IN THE HIGH COURT AT CALCUTTA
ORDINARY ORIGINAL CIVIL JURISDICTION
ORIGINAL SIDE
COMMERCIAL DIVISION

Present:
The Hon'ble Justice Sugato Majumdar

IP-COM/9/2024
[OLD NO CS/113/2020]

BISWANATH HOSIERY MILLS LIMITED AND ANR
VS
MICKY METALS LIMITED

For the Plaintiffs	:	Mr. Debnath Ghosh, Adv. Mr. Sarosij Dasgupta, Adv. Mr. Sanjay Ginodia, Adv. Mr. Sushovit Dutt Majumder, Adv. Ms. Mini Agarwal, Adv.
Hearing concluded on	:	22/08/2024
Judgment on	**:**	**06/09/2024**

Sugato Majumdar, J.:

This is an undefended suit for passing off trade mark.

The Plaintiff's case in nutshell is as follow:

i. Plaintiff no. 1 is a highly reputed company engaged in the business of manufacture, distribution and sale of high quality hosiery products, under-garments, innerwear, lounge wear, t-shirts, vests and other ready to wear garments under the trademark "LUX" since 1957. The Plaintiff no. 2 is a subsidiary of Plaintiff no. 1. The Plaintiff's products are marketed/distributed by the Plaintiff no. 2 and J.M. Hosiery Factory, a group concern of the Plaintiffs under exclusive registered user agreements. The founder of the Plaintiff no. 1 late Mr. Girdharilal Todi had conceived, coined and adopted the trademark "LUX" in the year 1957 in relation to hosiery goods. The Plaintiffs have been using the same trademark continuously and extensively in India as well as in the foreign countries. The mark "LUX" is also being used by the Plaintiffs without any prefix or suffix, both throughout the country as well as abroad.

ii. After initiation of use of the mark, the first registration for the mark "LUX" in the year 1957, the Plaintiffs obtained the first registration on 22/07/1972. Application for registration of the for yarns, threads and textile was filed on 26/09/1993.

iii. The word mark "LUX COZI" was applied for registration in the year 2002 in multiple classes 16,24,25 and 35 for textile goods, clothing and readymade garments. The word mark "LUX MAESTRO" was applied for registration in the year 2018. In total, the Plaintiffs obtained 22 number of registrations throughout the country. Sales invoices from the year 1986 onwards show massive growth of business.

iv. The expression "LUX" forms the dominant/distinguishing part of the corporate name of the Plaintiff no. 2 since 21st July 1995.

The Plaintiffs are carrying on established business with “LUX” as their flagship brand/trademark and corporate identity. This mark is the principal trademark of the Plaintiffs to distinguish the products, manufactured and marketed by them. Over the years, the Plaintiffs adopted several other trademarks prefixing the word “LUX”. The Plaintiff no. 1 is the registered proprietor of and owns “LUX” and several “LUX” formative trademarks. The “LUX” trademarks of Plaintiff no. 1 are also registered in other countries.

v. In the month of November 2019, the Plaintiffs came to learn that the Defendant had filed a trademark application being no. 4331508 for registration of “LUX TMT” device mark, in Class 06 on 25/10/2019 on proposed use basis. The device mark contained the mark “LUX” which is the registered trademark of the Plaintiff no. 1. The Plaintiff also came to learn that the Defendant had very recently started the device mark/logo “LUX TMT” and, in fact, on 31/10/2019 announced launch of its new product under the mark “LUX TMT 600SD”. The device mark “LUX TMT” contained close copy of the Plaintiffs’ stylized (in bold and solid colour) brand name and logo “LUX”.

vi. Understanding the Defendant’s intention to make profit out of unauthorized and unlawful use of the Plaintiffs’ well known mark along with goodwill and reputation, the Plaintiffs served a notice upon the Defendant through its’ trade mark attorney, dated 08/11/2019 asking them, inter alia, to desist from using the same trade mark. The Defendant, in a reply electronic mail, stated that they had made changes in it's "LUX TMT" logo. But according to the Plaintiffs, such change was not substantial and still closely resembles the Plaintiffs' registered trade mark and logo.

