

(2015) 11 DEL CK 0171
In the Delhi High Court
Case No : CS (OS) No. 1471/2015

Kamal Kant and Company LLP

APPELLANT

Vs

Raashee Fragrances India Pvt. Ltd.

RESPONDENT

Date of Decision : 04-11-2015

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 4

Citation : (2015) 224 DLT 542

Hon'ble Judges : Valmiki J. Mehta, J.

Bench : Single Bench

Advocate : Sushant Singh, P.C. Arya, Tejinder Singh and Nupur Lamba, Advocates, for the Appellant; Sagar Chandra, Ishan Chandra and Ankit Rastogi, Advocates, for the Respondent

Judgement

Valmiki J. Mehta, J.

I.A. No. 10863/2015 (stay)

1. This application for injunction has been filed in a suit of the plaintiff seeking injunction against the infringement of the registered trade mark and passing off etc. Plaintiff is the registered owner of the trade mark RAJSHREE. Details of registration of the trade mark RAJSHREE have been given in para 4 of the plaint and which shows that there are six registrations of the word mark RAJSHREE in favour of the plaintiff with the first registration commencing from 15.6.1989. Also, besides the fact that there is no dispute that the plaintiff's trade mark is registered, there is also no dispute that plaintiff has commenced business much earlier to the defendant which is said to have commenced business with the impugned trade mark RAASHEE in the year 2009. The plaintiff is using the trade mark RAJSHREE, and the defendant is using the trade mark/word mark RAASHEE for the same products falling in the same Classes 31 and 34 viz of pan masala, supari, betel nuts, zarda mix, mouth freshener and so on.

2. The issue before this Court is whether the trade mark RAASHEE used by the

defendant is deceptively similar to the registered trade mark RAJSHREE of the plaintiff. I may also note that as per the written statement filed by the defendant, defendant has stated that it has ceased manufacturing goods under the trade mark RAASHEE on account of mounting losses, however, the defendant has very cleverly not stated in the written statement that since when defendant has ceased manufacturing of the goods under the trade mark RAASHEE. Therefore, the factual position is that the defendant is not carrying on business with the trade mark RAASHEE, though at one point of time in the year 2009 it did commence business with the trade mark RAASHEE with the same goods which are manufactured and sold by the plaintiff.

3. Since both the parties do not dispute as to what is the law which is applicable to deceptive similarity, let me at this stage reproduce the relevant portions of the applicable ratios of various judgments of the Supreme Court and which are as under:-

(i) 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:

- a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks, i.e. both words and label works.
- b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.
- c) The nature of the goods in respect of which they are used as trade marks.
- d) The similarity in the nature, character and performance of the goods of the rival traders.
- e) 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.
- f) The mode of purchasing the goods or placing orders for the goods.
- g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks."

(ii) Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co.,

"7. 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."

(iii) Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories,

"28. The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark and in equating the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right under S. 21 in respect of a registered trade mark and also of a passing off by the use of the same make. The finding in favour of the appellant to which the learned Counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in their colour and other features and their general get-up together with the circumstance that the name and address of the manufactory of the appellant was prominently displayed on his packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy in the event of the use by another of that mark or a colourable limitation thereof. While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods (Vide S. 21 of the Act). The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable limitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must, no doubt, make out that use of the defendant's mark is likely to deceive, but were the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an limitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade

origin different from that of the registered proprietor of the make would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

29. When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be "in the course of trade", the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for then the infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered (Vide s. 21). A point has sometimes been raised as to whether the words "or cause confusion" introduce any element which is not already covered by the words "likely to deceive" and it has sometimes been answered by saying that it is merely an extension of the earlier test and does not add very materially to the concept indicated by the earlier words "likely to deceive". But this apart, as the question arises in an action for infringement the onus would be on the plaintiff to establish that the trade mark used by the defendant in the course of trade in the goods in respect of which his mark is registered, is deceptively similar. This has necessarily to be ascertained by a comparison of the two marks-the degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standards. The persons who would be deceived are, of course, the purchasers of the goods and it is the likelihood of their being deceived that is the subject of consideration. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. The purpose of the comparison is for determining whether the essential features of the plaintiff's trade mark are to be found in that used by the defendant. The identification of the essential features of the mark is in essence a question of fact and depends on the judgment of the Court based on the evidence led before it as regards the usage of the trade. It should, however, be borne in mind that the object of the enquiry in ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar to that of the registered mark of the plaintiff."

(iv) Laxmikant V. Patel Vs. Chetanbhat Shah and Another,

"8. It is common in the trade and business for a trader or a businessman to adopt a name and/or mark under which he would carry on his trade or business. According to Kerly (Law of Trade Marks and Trade Names, Twelfth Edition, para 16.49), the name under which a business trades will almost always be a trade mark (or if the business provides services, a service mark, or both). Independently of questions of trade or service mark, however, the name of a business (a trading business or any other) will normally have attached to it a goodwill that the courts will protect. An action for passing-off will then lie

wherever the defendant company's name, or its intended name, is calculated to deceive, and so to divert business from the plaintiff, or to occasion a confusion between the two businesses. If this is not made out there is no case. The ground is not to be limited to the date of the proceedings; the court will have regard to the way in which the business may be carried on in the future, and to its not being carried on precisely as carried on at the date of the proceedings. Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently.

