

C.S.No.341 of 2010

IN THE HIGH COURT OF JUDICATURE AT MADRAS

JUDGMENT RESERVED ON : 28.08.2019

JUDGMENT PRONOUNCED ON : 29.11.2019

CORAM

THE HONOURABLE MR.JUSTICE KRISHNAN RAMASAMY

Civil Suit No. 341 of 2010

1.A.D.Padmasingh Issac

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.,

No.6, Ground Floor,
15th Street, Anna Nagar, 'G' Block,
Chennai – 600 040.
Represented by its Director,
Ashwin Pandian.

... Plaintiffs

Versus

Aachi Cargo Channels Private Limited,
Door No:9, III Floor, VGP Murphy Squire,
No:19, GST Road, St Thomas Mount,
Chennai – 600 016,
Tamil Nadu.

... Defendant

Plaint filed under Order VII Rule 1 C.P.C. read with Order IV

Rule 1 of the High Court Original Side Rules praying for:

(a) granting a permanent injunction, restraining the defendant, by himself, his servants, agents, distributors or anyone claiming through him from manufacturing, selling, advertising and offering for sale using the same name AACHI or used by the plaintiffs and the trademark name Aachi Cargo Channels Pvt. Ltd., or any other similar trademark name or similar sounding expression in any media and use the same in name board, invoices, letter heads and visiting cards or by using any other trademark/name which is in any way visually or deceptively or phonetically similar to the plaintiffs' trademark/name AACHI and use the same in pouches, packets or use the mark in invoices, letters heads and visiting cards or any other trade literature or by using any other trademark which is in any way visually, or phonetically similar to the plaintiffs' registered trademark Nos. Nos.922594, 922595, 1374937, 1340324, 1340325, 1367430, 1372439, 1372440, 1375754, 838786, 976559, 1025302, 1025304, 1025305, 1318493, 1318494, 1318495, 1375755, 1375756, 1380625, 1357284, 1479158, 1479159, 1418281, 1025303, 1415328, 1415329 and 1116254 or in any manner infringing the plaintiffs' registered trademark referred herein.

(b) directing the defendant to surrender to the plaintiffs all the packing material, cartons, advertisement

materials and hoardings, letter-heads, visiting cards, office stationery and all other materials containing/bearing the name AACHI as shown in Document No.2 or other deceptively similar trademark used in the pouches and packets bearing the word AACHI.

(c) directing the defendant to render an account of profits made by them by the use of the impugned trademark and get up as shown in Document No.2 on the service referred and decree the suit for the profits found to have been made by the defendants, after the defendants have rendered accounts:

(d) directing the defendant to pay to the plaintiffs the costs to the suit, and

(e) pass such further or other orders, as this Hon'ble Court may deem fit and proper in the circumstances of the case and thus render justice.

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

For Defendant : Ms. Revathi G. Mohan

J U D G M E N T

The plaintiff has instituted the present suit for the relief, as stated in prayer portion of this judgment.

2. **The averments in the plaint in brief are as follows:-**

(i) The first plaintiff originally started trading under the name and style of Abishek Enterprises. The first plaintiff was engaged in the business of manufacturing and marketing spices and condiments under the trademark AACHI. The mark was first adopted in the year 1995. At the time of adoption of the trademark AACHI the mark was unique and no one else was using the same with respect to spices and condiments or any other goods/services. The mark indicates only the plaintiffs as the source and no other.

(ii) The trading style of the first plaintiff was subsequently changed to Naveen Enterprises and subsequently AACHI Spices and Foods. The first plaintiff trading as AACHI Spices and Foods was registered under the CST, VAT, TNGST on 12.07.2006, 22.12.2006, 28.12.2006 and 03.01.2007 respectively under Exs.P11 and P14. With the growth of the organization Nazareth Foods Pvt. Ltd., was incorporated to undertake the manufacturing activities under Ex.P9.

(iii) After the mark acquired distinctiveness, the first plaintiff applied for registration of the Trademark AACHI and at present there are over 106 registration obtained for the Trademark AACHI in various device and word marks in various classes as set out in Ex.P7. The first plaintiff also secured registration of the Trademark AACHI in various countries around the world as set out in Ex.P8. The mark has been continuously used and advertised which is evidenced by the invoices filed in Ex.P4, advertisement sample in Ex.P6 and advertisement expenditure in Ex.P5.

(iv) The second plaintiff was incorporated to both market and manufacture the AACHI products of the first plaintiff. The second plaintiff is the licensee of the first plaintiff. Ex.P10 is the license granted by the first plaintiff in favour of the second plaintiff.

(v) The plaintiffs have been manufacturing and marketing spices and other food products since 1995 for the past 25 years under the Trademark AACHI. The turnover of the plaintiffs in the year 2006 was about Rs.230 crores. The mark AACHI acquired tremendous reputation and goodwill and the trade and public associate the Trademark AACHI only with the plaintiffs. The plaintiffs have diversified their use with respect to Educational

Institutions, Hotels, Cleaning preparations, Medicines, Hotels, Clothing as set out in Ex.P15.

