THE HONOURABLE SRI JUSTICE M.S.RAMACHANDRA RAO

I.A.No. 3 of 2019 in/and C.M.A.No.277 of 2019
and
C.R.P. No.670 of 2019

COMMON ORDER:

This CMA and Revision arise out of the same suit O.S.No.188 of 2019 on the file of the IX Additional Chief Judge, City Civil Court, Hyderabad and so they are being disposed of by this common order.

2. The appellant in C.M.A., which is also petitioner in CR.P. is defendant in the said suit, and the respondent in both the C.M.A. and Revision is plaintiff.

3. For the sake of convenience, the parties will be referred to as per their array in the suit.

4. O.S.No.188 of 2019 was filed by plaintiff against defendant for a permanent injunction restraining the defendant from using allegedly deceptively similar mark to that of the plaintiff either singularly or in composite form in any medium including but not limited to print, digital and any and all medium of communication to public in any manner whatsoever.

5. Along with the suit, the plaintiff filed I.A.No.357 of 2019 under Order 39 Rules 1 and 2 C.P.C. for an *ad interim* injunction restraining the defendant from using the deceptively similar work to that of the plaintiff either singularly or in composite form in any medium including but not limited to print, digital and any and all medium of

communication to public in any manner whatsoever pending disposal of the suit.

6. On 22-02-19, an *ex parte ad interim* order was granted in favour of the plaintiff restraining the defendant from using the deceptively similar mark till the next date.

7. The petitioner then filed I.A.No.422 of 2019 invoking Order 39 Rule 4 C.P.C. to vacate the said *ad interim* injunction.

8. On 14-03-2019, the Court below made the *ad interim* injunction granted by it in I.A.No.357 of 2019 absolute and dismissed I.A.No.422 of 2019.

9. Challenging the said order passed in I.A.No.357 of 2019, the defendant filed C.M.A.No.277 of 2019 and challenging the order in I.A.No.422 of 2019, the defendant filed C.R.P.No.670 of 2019.

10. On 19-03-2019, this Court granted interim stay in I.A.No.2 of 2019 in C.M.A.No.277 of 2019.

11. To vacate the said order, the defendant filed I.A.No.3 of 2019.

12. Heard Sri P.Raja Sripathi Rao, leaned counsel for appellant/petitioner/defendant and Sri Mithun Kumar Allu, learned counsel on behalf of M/s.Vankina, Allu & Parasaram, Advocates for respondent/plaintiff.

The plea of the Plaintiff in the Plaint

13. It is the contention of the plaintiff in the suit that it is a well known production house providing film production and post-production facilities apart from entertainment service; that it has licence from Akkineni International Foundation and was using the *mark* for its commercial activities alongside Akkineni International Foundation *in the fashion and style of a modified 'A'*.

14. It is the contention of the plaintiff that it is recognized by the public at large not only in Hyderabad city but also throughout the States of Telangana and Andhra Pradesh and also different parts of India and abroad before Telugu Diaspora for the high standards of film production facilities and entertainment services it provides. It is alleged that the plaintiff produced various cinematographic films both in film and digital formats and it has produced several super hit movies. It is alleged that the plaintiff is using its trade mark since 1999 which was registered under the Trade Marks Act, 1999 on 06-02-2009; that it has gained substantial goodwill in the market for movie, film and other entertainment services in various media like Television, other mass media and digital and other formats too.

15. *According to plaintiff, its mark is a modified 'A' with edges and designed centre* and its mark has gained distinctive characteristic and popularity among mass public.

16. It is alleged by the plaintiff that on 15-02-2019, it had noticed an advertisement of defendant on the front page of English Daily

news paper ‘the Hindu’; that it was surprised to note that the logo of the defendant was almost similar as that of the plaintiff’s mark and in any case substantially similar to that of the plaintiff. It contends that it is a clear case of misleading the common man and a case of passing off the goods/services of the defendant under the impression of origin as if emanating from the plaintiff. It is alleged that by doing so, the defendant is going to the root of survival of the uniqueness of the trademark of the plaintiff and it is unjustly gaining from the goodwill developed by the plaintiff over decades. It is alleged that the defendant is making blatant misuse of the good will of the plaintiff and a case of passing off has been made out.