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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 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 he 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 adopts 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.

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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 favour and his suffering 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 defence 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 p.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 (ibid, paras 4.20 and 7.15). 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)."

(underlining added)

4. In the present case, this Court has to examine the aspect of deceptive similarity so far as the trade mark as a word mark is concerned i.e RAJSHREE of the plaintiff as compared to the RAASHEE of the defendant and to determine whether there is deceptive similarity between the two word marks.

5. Learned counsel for the defendant has very vehemently argued that there is no deceptive similarity between the trade marks with consequent likelihood of confusion on account of the following factors:-

(i) The two word marks/trade marks of the respective parties are used in Hindi and the words are different when used in Hindi, and this aspect has to be taken with who are the customers who would purchase the goods being pan masala etc in question, and on so doing there will not arise any confusion or deception between the two trade marks.

(ii) There is a vast difference in Hindi language between the meaning of the word RAJSHREE of the plaintiff and RAASHEE of the defendant and when the trade marks are seen with respect to the meaning, this Court should hold that there is no deceptive similarity or any scope for confusion. Though, at one stage, the labels of the respective parties were compared and relied upon, that argument rightly was not pressed because I am not called upon to decide the issue with respect to deceptive similarity or confusion with respect to labels but I have to decide the issue of deceptive similarity only with respect to the word mark RAJSHREE of the plaintiff with RAASHEE of the defendant. Also, the present case is a case of infringement of registered trade mark and not only a case of passing off, though of course, I will discuss the issue of passing off as to whether when the trade mark/word mark RAASHEE of the defendant is used with its label which is different than label of the plaintiff, would there be any issue still of deceptive similarity or confusion on account of the completely different label of the defendant.

6. In my opinion, the injunction application has to be allowed and the interim ex parte Order dated 22.5.2015 has to be confirmed inasmuch as the trade mark/word mark RAASHEE of the defendant is confusingly and deceptively similar to the registered trade mark RAJSHREE of the plaintiff. When we speak the word RAJSHREE, it is found that when the same in Hindi is spoken, on innumerable number of occasions, because of the placement of the Hindi alphabet JA, its usage becomes on many occasions silent when the word RAJSHREE is spoken because of the stronger alphabets RA and SHREE with its vowels before and after the Hindi alphabet JA. There is a tendency especially while speaking the word RAJSHREE hurriedly or in an unclear manner for the alphabet JA in Hindi to become silent on such occasions and which is not unnatural in the class of customers who will purchase the goods in question. The aspect of JA being silent will be a routine when the word RASHEE is spoken in the Hindi dialect unless

customers take great care in specifically pronouncing the whole word RAJSHREE. This aspect has to be also considered both for infringement and passing off actions because as stated above the consumers are the same for the products of both the parties and it is not as if there will be consciousness which will be given by customers to ensure that the alphabet JA in Hindi will be spoken out with emphasis as is given to the two Hindi alphabets of RA and SHREE, when speaking the entire word RAJSHREE. Similar rationale applies to the alphabet R in RAJSHREE. Also, as per the judgment in the case of Cadila Health Care Limited (supra), the mode and manner of selling of the product is relevant and it is seen that actually the selling of products of both the parties, i.e pan masala, mouth freshener, zarda etc, would be through small shops which sell betel leaves, cigarettes and small confectionary items.

7. I would also like to note that the explanation given by the defendant of adopting the word mark RAASHEE on account of the Managing Director of the defendant having seen it in the film "What's Your Raashee" does not inspire the confidence in this Court. No doubt, the meaning of the word RAASHEE or Sun sign/zodiac has a different meaning than the word RAJSHREE in Hindi, however, the trade mark/word mark RAJSHREE and RAASHEE in usage are phonetically and visually similar and the trade mark/word mark of the defendant is deceptively similar and confusingly similar to the registered trade mark RAJSHREE of the plaintiff and thus mere difference in meanings of the two word marks will not take away the deceptive similarity especially because the products in question will not be purchased by relating the purchase to the meaning of the word marks/trade marks.

8. One is at this stage reminded of the observations of the Supreme Court in the case of Kaviraj Pandit Durga Dutt Sharma (supra) in para 28 of the judgment reproduced above, that, where the defendant's trade mark is so close either visually or phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that plaintiff's rights are violated. This judgment further goes on to observe that merely because the get-up, packing and other writing or marks on the goods or on the packets of the defendant show marked difference or indicate a trade origin different from that of the registered proprietor of the mark, such aspects would be immaterial in an action for infringement. As already stated above, since there is confusing similarity and deceptive similarity between the two marks, even the tests with respect to passing off are satisfied by the plaintiff against the defendant in the facts of the present case.

