
(2006) 10 DEL CK 0042
In the Delhi High Court
Case No : CS (OS) No. 1370 of 2004

Hindustan Pencils Limited

APPELLANT

Vs

J.N. Ghosh and Bros. Pvt. Ltd.

RESPONDENT

Date of Decision : 30-10-2006

Acts Referred:

Companies Act, 1956 — Section 12(3)

Copyright Act, 1957 — Section 50

Trade and Merchandise Marks Act, 1958 — Section 11, 18(1), 31

Citation : (2007) 34 PTC 49

Hon'ble Judges : Pradeep Nandrajog, J

Bench : Single Bench

Advocate : Manmohan Singh and Tejinder Singh, for the Appellant; Chetan Sharma and V.P. Ghiriya, for the Respondent

Judgement

Pradeep Nandrajog, J.—plaintiff, a company registered under the Companies Act claims to be in the business of manufacture and sale of stationery items since 1957. It claims that with effect from the year 1961 it adopted the trade mark "Nataraj" with device of Nataraj (idol) pertaining to stationery items sold by it. Claiming user with effect from 22.7.1961, vide registration No. 225923, 260466, 283730, 400868 and 400869 registration is claimed in respect of pencils, sharpeners, pens, erasers, clips, staples, wire staples, stapling presses, paint brushes, adhesive material etc. under class 16 of Trade and Merchandise Act 1958. plaintiff claims that it has advertised its product through print and television media. It claims popularity of the trade mark and states that the trade mark and the device has attained distinctiveness vis-a-vis the goods manufactured by the plaintiff.

2. In respect of the trade dress where idol of Nataraj is depicted, plaintiff claims copyright vide registration No. A-25427/79.

3. Stating that in December 1987 it learnt that the defendant had applied for registration of the trade mark "Nataraj" with device of Nataraj under class 16 of

the Trade and Merchandise Act 1958 in respect of mathematical instrument boxes, when the trade mark was advertised in the trade mark journal on 16.12.1987, plaintiff claims to have opposed the registration of the trade mark. During pendency of the opposition proceedings before the Registrar of Trade Marks, plaintiff states that it learnt about the infringement of its copyright in the trade dress as defendant obtained copyright registration vide No. 20335/78. plaintiff states that it sought rectification u/s 50 of the Copyright Act.

4. Stating that the defendant's adopted trade mark Natoraj is a slavish imitation of the plaintiff's trade mark Nataraj, intending to confuse the customers, present action has been initiated praying that defendant be restrained from using the trade mark Natoraj in respect of mathematical instrument boxes. Publicity material, cartons, labels etc. be delivered up for destruction. Rendition of accounts has been sought.

5. defense is predicated alleging that the defendant firm M/s. J.N.Ghosh and Bros. no longer exists as the company M/s.J.N.Ghosh and Bros. Pvt. Ltd. took over the business of the erstwhile partnership firm. It is alleged that the defendant is not selling any goods in Delhi and Therefore this Court would have no territorial jurisdiction to entertain the plaint. It is stated that since 1974, defendant was selling its product under the trade mark Natoraj. It is stated that the mark "Natoraj" is not deceptively similar to the trade mark "Nataraj". It is stated that the word "Natoraj" has been derived by the defendant from the word "Nataraj". It is further pleaded that the plaintiff has been enjoined from manufacturing and selling mathematical instrument boxes under the trade mark "Nataraj" in an action brought by a third party, Therefore, plaintiff cannot restrain the defendant from selling mathematical instrument boxes under the trade mark "Natoraj" as plaintiff has no right to use the trade mark "Nataraj" for mathematical instrument boxes.

