

(2014) 11 KAR CK 0095

In the Karnataka High Court

Case No : Miscellaneous First Appeal No. 2187/2014 (IPR)

Lakshmi Venkateshwara Rice Mill

APPELLANT

Vs

Maharudra Rice Industries

RESPONDENT

Date of Decision : 24-11-2014

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2, 151
Trade Marks Act, 1999 — Section 29

Citation : (2014) 11 KAR CK 0095

Hon'ble Judges : B.V. Nagarathna, J

Bench : Single Bench

Advocate : D.L.N. Rao, Ld. Sr. Counsel for Nataraj G., Advocate for the Appellant; D.P. Mahesh, Advocate for the Respondent

Judgement

B.V. Nagarathna, J.—This appeal arises out of order dated 13.2.2014 passed by II Addl. District and Sessions Judge, Davanagere, on I.A. No. 1 filed by the defendants under Order XXXIX Rule 1 and 2 read with Section 151 of the Code of Civil Procedure ("CPC" for short) in O.S. No. 1/2013, being aggrieved by the order of temporary injunction granted against them.

2. For the sake of convenience, parties shall be referred to in terms of their status before the trial Court.

3. Facts in a nutshell are that the respondent-plaintiffs have filed the aforesaid suit against appellant-defendants seeking relief of declaration and permanent injunction and mandatory injunction in respect of its registered trade mark "APPU" along with a device of baby elephant and conch shell. The 1st plaintiff is a registered partnership firm in the name and style of "M/s. Maharudra Rice Industries", dealing in rice since the year 1984. According to the plaintiffs, it has been selling its products under the specific brand name "APPU" which has been identified with its business and recognized in the market. The name "APPU" with pictorial representation of a baby elephant is a brand name for its products and the 1st plaintiff has been marketing its products throughout Karnataka and in

South India. In February 2002 the plaintiff- Firm sought registration of "APPU" with the pictorial device of a baby elephant and conch shell as a trade mark under the provisions of the Trade Marks Act, 1999, (herein after referred to as "Act" for short) and it has a registration bearing Trade Mark No. 1078032. That the plaintiff Firm was selling rice in 50 kg, 25 kg and 10 kg bags and in sachets. On coming to know that the defendants are carrying on their business and trade from Hospet with the trade mark "APPU" which is deceptively similar to the plaintiffs trade mark, plaintiffs got issued a legal notice to the defendants on 20.5.2013 calling upon the defendants not to infringe its trade mark to which, an untenable reply was given by the defendants. According to the plaintiffs, the defendants have copied plaintiff's registered trade mark in a deceptively similar manner in order to make wrongful gain and cause loss to the plaintiffs. According to the plaintiffs, this act of the defendants, amounts to infringement under Section 29 of the Act. The name used by the defendants is "APPU Gold" with the device of a baby elephant. Therefore while seeking the aforesaid reliefs, plaintiffs filed I.A. No. 1 under Order XXXIX Rule 1 and 2 read with Section 151 of the CPC seeking an order of temporary injunction against the defendants and their agents restraining them from using the words "APPU Gold" and device of "APPU" which is the name of the baby elephant, on their bags, sachets and stationery materials.

4. In response to the said application, defendants filed their statement of objections inter alia contending that defendant No. 1 is not aware of the plaintiff being engaged in the business or trade in rice since the year 1984 and marketing its products with the pictorial representation of a baby elephant along with the word "APPU". Denying the averments made in the plaint, defendants averred that the brand name and device used by the defendants are quite distinct from what has been used by the plaintiffs and that the two trade marks are different and there is no infringement of plaintiffs' trade mark by the defendants; that the word "MALEBENNUR" is not used on the bags of the defendants; that the defendants had applied for registration of trade mark as "SLVT" - Sri Lakshmi Venkateshwara Rice Mill, Hospet and below that "APPU" i.e. an emblem of baby elephant, whereas plaintiffs trade mark is "SMRI" - Sri Maharudra Rice Industries" Malebennur and below that APPU brand. According to the defendants, the features of the trade marks are distinct. That the word "APPU" is used by so many firms with different features and for so many products and that the plaintiffs cannot claim any exclusive right in the word "APPU". Contending that the plaintiffs have no prima facie case or balance of convenience, it was averred that there is neither infringement of the plaintiffs' trade mark nor any deceptive similarity. The defendants therefore sought dismissal of the application.

