



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

% ***Reserved on: December 23, 2021***

Pronounced on: January 07, 2022

+ **I.A. No.11874/2021 in CS(COMM) 369/2021**

VST INDUSTRIES LIMITED Plaintiff

Through: Mr. Pravin Anand &
Mr. Achuthan Sreekumar,
Advocates

Versus

RUDRA VENTURES PRIVATE LIMITED & ORS.

..... Defendants

Through: Mr. Jayant Mehta, Senior Advocate
with Mr. Sandeep Mittal &
Mr. Udit Mehra, Advocates

**CORAM:
HON'BLE MR. JUSTICE SURESH KUMAR KAIT**

ORDER

I.A. No.11874/2021 (under Order XXXIX Rule 4 r/w Sec. 151 CPC)

1. Aggrieved against the order dated 10.08.2021 passed by this Court, vide which *ex parte ad interim injunction* was granted in favour of plaintiff, the present application has been preferred on behalf of defendants seeking vacation thereof.

2. Pertinently, vide impugned interim order, defendants, its Directors, partners or proprietors, as the case may be, its officers, servants and agents are restrained from manufacturing, selling, offering for sale, supplying, advertising, directly or indirectly dealing in any business unauthorizedly



using the plaintiff's trade mark TOTAL or the mark TOPAZ (written in the same font and style as that of the plaintiff) or any other mark deceptively similar to the mark of plaintiff and permutations / combinations thereof amounting to infringement of plaintiff's trade mark TOTAL and also to use the essential features of the plaintiff's packaging/ trade dress of its brand TOTAL amounting to infringement of the plaintiff's copyrights subsisting in the packaging/ trade dress of the plaintiff's trade mark TOTAL.

3. The defendants have challenged the said order on the ground that defendants No.2 & 3 had adopted the mark TOPAZ in the year 2011, who are said to be sister concern of defendant No.1, which was incorporated in the year 2009. Thereby, respondents claim to be prior user of the trade mark TOPAZ since the year 2011 as against the claim of plaintiff, who adopted the mark TOTAL in the year 2015. Defendant No.3 claims to be registered proprietor of mark TOPAZ since the year 2015, which is still subsisting.

4. During the course of hearing, Mr. Jayant Mehta, learned senior counsel appearing on behalf of applicants/defendants submitted that plaintiff has not approached this Court with clean hands, as it claims to have known about defendants' product in July, 2021, whereas the product of defendants is available in the market since the year 2011.

5. Learned senior counsel further submitted that defendants had adopted the unique and distinctive trade dress/ packaging for marketing of TOPAZ brand in the year 2011 and it has no relevance to the copyright registrations obtained by the plaintiff for its product under the mark TOTAL, as the same are distinct and dis-similar. With respect to plaintiff's



allegation that defendants have copied the pictorial guidelines, learned senior counsel submitted that pictorial guidelines have been issued by the Government in July, 2020 and made effective from December 01, 2020. Learned counsel also submitted that the plaintiff does not have a word mark registration for the mark TOTAL and all registrations of the plaintiff pertain to device marks/ label marks and so, no case for infringement is made out.

6. Learned senior counsel next submitted that plaintiff has admitted use of label since 20.02.2020, as has been mentioned in its trade mark application, whereas defendants in their application have mentioned use of trade mark since the year 2015 and also, the label of defendants is entirely different for which plaintiff has been given registration.

7. Learned senior counsel drew attention of this Court to the provisions of Section 17 of the Trade Marks Act to submit that when a trade mark contains any matter which is common to the trade or is otherwise non-distinctive, the registration does not confer any exclusive right in the matter forming part of the whole trade mark so registered. Learned senior counsel submitted that in Para-28 of the petition, plaintiff has admitted that it has no issue on the defendants' use of wordmark TOPAZ.