6. Vide order dated 7.10.1998, on the pleadings of the parties following 8 issues were framed:

1. Whether the plaintiff is the registered proprietor of the trade mark NATRAJ and device of NATRAJ registered under No. 225923, 260466, 283730, 400869 and 466869 in class 16 in respect of various stationery goods mentioned in para 3 of the plaint? OPP
2. Whether the plaintiff is a proprietor of the trade mark NATRAJ only in respect of Mathematical Instruments? OPD
3. Whether the present suit has been filed against the dissolved firm of the defendant? OPD
4. Whether the defendants are passing off their goods as the goods of the plaintiff? OPD
5. Whether this Court has jurisdiction to try this suit? OPD

6. Whether the defendant is a registered proprietor of the copy right NAtorAJ? OPD

7. Whether the suit of the plaintiff suffers from delay? OPD

8. Relief.?

7. In view of the defense taken that business of the defendant has since been taken over by a private limited company, amendment was sought by the plaintiff vide is No. 1620/1996. Amendment sought was to correctly show the defendant as M/s. J.N.Ghosh and Bros. Pvt. Ltd. instead of J.N.Ghosh and Bros. (a partnership firm).

8. The amendment was allowed vide order dated 16.2.1996. Amended memo of parties was taken on record.

9. Parties have led evidence. Shri P.N. Thanawala, authorised representative of the plaintiff has examined himself as plaintiff witness. Shri Madhusudan Ghosh, director of the defendant has examined himself as witness of the defendants.

10. I propose to discuss the evidence of the parties in relation to the issues framed, and Therefore I straightway proceed to discuss the issues.

11. I take up issue No. 5 at the first instance as it relates to the jurisdiction of this Court. Issue No. 5 reads as under:

5. Whether this Court has jurisdiction to try this suit? OPD

12. Issue has been framed in view of the defense taken that the defendant is not selling its goods in Delhi.

13. Shri Chetan Sharma, learned senior counsel for the defendant relied upon a decision of the Supreme Court reported as Dhodha House Vs. S.K. Maingi, . to urge that in a composite suit for infringement of a trade mark as also copyright, and passing off, in relation to infringement of copyright, jurisdiction would have to be determined under the Copyright Act and in relation to infringement of a trade mark or passing off, jurisdiction would have to be determined keeping in view the provisions of the Code of Civil Procedure, 1908 and the Trade and Merchandise Act, 1958.

14. plaintiff claims to have its branch office at Delhi. plaintiff claims that its goods are sold in every nook and corner of India.

15. As regards the defendant, though a stand has been taken in the written statement that the defendant does not sell its goods in Delhi, during evidence, witness of the defendant when examined in chief, stated that the defendant sells its goods only in the State of West Bengal and has never sold goods outside West Bengal, but proved bills and invoices showing sales in different parts of India including the down south State of Tamil Nadu. Documents of the defendant, Ex.D- 2/10-13, Ex.D-2/16-18 and Ex.D-2/20-22 show sales in Bihar, Madras, Assam and Tripura. When confronted with the said documents, vis-a-vis the

stand taken in the written statement that the defendant sells goods only in the State of West Bengal, witness admitted:

It is correct that defendant has all India sale

16. Evidence shows that not only plaintiff but even defendant has presence in Delhi. If that be so, I need not discuss the decision relied upon for the reason due to presence of both parties carrying on business in Delhi, this Court would have jurisdiction to entertain the plaint.

17. Issue No. 5 is decided in favor of the plaintiff and against the defendant by holding that this Court has jurisdiction to entertain the plaint.

18. Issue No. 3 may be next taken up for decision. It reads as under:

3. Whether the present suit has been filed against the dissolved firm of the defendant? OPD

19. As noted above, plaint was amended. Description of the defendant, from that of a partnership firm, was changed to that of a private limited company. Admittedly, defendant is a private limited company. In view of the order dated 16.2.1996 allowing is No. 1620/1996, I hold that issue No. 3 has no consequences. It is trite that where a defendant is misdescribed, corrective action to correctly describe the defendant cures the initial defect.

20. Issue No. 1 reads as under:

1. Whether the plaintiff is the registered proprietor of the trade mark NATRAJ and device of NATRAJ registered under No. 225923, 260466, 283730, 400869 and 466869 in class 16 in respect of various stationery goods mentioned in para 3 of the plaint? OPP

21. plaintiff has approved TM registration obtained vide No. 225923, 260466, 283730, 400868 and 400869 vide Exs.P-1 to P-5. Copyright registration certificate has been proved as Ex.P-6.