(vi) While so, the plaintiffs came to know of the use of the trademark AACHI CARGO CHANNELS PVT.LTD., in February 2010 by the defendant and therefore, the plaintiffs came forward with the above suit in March 2010. The plaintiffs contended that they are aggrieved that the defendant is using the Trademark AACHI as part of its company name. The defendant is not entitled to use the registered trademark of the plaintiffs as part of their company name under both the Companies Act as well as the Trademarks Act, hence, the suit.

3. Defendant has filed written statement, wherein, it is stated as follows:-

(ii) The defendant using the mark 'Aachi' Cargo Channels Pvt. Ltd., and such usage will not amount to infringement of the mark 'Aachi'. The question of infringement would not arise for the following reasons:

a) Both plaintiffs and defendant are operating in two totally different fields, unconnected to each other.

b) There is neither similarity of goods manufactured nor services rendered by both the plaintiffs and the defendant. The plaintiffs are said to have processed and marketed food products while the defendant is doing the cargo service, transporting various goods.

c) There is no nexus between the nature of the trade done by the plaintiffs and the business service of the defendant. The plaintiffs are said to have manufactured, processed and marketed food products to the consumer public whereas the defendant is doing cargo services namely exporting and importing the various kinds of goods, which avocation has nothing to do with any access to the consumer public.

d) Infringement of trademark would be caused only if it was likely to create confusion that business of defendant was that of the plaintiffs. Not even an inference can be drawn with reference to the nexus between the plaintiffs and defendant as far as the nature and the field of their business are concerned.

(iii) In the special leave petition filed by the plaintiffs against the order in O.S.A.47/2013 dated 12.11.2013, the Hon'ble Supreme Court declined to interfere.

(iv) The use of the word mark 'Aachi' by the defendant would not amount to fraud under the Trademarks Act, in as much as the registration of the mark 'Aachi' is void ab initio. The allegation that the conduct of the defendant amounts to fabrication of Trademark and it is an offence punishable under the Trademarks Act is baseless, motivated and not correct.

(v) The fact is the defendant S.Saravanan Chettiar, Director of the defendant's Company is a native of Thanjavur which is one among the Geographical origin of the mark 'Aachi' in honour of his beloved mother [Gnansundari Aachi]. Therefore, among the plaintiffs and the defendant it is the latter who is having the locus standi as well as the qualification to use the mark 'Aachi'.

4. The learned counsel for the plaintiffs submitted that the plaintiffs also filed reply to the counter claim filed by the defendant by stating that it is neither maintainable in law nor in facts and needs to be dismissed in limine on the following preliminary objections:

(a) The defendant prayer for passing off a decree declaring plaintiffs registered Trademark as null and void ab initio is not maintainable in fact or in law. Such a plea cannot be raised before this Hon'ble Court and can be raised only before Intellectual Property Appellate Board (IPAB) by filing necessary rectification proceedings as provided under Sections 124, 125 and 57 of the Trademarks Act, 1999. The defendant's challenge to the same in the infringement proceedings is not valid. Therefore, the counter claim for cancellation of the plaintiff's registered trademark is liable to be dismissed.

(b) The plaintiffs are the prior users and registered proprietors of the trademark AACHI from 1995. The defendant is the subsequent user of the identical mark from 03.07.2008. Therefore, the defendant cannot seek any injunction against the plaintiffs which is not maintainable under Sections 27, 28, 29 and 34 of the Trademarks Act, 1999.

(c) As stated above the plaintiffs are the prior users and registered proprietor of the Trademark AACHI. The defendant is the subsequent user who has slavishly imitated the plaintiff's trademark. Under Section 29(4) of the Trademarks Act the use of

the identical mark with respect to goods that are not similar to the plaintiffs goods also amounts to infringement of registered trademark. Hence, the suit filed is maintainable under Section 134 of the Trademarks Act, 1999.

(d) The Trademark AACHI does not have any geographical origin. It is the plaintiffs registered trademark AACHI which is the well known mark and used for food products all over India. The defendant is a recent entrant who has slavishly adopted the plaintiffs trademark and is falsely claiming use of the mark since 2008. The defendant's mark AACHI misleads the trade and public.

(e) The plaintiffs reiterate and reaffirm that the defendant has made frivolous attempts and obtained the incorporation of its company by fraudulent means.

5. This Court, vide order, dated 19.12.2016, framed the following issues:-

(i) Whether the plaintiffs are the prior user of the Trademark AACHI?

(ii) Whether the plaintiffs are the registered proprietor of the Trademark AACHI?

(iii) Whether the use of the Trademark AACHI with respect to the Cargo services amounts to infringement of the plaintiffs Trademark AACHI?

