



2024:DHC:7131-DB



\$~

*

IN THE HIGH COURT OF DELHI AT NEW DELHI

%

Judgment Pronounced on: 18.09.2024

+

FAO(OS)(COMM) 80/2024**RASAYANAM ENTERPRISES****..... APPELLANT****versus****UPAKARMA AYURVEDA PVT. LTD.****..... RESPONDENT****Advocates who appeared in this case:**

For the Appellants : Mr. Anil Goel, Mr. Aditya Goel, and Mr. Pranjali Sharma, Advocate

For the Respondent : Mr. Darpan Wadhwa, Sr. Advocate with Mr. Hemant Daswani, Ms. Saumya Bajpai, Ms. Pranjali, Mr. Amar Vaid, Mr. Kunal Prakash, Ms. Dimita Vyas, Advocates.

CORAM:**HON'BLE MR. JUSTICE VIBHU BAKHRU****HON'BLE MS. JUSTICE TARA VITASTA GANJU****JUDGMENT****TARA VITASTA GANJU, J.:**

1. The present Appeal seeks to challenge an order of interim injunction passed by the learned Single Judge on 22.03.2024 in CS (COMM) 834/2023 titled as '*Upakarma Ayurveda Private Limited v. Rasayanum Enterprises*' [hereinafter referred to as "the Impugned Order"].
2. The Respondent had filed a Civil Suit on 08.11.2023 before the learned Single Judge alleging infringement and passing off of its art work/get-up/label under the trade mark 'UPAKARMA



2024:DHC:7131-DB



AYURVEDA PURE SHILAJIT' bearing trademark registration no. 4422492 dated 14th August, 2023, w.e.f. 28th January, 2020 in Class 5 – herbal medicines, supplements, cosmetics, etc. [hereinafter referred to as “registered mark”] and copyright in the art work, and other attendant reliefs, by the Appellant, using similar mark named ‘RASAYANAM PURE



SHILAJIT' [hereinafter referred to as “restricted mark”]. The Respondent had also prayed for *ex-parte ad-interim* injunction against the Appellant under Order XXXIX Rule 1 & 2 of the Code of Civil Procedure, 1908 [hereinafter referred to as “CPC”].

3. The learned Single Judge by an *ex-parte* order dated 21.11.2023 [hereinafter referred to as “21.11.2023 Order”] allowed the Application and restrained the Appellant/Defendant in the following manner:

“18. For the aforesaid reasons, till the next date of hearing, the defendant, as well as all others acting on its behalf, shall stand restrained from manufacturing or marketing any product using the impugned label extracted in para 2 (supra) or any other label which is deceptively similar to the device mark registered in the plaintiffs favour vide Registration No. 4422492 dated 14 August 2023, w.e.f. 28 January, 2020.”

- 3.1 The impugned label marks which were enjoined in the 21.11.2023



2024:DHC:7131-DB



Order are extracted below:



4. The Respondent thereafter on 09.01.2024 filed an application under Order XXXIX Rule 2A CPC, alleging that the Appellant had violated the 21.11.2023 Order, by continuing trading in the impugned restricted mark.
5. Upon receipt of Notice, the Appellant filed an Application under Order XXXIX Rule 4, CPC for vacation of 21.11.2023 Order. The grounds taken by the Appellant in the Application were that during the pendency of the suit, the Application dated 31.07.2020 of Appellant for acquiring registration with respect to their trademark



was allowed and the device mark/logo of the Appellant was registered on 30.01.2024 w.e.f. 31.07.2020, having registration no. 4591737 under 'AYURVEDIC AUSHEDHI' included in class 5 [hereinafter referred to as "new mark"].

- 5.1 In addition, it was contended that the Appellant had introduced two new packages with respect to their products and that the new packaging was not violative of the registered mark of the Respondent. It was contended that a new packaging was introduced in brown colour for 10 gm product [hereinafter referred to as "10



gm packaging”] and with respect to the 20 gm packaging product [hereinafter referred to as “20 gm packaging”], the packaging had been changed to light green colour. It was thus contended that since the impugned restricted mark was no longer used by the Appellant, the 21.11.2023 Order be vacated. The pictorial depiction of the new packaging is set out below:



6. The Impugned Order decided 3 Applications being **IA No. 23080/2023** under Order XXXIX Rules 1 & 2, CPC and **IA No. 876/2024** under Order XXXIX Rule 2A CPC both filed by the Respondent and **IA No. 24629/2023** under Order XXXIX Rule 4, CPC filed by the Appellant. The following directions were passed:

“35. To summarise the conclusions of this Court:



35.1 Defendant's new 10gm packaging is not violative of the injunction order granted by this Court on 21st November, 2023;