vii. The Defendant applied before the Trade Mark Registry on 05/12/2019 for registration of "LUX TMT" device, label mark with some cosmetic changes, yet substantially resembling that of the Plaintiffs. The Plaintiffs opposed registration of the said trade mark of the Defendant.

viii. The Defendant is in use of deceptively similar trade mark/logo, started advertisement of their products bearing the same trade mark/logo. The Defendant was incorporated in the year 1989 decades after the Plaintiffs have been using their trade mark. According to the Plaintiffs, use of substantially similar trademark by the Defendant is *ex facie* fraudulent, *mala fide* calculated to create confusion among general public exploiting the good-will and reputation of the Plaintiffs' trademark. It creates misrepresentation among general public that the Plaintiffs have launched a new product. Thus, according to the Plaintiffs, the Defendant is guilty of passing off.

ix. Facts and circumstances led to the Plaintiffs to file the instant suit praying for, inter alia, permanent injunction restraining the Defendant from using the mark "LUX" either in isolation or in conjunction with any other words or phrases, in their goods, being identical or deceptively similar to the trademark "LUX" of the Plaintiffs, along with other prayers.

Writs of Summons were served upon the Defendant, but the Defendant did not contest the suit. The suit was treated as undefended one as the Defendant did not contest the same.

Oral and documentary evidences are adduced on behalf of the Plaintiffs. Documentary evidences were exhibited and marked variously.

Mr. Ghosh, the Learned Counsel for the Plaintiff argued firstly, that undisputedly the Plaintiffs are prior user of the mark "LUX" and has been using the same continuously and extensively since 1957. Right of the prior user is superior to that of registered user. It is recognized principle in common law jurisdiction that action is passing off provides broader remedies than an action for infringement. A later user of a trade mark cannot misrepresent his business as that of a prior reputed user. For that reason, the present suit of the Plaintiffs should succeed.

Secondly, Mr. Ghosh argued that unlike the provisions for infringement under sections 29(1), 29(2) and 29(3) of the Trade Marks Act, 1999, confusion and deception among the general public is not an ingredient to succeed an action under section 29(4) of the Act. An action under section 29(4) of the Act is based on passing off, trespass, invasion and dilution. Application for registration of trade mark or even registration of trade mark cannot sanctify an act of passing off.

Thirdly, Mr. Ghosh argued that a mark cannot be declared invalid on the ground that it was not registerable under the Act, if by consequence of use of the trademark after registration and before challenging registration the same has attained a distinct character in relation to goods and services for which it is registered. Mr. Ghosh referred to section 32 of the Act.

Mr. Ghosh relied upon the following decisions:

1. **T.V. Venugopal VS. Ushodaya Enterprises Ltd. & Anr. [(2011) 4 SCC 85]**

2. **Aktiebolaget Volvo of Sweden VS. Volvo Steels Ltd. of Gujarat (India) [1997 SCC Online Bom 578]**

3. **Bloomberg VS. Prafull [2013 (56) PTC 243]**

4. **Sony Kabushiki Kaisha VS. Mahaluxmi Textile Mills [(2009) SCC Online Cal 531]**

5. **Renaissance Hotel Holdings Inc. VS. B. Vijaya Sai and Ors. [2022 (5) SCC 1]**

The first thing canvassed by the Plaintiff is long user of the mark "LUX", prior to that of the Defendant. The said mark was subsequently registered not only in this country under various classes but also in other countries. The Plaintiff adduced oral as well as documentary evidences in this regard. Certificates of registrations being Ext. F shows that the mark "LUX" was registered on 08/08/1972 and had been in use since it was first published in India in the year 1957. It is also in the evidence that mark "LUX" was registered in other countries. It is also in evidence that since 1972 the brand "LUX" with prefix and suffixes have been registered on various dates. It is also in the evidence of P.W. 1 that the mark was registered in UK, USA, UAE, Saudi Arabia, Oman, Qatar and other various countries of Asia, Africa and other Continents. This amply testifies that the mark "LUX" has been used by the Plaintiff since 1957 and it is widely used in different parts of the country. It is evident that such wide use is associated with reputation, goodwill and brand value of the same mark.

