

(2000) 05 MP CK 0042

In the Madhya Pradesh High Court

Case No : Miscellaneous Appeal No. 62 of 2000

Laxmi Gudakhu Factory

APPELLANT

Vs

Avinash Gudakhu Factory

RESPONDENT

Date of Decision : 12-05-2000

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2

Citation : AIR 2000 MP 305 : (2001) 1 JLJ 192 : (2001) 4 MPLJ 264

Hon'ble Judges : V.K. Agrawal, J

Bench : Single Bench

Advocate : Satish Agrawal, for the Appellant; Ravindra Shrivastava, for the Respondent

Final Decision : Allowed

Judgement

V.K. Agrawal, J.

This miscellaneous appeal is directed against the order dated 14th December, 1999 in Civil Suit No. 32-A/1999 by District Judge, Ralgarh, whereby the plaintiff/appellant's application under Order 39 Rules 1 & 2 r/w. Section 151 of the C.P.C., marked as I.A. No. 1, was dismissed.

Undisputably, the plaintiff/appellant is a manufacturer of "Gudakhu", which is being used as toothpaste. It carries on business in the name and style of "Laxmi Gudakhu Factory" and sells its product under the registered trade-mark "Saraswati Chhap Gudakhu". The label of the said product is at the top of "Annexure-C", which is marked as "1" for the purpose of convenience. The above trade-mark was registered with the Registrar of Trade Mark under the Trade and Merchandise Marks Act, 1958 (hereinafter called the "Act" for short) on 17-4-1967. It is also not in dispute that the registration as above has been renewed by the plaintiff/ appellant, from time to time, and is still in force. Subsequently, the plaintiff/appellant received information in September. 1999 that the defendant/respondent No. 1 is also selling its product under the trade

name "Ma Saraswati Chhap Gudakhu". The label used by the defendant/respondent No. 1 is at Sl. No. 2 of "Annexure-C". It also appears that subsequently on the protest being raised by the plaintiff/appellant regarding the use of label, as per Sl. No. 2 at "Annexure-C", the defendant/respondent No. 1 changed the trade name as "Ma Saraswati Chhap Gudakhu", the label thereof is at Sl. No. 3 of "Annexure-C".

The plaintiff/appellant filed a suit, copy of plaint is "Annexure-E", alleging that the trade name and label used by the defendant/respondent No. 1 are deceptively similar to the trade name and label used by the plaintiff/appellant. Therefore, the plaintiff/appellant prayed that the defendant/respondent No. 1 be restrained from using the above trade-name and label for selling its product and token compensation of Rs. 5,000/- be granted to the plaintiff. An application for grant of temporary injunction under Order 39 Rules 1 & 2r/w. Section 151 of the C.P.C. (Annexure-F) was also filed.

The defendant/respondent No. 1 resisted the above application. Its first reply to the application is "Annexure-G". It further filed an additional reply (Annexure-H). In the first reply (Annexure-G), the objection raised on behalf of the defendant No. 1 was that the respondents Avinash Agrawal and Subhash Agrawal are not the owners of defendant No. 1. It was also alleged that the label being used for selling of Gudakhu under the trade-name "Ma Saraswati Chhap Gudakhu" is substantially different from the label "Saraswati Chhap Gudakhu" used by the plaintiff/appellant. It was also alleged in the reply that Ashok Kumar Agrawal, who had brought the suit for the plaintiff/appellant, was not the partner of the plaintiff firm, Laxmi Gudakhu Factory. In their second reply (Annexure-H). the defendants alleged that respondent No. 2 Subhash Agrawal has no concern and relationship with the business of defendant/respondent No. 1. Mahesh Kumar Garg is the sole proprietor of defendant/respondent No. 1. It has been submitted that the respondent No. 1 is using a label, which is substantially different from the label used by the plaintiff/appellant. It was further averred in their reply in "Annexure-H" that on the plaintiff's partner Pramod Kumar Agrawal requesting the defendant No. 1 to change the trade name and label, so that the difference in label used by the plaintiff/appellant may become more noticeable, the defendant No. 1 has started using the trade name and label "Ma Saarswati Chhap Gudakhu". Thus the trade name being used as above and label at SI. No. 3 of "Annexure-C" is being used with the consent of the plaintiff/appellant and permission in that regard has also been obtained from the Central Excise Department. Therefore, the trade name being used as above by the Res. No. 1 does not in any manner infringe the right of the plaintiff/appellant. It was, therefore, prayed that the application for temporary injunction filed by the plaintiff/appellant be dismissed.

