayer paragraph will reveal that there are 7 limbs of prayers i.e., sub-paragraphs (a) to (g) of plaint prayer paragraph.

26. In the light of plaintiff having proved its claim qua infringement of suit TM and passing off, plaintiff is entitled to a decree in terms of sub-paragraphs (a) and (b) of prayer paragraph. It follows as a sequitur that plaintiff will be entitled to a decree as in sub-paragraphs (c) and (d) also. With regard to sub-paragraph (e), no evidence has been let in with regard to damages and therefore, I am unable to convince myself and persuade myself to award damages.

27. With regard to sub-paragraph (f) supra, considering the nature of the matter, plaintiff is certainly entitled to costs and therefore plaintiff will be entitled to costs as prayed for in sub-paragraph (f) of the plaint prayer paragraph.

28. Learned counsel for plaintiff requested me to consider the possibility of awarding compensatory costs under Section 35-A of 'The Code of Civil Procedure, 1908' ('C.P.C.' for brevity) as amended by said Act. It was pointed out that pursuant to amendment of Section 35-A of C.P.C. by said Act, there is no upper limit or in other words there is no cap for the

quantum of compensatory costs that can be awarded.

29. In support of plaintiff's prayer for compensatory costs, it was pointed out that plaintiff has been using suit TM from 1989 and has also duly obtained a trademark registration certificate, whereas it came to light that defendant has started using the alleged offending mark only in 2015 much later. It was pointed out that defendant refused to receive the Cease and Desist notice vide Exs.P7 and P10 (copy of the Cease and Desist notice and returned envelope). Even after the suit was presented in this Court on 21.03.2016, defendant continued with the use of the offending mark unabated, necessitating the plaintiff to carry the instant suit to its logical end by carrying it through over 2½ years in this Court, *inter alia* by expending money, energy and effort. It was pointed that plaintiff had to let in evidence and mark documents to prove its claim.

30. It was submitted that the aforesaid conduct of the defendant entitles the plaintiff for compensatory damages under Section 35-A of C.P.C.

31. On sum totality of the narrative supra, I am convinced that plaintiff's plea for compensatory costs under Section 35-A C.P.C., deserves to be acceded to and compensatory costs of Rs. 30 Lakhs would be appropriate.

32. Suit is decreed qua prayer paragraphs (a) to (d), (f) and (g) with costs and compensatory costs as set out supra.

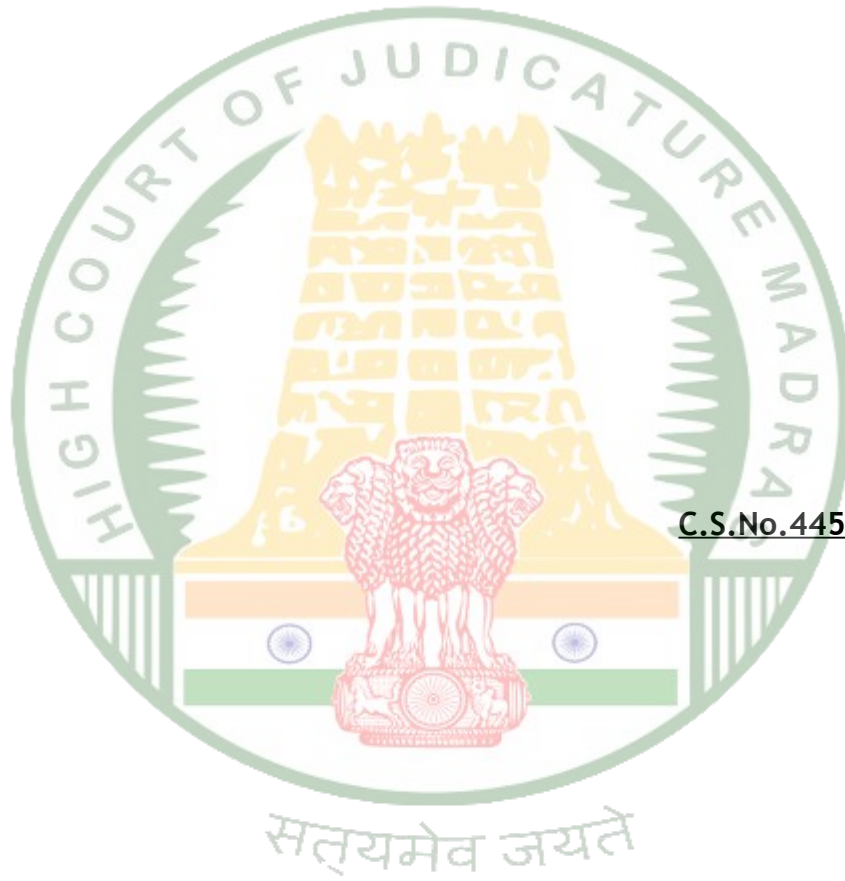
13.11.2018

Speaking order/Non-Speaking order
Index : Yes/No
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M.SUNDAR, J.
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