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

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Date of Decision: 08.02.2024

+ **RFA(OS)(COMM) 13/2023**

SADULRAM & ANR

..... Appellants

Through: Mr.Abhishek Upadhayay, Advocate
versus

RETAIL ROYALTY COMPANY & ANR.

..... Respondents

Through: Mr.Dushyant K Mahant, Mr.Urfee
Roomi, Ms.Janaki Arun,
Mr.Jaskaran Singh and Mr.Ritesh
Kumar, Advocates.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MS. JUSTICE TARA VITASTA GANJU

VIBHU BAKHRU, J. (ORAL)

1. The appellants have filed the present intra court appeal impugning the judgment and decree dated 07.08.2023 (hereafter *the impugned judgement*) passed by the learned Single Judge in CS(COMM) No.117/2023 captioned *Retail Royalty Company & Anr. v. Sadulram, trading as RB Creation & Anr.*

2. By the impugned judgment the learned Single Judge decreed the suit against the appellants and granted a decree of permanent injunction in terms of the paragraph 64 (a) to (e) of the plaint in CS (COMM) No.117/2023. The said prayers are set out below: -

“a. An order for permanent injunction restraining the Defendants, their business affiliates, managers, employees, agents, dealers, licensees, companies,



retailers, wholesalers, distributors or any persons/entities that are under the control of the Defendants or are related or affiliated to the Defendants, as the case may be, and all others, acting for and on behalf of the Defendants, from offering for sale, selling, displaying, advertising, marketing, whether directly or indirectly, and whether on the Internet or otherwise, readymade clothing and any other similar/ related/ allied/ cognate goods bearing the Defendants' Marks



depicted herein, i.e.,

and



marks that incorporate the Defendants' Marks, or any other mark that is identical/deceptively similar to the Plaintiff's Marks



thereby resulting in violation of the Plaintiffs statutory and common law rights in the Plaintiffs Mark;

b. An order for permanent injunction restraining the Defendants, and all others acting for, and on behalf of, the Defendants, from using the Defendants'



Marks

and





marks that incorporate the Defendants' Marks, and marks that are identical/similar to the Plaintiff's



Marks on promotional and advertising material, on business incidentals, third-party business listing websites, or any other acts that will result in violation of the Plaintiff's statutory and common law rights in the Plaintiff's Marks;

c. An order for permanent injunction restraining the Defendants, their partners, managers, employees, agents, dealers, licensees, companies, retailers, wholesalers, distributors or any persons/entities under the control of the Defendants or that are related or affiliated to the Defendants, as the case may be, and all others, acting for and on behalf of the Defendants, from doing any act that amounts to trademark infringement of the Plaintiff's Marks,



and ;

d. An order for permanent injunction restraining the Defendants, their partners, managers, employees, agents, dealers, licensees, companies, retailers, wholesalers, distributors or any persons/entities that are under the control of the Defendants or that are related or affiliated to the Defendants, as the case may be, and all others, acting for and on behalf of the Defendants, from doing any act that amounts to infringement of the Plaintiffs copyright in the Flying Eagle Device Mark depicted herein, i.e.,



and ,

e. An order for permanent injunction restraining the Defendants, their partners, managers, employees,



agents, dealers, licensees, companies, retailers, wholesalers, distributors or any persons/entities under the control of the Defendants or that are related or affiliated to the Defendants, as the case may be, and all others, acting for and on behalf of the Defendants, from doing any act that amounts to passing off of the Plaintiffs Marks;”

3. In addition, the learned Single Judge had also awarded costs quantified at ₹5,50,000/- being 50% of the costs claimed to have been incurred by the respondents.

4. Appellant no.1 had, during the course of proceedings, communicated his intention not to litigate and accordingly, withdrew his application (Application No.5519321) seeking registration of the trademark, which was allegedly claimed to be infringing the respondents’ mark. The appellants had also communicated their intention not to use the allegedly infringing mark to put quietus to the dispute.

5. It is relevant to refer to the competing marks. The same are set out below:



and



(respondent / plaintiff’s mark)

(the appellant’s mark)

6. Undisputedly, the flying eagle included in the trademark used by the appellants, is similar to the respondents’ device mark



(Flying Eagle). However, the appellants claim that their device mark prominently uses the word 'Raiko' and thus it is distinct from the respondents' trade mark, Flying Eagle. The anti-dissection rule does not permit the dissection of a mark and comparison of one feature with another mark. Thus, the principal question to be addressed was whether the appellants' mark was deceptively similar to the respondents' mark. There is also a question whether the use of the



trademark by the appellants would amount to passing off. However, no evidence was led by either of the parties on the aforesaid question.

7. The learned Single Judge had found that if the Flying Eagle device was used by the appellants without the mark RAIKO, there was every possibility of confusion owing to the 'imperfect recollection' test. However, there is no finding that *prima facie* the use of the appellants' mark would lead to any confusion or passing off. Paragraph 14 of the impugned judgment suggests to the contrary. The same is set out below: -

"14. There is no doubt in the mind of the Court that the Defendants are using an Eagle device but the same is identical in nature to the Plaintiffs' device. In addition, the Defendants are using the name



‘Raiko’. Though, there can be no doubt that the registration of the device in favour of the Plaintiffs vests statutory and common law rights upon the Plaintiffs, the Defendant also seems to have developed his own name with the Eagle device. If the eagle device is used without the mark RAIKO, there is a possibility of confusion owing to the imperfect recollection test. Under these circumstances, the Court is inclined to award 50% of the costs which the Plaintiff had incurred which as per Mr. Dushyant Mahant, Id. Counsel for the Plaintiffs is to the tune of Rs.11 lacs.”

8. Further, as noted above, the ‘anti-dissection’ rule is also required to be considered. It may not be permissible to dissect the appellants’ trademark, for the purpose of returning a finding of infringement. In the present case, we find that learned Single Judge has not returned any finding to the effect that the appellants’



trademark is infringing the respondents’ trademark,

9. We are unable to accept that absent any finding of passing off and infringement, which involve questions of fact, a decree for costs could not have been passed.

10. In view of the above, we set aside the impugned judgment awarding costs of ₹5,50,000/- in favour of the respondents. In so far as the decree of injunction is concerned, the learned counsel for appellants submitted that the same does not adversely affect the appellants as the appellants have abandoned the trade mark



, and have also withdrawn the application for registration of the trademark. He states that the appellants do not wish to contest the decree of permanent injunction as given by the learned Single Judge. Thus, we do not find it apposite to interfere with the impugned judgment in so far as it injuncts the appellants from using,



the Flying Eagle trade mark, or any other deceptively similar trademark.

11. The appeal stands disposed of in the aforesaid terms.

VIBHU BAKHRU, J

TARA VITASTA GANJU, J

FEBRUARY 08, 2024

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