



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

% Judgment delivered on: 03rd July, 2023

+ **FAO(OS) (COMM) 69/2021 & CM. APPL.15117/2021**

SACHIN GUPTA

TRADING AS GCMC MASALA CO

... Appellant

versus

KBM FOODS PVT. LTD.

..... Respondent

Advocates who appeared in this case:

For the Appellant: Mr. S.K. Bansal and Mr. Pankaj Kumar, Advocates.

For the Respondents: Mr. Anirudh Bakhru, Mr. Sushant Singh, Ms. Roohe Hina Dua, Mr. Rupesh Aggarwal, Ms. Vasundra Bakhru, Ms. Geetika Kapur, Ms. Tejaswini and Ms. Ananya Sikri, Advocates.

CORAM:-

HON'BLE MR. JUSTICE SANJEEV SACHDEVA

HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

JUDGMENT

SANJEEV SACHDEVA, J.

1. Appellant impugns order dated 06.04.2021, whereby a Learned Single Judge has allowed the application of the respondent/plaintiff under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 and restrained the Appellant (Defendant in the Suit) from manufacturing, marketing, selling, offering for sale or advertising its



goods i.e. spices by using the mark “*Gai Chaap*”, device of “*COW*” and the other essential features of the label and trade dress of the Respondent/Plaintiff either in isolation or in conjunction and deception in the course of trade and thereby passing off its goods as that of the plaintiff’s.

2. Respondent/Plaintiff filed the subject Suit contending that the predecessor of the Respondent, Karol Bagh Masala Supplies Company (KBMSC) was formed vide a partnership deed dated April 22, 1969 and claimed to be using the trademark “GAI CHAAP” along with the ‘COW’ device on its products since 1969.

3. Respondent claimed that these marks had been applied for registration in Class 30 under the Trade Marks Act, 1998 vide trademark application No. 748292, 748285 and 748288 and has been in use since 1969.

4. It is alleged that KBMSC had two partners: Om Prakash Aggarwal and Kishan Chand Gupta. Om Prakash had three sons, Mr. Dinesh Kumar Aggarwal, Sanjay Aggarwal and Vikas Aggarwal. It is alleged that on 29.10.1995, Kishan Chand Gupta retired and Dinesh Kumar and Sanjay Aggarwal were inducted into the partnership firm, KBMSC.

5. It is further alleged that in 2001, KBM Spices Pvt. Ltd (now



known as KBM Foods Pvt. Ltd, Respondent herein) was incorporated. The purpose of forming the company was to acquire the running concern/business of the partnership KBMSC. The partners of the said partnership firm: Om Prakash, Sanjay Aggarwal and Dinesh Kumar became directors of the said company.

6. KBMSC was dissolved vide dissolution deed dated 23.01.2002 and the Respondent company acquired all the assets, tangible as well as intangible, liabilities, goodwill, business, knowhow trademarks etc. of the firm by way of Agreement of Succession of Business dated 23.01.2002.

7. It is alleged that all goodwill, trademark rights and assets of the aforesaid firm were assigned to the Respondent herein vide Assignment Deed dated 30.01.2002. Thereafter, Respondent/Plaintiff allegedly made slight changes to its label dress and get up and in 2013 applied for the registration of this 'trade dress' as application no. 2802285. It is however contended that the Respondent has been using the trademarks "GAI CHAAP" and "COW" device since the year 1969 and has claimed user with respect to the modified trade dress from the year 2013.

8. As per the Respondent, it came across Appellant's Trademark Application bearing no. 3673104 dated 08.11.2017 and felt that it was a virtual replica of its own label and filed an opposition to the said



trademark application and also filed the subject Suit.

9. In the subject suit, Respondent had alleged that the Appellant with a mala fide intent illegally got the trademark “GCMC” along with a “COW” device registered with the user details as “*proposed to be used*”.

10. On the other hand the case of the Appellant is that his predecessor (father) had been engaged in the same business since long and adopted and started using the label “GCMC with a cow device” in relation to spices in April 2017.