(iv) Whether the use of the Trademark AACHI with respect to the Cargo services amounts to passing off of the plaintiffs Trademark AACHI?

(v) Whether the plaintiffs are entitled to the relief of permanent injunction against defendant from manufacturing, selling, advertising and offering for sale, the name AACHI and the trademark name Aachi Cargo Channels Pvt. Ltd.,?

(vi) Whether the plaintiffs are entitled for a direction against the defendant to surrender to the plaintiffs all packing material, cartons, and such other materials containing the name of AACHI?

(vii) Whether the plaintiffs are entitled for a direction against the defendant to render accounts and profits made by them using the impugned trademark?;

(viii) To what reliefs the parties are entitled to?

Issues Nos. 1, 2, 3 and 4:

6. On behalf of the plaintiffs, P.W.1, deposed and Exs.P.1 to P.16 have been marked. On the side of the defendant, D.W.1 was examined and Exs.D1 to D.5 have been marked.

7. The learned Senior counsel appearing for the plaintiffs contend that the trademark "AACHI" is the registered trademark and therefore, the plaintiff is the registered proprietor of the trademark "AACHI", the trademark of the plaintiffs "AACHI" have been registered under various classes, and without different labels. Further, he contended that the word mark "AACHI" also got registered. The defendant trade name "Aachi Cargo Channels Private Limited" is a company registered as per the provision of the Companies Act, 1956. Therefore, the learned Senior counsel contend that the defendant trademark "AACHI" is a word mark of the plaintiffs for which the plaintiffs are the proprietor of the said mark. The said registered trademark of the plaintiffs is part of the trade name of the defendant. Therefore, the defendant is copying the whole registered trademark of the plaintiffs as its part of the trademark and the defendant trade mark is identical with or similar

to the registered trademark of plaintiffs. Further, he would contend that the plaintiffs registered with different classes, includes the Cargo services. Even if the registration is not covered for cargo services still, the defendant is not entitled to use the trademark in respect of other business. Since the plaintiffs obtained/created reputation over a period of usage of its registered trademark and also by virtue of the said usage, the plaintiffs obtained the distinctiveness in respect of its trade usage of the said trademark "AACHI" in relation to its trade, by the use of the word AACHI, the defendant takes unfair advantage of the reputation gained by the plaintiff and that is the only intention of the defendant to carry the word "AACHI" as part of its trade name. Since the plaintiffs obtained the distinctiveness of the use of the word "AACHI" in their trade, the plaintiff has exclusive right to use the word "AACHI". When such being the case, the defendant is not entitled to use the word "AACHI" as part of its trade name. In any case, the use of the word would amount to taking unfair advantage and detrimental to the distinctive character and reputation of the registered trademark of the plaintiffs, which would cause adverse impact in the business of the plaintiff.

8. The learned Senior counsel contends that any adverse impact on the defendant company would directly affect the reputation of the plaintiffs and therefore, he would submit that the plaintiff has satisfied all the condition imposed in Section 29 (4) of the Trademarks Act, 1999 to substantiate that the defendant is infringing the registered trademark of the plaintiffs.

9. Further, the learned Senior counsel contend that the plaintiffs are manufacturers and marketers of spices and Food products under the trademark "AACHI" and have more than 130 registration in the name of "AACHI". Therefore, under the statute, the plaintiffs have exclusive right for the use of the word "AACHI" to the exclusion of all other including the defendant. The defendant is a recent entrant who has slavishly adopted the plaintiffs trademark and misleads the public. The prolonged and continuous use of the mark AACHI since 1995 and enormous goodwill and reputation earned by the plaintiffs has marked its striking identity in the public mind and members of the trade about the products bearing the mark AACHI. This exclusive association of the mark with the plaintiffs is the reason behind the claim of proprietorship. According

to the plaintiffs, the trade mark AACHI has become very valuable Intellectual Property of the plaintiffs. The plaintiffs have the statutory as well as the proprietary rights over the trademark and prior user of the mark AACHI since 1995. Therefore, he contend that except the plaintiffs if any person uses without the consent of the plaintiffs, it amounts to infringement of the plaintiffs registered trademark.

