

(2009) 05 DEL CK 0332
In the Delhi High Court
Case No : FAO (OS) No. 222 of 2009

Gufic Pvt. Ltd. and Another		APPELLANT
	Vs	
Clinique Laboratories, LLC and Another		RESPONDENT

Date of Decision : 29-05-2009

Acts Referred:

Trade Marks Act, 1999 — Section 30(2)

Citation : (2009) 05 DEL CK 0332

Hon'ble Judges : Valmiki J Mehta, J; Mukul Mudgal, J

Bench : Division Bench

Advocate : Sudhir Chandra, Abhinav Vasisht, Harshita Priyanka, Depbjyoti Bhattacharya and Girija Krishan Varma, for the Appellant; Sandeep Sethi Anuradha Salhotra, Reetika Walia, Sumit Wadhwa and Sindhu Sinha, for the Respondent

Judgement

Mukul Mudgal, J.—The two trade marks in question are "Clinique" of the respondent and "Skin Cliniq Stretch Nil" of the appellant. By the impugned judgment the appellant has been restrained from the use of the word "Cliniq" as part of its trade mark. The learned Single Judge has held that use of the word "Cliniq" by the appellant as a part of its trade mark amounts to infringement and passing off of the trade mark "Clinique" of the respondent.

2. We are of the opinion that the impugned judgment is liable to be stayed for the following reasons:

(A) The two trade marks are not identical. One trade mark is Clinique and the other trademark is Skin Cliniq Stretch Nil. Even if the action is one for infringement, when however the impugned trade mark is not identical with the registered trade mark, the issue to be looked at is that of deceptive similarity, and for determining deceptive similarity, for an infringement action the tests which are applied are the same tests as those of passing off. This position is now well established by the two judgments of the Supreme Court as given below. In the case of Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co., it was

held in para 7 as under:

In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the Court will not enquire whether the infringement is such as is likely to deceive or cause confusion. But where the alleged infringement consists of using not the exact mark on the register, but something similar to it, the test of infringement is the same as in an action for passing-off. In other words, the test as to likelihood of confusion or deception arising from similarity of marks is the same both in infringement and passing-off actions. (Emphasis added)

The ratio of the abovementioned case was also followed recently by the Hon'ble Supreme Court in its case of Ramdev Food Products Pvt. Ltd. Vs. Arvindbhai Rambhai Patel and Others, where in para 91 it is stated as under:

Although the defendant may not be using the actual trade mark of the plaintiff, the get-up of the defendant's goods may be so much like the plaintiff's that a clear case of passing-off could be proved. It is also possible that the defendant may be using the plaintiff's mark, the get-up of the defendant's goods may be so different from the get-up of the plaintiff's goods and the prices also may be so different that there would be no probability of deception to the public. However, in an infringement action, an injunction would be issued if it is proved that the defendant is improperly using the plaintiff's mark. In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the court will not enquire whether the infringement is such as is likely to deceive or cause confusion. The test, therefore, is as to likelihood of confusion or deception arising from similarity of marks, and is the same both in infringement and passing-off actions.

Another judgment which would be relevant is the recent judgment of the Hon'ble Supreme Court reported as Khoday Distilleries Limited (Now known as Khoday India Limited) Vs. The Scotch Whisky Association and Others, . In this judgment the Supreme Court has said that huge and substantial difference in the prices of the two products is a factor which would show that there is no passing off with respect to the goods of the person who claims to be aggrieved as compared to the goods with the disputed trade mark. In the facts of the said case the Supreme Court on account of the difference in the price of whisky being sold under the brand "Peter Scot", the same was held not to result in passing off of the scotch whisky as is/was being manufactured by the scotch whisky manufacturers of Scotland.

The two trademarks are therefore to be compared to see whether use of the trade mark Skin Cliniq Stretch Nil by the appellant leads to passing off of the trade mark Clinique of the respondent. We are of the view that no case of passing off and deceptive similarity arises in the facts of the present case for the following reasons:

(a) There is a substantial and marked difference between the two trademarks

"Clinique" of the respondent and "Skin Cliniq Stretch Nil" of the appellant.

(b) There is a huge price difference between the two products and the class of customers therefore would be substantially different. The difference in the price of the two products is between 4-8 times i.e the product of the respondent is around 48 times costlier than the product of the appellant.