35.2 Defendant's new packaging of the 20gm product



which introduced important elements of differentiations



continues to be deceptively similar to that of the plaintiff's product only regarding the colour combination;

35.3 *No directions are being passed in application under Order XXXIX Rule 2A, CPC giving the defendant two months' grace period in order to adopt a new distinctive trade dress for their 20gm product in light of the observations made above. I.A. 876/2024 is disposed of in these terms.*

35.4 *Injunction order of 21st November, 2023 would still subsist and is made absolute till the pendency of this suit. In view thereof, I.A. 23080/2023 stands allowed and disposed of. I.A. 24629/2023 stands dismissed and disposed of in these terms.*

35.5 *Plaintiff would be at liberty to approach this Court in the event the new packaging of defendant's product, if so adopted, still continues to be deceptively similar, which will invite fresh assessment from this Court."*

7. As set out above, the learned Single Judge found that the Appellant's new 10 gm packaging was not violative of the 21.11.2023 Order. However, the learned Single Judge held that the 20 gm packaging continued to be deceptively similar and directed the Appellant to adopt a new distinctive trade dress for its 20 gm product within 2 months of the date of the Impugned Order. The learned Single Judge also granted liberty to Respondent to approach the Court if the new packaging continues to be deceptively similar to the registered mark of Respondent. This led to the filing of the present Appeal by the Appellant.
8. Learned Counsel for the Appellant submits that admittedly, neither party can have a monopoly or exclusivity in the background colour of its packaging and that the Respondent has no monopoly over the beige colour. Since, the Respondent does not have any registration in respect of a beige background under Section 2(1)(m) read with



Section 2(1)(zb) of the Trademarks Act, 1999 [hereinafter referred to as “the TM Act”], it does not have any monopoly or exclusivity on the beige background colour for its packaging.

- 8.1 It was further contended that the products of the Respondent were in 15 gm weight, thus, the Appellant had deliberately adopted the 10 and 20 gm weight packages which was used by him under his new mark. In addition, it was contended that the Appellant had already changed its packaging by adopting brown packaging and the light green packaging and with this new packaging there could be no confusion amongst customers shopping for the products of the Appellant or the Respondent.
9. The learned counsel for Appellant has further submitted that the Respondent did not file any suit or application seeking injunction against the new mark, and since the suit and Application for injunction were with respect to a different packaging, the learned Single Judge had erred in extending the injunction granted to the newly adopted packaging as well. The learned Single Judge had thus erred in continuing the injunction that was granted with respect to the prior restricted mark, to the newly adopted packaging/light green packaging.
- 9.1 It was also contended that the learned Single Judge had wrongly extended the injunction to the newly adopted trade dress, on account of similarity in colour, despite them being two different colour palettes. Since, there is no dispute to the fact that the background colours of both the packaging is different, the learned Single Judge



could not have granted injunction on account of the colours being similar, as the 21.11.2023 Order subsisted with regard to background colour only and not the art work being used.

10. While relying on the Reply to the Application under Order XXXIX Rule 4, CPC filed by the Respondent, learned Counsel for the Appellant contended that the Respondent is admittedly not claiming monopoly over the colour combination being used in its registered mark and no prayer with respect to the same was sought for. Thus, no injunction could have been granted. The learned Single Judge in Para Nos. 13.5 and 13.6 has noted differences in the 2 packages and in Para No. 19.3 of the Impugned Order, a finding has been given that the art work in the new 20 gm packaging product introduces a distinctive new aspect, yet an injunction was granted restraining the 20 gm packaging, while the 10 gm packaging product having the same art work/get up was not restrained.
11. In support of his submissions, learned Counsel for the Appellant relied upon the judgment in the case *Mrs. Akella Lalitha v. Sri Konda Hanumantha Rao & Anr*,¹ and *R.M. Sundaram @ Meenakshisundaram v. Sri Kayarohanasamy & Neelayadhakshi Amman Temple (Through its Executive Officer)*,² to contend that if the Respondent himself is not claiming monopoly/exclusivity with respect to the impugned trademark/Device Mark, the learned Single Judge on its own cannot direct for changes.