Second point in the plea of the Plaintiff is that deceptive similarity, visually and phonetically, exist between the two marks. Evidences adduced by the Plaintiff establish beyond iota of doubt that the two marks are similar, visually and phonetically, having strong likelihood to create confusion in the general public that both the marks are related and have a common origin. In other words, the Defendant's mark has its origin from the Plaintiffs.

The third plea of the Plaintiff is that the Defendant's use of the same mark as that of the Plaintiff is an act of passing off for which the Plaintiff is entitled to reliefs prayed for. Although goods are different in class and category, the same does not stand in the way of an action for passing off, as submitted by Mr. Ghosh.

This is a suit for remedy against passing off. An action for passing off is a common law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another. Remedy in passing off is wider than that provided by the statute. To borrow the phraseology of Romer LJ, it is based on a "*much wider principle, the principle being that the court will always interfere by injunction to restrain irreparable injury being done to the Plaintiff's property.*" **[Samuelson Vs. Producers Distributing Co. Ltd. (1931) 48 RPC 580].** It is based on the principal that unfair competition is calculated to destroy, honest business and should not be allowed. The object is to restrain commercial piracy. Essential characteristics of passing off action were stated by Lord Diplock in **Erven Warnink Besloten Vennootschap Vs. J Townend & Sons (Hull) Ltd.[(1979) 2 ALL.E.R 927]** where five characteristics were identified which must be present in order to create a valid cause of action for passing off which are (1) misrepresentation (2) made by a person in the course of trade (3) to prospective customers of his or ultimate consumers of goods or services supplied by him (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought. Whether a particular case invites all these characteristics or not is a matter of fact. Lord Oliver reduced this list to three elements in **Reckitt & Colman Products Ltd. vs Borden Inc. [(1990) 1 ALL.E.R 873]** namely existence of the claimant's goodwill, misrepresentation as to goods or services offered by the defendant and damage or likely damage to the claimant's goodwill as a result of defendant's misrepresentation. This is the classic trinity test.

Section 27 (2) makes it clear that nothing in the Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person or the remedies in respect thereof. Section 29 (4) (b) comes into aid in an action for infringement when goods are dissimilar. According to these provisions, a registered trade mark is infringed by a person who not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is used in relation to goods or services which are not similar to those for which the trade mark is registered. In **Renaissance Hotel Holdings Inc. v. B. Vijaya Sai [(2022) 5 SCC 1]** it was clarified:

> **"57.** The perusal of sub-section (4) of Section 29 of the said Act would reveal that the same deals with an eventuality when the impugned trade mark is identical with or similar to the registered trade mark and is used in relation to goods or services which are not similar to those for which the trade mark is

> registered. Only in such an eventuality, it will be necessary to establish that the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark. The legislative intent is clear by employing the word "and" after clauses (*a*) and (*b*) in sub-section (4) of Section 29 of the said Act. Unless all the three conditions are satisfied, it will not be open to the proprietor of the registered trade mark to sue for infringement when though the impugned trade mark is identical with the registered trade mark, but is used in relation to goods or services which are not similar to those for which the trade mark is registered. To sum up, while sub-section (2) of Section 29 of the said Act deals with those situations where the trade mark is identical or similar and the goods covered by such a trade mark are identical or similar, sub-section (4) of Section 29 of the said Act deals with situations where though the trade mark is identical, but the goods or services are not similar to those for which the trade mark is registered."