22. All registrations have been renewed.

23. Witness of the plaintiff was not cross examined on the factum of registrations obtained by the plaintiff.

24. Registration is in respect of goods in class 16. They relate to all stationery items in respect of which claim has been made in the plaint and as noted in para 1 above.

25. I, Therefore, have no hesitation in holding that the plaintiff has successfully established that it is the registered proprietor of the trade mark of "Nataraj" with device of "Nataraj" under registration No. 225923, 260466, 283730, 400868 and 400869 in class 16 in respect of various stationery goods mentioned in para 3 of the plaint.

26. Vide Section 31 of the Trade Mark Act 1958 registration is prima facie evidence of its validity. The object of the Section obviously is to facilitate proof of title by the plaintiff suing for infringement of trade mark. plaintiff has only to produce certificate of registration of his trade mark to establish evidence of title. Infringement thereof would be actionable. AIR 1971 SC 898, American Home Products Corporation Vs. Mac Laboratories Pvt. Ltd. and Another, American Home Products Corporation v. Mac Laboratories Pvt. Ltd.).

27. Effect of issue No. 1 being decided in favor of the plaintiff would be decided while dealing with issue No. 4.

28. I now deal with issue No. 6, which reads as under:

6. Whether the defendant is a registered proprietor of the copy right NATORAJ? OPD

29. It is the admitted case of the parties, evidenced by the fact that witnesses of both parties admitted opposition by the plaintiff to the application of the defendant when it sought registration of the trade mark "NATORAJ" for mathematical instrument boxes. Witness of the defendant admitted that vide order dated 14.10.1991, Ex.P-2, defendant's application for registration of the trade mark "NATORAJ" was rejected by the Registrar of Trade Marks, Calcutta. It is the admitted case of the parties that an appeal is pending against the order dated 14.10.1991.

30. Thus, as of today defendant cannot claim to be a registered proprietor of the trade mark "NATORAJ". Issue No. 6 is accordingly decided in favor of the plaintiff and against the defendant.

31. Issue No. 2, 4 and 7 may be taken up for decision together as discussion on the said issues would be in light of the same evidence. The three issues read as under:

2. Whether the plaintiff is a proprietor of the trade mark NATRAJ only in respect of Mathematical Instruments? OPD

4. Whether the defendants are passing off their goods as the goods of the plaintiff? OPD

7. Whether the suit of the plaintiff suffers from delay? OPD.?

32. Suit has been filed in 1991. Witness of the plaintiff stated that in December 1987 when defendant sought registration of the trade mark "NATORAJ" with device of NATORAJ in respect of mathematical instrument boxes, plaintiff learnt for the first time that defendant was carrying on business using the trade mark "NATORAJ". That immediately, plaintiff filed opposition. The same was allowed vide Ex.P-2 being order dated 14.10.1991. Witnesses further stated that having learnt that the defendant has obtained copyright registration in its favor, cancellation was sought and vide order dated 3.10.2001 Copyright Board cancelled the registration granted to the defendant. Witnesses stated that plaintiff awaited

decision of its opposition before the Registrar of Trade Marks and on success, filed the present suit.

33. Delay and laches is a principle of equity which defeats a legitimate claim for the reason the opposite party who is allowed to carry on business by the plaintiff, having invested its money and labour would have an equity created in its favor. But where the plaintiff is not passive and is pursuing a remedy before a statutory authority, the same would have to be taken into consideration when a suit is filed.

34. Admittedly, defendant advertised in the trade mark journal only in December 1987. Opposition was filed by the plaintiff immediately thereafter. Opposition succeeded in the year 1991. Suit was filed immediately thereafter.

35. It cannot be said that the suit suffers from delay and laches of the kind which non suits the plaintiff.

36. Registration obtained by the plaintiff does not include mathematical instrument boxes. Not only that, plaintiff has come under a further cloud for the reason a learned Single Judge of this Court has restrained the plaintiff from using the trade mark "Nataraj" as also copyright in the design of its trade dress in relation to mathematical instrument boxes.