11. It is contended that the Appellant’s trademark is duly registered under No. 3531286 in Class 30 under the Trade Marks Act, 1999.

12. It is contended that the artwork involved in the Appellant’s trademark/label is original artwork of which he is the owner and proprietor and that, the same is duly registered under the provisions of the Copyright Act, 1957 under No. A-120153/2017 w.e.f. 13.09.2017.

13. By the impugned order the Learned Single Judge has held that prima facie, the overall getup of the packaging of the Appellant herein, with “COW” device is deceptively similar/identical to that of the Respondent’s.

14. Learned Single Judge has further held that Respondent/Plaintiff



has made out a prima facie case in its favour and accordingly restrained the Appellant/Defendant *inter alia* from manufacturing, marketing, selling, offering for sale or advertising its goods i.e. spices by using the mark “GAI CHAAP”, “COW” device and other essential features of the label and trade dress of the Respondent herein.

15. Mr. S.K. Bansal, learned counsel appearing for the Appellant contends that Appellant has a registration in Class 30 for “KBM” label with the “COW” device since 21.04.2017 and also has a copyright registration of the artwork of the said mark/label w.e.f. 13.09.2017.

16. It is contended by the Appellant herein that it was earlier sued by M/s Radha Kishan Gobind Ram Limited through Mr. Vikas Aggarwal the brother of Mr. Dinesh Kumar Aggarwal, the authorised representative of the Respondent

17. Learned counsel submitted that in order to defeat the registered trademark of the Appellant, Respondent has to establish continuous prior use and volume of sales. As per him, the rights transferred through predecessor have not been established. He submitted that the Respondent knowingly concealed the fact that Shree Bhagwati Flour and Foods Pvt. Ltd is a prior user and registered proprietor of the trademark/label GAAY with device of cow under No. 646657, 1054318, 126092, 1264108, 1264105, 1264107 for spices, claiming



user since 1963 and who has filed opposition to Respondent's application no. 1916439 in Class 30.

18. Mr. Bansal further submitted that subject Suit is a suit for passing off, as the plaintiff has no registration of the subject trademark/label, and the Learned Single Judge has erred in holding that Respondent has a registration of the trademark "GAI CHAAP" with "COW" device.

19. He further submitted that in a passing off Suit, prior use is not the only test. Prior use must be coupled with goodwill in the market, and in the present case, Respondent has failed to establish sufficient goodwill.

20. Mr. Bansal further contended that the Respondent has filed certain affidavits before the Trademark Registry, attached with its trademark application No. 2802285 for the subject mark wherein it has claimed user from the year 2013. He submits that the Trademark Office issued him an examination report, to which the Respondent replied wherein it claimed that they had been using the mark since 01.04.2013 and that the mark in question was "KBM GAI CHAAP" with device of "COW".

21. He submitted that the invoices filed by the Respondent, to substantiate its prior user, do not mention "GAI CHAAP" in the body,



only on the top of the invoices. He submitted that these documents do not establish goodwill and reputation of the subject trademark.

22. He further submitted that newspaper advertisements relied upon by the Respondent to show prior use are all local newspapers and not national newspapers. He submitted that they are not sufficient to show prior user and vast goodwill. He further submitted that the sales figures/turnover of the Respondent has been incorrectly represented, as sales under the subject mark whereas they are actually sales made under other marks owned by the Respondent. He submitted that the impugned order incorrectly records that all the invoices filed by the Respondent were under the same mark.

23. He submitted that the “COW” device as well as the overall getup of the competing packaging are quite different and distinguishable. He submitted that it is settled law that one can escape liability in a passing off case, if it is shown that added matter is sufficient to distinguish his goods from those of the Plaintiff.

24. He submitted that the Learned Single Judge erred in not appreciating that no one can claim monopoly over a “COW” device. Different formats of the “COW” device added with other distinctive features make them different and distinguishable.