17. In I.A.No.357 of 2019, the plaintiff marked Exs.P-1 to P-10, which are:

> *“ Ex.P-1 is the Annapurna Studios Logo with text.*
>
> *Ex.P-2 is the Annapurna Studios ‘A’ Mark.*
>
> *Ex.P-3 is the advertisement in ‘The Hindu’ Newspaper, Hyderabad City Edition jacket No.2 dt.15-02-2019.*
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> *Ex.P-4 is the advisement in ‘The Hindu’ Newspaper, Hyderabad City Edition jacket No.2 dt.15-02-2019.*
>
> *Ex.P-5 is the Trade Mark Registration Certificate (TM No.1782346) dt.6.2.2009.*
>
> *Ex.P-6 is the Renewal intimation Letter dt.22.1.2019.*
>
> *Ex.P-7 is the invite of Akkineni international Foundation Leaf 01,2008.*
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> *Ex.P-8 is the invite of Akkineni international Foundation Leaf 02,2008.*
>
> *Ex.P-9 is the ID proof of the plaintiff.*
>
> *Ex.P-10 is the Iddaru Iddarey Movie CD cover March, 1998.”*

The Plea of the Defendant

18. The defendant filed counter in I.A.No.357 of 2019/affidavit in I.A.No.422 of 2019 (vacation injunction application) opposing the contentions of the plaintiff and seeking for vacation of the *ad interim* injunction granted on 14-03-2019 in I.A.No.357 of 2019.

19. It is the contention of the defendant that is a Company founded in the year 2000 and it has become one of the most reputed and well established internet service providers in India, well known in the industry for providing extremely fast broadband internet service, services in the areas of telecommunications, leisure information technology, dot com services, wireless technology, distribution and other allied value-added services. It contended that its technology enables customers to access internet both through the television screen as well as the computer.

20. According to the defendant, it has created an enviable reputation in the Indian Cable Industry through its subsidiaries and is also well known for the high standard of service offerings particularly in the Digital TV, Cable TV, Internet Protocol TV and Broadband service domain. It also claimed that it has received numerous prestigious awards for its services and goods including the 'Telecom Lead Fixed Broadband Operator Award' for 2017-18.

21. It contended that it currently employed 7000 people and has an annual turnover for 2017-18 of more than Rs.1,200 crores. It claimed that it is providing internet boardband services and other allied

services in 16 cities comprised in 5 States. According to the defendant, the ‘Act Fibernet’ provided by it has emerged as the third largest service provider in fixed broadband in India with over 1.39 million subscribers. It also claimed to provides Digital, Cable TV services in the States of Andhra Pradesh and Bangalore with over 1.39 million customers through its subsidiary companies.

22. It contended that because of use of the extensive use of various marks of the defendant and quality of services provided by it, it has earned considerable goodwill and reputation in the market as one of the leading service providers for internet broadband services and other ancillary services; that it has earned considerable market share and has been identified by customers as a leading provider of internet related services; and since its inception, it was known and referred to as ‘ACT’, which is an acronym of its corporate name.

23. It also claimed that it had registered 62 registered trade marks under various classes i.e. classes 9, 16, 38 and 41. It also stated that out of these 62 registered trade marks, it has 16 registered trade marks under class 41 for various marks.

24. It contended that the primary colour combinations used by it in its registered trade marks compromise of the dual tones of ‘red’ and ‘white’ and that for a majority of the registered trade *marks of the defendant* under various classes, the shape of the letter ‘A’ in the word ‘ACT’ is portrayed in a distinct and stylized manner whereby *an ‘arrow’ within the letter ‘A’ is depicted*; and the said ‘arrow’ indicates

the high speed services provided by the defendant. It also claimed to have engaged analyst companies like M/s.Alok Nanda & Company and M/s.AC Nielsen and got its logo revamped.

25. It contended that the search results under class 41 for the letter 'A' with Trade Marks Registry does not reflect plaintiff's trademark and even the said Registry did not consider the mark of the defendant and the plaintiff to be similar or identical.

26. It is further contended that *trademark of the plaintiff is a composite mark containing the words 'Annapurna Studios' along with the logo of what is allegedly claimed to be stylized letter 'A' and the plaintiff does not have any distinct and separate or independent trademark registration for the said stylized logo mark purporting to be similar to the English letter 'A'.*

27. It is pointed out that *the logo of the plaintiff is in fact a design comprising of one white inverted triangle in the middle, three red triangles on each side of the white triangle, and not a stylized letter 'A' of the English language.*

28. It is alleged that even on a visual comparison of the defendant's stylized mark 'A' and the logo of the plaintiff, excluding the use of the dual colour tone of red and white, the stylized mark 'A' of the defendant, which is an acronym for Atria (i.e. part of the name of defendant company) is entirely different from the logo of the defendant. In specific terms, *the stylized mark 'A' of the defendant is white in colour with a red background and vice versa and is in the*

shape of a distinct sharp-edged arrow in red colour with a unique diamond shaped arrow pointing upwards to depict the high speed services provided by the defendant.

29. It is contended that the logo of the plaintiff is not shaped like the letter 'A' and contains a clearly visible inverted triangle with three red coloured triangles on each arm of the white inverted triangle within the logo and that the words 'Annapurna Studios' is an integral part of the logo device of the plaintiff.