¹ 2022 AIR SC 3544

² 2022 LAWPACK SC 66798



2024:DHC:7131-DB



- 11.1 Reliance was also placed on the judgement of *Bacardi and Company Limited v. Bahety Overseas Private Limited and Ors.*,³ to contend that the injunction is not tenable in passing-off matters when there exist several dissimilarities with respect to the impugned trade mark. It was further contended in the case *J. and P. Coats Ltd. v. Chadha & Company (India) PTC*,⁴ it is settled that mere similarity in background colour of the impugned packaging cannot be deemed to be conclusive as to the allegation of passing off. Lastly, *M/s Amrit Banaspati Co. Ltd. v. M/s Suraj Industries Ltd.*,⁵ was relied upon to contend that when a case of passing off is made, an order of interim injunction is not tenable under usual circumstances.
12. At the outset, learned Senior Counsel appearing on behalf of the Respondent submitted that the Impugned Order sets out that the 2 products in issue are entirely the same. In April, 2018, the Respondent launched its ayurvedic preparations, more specifically, Shilajit in the market and have been in continuous production since then. He submitted that for the Financial Year 2021-22 goods under the registered mark “*Upakarma Ayurveda Pure Shilajit*” of the approximate value of Rs.12.5 crores has been sold by the Appellant. The learned Senior Counsel relied on a comparison of the Appellant’s and the Respondent’s art work/get up/label which is set out above to submit that the Respondent had indigenously designed its get-up which is distinctive of its products. It was contended that

³ 2021 SCC Online Del 4956

⁴ PTC Supp (1) 295 Del (DB)

⁵ 1996 PTC (16) 462



while there were other similar products in the market, these products did not copy the art work/get up/label of the Respondent in the manner that has been done by the Appellant.

- 12.1 It was further contended that the similarity of colour has been the bone of contention from the commencement of the suit, and even the learned Single Judge, in the 21.11.2023 Order, upon a *prima facie* examination of the products, had given a finding on the inherent similarity of the marks owing to the deceptively similar beige background and had granted an injunction restraining the Appellant.
- 12.2 It was contended that after the passing of the 21.11.2023 Order and in order to misguide the Court, the Appellant made insignificant alterations in its 20 gm packaging and introduced a new 10 gm packaging to show the difference in the 2 packaging and as such this conduct reeks of malice. The learned Single Judge has found the packaging to continue to be deceptively similar. It was contended that the brown packaging has been adopted by the Appellant with *malafide* intent just to create a false ground for vacation of injunction order.
13. The Appellant raised an argument that no new application or suit was filed by the Respondent, in respect of the changes adopted by the Appellant to their art work/get-up/ packaging. It is contended by the Respondent, that by 21.11.2023 Order, the Appellant was restrained from manufacturing or marketing any product using the impugned label or any other label mark which is deceptively similar



to the Respondent registered mark, since the new adopted mark of the Appellant continued to be deceptively similar to the registered trademark of the Respondent, there was no requirement to file a new application/suit by the Respondent.

13.1 In response to the contention of the Appellant, that Respondent himself is not claiming unique rights over the artworks being used in his registered mark, Respondent has clarified that with respect to the lone artwork, being the mountain peaks, overall colours, font colour, etc., Respondent is not claiming any right over it, but if the whole scheme of the artistic artwork is taken into consideration, the Respondent is claiming his absolute right over it.

14. Lastly, learned Senior Counsel for Respondent had relied upon the cases of *Dabur India Limited v. Shree Baidyanath Ayurved Bhawan Pvt. Ltd.*,⁶ *Allied Blenders @ Distillers Private Limited v. Hermes Distillery Private Limited*,⁷ and *Colgate Palmolive Company & Anr. v. Anchor Health and Beauty Care Pvt. Ltd.*,⁸ as also been relied upon by learned Single Judge in the Impugned Order to submit that the determining factors have been rightly applied to allow the injunction.

15. As stated above, the challenge in the present Appeal is to a detailed interim order of protection granted in favour of the Respondent by

⁶ 2012:DHC:3887

⁷ 2024:DHC:288

⁸ 2003 SCC OnLine Del 1005



the learned Single Judge. Learned Counsel for the Appellant has vociferously contended that since the Appellant has modified not only the colour of the packaging but also the size of their products, there is no chance of any confusion arising amongst unwary customers and that the interim directions granted by the learned Single Judge are required to be set aside.

16. The settled legal principle that interim relief is intended to preserve the rights of parties which appear on a *prima facie* case, has been enunciated in a catena of judgments. The Supreme Court in ***Wander Ltd. & Anr. v. Antox India (P) Ltd.***⁹ has held that an action for infringement is taken when there is violation of a right which is recognised by statute, while passing off action is available to a Plaintiff irrespective of the action for infringement where the conduct of the Defendant evidences deception and misrepresentation as under:

“16. An infringement action is available where there is violation of specific property right acquired under and recognised by the statute. In passing-off action, however, the plaintiff’s right is independent of such a statutory right to a trade mark and is against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit. The tort of passing-off involves a misrepresentation made by a trader to his prospective customers calculated to injure, as a reasonably foreseeable consequence, the

⁹ 1990 Supp SCC 727



business or goodwill of another which actually or probably, causes damages to the business or goods of the other trader....”

