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

+ **FAO (COMM) 193/2021 & CM APPL. 43309-43310/2021**

**RAJESH KUMAR MODANWAL** ..... Appellant  
Through **Mr.Rishabh Sahu, Adv.**

versus

**M/S A.R. SPARES PVT. LTD.** ..... Respondent  
Through **Mr.Ashok Mittal with Mr.Rishabh  
Srivastava, Mr.Sanjay Aggarwal and  
Ms.Radhika Arora, Advocates.**

% **Date of Decision: 13<sup>th</sup> December, 2021**

**CORAM:**  
**HON'BLE MR. JUSTICE MANMOHAN**  
**HON'BLE MR. JUSTICE NAVIN CHAWLA**

### **J U D G M E N T**

#### **MANMOHAN, J:**

1. Present appeal has been filed challenging the impugned order dated 20<sup>th</sup> February, 2020 passed by learned District Judge (Commercial Court) West District, Tis Hazari Court. Appellant-Defendant also seeks a direction to stay further proceedings in CS (COMM) No. 407/2019 till the disposal of the present appeal.
2. Learned counsel for the Appellant-Defendant states that the Appellant-Defendant is engaged in the business of sale and supply of motorcycle auto spare parts included in class 12 under the Trade mark no 3718530 which was granted to the Appellant-Defendant on 3<sup>rd</sup> January, 2018.

3. He states that the Respondent-Plaintiff instituted a Civil Suit No. 407/2019 for permanent injunction restraining infringement of trademark, delivery upon, rendition of accounts of profit along with damages against the Appellant-Defendant for using trademark 'AR Gold'.

4. Learned counsel for the Appellant-Defendant states that the Respondent-Plaintiff has been using the trademark "A.R" and A.R. (DEVICE) which it purchased from its predecessors-in-title and has been carrying on business of manufacturing, marketing, and exporting spare parts for motor vehicles included in class 12 since 1971. He points out that the Appellant-Defendant is using the trademark AR GOLD auto parts which does not have any similarity with any other registered user in the same class and is distinctive in design, colour, phonetics, etc. He emphasises that the Appellant-Defendant was lawfully granted the said trademark by the Registrar of the Trademark, Mumbai.

5. He states that vide impugned order dated 20<sup>th</sup> February 2020, the District Judge without application of mind and without appreciating the fact that the Appellant is himself the owner of the registered trademark "AR GOLD" which is clearly distinguishable visually and phonetically from the Respondent's Trademark granted *ex-parte* injunction in favour of the Respondent. He also points out that the learned District Judge has failed to appreciate that the appellant does not deal in the items which the Plaintiff Respondent deals in and there is no dishonest intention of the appellant to use the trademark AR.

6. The Supreme Court in ***Wander Ltd and Anr. v. Antox India P. Ltd., 1990 (supp) SCC 727***, has held that in the appeals before the Division Bench against the exercise of discretion by the Trial Court, the appellate

court will not interfere with the exercise of such discretion of the court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily or capriciously or perversely or where the court had ignored the settled principle of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle.

7. In the present case, the Trial Court has found that the marks of the Appellant-Defendant and Respondent-Plaintiff are phonetically and visually similar and as both the parties manufacture similar/cognate goods, there is likelihood of confusion and deception. The relevant portion of the impugned order is reproduced hereinbelow:-

*“...12. I have perused the trademark of the plaintiff as well as trademark of the defendant. Word ‘AR’ is written in style by the plaintiff. Whereas the word ‘AR’ is written in wrapper of the defendant in different manner. However, word ‘AR’ is prominent and both are user of AR word in the same field i.e. auto spare parts. The word ‘AR’ and ‘AR GOL’ are phonetically similar therefore there is every likelihood that common buyer get confused or mislead defendant trademark with that of plaintiff trademark. Further to an ordinary unwary customer, use of the trademark/label and the trade dress by the defendant is quite likely to cause confusion and deception regarding the true source of the products as phonetically word AR is same.*

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*14. Further, the plaintiff is prior user of the trademark since long time and the defendant is not user of the same so far as he has only registered the trademark but has not launched his product so far and has placed only wrapper.*

*15. Therefore in the totality of the facts and circumstances of the case and keeping in view material on record, this Court is of the opinion that the plaintiff company has established a prima facie good case in its favour, and balance of convenience also lies in favour of the plaintiff company as it is prior user and it shall suffer irreparable loss and injury if interim injunction as sought for, is not granted for good will of their company.”*

8. The distinction now being sought to be drawn by learned counsel for the Appellant-Defendant that, while the Appellant-Defendant manufactures spare parts for motorcycle, the Respondent-Plaintiff manufactures auto spare parts for motor vehicles, is not significant as both auto and motor spare parts are sold across counters in the same shop.

9. It is also settled law that passing off action can succeed on the same evidence where infringement action has failed. According to Kerly, the Trade Marks Act affords no bar to a passing off action. In fact, this concept has been statutorily incorporated in India by virtue of Section 27(2) of the Trade and Merchandise Act, 1958. Section 27(2) of the Trade and Merchandise Act, 1958 clearly stipulates that, “*nothing in this Act shall be deemed to effect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof*”.

10. This Court is further of the view that it is not necessary for the Respondent-Plaintiff to prove dishonest intent to obtain an injunction in a passing off suit. In ***B.K. Engineering Co. v. UBHI Enterprises (Regd.)***, ***AIR 1985 Delhi 210***, it was held that it is essential that trading must not only be honest but must not even unintentionally be unfair. Since, the Respondent-Plaintiff is the prior user of the mark in question and the Appellant-Defendant has not launched its product, this Court is of the

opinion that the Trial Court has committed no error in granting the injunction. Consequently, the impugned order calls for no interference. Accordingly, the present appeal along with pending applications is dismissed.

**MANMOHAN, J**

**NAVIN CHAWLA, J**

**DECEMBER 13, 2021  
KA/AS**



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