The learned trial Court in the im-pugned-order noted the various dissimilarities between the two labels. It was observed by the learned trial Court that the two labels are not similar. Accordingly it was held that, prima facie case has not been

established by the plaintiff/appellant. Its application for temporary injunction (Annexure-F) was, therefore, dismissed.

The learned counsel for the plaintiff/ appellant has urged that the learned trial Court has misdirected itself in deciding the application for temporary injunction. It has been submitted that the appellant had got registered its trade-mark under the "Act" and was, therefore, had the exclusive right to use the label, as shown at SI. No. 1 in "Annex. C". It has further been submitted that the appellant is carrying on its business since 1963. It has acquired a reputation and goodwill in the market regarding its product "Saraswati Chhap Gudakhu". It has further been submitted that the respondents are using deceptively similar labels firstly as at SI. No. 2 and then at SI. No. 3 of "Annexure-C". It has been submitted that the above labels used by the respondents have deceptive similarity to the colour, scheme and design with the label and registered trade mark used by the plaintiff/appellant. It has further been submitted that there is similarity between the two trade-marks, i.e., the one used by the plaintiff/appellant and the other being used by the defendant/respondent No. 1. It has been submitted that "Gudakhu" is a product, which is mostly used by illiterate villagers and in view of the similarity between the two trade-marks, they were likely to be misled and deceived in believing the product of the defendant/respondent No. 1 as that of the appellants. It has, therefore, been urged that defendants/ respondents are not only guilty of infringement of the registered trade-mark of the plaintiff/appellant, but are also of "passing off" action.

The learned counsel for the defendant respondent No. 1 has supported the impugned-order. It has been submitted that the trial Court has carefully examined the two labels used by the parties and on comparison has come to the conclusion that they are dissimilar. It has been submitted that the discretion exercised by the trial Court cannot ordinarily be interfered with. The question whether the respondent No. 1 has committed infringement of rights of trademark of the plaintiff/appellant or whether he can be held guilty of "passing off action, can only be considered and decided on merits. However, reasonable and judicious discretion exercised by the trial Court and Its refusal to grant temporary injunction, calls for no interference.

It is an admitted position of the case that the plaintiff/appellant is carrying on its business in the name of "Laxmi Gudakhu Factory" and is selling its product "Godakhu" under the trade name "Saraswati Chhap Godakhu". The trade mark as above was got registered by it under the provisions of the "Act" in the year 1967, which has been renewed, from time to time. One of the labels being used by the plaintiff/appellant is at SI. No. 1 (Annexure-C). It is also clear that the respondent No. 1 has started manufacturing "Godakhu" much later, possibly somewhere in the year 1999. It is selling its product under the trade-name "Ma Saraswati Chhap Godakhu". the label whereof is at SI. No. 2 of "Annexure-C". It also appears that later the above trade-name has been changed and the new name is used as "Ma Saarswati Chhap Godakhu", the label of which is at SI. No.

3 of "Annexure-C". It is also pertinent to note that initially in their first reply (Annex-ure-G) to the application (Annexure-F) under Order 39 Rules 1 & 2 r/w. Section 151 of the C.P.C., the main objection of the respondent No. 1 was that Ashok Kumar Agrawal, who brought the suit on behalf of the plaintiff firm, was not its partner. It was also averred that Avinash Agrawal was not the partner of the respondent No. 1 "Avinish Godakhu Factory" and had nothing to do with its business. However, it may be noticed in the above connection that earlier, the suit was brought against respondent No. 1 Avinash Godakhu Factory through Avinash Agrawal and Res. No. 2 Subhash Agrawal. However, by way of amendment, the name of Avinash Agrawal was deleted and in his place Mahesh Agrawal has been substituted. It was also stated by the respondents in their reply (Annexure-G) that the label being used by the respondents is substantially different from that of the plaintiff/ appellant.

Therefore, in the first reply (Annexure-G), technical objections were raised and a general assertion was made that the labels used by the defendants are different than that being used by the plaintiff. However, in the subsequent reply (Annexure-H), the averment of the defendants/respondents was that when the respondent No. -1 started its factory, the trade-name and label was used carrying the name "Ma Saraswati Chhap Godakhu", which is presumably at Serial No. 2 of "Annexure-C". It was further averred in the said reply (Annexure-H) that on the asking of the partner of the plaintiff firm, respondent No. 1 Mahesh Kumar Garg agreed to replace the words "Ma Saraswati Chhap Godakhu" into "Ma Saraswati Chhap Godakhu" making the dissimilarity in the label used by the respondents more noticeable with the label that was being used by the plaintiff/ appellant. It was, therefore, averred that subsequent trade-name and label, as per Sl. No. 3 of "Annexure-C" was being used by the defendants as per consent of the plaintiff. It was further averred that, therefore, there was no infringement of the rights of the plaintiff and no misuse of the label.