25. Per Contra, Mr. Anirudh Bakhru, learned counsel appearing for



the Respondent submitted that the mark in question was the subject matter of an inter se family dispute, which culminated in a family settlement dated 13.09.2004. He submitted that the Settlement took place between the Respondent company KBM Foods Pvt. Ltd, M/s Iskon Global Pvt. Ltd (IGPL), a company then run by Mr. Om Prakash Aggarwal and Mr. Sanjay Aggarwal and M/s Radha Kishan Gobind Ram Ltd. (RKGR), a company then run by Mr. Om Prakash Aggarwal and Mr. Vikas Aggarwal. Vide this Family Settlement, IGPL got the rights to use the “GAI CHAAP” trademark for *besan* and *chana daal*, RKGR got the rights to use “GAI CHAAP” for mustard oil and Respondent company, then run by a Mr. Om Prakash Aggarwal and Mr. Dinesh Kumar Aggarwal continued to have the exclusive right to use the trademark “GAI CHAAP” for spices.

26. It is further submitted that the Appellant was earlier sued for trademark infringement by RKGR vide CS (COMM) No. 28/2018, despite RKGR not having the rights for the trademark “GAI CHAAP” and “COW” device for spices. By Order dated 12.01.2018, Appellant herein was restrained from using the said mark and device.

27. It is further submitted the Appellant herein appealed the said order in FAO(OS)(COMM) No. 31 of 2018 and a collusive Settlement was arrived at between them and by Order dated 19.02.2018, the Appellant and RKGR fraudulently divided the mark “GAI CHAAP”



and “COW” device. As per the Respondent, this resulted in the Appellant adopting its current label. He submitted that prior to this settlement, Appellant’s dishonest use of the mark was even more blatant. He submitted that after this settlement, Appellant changed his mark from “GAI CHAAP” to “GCMC”, with the same “COW” device.

28. Mr. Bakhru further submitted that Respondent had also filed a suit for trademark infringement against RKGR being CS(COMM) No. 51/2018 and vide order dated 24.02.2020, RKGR was enjoined from using “GAI CHAAP” and “COW” device in respect of masalas/spices.

29. Learned Counsel further submitted that the predecessor in interest of the Respondent had been continuously using the “GAI CHAAP” along with “COW” device since the year 1969 till its dissolution in 2001, after which it was taken over by the Respondent herein and as such the Respondent can tack on the prior user and goodwill of its predecessor. He submitted that the Respondent has been consistently using the “GAI CHAAP” trademark along with the “COW” device.

30. Learned Counsel for the Respondent further submitted that the Appellant’s label is a slavish imitation of the Respondent’s label and it would certainly cause confusion in the minds of the general public.



He submitted that the dishonest and perverse intentions of the Appellant to imitate the Respondent would be more clearly visible if the two labels were compared.

31. On the point of the invoices and other documents showing advertisements/promotional expenses being challenged by the Appellant, Mr. Bakhru submitted that not all the invoices relied upon by the Respondent are cash invoices, as alleged by the Appellant. He submitted that invoices since 2011, bearing the “GAI CHAAP” mark and “COW” device are tax invoices. He submitted that the use of the Trade Mark on business paper, such as invoices constitutes use within the meaning of Trade Mark. He further submitted that even otherwise, challenges to genuineness of documents including invoices, family settlements, promotional materials etc cannot be decided prima facie at time of grant of interim injunction.

32. With respect to the contention of the Appellant, that one Shree Bhagwati Flour and Foods Pvt. Ltd has a prior user than that of the Respondent and also has a registered mark for the subject trademark, Mr. Bakhru submitted that it is the right of two parties before the court that has to be determined, not the rights of other parties and similar marks of a third party. The present suit is inter se the parties and the rights of third parties cannot be taken as a defence by the Appellant in these proceedings.



33. With regard to the contention of the appellant that the subject mark is common to trade, he submitted that since the Appellant has himself applied for registration of a particular mark claiming ownership and exclusiveness in it, it cannot now claim that the said mark has become descriptive or common to trade and as such the Appellant is estopped from claiming commonality of the same device and get-up which is the subject matter of his own Trade Mark application.