37. Said injunction was granted by a learned Single Judge of this Court on 20.12.1982 in the report published as 1982 PTC 6, Prem Chand Gupta v. Hindustan Pencils Pvt. Ltd.

38. Learned Single Judge found that Prem Chand Gupta, carrying on business under the name and style M/s. Universal Trading Company had obtained registration of the trade mark "Nataraj" with device of lord Nataraj in respect of mathematical instrument boxes, being in business since 1974. Noting that M/s. Hindustan Pencils Pvt. Ltd. were using the trade mark since 1961 but not in relation to mathematical instrument boxes, learned Single Judge noted that M/s. Universal Trading Company obtained registration notwithstanding opposition by M/s. Hindustan Pencils Pvt. Ltd. Noting that the issue whether mathematical instrument boxes are cognate with pencils, rubbers, sharpeners etc. can be decided only after evidence is recorded, learned Single Judge restrained M/s. Hindustan Pencils Pvt. Ltd. i.e. the plaintiff from using the trade mark "Nataraj" in respect of mathematical instrument boxes.

39. Said decision has been affirmed by a Division Bench of this Court in the decision reported as 2000 PTC 561, Hindustan Pencils Pvt. Ltd. v. Universal Trading Company.

40. Shri Chetan Sharma, learned senior counsel for the defendant urged that in view of the fact that plaintiff stands enjoined from selling mathematical instrument boxes under the trade mark "Nataraj", in respect of mathematical instrument boxes, plaintiff cannot claim any interest predicated on the trade mark "Nataraj".

41. I am afraid, stand of the defendant has to be rejected for the reason, learned Division Bench has lodged the following caveat:

Before parting, we may however refer to one of the apprehensions expressed by the counsel for appellants. It was submitted by him that the appellants are using the trade mark "Natraj" with the device of Natraj for last about 45 years and its goods had achieved remarkable distinction and respect in the minds of public at large. This was the lurement for many unscrupulous and mischievous minded persons to copy the device in respect of some or other stationary items. The appellants were forced to file cases against these persons who were infringing appellants copyright and the judgment of the learned Single Judge was coming in the way of the appellants. In fact this was one of the principal reasons for which appellants were vehemently arguing the present appeal and wanted judgment of the learned Single Judge to be set aside. We make it clear that such an apprehension of the appellants is not well founded. It goes without saying that in the present case, the registration of the trade mark in question in favor of the respondent is maintained due to the peculiar circumstances of this case including the special circumstances as pointed out above. Such a judgment cannot give leverage to any other party who may try to infringe the trade mark of the appellants. Any suit for injunction and/or rendition of accounts filed by the appellants against any such third party will have to be decided on its own merit without being influenced by the judgment in the instant case

42. Competing marks in relation to goods have to be considered not in relation to identity of the goods but also in relation to cognate and allied goods besides considering the trade channel.

43. Witness of the defendant, in cross examination, admitted that mathematical instrument boxes, i.e., geometry box is purchased by children. It is sold in stationery shops. Witness admitted that product of plaintiff is also sold at stationery shops. Witness admitted that product of the plaintiff is very popular. To quote from his cross examination, witness stated:

It is correct that Nataraj pencil of the plaintiff is very popular. It is correct that the plaintiff's pencil is demanded and sold by the name of Nataraj I sell my geometry box to stationery shops. It is correct that these shops sell pencils also.

44. On the phonetic similarity, DW-1 stated:

It is correct that the words Nataraj and Natoraj are phonetically similar.

45. Before dealing with the case law, it would be important to note that the sale figures of the defendant, as per evidence of the defendant, show a very poor sale of goods manufactured by the defendant.

46. Witness of the defendant stated that since 1974, sales turnover of the defendant up to December 1989 was as under:

YEARS AMOUNTS 1974 Rs. 4,500=00. 1975 Rs. 7,000=00. 1976 Rs. 9,000=00.