In view of the above contentions, it appears that the main contention of respondent No. 1 as would appear from his subsequent reply (Annexure-H) was that the use of the trade name and label "Ma Saarswati Chhap Gudakhu" was with the consent of the plaintiff/appellant. However, the plaintiff/appellant appears to have refuted the above averment by filing an affidavit that he never consented for the use of the trade name and label as above by the respondents/ defendants. Further it does not stand to reason that the plaintiff would agree to respondents using the label and then making a complaint thereof by lodging a report with the police and filing a suit for infringement of its rights. Obviously, the stand as above taken by the respondents in their reply (Annexure-H) cannot be accepted.

It may be noticed that u/s 27 of the "Act", provision has been made for institution of any proceeding to recover damages for infringement of an unregistered trade-mark. Section 8 of the "Act" provides for registration of a trade-mark in respect of any or all of the goods comprised in a prescribed class

of goods. Section 12 prohibits registration of identical or deceptively similar trade mark in the name of a different proprietor in respect of the same goods or description of goods. Section 27(1) of the "Act" provides that no person shall be entitled to institute any proceeding to prevent, or to recover damages for, the Infringement of an unregistered trade mark. However, u/s 27(2) of the "Act", It has been laid down that the provisions in the "Act" shall not affect the rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof.

It may be noticed that the plaintiff/ appellant in the instant case, is alleging not only the infringement of its right in the trade mark registered under the "Act", but is also alleging that the action of the respondents amounts to "passing off their "Gudakhu" as that of the appellant/plaintiff. For an action for "passing off, the plaintiff has to establish user of the mark prior in point of time than the impugned-user by the defendant. Proof of actual damage or fraud is not necessary in case of "passing off" action. Where the name of one particular individual firm has gained wide reputation in connection with a particular class of goods and another person entering the same trade under a name, which is same or similar and is likely to cause confusion in the minds of the intending purchasers, then obviously, such harm would be caused for which there may not be proper assessment of compensation.

So far as infringement of trade mark is concerned, in order to decide the question of similarity between the two marks and to come to the conclusion as to whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. It would be enough if the impugned-mark bears such an overall similarity to the registered mark as is likely to mislead a person usually dealing with one, to accept the other, if offered to him. The question as above has to be approached from the point of view of a man of average intelligence and imperfect recollection; and it has to be considered as to whether to such a man, the overall structural and phonetic similarity of the two marks would reasonably cause confusion between them.

The apex Court in Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, has observed :

"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. But 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". 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 imitation 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 the use of the defendant's mark is likely to deceive, but where 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 imitation, 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 mark 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."

In the instant case, as noticed earlier, the appellant is the registered owner of the trade mark and uses label as per Serial No. 1 of "Annexure-C" and sells its goods under the trade name "Saraswati Chhap Godakhu". The label at Serial No. 1 (Annexure-C) is in a certain colour scheme, the background of which is predominantly yellow and in the central portion, the picture of Goddess Saraswati having the musical instrument "Bina" is depicted. The background of the picture is in blue colour. There is an aura around the face of the Goddess and "Saraswati Brand" has been written on the top of the picture. So far as the labels at Sl. Nos. 2 & 3 (Annexure-C) which are used by the respondents/defendants, the colour scheme is almost similar. The background of the two labels is yellow. In the central portion of the label, the picture of Goddess Saraswati is printed, while the background of the said picture is in blue. There is an aura around the face of the Goddess and "Ma Saraswati Brand" is written over the picture.

On a glance at the two labels, the two appear to have deceptive similarity. It may be noted in the above connection that there are points of dissimilarity which can be deciphered when the two labels are placed side by side and then differences are noticed between the two. However, it is clear that a consumer of the merchandise does not normally have an opportunity to keep the two labels side by side in order to compare the two and find out the dissimilarities between them. It may be noted that an unwary customer never thinks of doing so; and the mischief is done, as the consumer assumes that he is purchasing the article as that of a particular manufacturer, while it is, in fact, not so. In the instant case also, it appears that the consumer of a goods sold under the label "Saraswati Chhap Godakhu" at Sl. No. 1 in "Annexure-C", could be easily misled and beguiled in purchasing the goods sold under the labels at Sl. Nos. 2 & 3 of "Annex -ure-C".

