

(1993) 04 DEL CK 0041

In the Delhi High Court

Case No : Interim Application No. 9383 of 1988 and Suit No. 3207 of 1988

Kaira District Co-operative Milk Producers Union Ltd.

APPELLANT

Vs

Bharat Confectionery Works (REGD).

RESPONDENT

Date of Decision : 02-04-1993

Acts Referred:

Copyright Act, 1957 — Section 45(1)

Citation : (1993) 2 ARBLR 354 : (1993) ILR Delhi 285

Hon'ble Judges : D.K. Jain, J

Bench : Single Bench

Advocate : Parveen Anand and B.R. Malik, for the Appellant;

Judgement

D.K. Jain, J.

(1) In this suit for perpetual injunction, for restraining the defendants from using and thereby passing off their goods as that of the plaintiff under plaintiff's trade mark "AMUL" or deceptively similar mark or stylised logo script in which the said mark is depicted in relation to biscuits or any other goods covered by plaintiff's registration, the present application under Or.39R.1 and 2 CPC was filed for interim injunction in the same terms. An ex-parte ad-interim injunction against the defendants, as prayed, was granted on 21-12-1988 it still continues.

(2) The plaintiff is engaged in the manufacture and sale of a large variety of food products from milk such as butter, processed milk, cheese, ghee, chocolates, etc. apart from distribution and processing of milk. The plaintiff claims that it is registered proprietor of the trade mark "AMUL" in respect of some products since 1958. The said trade mark, it is claimed, was coined and invented from the first alphabets of the plaintiff's former name, Anand Milk Union Limited and thus, possesses a high degree of an inherent distinctiveness and has come about to be identified and recognized as exclusively belonging to the plaintiff ever beyond substances for human consumption. It is the case of the plaintiff that it has spent substantial amounts by way of advertisement and publicity expenses on

the said trade mark which has acquired a vast and enviable reputation and goodwill; has become distinctive and descriptive of all the goods of the plaintiff and over the years it has become a household name and any food products sold under the said trade mark is taken by the public as manufactured by the plaintiff alone and to demonstrate it the plaintiff has given figures of sales and publicity expenses from 1970-71 to 1986-87.

(3) According to the plaintiff in February 1988 it got to know that the defendants had been marketing biscuits under trade mark "AMUL", absolutely identical to its trade mark. which user by the defendants is fraudulent and malafide with the sole aim to trade upon the invaluable reputation and goodwill acquired by the plaintiff in respect of its goods and thereby to make dishonest and illegal gains by misleading the general public.

(4) The defendants in their reply resist the application mainly on the grounds : (i) inordinate delay on the part of the plaintiff in filing the present suit; (ii) plaintiff's trade mark is registered only in respect of milk based products and Therefore, these are different from the biscuits manufactured by the defendants. (iii) the defendants are owners of copy right in lettering and design of mark "AMUL" as printed on wrappers, which lettering and printing style is different from that found on the wrappers of butler and chocolates manufactured and sold by the plaintiff and (iv) ;here being no trade connection between the defendants' biscuits and plaintiff's chocolates and butter there is no question of any confusion/deception to the public.

(5) I have heard learned counsel for the parties.

(6) Before me, the plaintiff's application for interim relief is resisted primarily on the grounds, namely. (1) that the description of defendants' goods is different from that of the plaintiff, and Therefore, there is no question of any confusion to the consumer, (2) registration of its lettering and design of mark "AMUL" under the Copy Right Act, 1957 protects it from action turn infringement of trademark and (3) plaintiff's delay in filing the present suit.

(7) The first question, which arises for consideration is whether the description of the defendants' merchandise "Amul biscuits" is different from the plaintiff's goods "AMUL" butter, Chocolates etc. In this behalf, it will be useful to make a reference to the Trade Marks Registration Work Manual, issued by the Patents office, London. Based on judicial pronouncements passage 10-:,5 of the said manual enumerates three tests, which should be considered to determine if the goods are of the same description. These are :

(1) Nature of goods;

(2) Purpose of goods; and

(3) Channel of trade of the goods.

(8) Reliving on "FLORADIX" Trade Mark Case (1974) R.P.C. 583 it goes on to add

that in practice if it is considered that the respective goods coincide in respect of the above two headings then this is sufficient to justify a finding that the goods are of the same description.

(9) There is no serious dispute what the plaintiff is the registered owner of the trade mark "AMUL" since 1958 and has been manufacturing and selling its various products Under the said trade mark since then and the defendant has been marketing biscuits in that very mark since about 1986 or so. It appears to me that the nature of goods and the channel of trade of both is the same. Both are edible items, being substances of human consumption, marketed and sold at the same counters. Applying the above test I am, prima facie, of the view that both are goods of the same description.

(10) For the defendants it is, however, contended that the lettering style in the two trade marks is different and the defendants have also given their name on the packings, its user by them is not dishonest or fraudulent, no exception can be taken to its user by them.

(11) To determine the question of similarity between the marks used by the contestants, the matter has to be looked at from the point of view of a person of an average intelligence and imperfect recollection and not of a person of extraordinary memory and of meticulous scrutinising nature. The overall similarity of the idea of the two marks and the phonetic similarity of these can cause confusion in the mind of an average purchaser that the goods belong to the same manufacturing house. As observed by the Supreme Court in *K.R. Chinna Krishna Chettiar Vs. Shri Ambal and Co., Madras and Another*, (1) ocular comparison is not always the decisive test. The resemblance between the two must be considered with reference to ears as well as to eyes.