1977 Rs. 12,000=00. 1978 Rs. 16,000=00. 1979 Rs. 30,000=00. 1980 Rs. 40,000=00. 1981 Rs. 1,07,000=00. 1982 Rs. 1,40,000=00. 1983 Rs. 2,60,000=00. 1984 Rs. 3,30,000=00. 1985 Rs. 2,00,000=00. 1986 Rs. 2,40,000=00. 1987 Rs. 2,45,000=00. 1988-89 Rs. 3,70,000=00. 1989-90 Rs.2,60,000=00. up to December-1989

47. As per evidence of the plaintiff, sale figures of the plaintiff as also advertisement expenses are as under:

YEAR	SALES IN RS.	ADVERTISEMENT EXPENSES
1961-62	4456.00	10788.00
1962-63	77706.50	15747.00
1963-64	106753.00	10595.00
1964-65	382654.00	19504.00
1965-66	653069.00	29648.00.00
1966-67	591132.00	55065.00
1967-68	788118.00	5613.00
1968-69	1253180.00	10387.00
1969-70	1281014.00	39272.00
1970-71	665511.00	17891.00
1971-72	1828462.00	52717.00
1972-73	1823085.00	70865.00
1973-74	2464635.00	37998.00
1974-75	2926260.00	61372.00
1975-76	3296364.00	88958.00
1976-77	4377428.00	55079.00
1977-78	5015021.00	326833.00
1978-79	4880508.00	53500.00
1979-80	7130688.00	484972.00
1980-81	8534158.00	1257359.00
1981-82	10671576.00	646537.05
1982-83	14050166.00	568241.50
1983-84	37700000.00	685000.00
1984-85	28249000.00	1412000.00
1985	50431000.00	1960000.00
1986	67010000.00	2949000.00
1987	73701000.00	1195000.00
1988	90230000.00	3157000.00
1990	125900000.00	2941000.00
1991	175700000.00	3970000.00
1992	230048000.00	3943000.00
1993-94	280593000.00	4020000.00
1994-95	432570000.00	6500000.00
1995-96	574565000.00	9738000.00

48. Sale of the defendant is meager. Not only that, cross examined on the sales, witness stated that apart from selling mathematical instrument boxes under the name "Natoraj", sale under other trade marks such as Glory, Cambridge, Pagoda, Bullet, Lion, Striker, Sarothi and Darbar was also effected by the defendant in respect of goods manufactured by it. Witness stated that the sale figures referred to in examination-in-chief pertained to the entire business of the defendant.

49. It is Therefore obvious that the sale by the defendant of its product under the trade mark "Natoraj" is extremely meager.

50. Witness of the defendant was cross examined in respect of its account books and other records. Witness did not produced the same. Adverse inference would Therefore have to be drawn against the defendant that if break-up of sale figures was available in respect of different products manufactured by the defendant, sales pertaining to geometry boxes using the trade mark Natoraj would be virtually negligible.

51. Ex.P/W-1 is the sample of the mathematical instrument box used by the defendant. It shows a deceptive similarity with the cartons used by the defendant in which pencils are sold by the defendant. The word "Nataraj" and "Natoraj" are phonetically similar. Children are the consumers. Trade channel is

stationery shops.

52. The Registrar of Trade Marks, in his order dated 14.10.1991, observed as under:

if the applicant at the time of making the application had knowledge that the mark as applied for or a similar mark had already been used by another trader in relation to similar goods, then the claim to proprietorship made by him is false and fraudulent.