5. After hearing counsel on both sides, the Trial Court framed the following points for its consideration:-

"1) Whether the plaintiffs have made out prima facie case for grant of Temporary Injunction as sought for?

2) Whether the plaintiffs have got balance of convenience in their favour?

3) If Temporary Injunction is not granted, does great hardship would be caused to the plaintiffs?

4) What order?"

It answered points 1 to 3 in the affirmative and allowed the application by passing an order restraining the defendants from using the trade mark of the plaintiffs firm by using the word "APPU" Gold and device of "APPU" i.e. baby elephant on its bags, stationery and other materials of the defendants, in a deceptively similar manner to that of the registered trade mark of the plaintiffs firm. Being aggrieved by that order, defendants are in appeal.

6. Learned senior counsel, Sri. D.L.N. Rao, pointed out that the defendants are in the business of trading in rice since the year 1984 and that the petitioners have never made any complaint since then. That the two trade marks are totally dissimilar and that there is no deceptive similarity between the two trade marks. That the trial Court has laid stress on the word "Malebennur" during the course of its reasoning but the defendants have stopped using that word. That the objections filed by the defendants have not been considered in their proper perspective by the trial Court.

7. Drawing my attention to various paragraphs of the impugned order, learned senior counsel for the appellants contended that the trial Court was not right in injuncting the appellants, as the plaintiffs are yet to prove their case before the trial Court and at this stage they had not made out any prima facie case for grant of injunction and that the balance of convenience also does not lie in their favour. It was further submitted that the defendants are in the field of business since the year 1984 and that the plaintiffs have never taken any action against the defendants all these years and therefore the suit itself has to be dismissed on the ground of delay and laches. It was contended that the appeal may be allowed by dismissing the application filed by the petitioners.

8. Per contra, learned counsel for the respondent/caveator Sri. D.P. Mahesh submitted that at paragraph -15 of the impugned order, the trial Court has considered the respective trade marks of the plaintiffs and defendants on the rice bags and on comparison of the same has, prima facie come to the conclusion that the defendants trade mark is deceptively similar to that of plaintiffs' trade mark which is a registered trade mark and therefore has rightly granted an order of injunction against the defendants as the balance of convenience is also in favour of the plaintiffs, as the defendants were passing off their goods as if it was the plaintiffs' goods. He also contended that the comparison of the trade marks by the trial Court was just and proper, as the plaintiffs had produced two bags before the court, one of the plaintiffs and the other of the defendants. He therefore contended that there is no merit in this appeal as the order of the trial Court would not call for any interference.

9. During the course of submission, learned senior counsel showed two bags, one of the plaintiffs and another of the defendants to contend that the two bags were

dissimilar on both sides and that a discerning buyer of rice would make a distinction between the products of the defendants and the plaintiffs.

10. In response to this, learned counsel for the respondent-plaintiffs contended that the two bags which were produced by the learned senior counsel before this Court were not the bags which were produced by the plaintiffs before the trial Court and that the defendant- appellants has changed its bags subsequently and there is every possibility of the defendants once again using the bags similar to the plaintiffs and therefore the bags which have been produced by the appellants before this Court cannot be taken into consideration.

11. In the above premise, the respondent-plaintiffs were directed to file an affidavit about the bags which were produced by them before the trial Court and also to produce the same bags before this Court. To this objections have been filed by the appellants and they have also produced two bags along with it.

12. From the material on record, it is noted that what has been got registered by the plaintiffs under the provisions of the Act are the words "APPU brand", device of baby elephant and conch shell. The said registration is for rice to be sold in the southern States of India only. of course, on going through the documents produced by the appellants, it is noted from document No. 7 that the word "APPU" has been registered for various products such as tea, wheat, salt, vermicelli, spices rice etc. Thus the word "APPU" has to be construed as a generic name which has been registered for several products, particularly food products. But what is noted from document No. 7 is that the Registration Authorities have not registered just the word "APPU" in respect of various products of several applicants. In other words, it is not just the word "APPU" simpliciter, which becomes a registered trade mark. On perusal of document No. 7, it is seen that the word "APPU" is used with other pictorial devices and/or words. Therefore, what makes a registered mark distinct and different from other registered trade marks is the fact that along with the word "APPU" there are other words and devices which are also registered so as to make each registered trade mark distinct from other registered trade marks. For instance, in the case of tea what has been registered is "APPU Tea" along with device of an elephant. So the pictorial device of baby elephant along with words "APPU Tea" becomes a distinctive trade mark. This would also depend upon the colour combination of the trade mark and other distinctive features.