8. To submit that plaintiff has failed to establish case of passing of against the defendants, learned senior counsel drew attention of this Court to Para-3(p) of the application to compare the other brands than TOPAZ in the industry with the plaintiff's brands to show that the image with statutory warnings appears with distinct colour (brand Four Square and Classic); use of colour blue depicts mentol/ mint flavour (Classic, Four Square, Stellar, Pall Mall, Indie Mint, Wave); all white cigarettes have



golden lines/ circle (Malboro) and even the font and style is common in the industry and plaintiff cannot claim monopoly over it. Similarly, certain colors such as gold, red, black, blue and their combinations are common to the industry and no entity, including but not limited to the plaintiff, can claim monopoly over the same. A few of them are as under:-

Used by other Brands

Used by plaintiff

(1) STATUTORY WARNINGS





(2) USE OF BLUE COLOUR TO DEPICT MINT/ MINTHOL FLAVOUR





(3) **ALL WHITE CIGRATTE STICKS WITH GOLDEN LINES**





(4) **WRITING STYLE AND FONT**



9. Learned senior counsel also submitted that even plaintiff itself has the multiple packaging / trade dress for the cigarettes sold under the brand TOTAL:-





10. Learned senior counsel empathetically submitted that the consumers of cigarettes are very particular about the brands they smoke and it is based upon one's choice owing to the taste of the cigarette and other parameters such as length, filter etc. To submit so, reliance was placed upon decisions of this Court in ***Godfrey Phillips India Ltd. Vs. P.T.I. Private Limited & Ors.*** 2017 SCC OnLine Del 12509 and ***Khoday Distilleries Ltd. Vs. Scotch Whiskey Association*** (2008) 10 SCC 723.

11. Lastly, learned senior counsel submitted that the labels adopted by the plaintiff are generic and are devoid of any peculiar distinctness and even its brand TOTAL has multiple labels/ trade dresses. There is no deceptive adoption by the defendants, who had conceived the brand TOPAZ in the year 2011 and have been continuously using it since then. However, plaintiff has approached this Court after an inordinate delay of a decade and, therefore, the present application deserves to be allowed and interim order dated 10.08.2021 needs to be vacated to save the defendants from hardships and loss of business.

12. On the other hand, Mr. Pravin Anand, learned counsel appearing on behalf of plaintiff submitted that plaintiff has never raised any objection with regard to use of trade word "TOPAZ" and the objection is with regard to trade dress/infringing packaging of defendants' product "TOPAZ". Learned counsel pointed out that defendants have deliberately copied the essential features of plaintiff's product "TOTAL" like packaging, cigarette paper and foil paper.

13. Learned counsel drew attention of this Court to Para-4(h) of plaintiff's reply to show that the packaging of both the parties contain an identical statutory warning that covers a major portion of the package; the



basic background colour of packaging /cigarettes box is peculiar and distinct shade of dark metallic black and dark blue colours is identical as that of plaintiffs; both the boxes contain ribbed lines which runs across their respective surfaces; identical use of font and placement of letters on the front and back side of the boxes; use of blue and silver colour panel; words mentioned as 'Dual Flavors' and 'Twin Flavors' ; the golden dotted circle and the golden ring depicting the brand name of both the parties.

14. It was next submitted that defendants have been deliberately targeting the plaintiff's customers and selling the infringing products, which amounts to infringement of plaintiff's copy right subsisting in its packaging and artistic work as regards TOTAL branded products. Also submitted that due to identical packaging, defendants are deceiving the customers by selling their inferior quality products as those of plaintiff and thereby, trying to eliminate plaintiff from the market.

15. Learned counsel further submitted that even if the case of defendants is accepted that they have been using the trade name TOPAZ since the year 2011, but the trade dress/ packaging which they have been using since the year 2011 is as under:-





NEUTRAL CITATION NO: 2022/DHC/000067

16. According to plaintiff, the aforesaid trade dress/ packaging is not the subject matter of this petition and it is only the following which are subject matter of dispute:-





17. It was submitted that defendants have deliberately obtained registration of trade mark TOPAZ in the year 2015, however, they have not brought any document that they have been using it since the year 2011 or 2015. It has been vehemently denied that various other parties are using the features which the plaintiff is claiming and rather submitted that defendant is a seasoned / habitual infringer and various other cigarette companies have filed cases for trademark infringement and passing off against the defendant herein. It was submitted that a contempt petition has also been preferred against the defendants for having violated the settlement and consent order. Learned counsel also submitted that even in the present case, defendants have violated the injunction order dated 10.08.2021.