10. The mark being established by the plaintiffs company has won a great reputation and an exclusive identity with the plaintiffs, it is dishonestly being grabbed by the defendant. The adoption of the mark is being malafide and dishonest having known the reputation of the plaintiffs. The trade name adopted by the defendant tends to mislead the public and members in trade. The defendant has adopted the mark which is deceptively and phonetically similar to that of the plaintiffs mark with the malafide intention to ride on the reputation and goodwill of the plaintiffs. Under Section 29(4) even though the plaintiffs and defendant are not carrying on same line of business, the use of identical mark infringes the trade name under the Act. The defendant has adopted

the plaintiffs registered trademark "AACHI" which amounts to fraud and falsification of Trademark under Section 102 and it is an offence punishable under Section 103 of Trademarks Act, 1999. The plaintiffs over a period of two decades have achieved the turnover of 1300 crores as on 31.03.2015. In this regard, the plaintiffs also marked Ex.P3. The plaintiffs also invested a sum of Rs.21 crores for the advertisement for the year ending 31.03.2015 and in this regard the plaintiffs also filed the documents marked as Ex.P3. By virtue of spending huge amount, the plaintiffs achieved the turnover of more than 1000 (One Thousand) Crores for the year ending 31.03.2015. Therefore, he contended that the plaintiffs product along with the trademark "AACHI" reached the public enormously and the plaintiffs also spent huge amount by way of advertisement only for this purpose and thereby created reputation and goodwill among the public. Now, the defendant simply by copying the registered trademark of the plaintiffs as a part of its trade name has been riding on the goodwill of the plaintiffs and thereby taking unfair advantage. Therefore, the learned Senior counsel submits that the defendant's identical trademark with respect to the Cargo services will inevitably dilute and bring disrepute to the distinctive

character of the plaintiffs trademark. The plaintiffs have diversified their activities in the past 25 years into Hotels, Clothing, Cleaning, Medicines, Education, etc., if the defendant uses the same trademark as its part of the trade name with respect to the Cargo Services it will lead to dilution and disrepute to the business of the plaintiffs. Hence he submits that the plaintiff had satisfied all the requirements of Section 29(4) which reads as follows:-

"29(4).A registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trademark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

11. Accordingly, the learned Senior counsel submits that the defendant infringed the registered trademark of the plaintiffs.

Therefore, he contend that the defendant is passing of Cargo Services as that of the plaintiffs.

12. On the other hand, the learned counsel for the defendant would contend that the plaintiffs without any authorisation had deposed through Mr. B. Gnanasambandam, before this Court and he was examined as P.W.1. During the course of the cross examination of PW.1, he admitted that he joined the plaintiff company only in 2009 and he has no knowledge about the plaintiff company as to whether it was started in 1995 or not. Further, the learned counsel contend that P.W.1 has deposed admitting that the plaintiff company did not carry on the same business of the defendant. Whereas, the defendant company has incorporated under the name and style of "Aachi Cargo Services Private Limited" and has been running the cargo services business. The nature of the defendant business is transportation of logistics. Therefore, she contend that the defendant business is nothing to do with the mark or the trade name of the plaintiffs. The plaintiffs cannot exclusively claim that the word mark "AACHI" which denotes respect to the women hood in the state of Tamilnadu. The defendant marked

Ex.D4 which is the plaintiffs web page profile which reiterated the defendant contention that the Tamil word "AACHI" is used for addressing the women with respect. It is also designed from the word "AACHI" which means to rule in Silappathikaram. "AACHI is a familiar word with reference to tasty food in Chetnadu region. The word 'Aachi' is in customary usage in the current Tamil Language and it has it's own geographical origin. The defendant is a native of Thanjavur, which is one among the geographical origin of the mark 'Aachi'. Hence, according to the defendant, the word "AACHI" in being used from time immemorial and its not created, designed or coined by the plaintiffs. Further, the learned counsel for the defendant contend that the AACHI is not in any manner infringes the trade name of the plaintiffs. The word AACHI is neither created nor invented by the plaintiffs. They have admittedly stated that it has been diversified from the word 'AACHI' to label. Thus, there is no creation of mind in the word 'AACHI' adopted by the plaintiffs. The word "Aachi" has been documented in Thanjavur Tamil Palkalaikazhaga Perum Sollagarathi (volume2) & Chennai Palkalaikazaga Tamil Peragarathi and the document produced by Tamil Valarchi Iyakkam dated 10.10.2012 is marked as Ex.D3.

13. The learned counsel also referred to Section 2(h) of the Act, which reads as follows:-

(h) "deceptively similar",-A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion;

14. The label of the mark "AACHI" by the plaintiffs under Ex.P2 and that of the defendant under Ex.D5 can be easily distinguished. The style, font and the color of the word "AACHI" used by the defendant is distinctive to that of the plaintiffs style, font and color. The common general public cannot get confused with the plaintiffs product from that of the services offered by the defendant under the same trade name. Therefore, the counsel contend that the trade name of the defendant is neither deceptive nor phonetically similar as contended by the plaintiffs. The defendant use of the mark AACHI Cargo is not common color infringement of the mark "AACHI". The defendant using the mark "Aachi Cargo Channels Pvt. Ltd., is not committing any blatant infringement of the mark "AACHI". The question of infringement would not arise for the following reasons:-

a) Both plaintiffs and defendant are operating in two totally different fields, unconnected to each other.

b) There is neither similarity of goods manufactured nor services rendered by both the plaintiffs and the defendant. The plaintiffs are said to have processed and marketed food products while the defendant is doing the cargo service, transporting various goods.

c) There is no nexus between the nature of the trade done by the plaintiffs and the business service of the defendant. The plaintiffs are said to have manufactured, processed and marketed food products to the consumer public where as the defendant is doing Cargo services namely exporting and importing the various kinds of goods, which avocation has nothing to do with any access to the consumer public.

d) Infringement of trademark would be caused only if it was likely to create confusion that business of defendant was that of the plaintiffs. Not even an inference can be drawn with reference to the nexus between the plaintiffs and defendant as far as the nature and the field of their business are concerned.