In the instant case, I have already upheld the opponents' objection arising u/s 11(a) on the ground that the opponents' mark had great reputation on the date of application of the impugned trademark. In view of this position, it is unlikely that the applicant had adopted the mark without the knowledge of the opponents' marks. While going through the application file, I find that the registrar had already cited the opponent's marks as conflicting with the impugned application. Hence, the applicants can not deny the knowledge of the opponents' objection arising u/s 18(1) to the registration of the impugned trademark in the name of the applicants is sustained....

xxxx xxxxx xxxxxx ...In the instant case before me, I have already held that the adoption of the impugned mark by the applicants were not honest. Though the applications have claimed user of their mark since 1974 but the sale figures having from 1974 to 1981 are very meager, besides, the quantum of concurrent user shown by the applicants having regarding to duration, area and volume of trace on the date of application is not adequate to justify the grant of registration u/s 12(3) of the Act.

Mr. Bhalerao, the learned Counsel of the opponents informed me at the time of hearing that the opponent had filed infringement and passing off suit against the applicants and the applicants were avoiding to receive the summons from the court.

In view of the above reasons, the opponents' objection arising u/s 12(3) is sustained and I hold that the applicants are not entitled to registration u/s 12(3) of the Act

53. Observations noted in the under noted judgments bring out the proposition that weightage has to be given to various factors such as class of consumers, trade connection between different goods, allied and cognate nature of goods, trade channel, reputation acquired by the plaintiff, phonetic or visual similarity in the competing marks:

i. Corn Products Refining Co. Vs. Shangrila Food Products Ltd.,

... there is no reason why the test of trade connection between different goods should not apply where the competing marks closely resemble each other just as much as it applies, as held in the black magic and panda cases, where the competing marks were identical. Whether by applying these tests in the

particular case the conclusion that there is likelihood of deception or confusion would be arrived at would depend on all the facts of the case.

ii Laxmikant V. Patel Vs. Chetanbhat Shah and Another,

10. A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale of goods or services in the same name or by imitating that name in results in injury to the business of one who has the property in that name.

The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that the goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person accepts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.

13. In an action for passing off it is usual, rather essential, to seek an injunction temporary or ad-interim. The principles for the grant of such injunction are the same as in the case of any other action against injury complained of. The plaintiff must prove a prima facie case, availability of balance of convenience in his favor, and his suffering by an irreparable injury in the absence of grant of injunction. According to Kerly (ibid, para 16.16) passing off cases are often cases of deliberate and intentional misrepresentation, but it is well settled that fraud is not a necessary element of the right of action, and the absence of an intention to deceive is not a defense though proof of fraudulent intention may materially assist a plaintiff in establishing probability of deception. Christopher Wadlow in Law of Passing off (1995 Edition at 0.3.06) states that the plaintiff does not have to prove actual damage in order to succeed in an action for passing off. Likelihood of damage is sufficient. The same learned author states that the defendant's state of mind is wholly irrelevant to the existence of the cause of action for passing off. As to how the injunction granted by the court would shape depends on the facts and circumstances of each case. Where a defendant has imitated or adopted the plaintiff's distinctive trade mark or business name, the order may be an absolute injunction that he would not use or carry on business under that name. (Kerly, ibid para 16.97)

iii) Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd.,

35. Broadly stated in an action for passing off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors to be considered:

1. The nature of the marks i.e. whether the marks are work marks or label marks of composite marks i.e. both words and label works.
2. The degree of resemblance between the marks, phonetically similar and hence similar to idea.
3. The nature of the goods in respect of which they are used as trade marks.
4. The similarity in the nature, character and performance of the goods of the rival traders.
5. The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.
6. The mode of purchasing the goods or placing orders for the goods and
7. Any other surrounding circumstances which may be relevant to the extent of dissimilarity between the competing marks. Weightage to be given in each of the aforesaid factors depends upon facts of each case and the same weightage cannot be given to each factor in every case.

vii) Bajaj Electricals Limited Vs. Metals and Allied Products and Another,

that the mere fact that an article manufactured by the contesting parties are different in nature is not necessary to the claim that the defendants are guilty of passing off. We entirely agree that the conclusion recorded by the learned trial judge that there is identity of the goods, the market and the goods manufactured by both the plaintiff and respondent are sold under the same shop. Mr. Cooper complained that the electric goods manufactured by the plaintiff and the stainless steel goods manufactured by the defendants are not sold in one shop. The submission is not accurate but it is a common experience that Kitchen and Kitchen appliances like mixer, grinder and stainless utensils are sold in the same shop. At this interim stage, we are not prepared to accept the submission of Mr. Cooper on this account and we see no reason to take a different view from the learned single judge on this aspect. In our judgment, prima facie, it is clear that the defendants have intentionally and deliberately tried to pass off their goods by using of the name Bajaj.

