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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **FAO(OS) (COMM) 83/2019**

LIBAS DESIGN LIMITED & ORS

..... Appellants

Through: Mr.Sameer Rohatgi with Mr.Namit
Suri, Mr.Aditya Kapoor & Ms.Medha
Tandon, Advocates.

versus

PURSHOTTAM KESHWANI & ORS

..... Respondents

Through: Mr.Akhil Sibal, Sr.Advocate with
Mr.Nikhil Chawla, Mr.Kartik Nayar,
Mr.Mohit Mahla, Mr.P.T.Vasandani
& Mr.Rishabh Kumar, Advocates.

CORAM:

JUSTICE S.MURALIDHAR

JUSTICE I.S.MEHTA

ORDER

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10.04.2019

CM APPL.16938/2019 (Exemption)

1. Allowed, subject to all just exceptions.

CAV 375/2019 & CAV 376/2019

2. Since the learned counsel for the Respondents have put in appearance, the caveats are discharged.

FAO(OS) (COMM) 83/2019, CM APPLs.16936/2019 & 16937/2019

3. This appeal by the Defendants in CS (COMM) 825 of 2018 filed by the Plaintiffs (Respondents 1 to 4 herein) is directed against the impugned order dated 13th February 2019 passed by the learned Single Judge in IA No.5693

of 2018 under Order XXXIX Rules 1 & 2 CPC restraining the Appellants-Defendants from directly or indirectly dealing with any products or any other goods or services including retailing, under the trade mark 'LIBAS' and from using the word 'LIBAS' as part of any trade name and/or of cartons, packaging(s), label(s), dyes, blocks, part of e-mail address, websites and/or in any other manner whatsoever.

4. The facts are that the Plaintiffs applied for registration of the label/device mark 'LIBAS' and were granted registration in Classes 24 and 25 on 23rd May 2006 and 9th March 2009 respectively. The Plaintiffs claimed use of the mark since 1986. The Plaintiff Group is stated to be a leading manufacturer, distributor and retailer of textile fabrics, suits, ladies wear, readymade clothes, Lehengas, Kurtas, etc. and uses the said trademark as a label, word mark and trade name.

5. The Defendants obtained a registration on 3rd April 2018 of the label mark 'LIBAS RIAZ GANJI' i.e. white lettering on a black background with 'LIBAS' written in caps in large font and 'RIYAZ GANGJI' written in small case in a much smaller font size, below the word 'LIBAS'. The said registration was in Class 35 (relating to services). The certificate of registration however shows it as having been granted for retailing of garments, accessories, shoes, ladies wear, leather/art/synthetic garments and accessories. On 7th October 2013 the Defendants again applied for registration of the same mark in Class 35. This application was rejected on 12th February 2018 *inter alia* citing prior registration in favour of the Plaintiffs in clauses 24 and 25.

6. It is claimed that the Plaintiff Group has been operating through various stores and warehouses in New Delhi since 1986 including in the Lajpat Nagar area and since 2014 even through various online platforms. They claim to be also selling their goods at the physical stores of other retail chains throughout the country.

7. It is stated that in April 2018, Plaintiff No.2 received a Whatsapp message from an unknown number containing an attachment of the trademark registration in favour of the Defendants under Class 35 and a copyright registration with respect to a mark containing 'LIBAS' as its essential feature. The Plaintiffs then made inquiries and learnt that the Defendants had obtained trademark registrations of the above label, details of which are set out in paras 24 and 27 of the plaint.

8. The aforementioned suit CS (COMM) 825 of 2018 was filed by the Plaintiffs against the Defendants claiming infringement of the registered trademark of the Plaintiffs, dilution, passing off an unfair competition. Before the learned Single Judge the Defendants argued that the Plaintiffs have admitted use by the Defendants of the mark; that the Defendants have a store in New Delhi South Extension since 2010 selling garments, apparels etc.; the Defendants had international offices all over the world; that the mark of the Plaintiff is generic and others were using the same mark. Despite admittedly learning of the use of the mark by the Defendants in 2017, the Plaintiffs approached the Court only in 2018. The Plaintiffs were not entitled to interim relief on account of acquiescence, laches and waiver and finally that the mark of the Defendants is distinguishable from that the

Plaintiffs on account of the words ‘RIYAZ GANGJI’ being shown just below the word ‘LIBAS’.