34. At the stage of consideration of the grant of an ad-interim injunction in a passing off action, the court has to form a prima facie opinion as (i) whether the Plaintiff has been able to show a strong prima facie case for grant of an injunction, (ii) whether the balance of convenience tilts in favour of the plaintiff and grant of an injunction and (iii) whether irreparable loss and injury would be caused if injunction is not granted.

35. In a passing off action, for the Plaintiff to show strong prima facie case, plaintiff has to *inter alia* establish (i) prior adoption of the mark, (ii) continuous commercial user of the mark, (iii) goodwill and reputation, (iv) deceptive similarity between the marks (v) likelihood of confusion in the mind of an unwary purchaser of average intelligence with an imperfect recollection.

36. In respect of prior user, learned Single Judge held that in a Suit



filed by the Respondent against Subhash Tayal & another {CS(COMM) 51/2018}, this court has held that the Respondent has been using the “GAI CHAAP” with “COW” device for spices since 2004. And it was the case of Appellant/defendant herein that he is using the mark “GCMC” with cow device since 2017. Thus it was clear that the Respondent/plaintiff is the prior user of the “COW” device in relation to spices and as a prior user, certain rights flow in favour of the plaintiff. Further learned Single Judge noticed that as per the Respondent/plaintiff it has registration in the mark since 1969, through its predecessor-in-interest. Even the mark was got registered through application No. 2802285 in the year 2013 much prior to 2017.

37. The admitted case of the Appellant is that they adopted the impugned mark in 2017 which is clearly subsequent to the adoption by the Respondent/plaintiff. Clearly there is no error in the prima facie finding returned by the learned Single Judge that the adoption of the Appellant/defendant is later in point of time and the Respondent/plaintiff being the prior adopter of the mark and prior use generates goodwill first in the market and the later user cannot misrepresent his business as that of the prior user/holder. Any goodwill generated by the appellant is because of the dishonest adoption of the impugned mark subsequent to the Plaintiff's/respondent's adoption of the mark.



38. To show continuous user and Respondent/Plaintiff has placed on record certificate of the chartered accountant showing expenditure of lakhs of rupees since the year 2009-2010 towards advertisement and packaging material and turnover of several crores since 2012 – 2013 which is much prior to the alleged adoption by the appellant.

39. Respondent has also placed on record invoices issued by the Respondent and its predecessor since the year 1987 till 2019. The invoices also carry the logo and device of “Cow”. It has also placed on record promotional material *inter alia* in the form of newspaper advertisements, calendars and television commercials since the year 1987, besides placing on record the Sales Tax Registration Certificate and the certificate of “AGMARK” grading for its products issued by the Ministry of Food and Agriculture, Government of India from the year 1983 onwards.

40. To claim and attach the goodwill and user of its predecessor, “Karol Bagh Masala Supplies Company”, Respondent has filed the Partnership Deeds of the said firm dated 22.04.1969 along with the subsequent Deeds of Partnership consequent to retirement and addition of partners. Respondent has also placed on record the Agreement of succession of business of the partnership dated 23.01.2002 executed between all the partners of the firm and also the Assignment deed dated 30.01.2002 assigning all the rights in the



subject trademarks to the Respondent company. All the documents prima facie establish continued and uninterrupted commercial user of the mark by the Respondent through its predecessor/Assignor.

41. Coming to the issue of deceptive similarity of the marks, learned Single Judge held as under:

“56. On the aspect of possible deception is concerned, on a comparison of packaging of spices manufactured / sold by the parties which I have reproduced above, it is noted that the colour combination of the packaging is red with respect to chilli powder and yellow with respect to turmeric powder. The depiction of ‘GCMC’ by the defendant is with a similar background as that of the plaintiff i.e., the alphabets ‘GCMC’ are written in white colour with black background. There is even a depiction of a ‘COW’ device on the top right corner of the packaging, which is similar to the one of the plaintiff. Further, the name on the packet i.e. turmeric powder / chilli powder are represented in devanagari script with the word ‘Special’ written in a similar font and colour in devanagari script. Even the back side of the packaging is similar to that of the plaintiff. The distinguishing feature highlighted by Mr. Bansal is primarily the vertical lines on the packing of the plaintiff.