(12) Over the years the word "AMUL" has become a household word and it has come to denote to the public at large that the food products sold in the market under the said trade-mark are manufactured and come from the house of "AMUL" Butter. The plaintiff's and defendants' goods are ordinarily purchased by the ladies, which include literate and semi-literate and domestic servants, who in most of the cases are illiterate. Under these circumstances the test of phonetic resemblance assumes even greater importance. Needless to say that there is complete phonetic similarity between the plaintiff's mark and the mark used by the defendants. For the buyers of the two goods, the phonetic sound of the word "AMUL" is sufficient enough to identify the goods to be those of the "AMUL Butter PEOPLE", i.e., the plaintiff. Normally they may not even bother to know or look for the name of the manufacturer on the container. They may "AMUL" Butter. Keeping in view the facts of the present case, particularly the nature of the goods and the trade-mark involved, as also the phonetic similarity in the marks used by the plaintiff and the defendants, I feel, the user of the mark "AMUL" by the defendants would vitally confuse an ordinary purchaser of average intelligence.

(13) The last question which remains to be considered is whether the plaintiff is

not entitled to the grant of interim injunction because of the alleged inordinate delay, laches and acquiescence on its part. In support of his contention that the plaintiff was fully aware of the user of the mark "AMUL" by the defendants long time back, Shri B. R. Malik, learned counsel for the defendants, pointed out that : (i) defendants had got their lettering and design of the mark registered under the Copy Right Act in the year 1982 and the certificate of registration to issued mentioned that the work was published, (ii) the defendants have been openly, consistently and notoriously using the mark "AMUL" on their merchandise since 1975, (iii) sometimes the dealers/ representatives of the plaintiff had been contacting the dealers of the defendants while delivering their goods to them and having noticed the defendant's products, must have informed plaintiff's dealers; (iv) the document (page 4f) filed by the plaintiff shows that the defendants started manufacturing the biscuits with the said mark in the year 1986 and (v) in any case after the alleged detection in February 1988, the plaintiff took no steps till December 1988 to restrain the defendants from using the said mark and cannot now turn round to claim a restraint order against the defendants' user of the mark.

(14) I do not agree. The user of the same mark by the defendants does not appear to be honest but deceptive and fraudulent. Such user over a period of time should not debar a plaintiff from seeking the remedy in law against dishonest deceptive user. I here has been consistent judicial opinion that if the defendant acts fraudulently with the knowledge that he is violating the plaintiff's rights, in such a situation even if there has been inordinate delay on the part of the plaintiff in taking action against the defendant, the relief of injunction is not denied. I am supported in it by Hindustan Pencils (P) Ltd. Vs. India Stationery Products Co. and Another, wherein B. N. Kirpal, J., dealing with delay and laches aspect observed that if a party, for no apparent or a valid reason, adopts, with or without modifications, a mark belonging to another, whether registered or not, it will be difficult for that party to avoid an order of injunction because the Court may rightly assume that such adoption of the mark by the party was not an honest one and would be justified in concluding that the defendant, in such an action, wanted to cash in on the plaintiff's name and reputation and that was the sole, primary or the real motive of the defendant adopting such a mark and even if, there were inordinate delay on the part of the plaintiff in bringing a suit for injunction, the application of the plaintiff for an interim injunction cannot be dismissed on the ground that the defendant has been using the mark for a number of years.

(15) If, as is now claimed, the defendants were of the genuine belief that they were entitled to use the same mark for their products, as the plaintiff was not the owner of the said trademark in respect of their goods, they could have applied for registration of the same under the Trade and Merchandise Marks Act. but, perhaps conscious of the provisions of Section 12 of the said Act they chose to file an application under the Copy Right Act for registration of their copy right in lettering and design, as to their knowledge, the Copy Right Act did not provide

lor procedure for opposition. At the relevant time, under the Copy Right Act, there was no obligation for search before entering particulars of the work in the Register of Copy Rights.

(16) Yet another point, feebly urged by learned counsel for the defendants is that their registration under the Copy Right Act provides them with a defense from any action of infringement of a trade mark. Having regard to the provisions of the Copy Right Act, particularly prior to the insertion of Proviso to Section 45(1) of the said Act by the Amendment Act of 1983, I am of the view that the contention is misconceived and the registration obtained by the defendants under the said Act does not provide any defense to them for the user of the plaintiff's registered trade-mark. A plain reading of Section 45 of the said Act suggests that registration there under does not confer any right. I here is no other provision in the said Act which confers right on account of registration under the Copy Right Act unlike the registration under the Trade-Marks Act, Patent Act, etc.; which confers a separate and distinctive right in the owner in respect of the registration.

(17) I am, Therefore, of the prima facie opinion that use of the trade mark "AMUL" by the defendants is calculated to mislead the consumer that goods so labelled are of the plaintiff's manufacture. The defendants are, thus, guilty of passing off. Keeping in view the guiding factors in refusing or allowing the relief of ad-interim injunction, I see no reason not to restrain the defendants from continuing with the misuse of plaintiffs trade mark "AMUL".

(18) The result, Therefore, is that interim injunction granted on 21st December 1988 is made absolute.

(19) I.A. stands disposed of. There is no order as to costs.