30. It is therefore contended that there is no scope for any reasonable person to confuse the marks of the defendant and the plaintiff, much less, the defendant passing off their goods and services as that of the plaintiff.

31. It is also stated that the defendant had incurred huge expenses and issued purchase orders for the value approximately Rs.4.6 crores towards marketing and advertising of its new logos and had in good faith taken all reasonable steps to register and advertise its new marks after satisfying itself that the marks would not be infringing/impinging the exclusive right of use of any one person.

32. It is next contended that the services of the defendant are wholly and completely different from the services of the plaintiff. It is contended that the while the plaintiff is a film production house engaged in production of cinematograph films in film and digital format, the defendant is engaged in providing services relating to high speed broadband and high standard of service offerings particularly in

the Digital TV, Cable TV, Internet Protocol Television and Broadband service domain. It is alleged that the services and customer base of defendant and plaintiff are entirely different and no reasonable person would confuse the services and offerings of the defendant and the plaintiff. It is stated that the services of the defendant is spread all over India, but the services of the plaintiff are only confined to a particular and limited territory.

33. It is therefore contended by the defendant that the plaintiff had erroneously attempted to mislead by stating that the defendant is passing off its services as that of the plaintiff.

The order of the Trial Court in IA No.357 of 2019

34. In its order dt.14-03-2019 in I.A.No.357 of 2019 and I.A.No.422 of 2019, the Court below had made the *ad interim* injunction granted by it absolute in I.A.No.357 of 2019 and dismissed I.A.No.422 of 2019.

35. It observed that the whether mark of the defendant is substantially similar to the plaintiff's mark and is misleading the common man and whether defendant is unjustly making gains from the goodwill developed by the plaintiff, are all triable issues and it is only after full fledged trial, the contentions as to similarities and dissimilarities in the mark of the plaintiff and the mark of the defendant can be taken up for consideration in the deciding the matter. It observed that such contentious issues, if addressed basing on

documents at the preliminary stage, there is every likelihood of the Court touching the main issues in the main case.

36. It accepted that the use of ACT Fibernet is in a separate domain but observed that the proposed mark of the defendant appears deceptively similar, *prima facie* to the mark of the plaintiff and there is every likelihood of mis-association of the mark of the defendant with that of the plaintiff.

37. It rejected the contention of the defendant that the class of people consuming the defendant's services is educated and elite public and there is no scope for any confusion with regard to subject mark, on the pretext that the only question which is relevant is whether there is scope for confusion in the mind of prudent man or not.

38. It also did not consider the citations cited by the plaintiff and defendant on the ground that they will be considered while deciding the case on merits.

39. It held that the plaintiff had shown *prima facie* case and that commonness with regard to services in digital form of both the plaintiff and defendant is likely to create confusion as to whether it is the service being rendered by plaintiff or defendant. It observed that common prudent man is likely to consume the services of defendant which are offered for money under the impression that it is plaintiff's goods as mostly they are 'crazy fans'.

40. It rejected the contention of the defendant that no evidence is placed by plaintiff showing that defendant made unjust gain from the goodwill developed by plaintiff, by saying that it is a triable issue. Other contentions raised by defendant were also not taken into account on the ground that they would be seen at the time when the merits of the suit are considered.

CONSIDERATION BY THE COURT

41. In brief, it is the contention of the plaintiff that it has a production house providing film production and post-production facilities and entertainment services and that it produced various cinematograph films both in film and digital formats. It is its contention that it has been allowed to use the trade mark dt.06-02-2009 by 'Akkineni International Foundation' and that its logo has a special shape 'A' character and is designed with distinct characteristics.

42. As per Ex.P-5 trade mark certificate issued in favour of the plaintiff, the trade mark being used by the plaintiff is in class 41 in respect of film studios engaged in the activity of providing support to film, media and entertainment industry.

43. The said logo of the plaintiff is in the shape of a triangle having within it 4 triangles of whom 3 red triangles are in the corners and a white triangle is in the centre. Beneath the said triangle, the words 'Annapurna Studios' in bold are mentioned.

44. Thus the logo of the plaintiff consists of both the larger triangle with four smaller triangles within and also the words ‘Akkineni Studios’ underneath the triangle.

45. *Prima facie* in my opinion, the logo of the plaintiff does not look like the letter ‘A’ as is sought to be contended by the plaintiff.

46. Coming to the mark being used by defendant, it is in the shape of an arrow head and it does not contain any triangles.

47. *Prima facie* on comparison of the marks being used by the plaintiff and defendant, they did not appear to be similar visually.