13. In the instant case, with regard to rice, the plaintiffs have got the following registered: "APPU Brand", "device of APPU (baby elephant) and Shell". The pictorial depiction of petitioners' registered trade mark is also noted from document No. 7 and compared with other similar trade marks. Therefore while considering the matter, one has to bear in mind the fact that it is not only the word "APPU" which is the bone of contention between the parties, which in my view, cannot also be, because the word "APPU" has been registered for various products including rice and that no person can have an exclusive right to use the word "APPU". At this stage judicial notice may be taken of the fact that "APPU"

was the name of a baby elephant which was a mascot for Asian Games 1982, held at New Delhi. The pictorial depiction of APPU as a dancing baby elephant has become popular in India, since Asian Games 1982 and is used as a brand name for various products in several trades. But, one has to look at the matter in a holistic manner, then, it is noted that what the plaintiffs have registered is not just the word "APPU brand", but also the device of APPU i.e. dancing baby elephant and shell (Conch Shell). The colour combination of the registered trade mark is essentially in red, yellow and green.

14. Therefore keeping the aforesaid points in mind, the bags used for packing and selling rice produced by the appellants and respondents in this appeal could be considered. Two bags have been produced by the appellant/defendants: one, of the plaintiffs and the other, of the defendants. Similarly, two bags have been produced by plaintiffs. On a comparison of the two sets of bags, it is noted that the bags of the defendants produced by both plaintiffs and defendants are identical. But the bag of plaintiffs, produced by defendants is different from the bag of plaintiffs, produced by plaintiffs before this Court. The two bags produced by defendants, one of plaintiffs and another of defendants, are taken up for comparison.

Plaintiffs' bag has the following features: in the top margin, here is a depiction of various/stages of paddy cultivation; the word "Shri" in Kannada language within a circle; then letters "SMRI" written along with the depiction of "Shanku and Chakra" and the face of Lord Venkateshwara, then the word "APPU" followed by the words COLOUR SORTEX RICE; then the figure of the dancing baby elephant and below it the word "Malebennur" in Kannada and English and below that the words "" and below that the words "". On the obverse side also, the same depiction appears along with details of weight and price etc and the nutritional value of the rice.

As far as the defendants' bag is concerned in the top margin there is a depiction of various stages of paddy cultivation, then the main depiction is as follows: the word "Shri" within a circle, the letters "SLVT" with "Shanku and Chakra" and the face of the Lord Venkateshwara in a circle and then the words "APPU Gold" within a circle; below that the words "COLOUR SORTEX RICE"; then the figure of a dancing elephant, then below that the words of "paddy of HOSPET" and below that the words "DRIER SILKY MILLTECH RICE". On the obverse side, defendants have given the same depiction of paddy cultivation in the top margin and within a circle the words "APPU Gold"; below that COLOUR SORTEX RICE and below that the figure of "APPU" which is in similar version and depiction of the words "paddy of Hospet", thereafter cooking tips are given and information regarding weight, price, nutritional information and below that the words "SLVT" with "Shanku and Chakra" and the face of Lord Venkateshwara in a circle and the name and address of the defendants' firm.

15. On a visual comparison of the facing sides of the two bags, what becomes apparent is the fact that the word "APPU", the figure of a dancing baby elephant

and the conch shell are in identical dimension and colour combination in both the bags. That apart, the words "Shri" in a circle, the words "COLOUR SORTEK RICE" and the size of the figure of the baby elephant and its colour combination are similar. The plaintiffs have used the letters "SMRI", while the defendants have used the letters "SLVT". A bare visual comparison of the two bags gives an instant impression that they are one and the same, as the similarities are borne out not only by the use of words, apart from the word "Appu" but also by the pictorial depiction of the dancing baby elephant as well as colour combination. Merely because the trunk of the elephant in the plaintiffs' bag is to the left side and in respect of the defendants' it is to the right side, would not make much difference, as the very get up of the bag is so identical. In fact, the bag produced by the defendants uses the word "paddy of HOSPET" along with the rest of the depiction detailed above, whereas the bag produced by the plaintiffs uses the word "MALEBENNUR". This is only a minor dissimilarity.