15. Therefore, she contends that

A) The business of both plaintiffs and defendant are different

in character.

(b) The word mark AACHI is not similar with that of the mark "AACHI"

(C) The registration of the word mark AACHI is in violation of the provisions contained in Sections 9 and 11 of the Trademarks Act, 1999. The registration is illegal and void. The word AACHI has its own geographical origin. The AACHI is a fond reference to 'Mother' in Chettinad. 'Aachi' has its geographical origin and its common usage in south India by general public to honour elderly women. Therefore, she contend that there is no infringement on the part of using of the trade name by the defendant due to the reason there is no similarity in the registered trade name of the plaintiffs. Further, the defendant has been using the word "AACHI" which is no way connected with the business of the plaintiff. Therefore, the question of riding on the reputation of the plaintiffs does not arise. Hence, there is no need for the defendant to pass on its case as that of the plaintiffs as long as the defendant is using the word AACHI, over which no one can claim exclusive right for the use.

16. In reply, Mr.P.S.Raman, learned Senior counsel for the plaintiffs would contend that the plaintiffs is the authorized user of the trade name and in this regard, the plaintiffs have also marked Ex.P1. The trademark "AACHI" or the word "AACHI" is a common word and it is very familiar in the South Tamil Nadu, which is used to call the mother and grand mother as "AACHI". The mark adopted by the plaintiffs "AACHI" is only suggestive in respect of its products. However, he contended that though the word is common in usage, the said word AACHI is used since time immemorial to call the mother and grand mother as AACHI. He would submit that the word AACHI has been first used by the plaintiffs in relation to the plaintiffs trade parlance. Further, by using the word, the plaintiffs have earned enormous goodwill among the public. The plaintiffs are the first person, who introduced the word 'AACHI' in the business world in relation to their products, and it has now become popular among the public. The plaintiffs are not doing single business but various types of business and they have obtained more than 130 trademark registrations in respect of various business. Therefore, the people know the word AACHI only in relation to the business of the plaintiffs and to such extent, they have earned the goodwill.

Therefore, he contend that the defendant mark is deceptively similar to the trademark "AACHI". Since, the plaintiffs created enormous goodwill and the case against the defendant proved to the extent that the defendant name would clearly amounts to infringement due to the reason he is trying to take unfair advantage.

17. Heard the learned counsel for both sides and perused the materials on record.

18. The plaintiffs trademark, 'AACHI' is a registered trademark and they are the registered proprietor of the trademark. The plaintiffs have been using the word 'AACHI' in relation to their business since 1995 in respect of various types of products, i.e. for more than 130 products and all the products are available in the market. Therefore, the said word 'AACHI' is very popular among the people and by virtue of naming its products as 'AACHI' for more than 130 products, it has certainly reached the mind of millions of people.

19. On the other hand, the defendant incorporated its Company under the name and style of 'AACHI Cargo Channels Private Limited', by prefixing the word 'AACHI' in the year 2008. Apart from naming the Company of the defendant by using the word 'AACHI', as prefix to their Company name, the tradename of the defendant has not been registered anywhere else. The facts remains that the defendant trade name i.e., AACHI Cargo Channels Private Limited, includes the whole word of the registered trademark of plaintiffs. But the claim of the defendant is that its business are entirely different from the business of the plaintiffs. No doubt, the word AACHI has a geographical origin and has become customary in the current Tamil Language in the day-today use and it is a common word, which normally refers to grand mothers and mothers in South Tamil Nadu and it has been in the usage from time immemorial. Even in Silapathikaram, it has been referred to Rule. When such being the case, it is for this Court to find out whether the plaintiffs can claim exclusive right to use the word AACHI, in the business World.