(c) The style, manner of writing and the colour combination of the two trade marks are totally different as a reference to the packaging of the two products show.

(d) Whereas the product of the appellant is an Ayurvedic cream, the product of the respondent is not an ayurvedic product.

(e) Merely because the respondent has a green colour packaging and the fact that the word cliniq in the trade mark of the appellant is shown in another shade of green cannot mean that there is deceptive similarity between the two trademarks because the trademarks are used on packaging which are totally, completely and absolutely separate and has almost no common features.

(B). Another important factor which persuades us to stay the impugned judgment is that the appellant is in the business as claimed by it from the year 1998 and at least since 2001 as per its sales figures given in the written statement which are reproduced below:

Year

100 ml

20 ml

Quantity

MRP Value Rs.)

Quantity

MRP Value(Rs.)

2008-09

119714

14365680

56317

1689510

2008

11800

14136000

86544
2596320
2007
101764
12211680
76607
2298210
2006
123048
14765760
99499
2984970
2005
94669
11360280
79118
2375640
2004
142175
17061000
90296
2708880
2003
150113
18013560
96401
2892030
2002
183761
22051320

113482
3404460
2001
81798
9815760
9350
280500
Total
10,08,842
13,37,81,040
7,07,614
2,12,30,520

The goods are said to be excisable goods and therefore according to the appellant there cannot be any doubt as to the genuineness of these figures.

The law with regard to grant of a pendent lite/interim injunction is well settled and it has been consistently held by this Court and by the Hon''ble Supreme Court that if the business of the defendant has recently started or is about to start, then the things are looked at differently than the position if the business of the defendant has commenced way back and is running successfully for many years. In the latter category of cases where the business is running for many years injunction is not granted to stop a running business because the object of injunction is not to create a new state of affairs not existing in around the date of the suit. Reference in this behalf is invited to a judgment of Single Judge of this Court in QRG Enterprises and Another Vs. Surendra Electricals and Others, . Paras 30, 31 & 39 of the said judgment are relevant wherein the Single Judge has relied upon the Supreme Court judgments for this purpose, and which paras read as under:

30. Interlocutory remedy is normally intended to preserve in status quo rights of the parties which may appear of a prima facie case. As observed by Their Lordships of the Supreme Court in the decision reported as Wander Ltd. and Another Vs. Antox India P. Ltd., :

Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The Court at this stage acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is

stated, "...is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be made against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The Court must weigh one need against another and determine where the "balance of convenience" lies.

31. As observed by Their Lordships in Mahendra & Mahendra Paper Mills Ltd. (supra):

The Court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted.

39. I am required to preserve a status quo, the rights of the plaintiffs and defendants which may appear on a prima facie case. Protection of the interest of the plaintiffs has to be weighed vis-a vis the corresponding interest of the defendants. It is not a case where the defendants have to commence enterprise. Real challenge is to defendants 5 and 6 who have been in business since 1956 and 1974 respectively. In the light of the prima facie facts noted above, balance of convenience and irreparable loss and injury, I am of the opinion that the ex parte ad interim injunction granted to the plaintiffs on 25.11.2004 requires to be vacated.

3. In the facts of the present case the appellant/defendant has pleaded a case of acquiescence in para 4.1 of its written statement and such a defence when laid, especially when the business is going on at least since 2001, then in the year 2009 a running business should not be stopped and acquiescence can be validly pleaded and it would be established during trial when so pleaded and supported by prima facie facts. In such a situation injunction ought not to be granted. Acquiescence is a statutory defence u/s 30(2)(c)(i) of the Trade Marks Act, 1999. In fact the Hon'ble Supreme Court in the judgment of Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd., has held that the case of acquiescence at the stage of grant of interim relief when pleaded by the defendant is to be more easily accepted than at the stage of final arguments because unlike the stage of interim injunction the plea of acquiescence when accepted at the stage of final arguments would result in forever depriving the right as claimed by plaintiff.

4. Accordingly, in the facts of the case for the reasons inter alia stated above we stay the operation of the impugned judgment until further orders and further hearing in the C.M. 7977/2009. Dasti under the Court Master's signature.