9. Learned Single Judge noted that a holder of a registered trademark could seek to restrain another holder of registration of an identical mark under Section 28(3) of the Trademarks Act, 1999 (‘Act’). He also took note of the decisions of this Court in *Clinique Laboratories LLC v. Gufic Limited 2009 (41) PTC 41 (Del)* and *Bloomberg Finance LP v. Prafull Saklecha (2014) 207 DLT 35*.

10. In para 21 of the impugned order, the learned Single Judge gave detailed reasons for granting the interim injunction in favour of the Plaintiffs. The learned Single Judge noted that both the Plaintiffs as well as the Defendants held registrations of label/device marks and not of a word mark. However, the label/device of both is essentially the word ‘LIBAS’. It was further noted that both are using the marks for the same goods and services i.e. clothing, apparels, fabrics etc. The additional words ‘RIYAZ GANGJI’ on the label/device of the Defendants were not sufficient to distinguish the goods/services of the Defendants as that of the Plaintiffs. In fact they were likely to be considered as a sub-brand of the brand by the Plaintiffs. The dominant word on the label/device was identical i.e. ‘LIBAS’. The test in such case would not be a photogenic or perfect memory by an imperfect recollection. Further the Plaintiffs were the prior adaptor/user of the mark and the rights of the Plaintiffs were to prevail over that of the Defendants. The Defendants had not disclosed the use or extent of use of the mark while the Plaintiffs had specific pleadings on this aspect. The fact that the

Plaintiffs may not have proceeded against other infringers would not preclude the Plaintiffs from proceeding against the present Defendants-Appellants. The balance of convenience was in favour of the Plaintiffs.

11. This Court has heard the submissions of Mr. Sameer Rohatgi, learned counsel appearing for the Appellants and Mr. Akhil Sibal, learned Senior Counsel appearing for the Respondents – Plaintiffs.

12. In the first place Mr. Sameer Rohatgi submitted that there was nothing unique about the word ‘LIBAS’ which otherwise connoted garments, apparels etc. He further pointed out that the registration was only in respect of the label and not the word and the prayer being essentially one for infringement, the test that would apply would be different from that in a passing off action.

13. The Court finds that the Defendant itself has applied for registration of the label/device where the dominant feature is ‘LIBAS’. In fact ‘LIBAS’ is written in a white font on a black background in capital letters. The spelling is identical with the registered label/device mark of the Plaintiffs. As pointed out by the learned Single Judge the word ‘RIYAZ GANGJI’ appearing below the word ‘LIBAS’ written in caps is too small to make any great difference in order to distinguish it from the label/device mark of the Plaintiffs. The Plaintiffs have a prima facie case in their favour to restrain the Defendants from using the said registered mark.

14. Mr. Rohatgi submitted that the Defendants were in the market with

apparels and were selling them under the above label for several years now with a huge turnover and, therefore, the balance of convenience was in favour of the Defendants and would not restrain them in the manner prayed for by the Plaintiffs.

15. The Court is not impressed with this submission since the Plaintiffs have in their favour a registration for the label/device where the dominant feature is ‘LIBAS’, much earlier than the Defendants and in the same type of goods. An average customer is bound to get confused applying the test of imperfect recall. The mere fact that the Defendants may have a large volume of business will not by itself defeat the rights of the Plaintiffs resisting infringement of the registered trademark.

16. The Court concurs with the learned Single Judge on the reasons given for granting of the interim injunction. The Court notes that in Para 25 of the impugned order while declining the prayer of the Defendants to keep the interim order in abeyance for two months, the learned Single Judge has observed as under:

“25. The defendants have had sufficient opportunity and once the plaintiffs are found entitled, the order of injunction cannot be kept in abeyance unless the defendants want to settle with the plaintiffs and need time for effecting change in. name and give undertaking not to use the mark of the plaintiffs or any other deceptively similar mark at any time in future.”

17. This Court does not consider it necessary to add to the above observations.

18. The appeal is accordingly dismissed. The pending applications are also dismissed.

S. MURALIDHAR, J.

I.S. MEHTA, J.

APRIL 10, 2019

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