[Emphasis is ours]

17. The Division Bench of this Court in ***Shree Nath Heritage Liquor Pvt. Ltd. v. M/s. Allied Blender & Distillers Pvt. Ltd.***¹⁰ while setting out the general principles applicable in trademark case based on *McCarthy on Trademarks and Unfair Competition, Ed. IV* has held that to establish the trademark infringement and/or passing off in most cases, it needs to be shown that a large number of buyers (and not a majority) are likely to be confused. It was further held that ‘*likelihood of confusion*’ is the benchmark for both trademark infringement and passing off in the following terms:

“4. It would be profitable to quickly summarize the general principles applicable in trademark cases, and we could do no better than distillate them from McCarthy on Trademarks and Unfair Competition, Ed. IV:

i. *Likelihood of confusion (i.e. confusion is profitable and not simply possible) is the standard for both trademark infringement and passing off.*

ii. *Priority of use needs to be considered.*

iii. *To establish trademark infringement and/or passing off in most cases (we discuss one statutory exception where confusion is presumed by court below) it needs to be shown that an appreciable number of buyers and not the majority of buyers are likely to be confused. Even 1% of India’s population will be an appreciable number of buyers.*

iv. *Likelihood of confusion may be proved in many ways, such as:*

* *Through survey evidence;*

* *By showing actual confusion;*

¹⁰ 2015 SCC OnLine Del 10164



** Through arguments based on a clear inference arising from a comparison of the marks in question and the context in which the marks are used;*

** Under Section 29 of the Trademarks Act, 1999, confusion is presumed if the marks are identical and are used for identical goods/services.”*

[Emphasis is ours]

17.1 The Division Bench further explained that “*confusion*” can be of different categories in the following manner:

“5. Confusion can be of the following categories:

** Point of sale confusion- this refers to confusion that takes place at the time of purchase.*

** Post sale confusion- this includes confusion of those other than the purchaser.*

** Initial interest confusion- this refers to confusion that may be caused initially, i.e. prior to purchase, but at the time of purchase of the alleged infringer/tortfeasor’s product or using its service, the consumer is not confused.*

** Reverse confusion- this occurs when consumers purchase the goods or use services of the senior user thinking them to originate from the junior user.”*

[Emphasis is ours]

18. The test of confusion on identical and competitive goods is even less than in the case of non-similar goods. It is relevant to refer the following text from *McCarthy on Trademarks and Unfair Competition*¹¹, which sets out in cases concerned with the goods that are directly competitive, the degree of similarity to establish confusion will be even less, as compared to dissimilar goods:

*“The degree of similarity of the marks needed to prove likely confusion will vary with the difference in the goods and services of the parties. **Where the goods and services are directly competitive,***

¹¹ 4 McCarthy on Trademarks and Unfair Competition, §23.20.50 (5th ed., 2023) (pp. 193)



the degree of similarity required to prove a likelihood of confusion is less than in the case of dissimilar products.

[Emphasis is ours]

19. The principles applicable to trade dress are slightly different as compared to trademarks. *McCarthy on Trademarks and Unfair Competition*¹² sets out that it is the total combination of elements of trade dress as defined by the plaintiff that is required to be seen. The following extract is relevant:

“Validity and Infringement: Focus on the Totality of the “Trade Dress.”

A defendant cannot avoid liability for infringing a trade dress by segregating out individual elements of the trade dress as defined by plaintiff and arguing that no one of these is valid and protectable in and of itself. It is the total combination of elements of the “trade dress” as defined by the plaintiff that is at issue. This has been the rule for close to a century:..”

[Emphasis is ours]

- 19.1 In addition it is set out that the focus must be on the overall impression created by the trade dress of the infringing mark:

“It is the “multiplicity of similarities,” each of which may be non exclusive with plaintiff, that may result in infringement and unfair competition. A number of courts have said that the focus must be on the overall impression created by the accused trade dress as compared with plaintiff’s trade dress. Or, as one judge put it, ‘the total ensemble of the article as it appears to the average buyer is to be considered’.”

[Emphasis is ours]

20. In the present case, the Respondent has been using the registered mark since April, 2018 and for the period from 2017 to 2022 has

¹² 1 McCarthy on Trademarks and Unfair Competition, §8:2 (5th ed.,2023) (pp.8)



shown an annual sales turnover of the product exceeding Rs.19.53 crores. While the Appellant has stated that it commenced its operations from July 2020, with a turnover of Rs 5.67 crores during the period from 2023 to 2024.