ix) Sunder Parmanand Lalwani and Others Vs. Caltex (India) Ltd.,

In this case, the goods are totally different. There is no trade connection between them. There is no connection in the course of trade, nor any common trade channels. There are factors against holding that there would be any danger of deception or confusion. But we must consider the factors which tend to show that there is a likelihood of creating deception or confusion. The opponents have been using their mark on a very large scale since 1937. Their sales in 1956 exceeded Rs. 30 crores. Their publicity is wide spread and large. In 1956, they spent over a million rupees on advertisements. The goods in respect of which they use the trade mark "Caltex" are mainly petroleum, kerosene and lubricants

like grease and oils etc. The goods in respect of which the applicant seeks registration are mainly watches. The class of goods in respect of which the applicant seeks registration is wider than watches and watches can be both costly and cheap.

x) (1983) FSR 155, Logo System Aktieselskab and another v. Lego M.Lemelstrich Ltd.

(1) That the plaintiffs had established a high reputation in the mark LEGO which extended beyond the field of toys and construction kits the mark LEGO was wholly distinctive of them and had in fact become a household word;

(2) The reputation of the plaintiffs' mark and their goodwill was wide enough to extend to goods such as garden sprinklers and other irrigation equipment.

(3) That the use of the trade mark LEGO in relation to products of the defendants would mislead persons into thinking that those products were the goods of or connected with the plaintiffs.

(4) In the law of passing off as it has recently developed, there was no limitation respect to the parties' field of activity to that of the plaintiffs would be relevant as to whether the acts complained of in a particular case amounted to a misrepresentation.

(5) The effect of the defendants continuing to use LEGO in relation to their products would destroy that part of the plaintiff's reputation in their mark LEGO and the goodwill attached to it. In view of the nature and extent of the plaintiff's reputation in the mark LEGO, such use was calculated to injure the plaintiff's goodwill in the sense that it was a reasonably foreseeable consequence that it would do so;

(6) As a substantial number of persons would think that the use of LEGO on or in relation to the defendants' products would indicate that they were the plaintiffs' goods, the inability of the plaintiffs to control such use involved a real risk of injury to their reputation in the mark and hence to their goodwill."

xiii) 1999 PTC (19) 521 Essel Packaging Limited and Ors. v. Essel Tea Exports Ltd.

14. In the present case also, one of the points which arises for determination is the controversy pertaining to common field by activity. It is the case of the defendants herein that they are in the Tea Export Business whereas the Group of Companies of the plaintiffs whereas the Group of Companies of the plaintiffs are not in Tea Export Business. It is also contended that even one of the companies which is in the Tea Export Business does not bear the name "ESSEL" and in the circumstances, the plaintiffs are not entitled to an interim injunction in passing off action. This argument was also advanced in the case of Kirloskar Diesel Recon Pvt. Ltd. (supra) and it was rejected by Jhunjhunwala, J. by observing that the expression common field of activity is not conclusive for deciding whether there can be a passing off action although at one point of time the said test was

treated as conclusive. With the passage of time the law on requirement of common field of activity in a passing off action has radically undergone a change and, according to the learned single Judge, there is no requirement for a common field of activity to found a claim in passing off because the real question in each of such cases is whether there is, as a result of misrepresentation, a real likelihood of confusion or deception of the public and consequent damage to the plaintiffs is likely to be caused and if that is the test then the focus is shifted from the external objective test of making comparison of activities of parties to the state of mind of public in deciding whether it will be confused. Applying the test of misrepresentation, the learned single Judge Jhunjhunwala, J. observed that the business activity of the plaintiffs, namely, "Kirloskar Group of Companies" which vary from pin to leno as borne out from the object clauses of the Memorandum of Association is likely to create confusion if the Defendants' business activities are allowed to be carried out in the name of Kirloskar Diesel Recon Pvt. Ltd. because in the case of trading name which has become almost a household word and under which trading name a variety of activities are undertaken, a passing off can successfully lie if the defendant has adopted identical or similar trading name.