18. Learned counsel for plaintiff further submitted that there is no delay on the part of plaintiff to approach this Court for the relief claimed herein and that the acts of defendants' amount to infringement of plaintiff's copyright subsisting in plaintiff's packaging and trade dress of its TOTAL branded cigarettes and plaintiff has a strong case on merits and, therefore, this application deserves to be rejected. In support of above submissions, reliance was placed upon decision of Madras High Court in *ITC Limited*



vs. Golden Tobacco Limited 2018 SCC OnLine Mad 2437 and of this Court in *Allied Blenders Vs. Shree Nath Heritage* 2014 SCC OnLine (Del) 483. To submit that a confusion may take place into the mind of a person of average intelligence with regard to trade mark of goods he would be purchasing, reliance was placed upon decision of this Court in *Britannia Industries Vs. ITC Ltd. & Ors.* 2021 SCC OnLine Del 1489. To further submit that if two marks are used in a normal and fair manner, there is likelihood of confusion or deception, reliance was placed upon decisions of this Court in *Ahmed Oomerbhoy Vs. Gautam Tank* (2008) 36 PTC 193 and *Shree Nath Vs. Allied Blenders* 2015 SCC OnLine Del 10164. To further submit that a registered proprietor cannot disturb or interfere with the rights of a prior user of a trademark even if the prior user is not registered, reliance was placed upon decision of Hon'ble Supreme Court in *Syed Mohideen Vs. P. Sulochana Bai* (2016) 2 SCC 683 and decision of a Division Bench of this Court in *Rajkumar Prasad Vs. Abbott Healthcare* 2014 SCC OnLine Del 7708.

19. Lastly, learned counsel for the plaintiff submitted that the order dated 10.08.2021 granting interim injunction in favour of plaintiff is well merited and does not require any interference and also that plaintiff has a strong case on merits and therefore, defendants' application deserves to be dismissed.

20. Upon hearing learned counsel representing both the sides and perusal of material placed on record as well as decisions cited, this Court finds that the primary question for adjudication is as to whether defendants are entitled to use the trade mark TOPAZ, with the trade dress and packaging as mentioned in Para-16 hereinabove.



21. This Court is conscious that at the stage of grant of *ex parte ad interim injunction* only a *prima facie* view has to be expressed and deep investigation on the merits of the claims of the parties is not required to be done and, therefore, without dwelling deep as to whether a case for infringement and passing off on merits is made out or not, this Court for the purpose of disposing of this application shall confine its observations as to whether the infringement and passing off so claimed by the plaintiff, is likely to cause any confusion in respect of two products of the parties TOTAL and TOPAZ being deceptively similar in the minds of public, causing loss of business and reputation to either side.

22. During the course of hearing on present application, a preliminary objection was raised on behalf of the defendants that there is an inordinate delay of a decade in seeking an action for infringement of a trademark or passing off by the plaintiff and therefore, the discretionary relief of injunction deserves to be set aside.

23. A Division Bench of this Court in ***Allied Blenders & Distillers P. Ltd. Vs. Paul P. John & Ors.*** 2008 SCC OnLine 1745 while dealing with a case wherein the Single Judge had declined to grant interim injunction in favour of plaintiff and permitted the defendants to sell whisky while directing to maintain accounts in respect of sales, had observed that “*a plea of acquiescence or delay in bringing the action, set up as a defence, requires it to be considered whether the interest of the public would be adversely affected if the plaintiff is not granted an interim injunction on account of acquiescence or inordinate delay in bringing an action.*”

24. Pertinently, the order dated 10.08.2021 granting *ex parte ad interim injunction* in favour of plaintiff specifically recorded the claims of plaintiff



that the brand TOTAL was adopted by the plaintiff in the year 2015; in mid July, 2021 plaintiff came to know about defendants' brand TOPAZ and that defendants had copied the packaging/ trade dress of plaintiff, which has caused incalculable harm and injury to the business, goodwill and reputation of plaintiff.

25. At the hearing, to display that the brands of each side have a strong market approach, learned counsel representing both the sides had shown the sales figures of their products, which is as under:-

Plaintiff

Year	Taxable Turnover (Rs.)
2014-15	7,573,815
2015-16	1,048,315,627
2016-17	2,540,744,185
2017-18	1,810,630,568
2018-19	2,582,258,574
2019-20	3,936,543,043
2020-21	4,846,915,220

Defendants

Year	Sales Details (in INR)
2010-11	20,137
2011-12	93,466
2012-13	66,263
2013-14	21,015
2017-18	21,18,600
2020-21	8,05,010

26. In the light of aforesaid sales figures, it can be noticed that plaintiff's product was established in market in the year 2014-15 though defendants claim to have established their product in the year 2011. However, a look at the sales figures gives a clear picture that product of plaintiff has established a strong market and sales figures are comparatively much higher than those of defendants, though defendants claim to have approached the market prior to the plaintiff. Moreover, till the year 2021 sales figures have a drastic difference in amount. However, why plaintiff has let defendants build up their product and flourish it in the market from 2015 till 2021, does not appeal to the mind of the Court but the stand of I.A. 11874/2021 in CS(COMM) 369/2021



plaintiff is that it came to know about product of defendants in June, 2021. The important factor to be considered here is that the product in question is cigarettes and the business of manufacture and sale is highly regulated. Companies are not allowed to advertise their cigarettes and so, by adopting a hyper technical view on the aspect of delay, this Court cannot lose sight of larger issues raised in the present suit.