48. That apart, while the trade mark being used by the plaintiff is confined to a very small category i.e. film studio engaged in the activity of providing support to film, media and entertainment nature, it is the contention of the defendant that it provides extremely fast broadband internet service, services in the areas like telecommunications, leisure Information Technology, dot com services, wireless technology, distribution and other allied valid-added services. It also claims to be providing services in the areas of digital TV, Cable TV, Internet Protocol Television and broadband services - that too in 16 cities in 5 States in this country. The defendant claims to have 62 registered trade marks including 16 registered trade marks under class-41 which are set out in para-6 of its affidavit in I.A.No.422 of 2019.

49. Looking at the point of view of the areas of services being offered by the parties, there appears too hardly any overlap between

the services being offered by the plaintiff and by defendant. Merely because the plaintiff is also claiming to be providing services of production of cinematograph films in digital formats, there cannot be said to be any serious overlap with the services being offered by defendant merely because the defendant is offering services in Digital TV.

50. If one looks at Exs.P-1 to P-10 filed by plaintiff, they do not support *prima facie* the claim of the plaintiff about any overlap of services offered by it with the services being offered by defendant.

51. In **Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd**[1], the Supreme Court had laid down the factors to be considered while deciding whether there is deceptive similarity in an action for passing-off on the basis of an unregistered trade mark. It held:

> *"35. Broadly stated, in an action for passing-off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors are to be considered:*
>
> *(a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.*
>
> *(b) The degree of resembleness between the marks, phonetically similar and hence similar in idea.*
>
> *(c) The nature of the goods in respect of which they are used as trade marks.*
>
> *(d) The similarity in the nature, character and performance of the goods of the rival traders.*
>
> *(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.*

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[1] (2001) 5 SCC 73

> *(f) The mode of purchasing the goods or placing orders for the goods.*
>
> *(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.*"

52. Applying the above tests, it has to be held that while the mark of the plaintiff is composite mark consisting of words and label, the mark of the defendant is only a label/logo *without* words. There is very little degree of resemblance between the marks being used by the plaintiff and defendant; there is a vast difference in the nature of the goods in respect of which the defendant and plaintiff are using their respective marks; the users of internet, which is the primary service being provided by the defendant, are highly educated and independent and there is very little scope *prima facie* of them confusing the services provided by the defendant with that of the plaintiff.

53. Counsel for the plaintiff relied on **M/s.South India Beverages Pvt. Ltd. Vs. General Mills Marketing Inc. and & Another**[2], wherein the Delhi High Court considered the concept of dominant mark as well as the principle of anti-dissection. The Delhi High Court observed as under:

> *"19. Though it bears no reiteration that while a mark is to be considered in entirety, yet it is permissible to accord more or less importance or 'dominance' to a particular portion or element of a mark in cases of composite marks. Thus, a particular element of a composite mark which enjoys greater prominence vis-à-vis other constituent elements, may be termed as a 'dominant mark'."*

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[2] 2014 SCC Online Del 1953

In my opinion, these observations suggest that *it is open* to the Court in an appropriate case to apply the concept of dominant mark as well as the principle of anti-dissection, but it does not say a Court is bound to apply it.

54. Therefore, the said decision cited by the learned counsel for plaintiff is not of universal application and particularly in the facts and circumstances of the instant case, in my opinion, it has no relevance.

55. Having observed in page -11 of its order that the question whether the mark of the defendant is substantially similar to the plaintiff's mark and is misleading the common man and that the defendant is unjustly making gains from the goodwill developed by the plaintiff, are triable issues and that they would be considered while deciding the main case, unfortunately the Court below in the first para in page 12 of its order, suddenly came to the conclusion that there is deceptive similarity between the marks being adopted by defendant and the plaintiff *prima facie*. It did not discuss how it suddenly arrived at this conclusion after stating on the previous page that it will only consider this contention at the time of final hearing of the suit on merits.

56. It also did not discuss whether the material placed on record by the plaintiff supports the pleadings of the plaintiff, which it ought to have done because in an application for grant of temporary injunction, it is incumbent on the plaintiff to prove *prima facie* case first.

57. In my opinion, the plaintiff has not made out any *prima facie* case for grant of temporary injunction and in the absence of the same, it is not open for this Court to consider whether balance of convenience is in favour of the plaintiff or that irreparable injury would be caused to the plaintiff if temporary injunction is not granted to it.

58. Therefore, the Civil Miscellaneous Appeal and Civil Revision Petition are both allowed; and the order dt.14-03-2019 in I.A.No.357 of 2019 is set aside; and the said I.A. is dismissed. Consequently, I.A.No.422 of 2019 filed by defendant is allowed. No costs.

59. I.A.No.3 of 2019 in the C.M.A. is allowed accordingly.

60. As a sequel, the miscellaneous petitions, if any pending, shall stand closed.

JUSTICE M.S.RAMACHANDRA RAO

Date: 09-09-2019
Vsv