21. A comparison of both the marks would show that they are not identical. However, there are some clear elements of similarity between the 2 which include; (i) both packaging prominently depicts a mountain range; (ii) both use the word PURE SHILAJIT on the packages beneath the mountain. While the Appellant uses a same size font for the term PURE SHILAJIT, the Respondent's packaging shows the word SHILAJIT in a larger font than the word PURE; and (iii) The brand name PURE SHILAJIT - in the case of the Appellant and the Respondent are written in capital letters. The difference is while the package of the Respondent is a square/cube, the Appellant's package is rectangular in shape and the existence of a male figure on the right-hand side of the package.
- 21.1 The shade comparison of 2 packages shows that the Appellant's packaging is in very light olive green/pistachio packet colour while the Respondent's packaging is in an off white/beige colour. The colour shade is however so similar that unless a careful comparison is made, the colours appear to be almost identical.
22. Relying on *McCarthy on Trademarks and Unfair Competition*¹³ and *Shree Nath case* above, it is clear that in cases where goods are

¹³ McCarthy on Trademarks and Unfair Competition, (5th ed.,2023)



similar or identical, the degree of similarity to prove a likelihood confusion is less than as required in case of dissimilar products. As stated above, in such cases what has to be seen is the overall impression created by the goods. It will not suffice if the subsequent user changes one or two features in the mark stated to be infringing, as the overall impression of the trademark/trade dress may still be similar.

23. The ordinary purchaser does not always have the time or patience to do a careful comparison. The Supreme Court in *Parle Products v. J.P. & Co. Mysore*¹⁴ held that an ordinary purchaser is not gifted with the powers of observations of Sherlock Holmes and for an infringement action, it was enough to demonstrate an overall similarity of a product which would mislead the person accustomed to one product to accept the other, if offered. For a case of infringement not a side-by-side comparison but an overall impression of the marks is to be considered. The relevant extract of the said decision is reproduced below:

“9. It is, therefore, clear that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him. In this case we find that the packets are practically of the same size, the colour scheme of the two wrappers is almost the same; the design on both though not identical bears such a close resemblance that one can easily be mistaken for the other.”...

¹⁴ (1972) 1 SCC 618



“...If one was not careful enough to note the peculiar features of the wrapper on the plaintiffs' goods, he might easily mistake the defendants' wrapper for the plaintiffs' if shown to him some time after he had seen the plaintiffs'. After all, an ordinary purchaser is not gifted with the powers of observation of a Sherlock Homes. We have therefore no doubt that the defendants' wrapper is deceptively similar to the plaintiffs' which was registered.”...

[Emphasis is ours]

24. The learned Single Judge has in the Impugned Order conducted a detailed analysis of the similarities and dis-similarities of the packages, the trade dress with respect to the marks of the Appellant and the Respondent. The comparison has also been undertaken in the Impugned Order of other brands in the market selling Shilajit as well.
25. The learned Single Judge has also undertaken a detailed examination of the new packaging and has found that while the change of shade undertaken by the Appellant for its 10gm product may not cause confusion as the overall impression is distinct, the change undertaken in 20 gm product is not sufficient to obviate confusion. We agree with this finding. As stated above, the focus is required to be on the overall commercial impression from a stand point of a person of average intelligence and imperfect recollection. Neither a detailed, nor a side-by-side comparison is relevant.
- 25.1 No doubt, no single party can monopolize colour but replicating a recognizable colour combination on packaging can cause confusion and dilute distinctiveness. Trade dress, including colour, design, layout, and container size, identifies a product's origin. Protection against imitation is crucial to prevent customer confusion, especially



for long-term users. In any event, it is quite clear that there is only a minor shade difference between colours adopted by the Appellant and the Respondent and that this is only the first feature which comes into mind when one is seeing an identical product. Two similar colours are bound to cause confusion to the consumers with average intelligence especially when overall commercial impression is indistinguishable.

26. We agree with the view taken by the learned Single Judge. The overall impression of the Appellant's mark in the 20 gm packaging does not change with the changes made by the Appellant pursuant to the 23.11.2023 Order. Since the marks continue to be deceptively similar, these will continue to be violative of the 23.11.2023 Order. This Court thus finds no infirmity with the Impugned Order.
27. In view of the foregoing discussions, the Appeal is dismissed.
28. It is clarified that the views taken and the findings of this Court in this judgment are in the context of interim reliefs sought. The observations made herein are *prima facie* view and shall not be construed to be a final expression on the merits of this case.

(TARA VITASTA GANJU)
JUDGE

(VIBHU BAKHRU)
JUDGE

SEPTEMBER 18, 2024/pa/r