20. As already stated above, the plaintiffs got the registration of the trademark for the word 'AACHI' and have been using the same since 1995, for more than 130 products. ***Only the plaintiffs have introduced the word 'AACHI' to the Business World. Though it is a common word, and is in usage from time immemorial, no one thought of it to introduce the same in the Business World since time immemorial. The plaintiffs are the only persons to introduce the word 'AACHI' to the business world and created brand image for the word 'AACHI', apart from earning reputation and goodwill.*** The word 'AACHI' is familiar in South Tamilnadu from time immemorial, whereas, the plaintiffs have introduced this word 'AACHI' to the business world and earned reputation and goodwill and created brand image not only in South Tamil Nadu but also through out the Tamil Nadu, including Karnataka, Andra Pradesh and Kerala, substantially, and some other places in India and abroad. Even the plaintiffs' product under the trade name of 'AACHI' is available many places in India and abroad. ***The credit of taking the word 'AACHI' to the entire business world owe only to the plaintiffs. The word 'AACHI' is familiar only in South Tamil***

Nadu in respect of non-business, whereas, with respect to the business world, the word 'AACHI' has been introduced by the plaintiffs not only in Southern part of Tamil Nadu but also to the entire part of South India apart from familiarising the word in many parts of the world. The plaintiffs are pioneers in taking the word 'AACHI' into the business world.

As stated earlier, the plaintiffs have been using the word 'AACHI' not only for one product, but there are number of products available in the market. Therefore, the moment any customer/trade intend to purchase any product or avail the service under the brand name/trade name 'AACHI', immediately, they would identify the same as the product or service of the plaintiffs, since the plaintiffs trademark 'AACHI' acquired distinctiveness by virtue of usage. Therefore, in the business world, if any one use the word 'AACHI' and if there is any damage to the said name, it will have direct bearing on the goodwill earned and brand image of the plaintiffs. The plaintiffs have not only introduced one product in the market but have introduced more than 130 products and registration also been obtained under the Trademarks Act for the exclusive use of the word 'AACHI'. Therefore, certainly, the plaintiffs have exclusive

right to use the word 'AACHI' in relation to any business as the plaintiffs trademark 'AACHI' is unique and obtained distinctiveness by virtue of usage into various types of businesses and they are entitled to claim exclusive right over the same, wherever, the plaintiffs product are in the market substantially.

21. Now, the issue to be decided is whether the registered trade mark of the plaintiffs has been infringed by the defendant?

To answer this question, this Court initially has to decide on the following aspects:-

(a).Whether the trade mark used by the defendant is identical with or similar to the registered trade mark of the plaintiffs?

(b) Whether the trademark of the defendant is used in relation to goods or services which are not similar to those for which the trademark is registered? and

(c) the registered trade mark has a reputation in India and the use of mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

22. The word 'AACHI' is a registered trade mark of the plaintiffs and the said word has been registered not only in respect of one product, but for various products, whereas, the defendant registered its Company as 'AACHI Cargo Channels Private Limited', by pre-fixing the word 'AACHI'. The plaintiffs also prefixed the word 'AACHI' in its Company name as 'AACHI Masala Foods Private Limited'. The plaintiffs have been using the word 'AACHI' in respect of more than 130 products and they have gained tremendous goodwill and reputation for the word 'AACHI'. The plaintiffs have pre-fixed the word 'AACHI' to their trade name and in a similar and identical manner, the defendant also pre-fixed the word 'AACHI' and registered the name of the Company as 'AACHI Cargo Channels Pvt. Ltd.

23. Now, it is for the Court to decide about the similar or identical aspects of the offending trademark/tradename with the registered trademark and the same can be answered as, if the offending trademark/tradename is copied either whole or part of the registered trademark and

the same is sufficient for this Court to conclude that the offending trademark/tradename is similar or identical to the registered trademark.

24. In the present case, the defendant copied the whole of the registered trademark of the plaintiffs as its tradename and the same would clearly prove that the trade name of the defendant is identical or similar to the registered trademark of the plaintiffs.

25. With regard to the line of business, as admitted by both the parties, the plaintiffs and the defendant are in different line of business, though both the parties are in different line of business, the defendant has been using similar or identical tradename of the plaintiffs registered Trade mark

26. With regard to the loss of reputation and distinctive characters, the plaintiffs earned lot of goodwill and reputation not only in South India but also through out the world for the word 'AACHI'. As stated above, the plaintiffs have reached the turnover of Rs.1300 Crores in the year 2015 and also spent substantial

amount towards advertisement and therefore, the plaintiffs trade mark certainly reached the peoples mind and the moment when any person thought of 'AACHI', he / she will only associate the same with the plaintiffs product. By virtue of the long term use of the word 'AACHI' by the plaintiffs in respect of various types of products in the business world, the suggestive word 'AACHI'. Therefore, certainly, the plaintiffs have exclusive right to use the word 'AACHI' not only in respect of its business but also in respect of other businesses, wherever, the plaintiffs product are in the market substantially. The adoption or usage of the word 'AACHI' by any one would result in not only taking unfair advantages of the registered trademark of the plaintiffs, but also detrimental to the distinctive character and reputation of the registered trademark of the plaintiffs.

27. Now, the next issue to be determined in the present case is whether the services provided by the defendant by prefixing the word 'AACHI' in the trade name in respect of their product will mislead the public or will amounts to encash the goodwill of the plaintiffs and thereby infringe the registered trade mark of plaintiffs.