27. According to plaintiff, though the defendants have opted the trade name TOPAZ by copying 3 out of 5 letters from plaintiff's trade name TOTAL, however, plaintiff has no objection to the use of word TOPAZ by the defendants. On this aspect, learned senior counsel for defendants had submitted that plaintiff does not have a word mark registration for the mark TOTAL, which is disputed by plaintiff on the ground that plaintiff has various trade mark registrations for various marks comprising and consisting of mark TOTAL in one form or the other. Further, the claim of defendants is that they had adopted the mark TOPAZ in the year 2011, as against plaintiff's trademark which was registered in the year 2015. Between the two parties, who is the prior user and registered owner is a question which shall be substantially answered during trial of the suit.

28. So far as objection of the plaintiff that defendants have infringed the trade mark of plaintiff and *mala fide* copied the essential features or brand identifier of plaintiff's product TOTAL, this Court has gone through the various pictorial images placed before this Court.

29. With regard to the golden dot in the middle of the cigarette bud, the stand of defendants is that it is a standard practice by all brands of



cigarettes i.e.

and therefore, *prima facie* plaintiff cannot claim proprietary rights over it. However, on this point plaintiff has claimed that the defendants have copied the exact colour and design of TOTAL branded cigarettes sticks contain a golden dotted circle, within which a golden circle is depicted, which is placed on the cigarette paper forming part of the plaintiff's cigarette bud and defendants have copied the same in its entirety. This court finds substance in the submission of learned counsel for the plaintiff.

30. Regarding, statutory warning, this Court finds force in the submission of learned senior counsel for defendants, on perusal of 'New Specified Health Warning on Tobacco Products packs' issued by The Ministry of Health and Family Welfare, Government of India on 23.07.2020 shows that the pictorial warning showed therein



has been copied by the defendants and so has been



done by the plaintiff for its product

and so, it is not



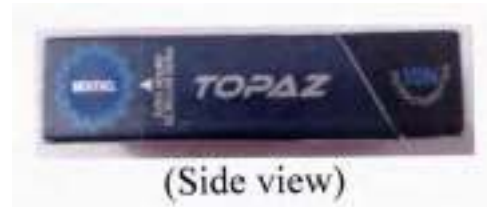
required to be interfered with at this stage.

31. With regard to trade dress and packing, the following is the comparative products of both the sides:-

Plaintiff's product



Defendants' product





(Inside foil paper)



(Inside foil paper)

32. A look at the aforesaid clearly shows that the basic background colour of the packaging / cigarette box is shade of dark etallic black and dark blue colors, which is identical. Both the boxes also contain ribbed lines which run across their respective surfaces. The front and back view of the packaging is in similar font and even the placement of letter is similar. The plaintiff's TOTAL product, mentions the words 'Dual Flavors' and that of defendant mentions 'Twin Flavor' in the same font and colour combination. The cigarette boxes of both parties also contain a blue and silver pennants on the sides of the lid of the box. The plaintiff's TOTAL product has a blue ring with a halo of blue light, within which the flavor (spearmint) is mentioned and defendants have also placed the same on the side of its packaging and have mentioned the flavor (menthol). Plaintiff's TOTAL branded cigarettes sticks have the words 'Dual Flavor' mentioned in golden letters and defendants have mentioned the words 'Twin Flavor' on their TOPAZ cigarette and font, style, colour and placement of matter of both the sides is exactly similar. All these points were weighed in the mind of the Court when this Court had *prima facie*



opined to grant restraint order in favour of plaintiff.