57. I find that the vertical lines are very thin in size and are not material to distinguish the product of the plaintiff from that of the defendant. What is relevant is over all getup of the packaging with “COW” device which I am of the view that is deceptively similar / identical to that of the plaintiff’s.”



42. Learned Single Judge has come to a prima facie conclusion and rightly so that the marks are deceptively similar and the alleged distinguishing features highlights by the appellant/defendant do not sufficiently show any distinction between the two.

43. The test to determine the deceptive similarity is not to compare the marks by keeping them side by side but from the standpoint of an unwary purchaser of average intelligence with an imperfect recollection. When the consumer goes to buy a product he would have a faint recollection of the mark and keeping that faint recollection in mind, he would make the purchase. He may not have the benefit of seeing or comparing the competing marks at the time of the purchase and would have to rely upon his memory of the mark which at times would be an imperfect recollection of the mark.

44. The product in issue is spices and the consumers would be regular average households. All that that consumer may rely upon at the time of purchase would be his memory of the salient feature of the mark. In the present case, the salient feature being the device of a 'COW'. A consumer of an average intelligence would not remember as to the nature of the cow, in which direction the cow is facing or is it an elongated cow? All that the consumer would remember is the trade dress comprising of the colour of the packaging and some broad features of the trade dress and a device of a 'COW'.



45. To assess deceptive similarity of the marks and the trade dress it is necessary to examine the broad features of the competing marks:

RESPONDENT/PLAINTIFF'S MARKS





APPELLANT/DEFENDANT'S MARKS



46. If one were to examine the competing marks and trade dress, it is prima facie clear that there is a high likelihood of confusion in the mind of the consumer and a great likelihood of the unwary consumer



being deceived about the source of the product. The test in the present case of likelihood of confusion in the mind of an unwary purchaser of average intelligence with an imperfect recollection is also satisfied.

47. In view of the fact that the Respondent/Plaintiff is the prior adopter of the mark and that there is a high likelihood of deception the balance of convenience tilts in favour of the plaintiff and in favour of grant of an injunction.

48. In cases of passing off of goods not only does the Plaintiff suffer irreparable loss and injury but the unwary consumer who is deceived into buying the infringing goods also suffers irreparable loss and injury.

49. Clearly, the Respondent/Plaintiff has satisfied the test for grant of an ad-interim injunction and in our view there is no error or infirmity in the impugned order granting an injunction by holding that the Plaintiff has made out a strong prima facie case for grant of an injunction and that the balance of convenience is on favour of the plaintiff and in case injunction is not granted plaintiff shall suffer irreparable loss and injury.

50. With regard to the challenge by the Appellant to the sale figures of the Respondent and its goodwill and reputation the learned single judge has, in our view, rightly placed prima facie reliance on the



same and left the rest to be determined at Trial. We are informed that Trial is underway and progressing at a reasonably fast pace.

51. In view of the above, we find no infirmity in the impugned order and grant of an ad-interim order by the learned Single Judge restraining the Appellant (Defendant in the Suit) from manufacturing, marketing, selling, offering for sale or advertising its goods i.e. spices by using the mark “*Gai Chaap*”, device of “*COW*” and the other essential features of the label and trade dress of the Respondent/Plaintiff either in isolation or in conjunction and deception in the course of trade and thereby passing off its goods as that of the plaintiff’s.

52. We find no merit in the appeal and consequently the same is dismissed.

53. Order *Dasti* under the signatures of Court Master.

SANJEEV SACHDEVA, J.

TUSHAR RAO GEDELA, J.

July 03, 2023
HJ