16. In such situation, the test is, whether a person who is buying rice would be misled into buying the product of the defendants as that of the plaintiffs or not. Every depiction of a trade mark has to be considered holistically and one cannot go into minor dissimilarities while considering the overall depiction and get up and design as in the instant case of the bags used for packing rice. On a visual comparison of the bags which have been produced by the plaintiffs and defendants before this Court one, gets an impression that the rice bags are so identical that even discerning buyer would get misled by the get-up of the rice bags. The reasons for this are not too far to see. On the aforesaid analysis it is inferred that the word "Appu", the figure of the dancing elephant; the colour combination of the contents on the bag; the other details and figures being identical and being used for the same product namely, rice bears out a deceptive similarity on the bag of the defendant. The two rice bags are almost identical except for minor differences which are insignificant.

17. A trade mark means a mark capable of being represented graphically and capable of distinguishing the goods or services of one person from others and may include shape of goods, their packaging and combination of colours. Registration of a trade mark confers a very valuable right as the person in whose name the trade mark has been registered may take action against any person for passing off his goods as that of the registered owner. It confers an exclusive right of use of the trade mark in relation to the goods in which the trade mark is registered. According to the Hon'ble Supreme Court, a distinctive mark in respect of goods or service is a trade mark. Therefore a trade mark cannot exist in a vacuum, it can be only in relation to or in connection with the goods or services. The connection is in the course of trade and the right to use the mark.

18. Further, according to the Hon'ble Supreme Court, distinctiveness of a mark is the quintessence of a trade mark, particularly in the context of its registration, it must be capable of being represented graphically. This means that the traders must be able to identify with clarity what the registered mark is. Therefore, the

graphical representation must be adequate for the public to determine precisely the subject of registration even in the case of a generic term, such as Jumbo or APPU as in the instant case. If the word "APPU" only is used it would not be permitted to be registered, but if the word is used with other words or pictorial depictions, it would be distinctive and would be registered. Therefore, it is seen in the instant case that the word "APPU" per se or itself could not have been registered and also cannot be considered to be a distinctive mark but the word "APPU" along with other words and pictorial devices would make it a distinctive trade mark which has been registered.

19. In the present case, the plaintiffs have sought relief on the ground of passing off as well as infringement in the suit. The use by the defendant of the trade mark identical to that of the plaintiffs is not essential in an action for passing off, but it is a sine qua non in the case of an action for infringement. In an action for infringement, the plaintiff must make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiffs and defendant's mark is so close visually, phonetically or otherwise that the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. In other words, if the essential features of the trade mark of the plaintiffs have been adopted by the defendants the fact that they get up, packaging and other writing or marks on the goods or on the packets in which goods are offered for sale show marked difference or indicate clearly a trade origin, different from that of the registered proprietor of the mark would be immaterial, whereas in the case of passing off, defendant may escape liability, if he can show that the added material is sufficient to distinguish his goods from those of the plaintiffs. When once the use by the defendants of the mark which is claimed to infringe plaintiffs' 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. (source: V.J. Taraporevala's Law of Intellectual property, second Edition, 2013).

20. In *Wander Ltd. and Another Vs. Antox India P. Ltd.*, , the Hon'ble Supreme Court observed that in a passing off action the plaintiffs right is independent of the statutory right to a mark and it is in respect of the conduct of the defendant which leads to or is intended or calculated to lead to deception.

21. In *Hindustan Unilever Limited (formerly known as Hindustan Lever Limited) Vs. Ashique Chemicals, Aghin Chemicals and P.C. Thahir trading as Aghin Chemicals and Cosmetics*, , it has been held that the question of deceptive similarity depends upon a variety of factors, including whether the mark said to be infringed forms a dominant or significant part of the impugned mark or whether it is only an insignificant part thereof. If it is insignificant the mere incorporation thereof will not deceive anybody. But where the two marks are identical then no further question arises as infringement thereof is made out.