Use of deceptively similar mark in different goods and remedy in passing of action was considered by three Judges Bench of this High Court in **Sony Kabushiki Kaisha Vs. M/S Mahaluxmi Textile Mills** case. In that case, the Appellant's mark "SONY", widely reputed in connection with electronic goods, was used by the respondent in hosiery products. Referring to various authorities, the Bench expressed opinion that similarity of the goods of rival traders is not an essential requisite for maintaining an action of passing off. It was further observed that none of the authorities, referred to in the judgment, lay down in absolute terms that difference in class or category of goods of the rival traders would defeat an action of passing off. It was observed:

> "**27.** It is not our opinion that the class or category of goods or services to which a trade mark is applied ought to be altogether ignored while testing a passing of action. As laid down by the Hon'ble Supreme Court in the case of *Cadila Health Care Ltd.* (supra), the similarity in the nature, character and performance of the goods of the rival traders would be one of the factors in adjudication of a passing of action. In our view, it is one of the very important factors which the Court should consider while deciding a claim based on passing off. But in the event the nature, character of the goods are different, this very fact should not automatically result in failure of an action founded on the tort of passing off.
>
> **28.** The key function of a trade mark is to indicate the source or origin of goods and services. The tort of passing off is committed if the offending trader applies an established trade mark in such manner so as to cause confusion or deception in the mind of the consumers as regards the source or origin of the goods and the mind of purchasers are directed to the firm whose identity is already linked with the trade mark in the market place. Even if the goods or services of the rival traders are different, in our opinion this factor alone would not altogether eliminate the possibility of confusion or deception. If a highly distinctive trade mark is applied to a class of goods which its proprietor does not deal with, consumers may always wonder as to whether the proprietor of the trade mark has launched a new product. The purchasing decision of the consumers may be determined by this factor."

In **Mahendra & Mahendra Paper Mills Ltd. Vs. Mahindra & Mahindra Ltd. [(2002) 2 SCC 147],** the respondent was a company registered as Mahindra & Mahindra Ltd. in the year 1948. The Appellant company named as Mahendra & Mahendra was incorporated in the year 1994 and had trading style under the same name. The respondent had long standing reputation and acquired distinctiveness of its name. It was one of the points of argument of the Appellant that products are no way similar to that of the respondent. Dissimilarity of goods was one of the pleas. The Supreme Court of India did not interfere with interim injunction passed in favour of the respondent in an action for passing off even though goods and business were dissimilar.

Similarity of trade mark or the mark "LUX" which has a longstanding use and reputation, as established in oral and documentary evidence, would in all possibility create confusion among the general public. The Defendant's brand would create confusion and impression that it is related to the Plaintiff's mark or have its origin with the Plaintiff. Use of the mark "LUX" by the Defendant would lead unwary customers of the Plaintiff to believe that the Plaintiffs have launched a new product. This is deception and commercial piracy; this is exploitation of the goodwill of the Plaintiff and an act of passing off. Therefore, for reasons stated above, this court is of opinion that the action of the Plaintiff for passing off should succeed and the Plaintiffs are entitled to reliefs accordingly.

The instant suit succeeds.

The Plaintiffs do get a decree of permanent injunction restraining the Defendant and its men, servants and agents from using or causing to be used the mark "LUX" with any prefix or suffix in any deceptively similar manner, visually and phonetically, both; the Defendant shall also be liable to account for all the profits earned by using the mark of "LUX" with prefix and suffix from 1st October, 2009 till the date of decree to the Plaintiff.

Let the preliminary decree for permanent injunction be drawn up.

Mr. Aniruddha Mitra, Learned Advocate and Member of Bar Library Club, be appointed as Advocate Commissioner for ascertainment of profits earned by the Defendant from 1st October, 2009 till 06/09/2024 since the date of the preliminary decree.

(SUGATO MAJUMDAR, J.)