9. It is also necessary to bear in mind that there is no requirement in law for the plaintiff to prove an intention to deceive by the defendant vide Laxmikant (supra). Also, actual proof of damage or loss need not be proved by the plaintiff and it is sufficient to show that there is likelihood of damages/loss being caused.

10. (i) At the cost of repetition, this Court is not convinced of the bona fides of the defendant in adopting the mark RAASHEE which is visually similar when

written in Hindi to the trade mark RAJSHREE of the plaintiff and also phonetically similar including for the reason that the Hindi alphabets JA and R are many a times while speaking the word mark RAJSHREE become silent alphabets. It bears note that after all, the defendant was going to sell the same products which the plaintiff was selling and that too in the same area of operation, and therefore, this Court does not find any credibility in the stand of the defendant that it searched the Registrar of Trade marks for finding out whether there were other trade marks identical or deceptively similar to the trade mark RAASHEE of the defendant. Surely the defendant and its Director or persons in charge of its management would have known that in the very market which they were going to sell its goods, there were already existing same products using the trade mark RAJSHREE having visual and phonetic similarity with the trade mark/word mark RAASHEE of the defendant.

(ii) I am also not impressed by the lack of bona fides on the part of the defendant inasmuch as defendant as of date is not manufacturing goods under the trade mark RAASHEE and possibly which is with from many years inasmuch as the written statement is deliberately silent as to since when the defendant stopped manufacturing goods under the trade mark RAASHEE. Also at the commencement of the hearing, it was put to the counsel for the defendant that this Court need not pass a detailed judgment and for the present ex parte injunction order can be confirmed with liberty to the defendant to seek variation once the defendant shows to the Court that it has proved that it is again wanting to restart the business with the trade mark RAASHEE, but the counsel for the defendant after pass over and taking instructions from the defendant states that defendant has given him instructions to argue the matter. Obviously, the defendant wants to put pressure on the plaintiff and wanting to possibly take some illegal benefit because of the present court case.

11. No doubt, the tests of passing off/infringement are the same as held in the judgment of the Supreme Court in the case of Ruston & Hornsby Ltd. (supra), but the facts of the present case show that these tests of passing off which are laid down by the Supreme Court in the case of Cadila Health Care Ltd. (supra) are satisfied by the plaintiff that goods of the defendant if sold under the trade mark/word mark RAASHEE will result in passing off of the goods of the defendant as the goods of the plaintiff. Merely because the actual meaning of the word mark/trade mark of the defendant is different than the meaning of the trade mark/word mark of the plaintiff, will not mean that there will not be visual and phonetic similarity with respect to the impugned trade mark with the registered trade mark of the plaintiff as the subject products are to be purchased with reference to the trade marks and not the labels.

12. In view of the above, I hold that there is a prima facie case in favour of the plaintiff and against the defendant. Once the trade mark of the plaintiff is registered, there will not arise any issue of delay in filing of the suit because at best for the period of delay, plaintiff will not be entitled to damages but so far as

the subsequent period is concerned, the defendant has no right to infringe the registered trade mark of the plaintiff and also pass off its goods as that of the plaintiff. Balance of convenience is also in favour of the plaintiff and against the defendant in the facts of the present case and plaintiff will be caused grave injury if the injunction is not granted.

13. I.A. No. 10863/2015 is allowed by continuing the operation of the ex parte injunction Order dated 22.5.2015 during the pendency of the suit. Plaintiff will also be entitled to costs of Rs. 50,000/- against the defendant with respect to the decision on the present interim application and which costs be paid in four weeks.

I.A. No. 13625/2015 (under Order XXXIX Rule 4 CPC by defendant)

14. In view of the order passed in I.A. No. 10863/2015, this application will stand dismissed.

CS(OS) No. 1471/2015

15. From pleadings of the parties the following issues are framed:-

(1) Whether plaintiff is the registered proprietor of the trade mark RAJSHREE, if so from when and for which classes? OPP

(2) Whether the registration in favour of the plaintiff continues to be valid for the plaintiff to claim relief on the basis of such registration? OPP

(3) Whether the defendant is guilty of infringing the rights of the plaintiff's registered trade mark RAJSHREE? OPP

(4) Whether the defendant is guilty of passing off its goods as that of the plaintiff by using the trade mark/word mark RAASHEE in the face of the registered trade mark RAJSHREE of the plaintiff? OPP

(5) Whether plaintiff is not entitled to the reliefs claimed on account of any delay and laches in approaching the Court and there is acquiescence by the plaintiff with respect to the defendant carrying on business with the trade mark/word mark RAASHEE? OPD

(6) Relief.

16. Parties will file their list of witnesses within six weeks from today.

17. List before the Joint Registrar for fixing dates of trial on 1st February, 2016.