22. In *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*, , it was held that the likelihood of confusion due to the defendant

using the same or similar mark cannot be discounted by added matters or circumstances of the mark.

23. In *Marconi Electronics v. Mrconi* [2004(28) PTC 433 (IPAB) 437], while considering an application for interim injunction, one of the considerations would be as to whether the defendants had taken any search of the register before adopting the mark. This is in the context of knowing as to whether the adoption of the mark by the defendant was honest or not. If there is no material to establish that the defendant had made an honest effort to verify the use of the very same trade mark by any other trader, the adoption of an identical registered trade mark cannot be considered to be an honest one.

24. In *Horlicks Limited and Others Vs. Bimal Khamrai and Another*, , it has been held that where there is a probability of confusion, an injunction will be granted even though the defendants have adopted a trade mark innocently.

25. In *Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others*, , the Hon''ble Supreme Court has held that the law on the subject is well settled. In cases of infringement either of the trade mark or copyright, normally injunction must follow. Mere delay in bringing an action is not sufficient to defeat the grant of injunction in such cases. The grant of injunction becomes necessary, if it prima facie appears that the adoption of the mark is dishonest. Also the interest of the general public who are purchasers and buyers of the goods have to be protected. In such a case, an injunction order must be granted and delay by itself would not be an obstacle in so doing.

26. In *Lakshmikant Patel v. Chetanbhai Shah*, [AIR (2002) 3 SCC 675], it has been held that in an action for passing off, it is usual to seek an injunction temporary or ad-interim. The principles for the grant of such an 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 irreparable injury, in the absence of grant of injunction. In a passing off action, the plaintiff has to prove only likelihood of damage and not actual damage and at the same time the defendants state of mind is wholly irrelevant to the existence of the cause of action for passing off. of course, the grant of injunction or refusal thereof would depend on facts and circumstances of each case. Where the defendant has imitated and adopted the plaintiff's distinctive trade mark or business, name, an injunction must follow.

27. With regard to the appellate Court's power of interference, the Hon''ble Supreme Court has held that there were limitations on the powers of the appellate court to substitute its own discretion in an appeal preferred against a discretionary order. The appellate court should not interfere with the exercise of the discretion of the court of first instance and substitute its own discretion except where it is found that the discretion has been exercised arbitrarily, capriciously or perversely or where the trial court has ignored settled principles of law regulating grant or refusal of interlocutory injunctions. The appellate court

cannot reassess the material and seek to reach a conclusion different from the one reached by the trial court if it was reasonably possible on the material vide, The Printers (Mysore) Private Ltd. Vs. Pothan Joseph, and Wander Ltd. and Another Vs. Antox India P. Ltd., .

28. On perusal of the order of the trial Court, it is noted that the trial Court has made a visual comparison of the bags produced by the plaintiffs and has come to a prima facie conclusion that the defendants are carrying on business under the same brand name "APPU" and supplying rice similar to that of the plaintiffs" bag in a deceptive manner. This would be difficult for the public to differentiate between the two bags and to distinguish as to whether the product belongs to the plaintiffs firm or the defendants firm, as both of them are carrying business in rice and are supplying it in bags similar to each other.

29. The trial Court has placed reliance on Zino Davidoff SA Vs. Mahendra Kumar Proprietor Associate Inc. India and Smt. Vimala Parmar , to come to the conclusion that there was a prima facie case made out by the plaintiffs of the fact that defendants" trade mark was deceptively similar to the plaintiff registered trade mark and that there was likelihood of confusion in the mind of the public about the plaintiffs goods and the balance of convenience was also in favour of the plaintiffs, as any denial of an order of injunction would only cause loss to the plaintiff by permitting the defendant to trade its products under a deceptively similar mark. Consequently, the trial Court granted injunction by allowing I.A. No. 1 filed by the respondent/plaintiff.

30. On an overall consideration of the matter in light of the facts of the case and on a comparison of the rice bags, settled principles of law and various judicial precedents, I am of the view that the trial Court was justified in granting an injunction against the appellants herein. There is no merit in the appeal and hence appeal is dismissed. Parties to bear their respective costs.

31. It is needless to state that the findings given in this judgment and observations made herein are only for the purpose of this appeal and ought not to influence the trial court while adjudicating the suit on merits on the main reliefs.