28. The answer to the question is 'Yes' for the following reasons:

The mark 'Aachi' acquired tremendous reputation and goodwill and the trade and public associate the trademark 'Aachi' only with the plaintiffs product. The plaintiffs have also spent several crores for advertising the trademark 'Aachi', and by virtue of the same, the word 'AACHI' had attained popularity among the people. Apart from that, the turnover of the plaintiffs product in the year 2015 itself was Rs.1300 crores and now, it would be much more than that, which would clearly show that the people would recognise the word 'AACHI' only in respect of the product of the plaintiffs and it has reached the minds of the people substantially. If anybody in the trade or public come across the word 'AACHI' in respect of any other products or services, immediately, they would think about the trade mark of 'AACHI' of the plaintiffs alone.

29. When such being the case, this Court is of the view that the adoption of the word 'AACHI' as part of the trade name by the defendant in respect of its business is only with the intention to encash/free-ride the goodwill gained by the plaintiffs in respect of

its business. No doubt, in case, the public happened to find some adulteration or damage in the business of the defendant, it would directly affect the goodwill/reputation earned by the plaintiffs for all these years, for the simple reason, that the defendant's tradename is identical or similar to that of the plaintiffs' registered trade mark, eventhough it is the case of the defendant that they are using the tradename 'AACHI' not in respect of the plaintiffs' product but in respect of cargo service and there is no nexus between the nature of the trade done by the plaintiffs and the defendant. Further, the intention of the defendant for naming their Company as 'Aachi Cargo Channels Pvt. Ltd., by prefixing the trademark of the plaintiffs 'AACHI' is only to confuse the public and create an impression that the plaintiff Company and the defendant Company are one and the same. Therefore, the intention of the defendant is only to encash the goodwill of the plaintiffs and thereby to reach the people for promoting its business and as stated above, if there is any damage to the name of the defendant, it will have direct bearing on the goodwill earned by the plaintiffs for their products, due to the usage of similar or identical trade mark 'AACHI' by the defendant.

30. ***Therefore, if the infringer has absolutely copied a registered trademark either as whole or part, as whole or part of its trademark/tradename, no more evidence is required to prove the infringement.***

31. Therefore, it is clear that the adoption of the mark 'AACHI' by the defendant, be it, for cargo business or any other business, would clearly amounts to infringement of plaintiffs trade mark, AACHI, as the mark Aachi, by its long term usage i.e. since 1995 has acquired distinctiveness and it came to be associated not only with the plaintiffs' product, but also to the entire business world to whatever plaintiffs products are available in the market and substantially gained the reputation among the public. Whereas, the defendant has been using this word **Aachi** by prefixing to their trade name 'Cargo Channels Pvt. Ltd.,' as 'Aachi Cargo Channels Pvt. Ltd.,' only from the year 2008, and hence, the plaintiffs are prior user of the Trademark 'AACHI'. Further, the defendant has not obtained any registration for using the tradename with the Registrar of Trademark, whereas, the plaintiffs are the registered proprietor of the trademark 'Aachi'.

32. Further, the use of the word 'AACHI' as prefix to the tradename of the defendant in whole 'as 'Aachi Cargo Channels Pvt. Ltd.,' by the defendant to carry on its business is only with an intention to pass off its goods as that of the plaintiffs, and therefore, it clearly amounts to infringement of trade mark of the plaintiffs.

33. In the light of the aforesaid findings, the plaintiffs are entitled for the permanent injunction against the defendant from manufacturing, selling, advertising, offer for sale under the trade name 'AACHI Cargo Channels Private Limited'. Accordingly, the issue Nos. i) to v) are answered.

Issue No.(vi) and (vii)

34. In view of the finding to additional issues i) to v) this Court is of the view that the plaintiffs are entitled for the direction against the defendant to surrender all their packing materials, cartons, advertisement materials and hoardings, letter heads, visiting cards, office stationery and all other materials bearing the name of "AACHI", to the plaintiffs.

35. The plaintiffs are also entitled for the directions against the defendant to render accounts and profit gained by them by using the impugned trademark. Hence, this Court directs the defendant to submit the accounts and profits gained by them using the impugned trademark from 2008 to till date within a period of three months from the date of receipt of a copy of this judgement. Accordingly, the issue Nos.(vi) and (vii) are answered in favour of the plaintiffs.