15. In the case of Taprogge Gesellschaft MBH Vs. IAEC India Ltd., the Division Bench of this Court while granting injunction has observed that it is always in the interest of fair trading and in the interests of all who may wish to buy or to sell goods, the law recognises that certain limitations upon freedom of action are necessary and desirable. In some situations the law had to resolve what might at first appear to be conflicts between competing right. In solving the problems which have arisen there has been no need to resort to any abstract principles but rather, to the straight-forward principle that trading must not only be honest but must not even unintentionally be unfair.

54. plaintiff has successfully proved sale of its products since 1961 under the trade mark "Nataraj". Witness of the defendant has admitted reputation of the plaintiff. Witness has admitted that product of the plaintiff is purchased by the children in reference to the trade mark "Nataraj". Children go to the shop and tell the shopkeeper "we want to buy a Nataraj pencil". Nataraj has been admitted by the witness as phonetically similar to Nataraj. Considering common consumer as also the same trade channel I have no hesitation in holding that defendant has dishonestly attempted to trade upon the goodwill of the plaintiff. Defendant has attempted to pass off its goods as that of the plaintiff.

55. Notwithstanding that the plaintiff does not have registration for its trade mark "Nataraj" in respect of geometry boxes, (mathematical instrument boxes), in view of the law laid down in various decisions and as noted above, plaintiff would be entitled to an injunction against the defendant. The cloud on the right of the plaintiff in its litigation with M/s. Universal Trading Company eclipses plaintiff's right only qua said party. The said order does not give a license to third parties to infringe the right of the plaintiff. This aspect has been clarified by

the Division Bench of this Court, relevant observations are as noted in para 41 above.

56. I accordingly decide issues No. 2, 4 and 7 in favor of the plaintiff and against the defendant. Therefore, under the issue "Relief" plaintiff would be entitled to a decree of perpetual injunction as prayed for.

57. On the issue of damages, considering the sale figure of the defendant and the fact that the meager sales between Rs. 4,500/- to Rs. 3,70,000/- includes various products of the defendant, learned Counsel for the plaintiff stated during arguments, that no useful purpose would be served in seeking rendition of accounts. Learned Counsel stated that he leaves it to this Court to impose token damages.

58. Assuming 15% was the profit made by the defendant on total sales, highest sale being in sum of Rs. 3,70,000/-, maximum profit earned by the defendant would be approximately Rs. 48,000/- in the year 1988-89. In the preceding and succeeding years, the profits would be much less. Considering that the defendant was manufacturing and selling products under as many as 9 trade names, profits earned by the defendant, assuming equal sales of all products, for the goods sold under the trade mark "Natoraj" would vary between Rs. 500/- to Rs. 5,000/- per annum.

59. I accordingly dispose of the suit by passing a decree of permanent injunction in favor of the plaintiff and against the defendant, restraining defendant from selling mathematical instrument boxes or any other stationery items using the trade mark "Natoraj" with device of lord Nataraj forming the backdrop. I further restrain the defendant from selling mathematical instrument boxes or any other stationery item using a mark which is deceptively similar to the plaintiff's trade mark "Nataraj". I further restrain the defendant from using labels or packaging material having a design showing the idol of lord Nataraj or any other idol deceptively similar thereto.

60. I pass a decree of mandatory injunction directing defendant to deliver up all geometry boxes, packaging material, stationery etc. having the trade mark "Natoraj" imprinted thereon to the plaintiff for destruction by the plaintiff within a period of 30 days from today.

61. I award token damages to the plaintiff and against the defendant in sum of Rs. 25,000/-.

62. plaintiff would be entitled to proportionate costs.