33. Further, on the aspect how trade design/ packaging/marks on product being deceptively similar affects the common man /buyer/ customer, a Division Bench of Madras High Court in ***ITC Limited Vs. Golden Tobacco Limited*** 2018 SCC OnLine Mad 2437, while dealing with the bunch of appeals against dismissal of interlocutory applications of plaintiff by the Single Judge , observed as under:-

“96. In deciding whether the defendant's mark is likely to cause confusion with the plaintiff's mark, it is for the Court to consider what marks are in common use by the trade as regards that particular class of goods and whether having regard to the marks which were in common use what was being done by the defendant is calculated to pass off their goods as the goods of the plaintiff.

97. In deciding whether the defendant's label is likely to deceive the intending purchasers, the eye of the Judge is, in the last resort, the final arbiter, but the Judge must look at the articles not with his own eyes but with the eyes of the public who may be expected to buy the goods.

98. The statute law relating to infringement of trade marks is based on the same fundamental idea as the law relating to passing off. The test as to likelihood of confusion or deception as a result of similarity of marks is the same both in infringement and passing off actions (Saville Perfumery v. June, reported in (1941) 158 RPC 147 (161) following in Ruston & Hornby v. Zamindara Engineering, reported in (1969) 2 SCC 727 : AIR 1970 SC 1649 (1651).



99. *In passing off action, it is also to be seen whether the defendant's mark or the get-up, packing etc. contain any additional features which distinguish it from the plaintiff's mark or goods and whether it is likely or reasonably probable that the defendant can pass off his goods as those of the plaintiff to a purchaser of average intelligence and imperfect memory or recollection.*

100. *The question for determination in a action for passing off by the use of a mark is whether the resemblance is likely to deceive. The products frequently remembered by general impression than by a particular feature and it is sufficient if deception is likely to arise, as held in Colgate v. Pattron, reported in (1978) RPC 635 (645).*

101. *Precedents have firmly established that the persons to be considered are all of those who are likely to be the purchasers provided they use ordinary care and intelligence. It must not be assumed that a very careful or detailed examination will be made for on a "side by side" comparison. In addition to the nature of the goods or business, the class of purchasers or customers, the degree of similarity between the trade marks, get-up or relevant circumstances. In the instance case, the goods are the same that is cigarette. Cigarette smokers are likely to be persons with average intelligence possessing ordinary memory who are not likely to make a detailed examination of the packages before purchase.*

102. *It is also important to remember that the motive of the defendant is not important. Irrespective of whether there is an intension to deceive if there is a*



likelihood of deception, the Court would intervene to struck the possibility of the deception.

103. Where the plaintiff and the defendant are engaged in a common field of activity and there is a strong prima facie case of passing off, the Court would intervene to pass orders of injunction as prayed for even if there is a delay on the part of the plaintiff in approaching the Court. No person, however, on his intention has any right to carry on business by encashing on the goodwill of others and passing off their products as those of others.”

34. At this juncture, this Court would like to point out that after defendants had put in appearance in this suit, the matter was referred to Delhi High Court Mediation and Conciliation Centre for parties to explore settlement, however mediation did not prove fruitful. According to defendants, before Mediation, while reserving rights to contest the suit, with an object to prevent further losses, despite being a proprietary holder of registered trademark and being a prior user of the trade name, defendants had agreed to change the packaging of the cigarette box and font, however, mediation could not prove successful as by filing the present suit plaintiff is trying to remove competition from the market.

35. In the aforesaid view of the matter, without expressing any opinion on the merits of this case, this Court is of the opinion that though the case of defendants is also on strong footing, however, the *ex parte ad interim injunction* granted to plaintiff vide order dated 10.08.2021 needs no interference by this Court. However, this Court is conscious that defendants might also be suffering hardships, which is unquantifiable and



therefore, the prayer made by learned senior counsel for the defendants that tobacco is a perishable item and so the cigarette sticks seized by the Court Commissioner vide order 10.08.2021 be released, is allowed and it is directed that the same shall be released only for export outside India in fresh packaging, subject to an undertaking furnished on affidavit by the defendants that they shall maintain accounts in respect of the sales and make the same available to the Court as and when directed.

36. The present application is disposed of in aforesaid terms.

IA No. 9907/2021 (u/O XXXIX Rule 1 & 2 CPC)

37. With partial modification in the order dated 10.08.2021, as mentioned in IA No. 11874/2021, no further orders are required to be passed in the present application.

38. The application is accordingly disposed of.

CS(COMM) 369/2021 & IA No. 16525/2021

39. Renotify on the date fixed i.e. 01.04.2022.

(SURESH KUMAR KAIT)
JUDGE

JANUARY 07, 2022

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