36. Insofar as the counter claim made by the defendant in the written statement to declare the plaintiffs registered Trademark as void ab initio is not maintainable in fact or in law in view of the findings by this Court with respect to the issue No.i) to v) that the plaintiffs are the registered proprietor of the trademark AACHI. Further, this Court finds that the plaintiffs obtained 106 registration for the Trademark AACHI in various device and word marks in various classes as set out in Ex.P7 and that first plaintiff also secured registration of the Trademark AACHI in various Countries around the World as set out in Ex.P.8, and it is the plaintiffs, who have introduced the word AACHI first to the business World. Taking

into consideration of these aspects, the Registrar of Trademark granted the registration to the plaintiffs' trademark, and this Court does not find any illegality in granting the trademark AACHI in favour of the plaintiffs. If the defendant is aggrieved by the grant of such registration, they can very well workout his rectification application elsewhere, but not before this Court. In view of the finding of this Court for the other issues, this Court is of the view that the plaintiffs are the pioneer and the first person to introduce the word AACHI to the business world and therefore, the plaintiffs are entitled to get the registration of the trademark AACHI. Therefore, this Court does not find any illegality in granting such registration to the plaintiffs' trademark AACHI, by the Registrar of Trademark. Accordingly, the counter claim of the defendant is not sustainable and is rejected.

37. In view of the above findings, this Court pass the following judgment and decree:

A. The plaintiffs are the registered proprietor of the trademark AACHI .

B. The plaintiffs are the pioneer in introducing the word AACHI into the business world.

c. By virtue of using the trademark 'AACHI' in relation to the various products by the plaintiffs, they have obtained distinctiveness for the suggestive word 'AACHI' in relation to their business, and therefore, the plaintiffs are entitled to use the word 'AACHI' exclusively in the business world, wherever, their products are available in the market substantially.

D. The defendant's trademark **AACHI** CARGO CHANNELS PVT.LTD., is identical and similar to the registered trademark of the plaintiffs 'AACHI'.

E. The use of the word 'AACHI' by the defendant amounts to infringement of the registered trademark of the plaintiffs in terms of Section 29(4) of the Trademarks Act and that the adoption of the word 'AACHI' as part of the trade name by the defendant in respect of their business is only with the intention to encash the goodwill

gained by the plaintiffs and to pass off their goods / services as that of the plaintiffs.

F. For permanent injunction against the defendant from manufacturing, selling, advertising and offering for sale or service in the trade name 'AACHI Cargo Channels Private Limited'.

G. Directing the defendant to surrender the packing materials containing the name of 'AACHI' and also for the rendition of accounts and profit gained by the defendant by using the impugned trade mark, to the plaintiffs.

H. Cost of the suit.

37. Accordingly, the suit is decreed, as prayed for.

WEB COPY **29.11.2019**

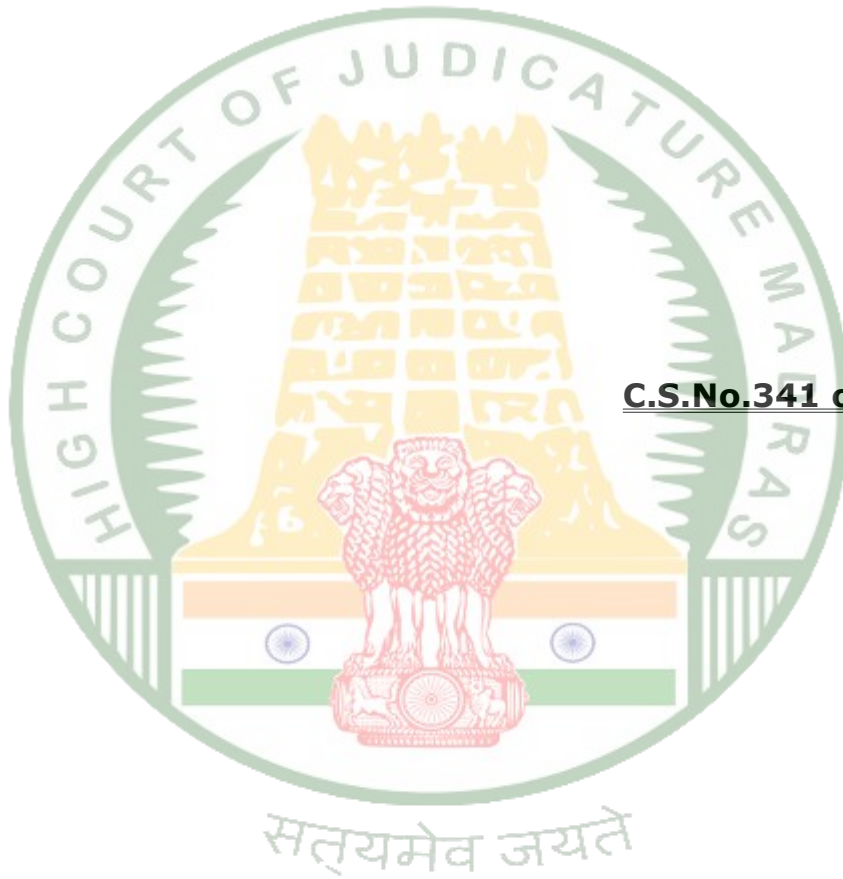
AT

Index : yes/no

C.S.No.341 of 2010

KRISHNAN RAMASAMY,J.

AT



C.S.No.341 of 2010

29.11.2019

WEB COPY