In view of the above, it is clear that there was deceptive similarity between the labels used by the plaintiff/appellant and that by the respondent/defendant No. 1. Since the plaintiff's label and trade mark was registered and a similar article

was sold on a deceptively similar trade name by the defendant No. 1, it appears that there was infringement of rights of trade mark vested in the plaintiff/appellant and the respondent/defendant No. 1 appears to have also committed "passing off action in selling its "Gudakhu" in above manner.

The learned trial Court, in para 8 of the impugned-order appears to have approached the question of similarity or dissimilarity between the two trade marks, by keeping the two labels side by side and finding out as to whether there are any dissimilarities between the two. By the said exercise, the learned trial Court pointed out various dissimilarities between the two labels and came to the conclusion that they are not similar. The approach as above does not appear to be correct.

The apex Court in Parle Products (P) Ltd. v. J.P. & Co., Mysore AIR 9172 SC 1359 has laid down :--

"To decide the question as to whether the plaintiffs' right to a trade mark has been infringed In a particular case, the approach must not be that in an action for passing off goods of the defendant as and for those of the plaintiff. In order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned-mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him. It is of no use to note on how many points there is similarity and in how many others there is absence of it."

It may also be noted that this Court in Cox Distillery and Another Vs. McDowell and Co. Ltd. and Another, , after examining the pronouncement of the Supreme Court on the point It was observed :-- "The legal position which has, thus, been crystallised by these pronouncements of the Supreme Court is that the Court, while deciding whether one trade mark is infringement of another trade mark, has to see the following :

- (i) Whether the broad features and scheme of the two marks are such that an innocent purchaser would consider one to be the other;
- (ii) The Court has not to proceed on the line as to what are the detailed points of dissimilarities between the two marks, as if the Court was solving a pictorial quiz to count the number of hidden or not so hidden dissimilarities in two, apparently similar pictures.
- (iii) The test is, what would be the impression on the mind of a person who is acquainted with the plaintiff's mark, on seeing the defendant's infringing mark, when the two marks are not side by side before him. If he is likely to consider the infringing mark as that of plaintiff's goods, there is clear deceptive similarity

resulting in infringement of plaintiff's trade mark. So, the best test is that of "impression on mind of an innocent purchaser".

It appears that the trial Court has not correctly approached the question In order to find out as to whether the two labels are deceptively similar or not. The two labels bear similar colour scheme, design as also phonetic similarity. There was all the possibility of deception and a customer was likely to be misguided in purchasing the "Gudakhu" manufactured by respondent No. 1 believing the same to be that of the plaintiff/appellant. It may be noted in the above connection that "Gudakhu" is a product, which is normally used by illiterate persons. Therefore, the criteria as above would apply in the case of the said article with full force. It appears that the learned trial Court has relied upon M/s. Johnson and Johnson v. Christine Hoden India (P) Ltd. AIR 1988 Del 249. That was a case in which the manufacturers of sanitary products under the trade-name "STAY/FREE" complained of sale of similar product under the trade-name "COMFIT ALWAYS". It appears that in the latter product, words "STAY-FREE" were used in several places. It was observed in that case that the trade name, the colour scheme and the gateup as well as other essential features of the two products were altogether different. It was also noted that the above products were generally used by literate and semi-literate ladies and not by illiterate ladles. In view of the above. It was found that there was no likelihood of confusion or deception as the two packings are very much different.

However, such does not appear to be the case in hand. As noticed earlier. "Gudakhu" is used by illiterate persons. The colour scheme, design, the picture of Goddess Saraswati and the words used In the two labels are similar. Therefore, prima facie, it appears that there was possibility of deception.

The learned counsel for the respondent No. 1 has urged that the trial Court, after comparison of the two labels has arrived at a finding of fact. The same should not be interfered with. Reliance has been placed on Wander Ltd. and Another Vs. Antox India P. Ltd., , wherein it has been laid down that the appellate Court will not interfere with the exercise of discretion of the Court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily, or capriciously or perversely or where the Court had Ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. It is true that if the trial Court exercises its discretion reasonably and judiciously, the mere fact that the appellate Court could have taken a different view, would not lead to Interference in the order of the trial Court. However, in the instant case, the trial Court has adopted an erroneous approach to the whole question in comparing the two labels by keeping them side by side, which is not permissible. The question of deceptive similarity, in the context of the various facts and circumstances of the case, as noticed above, leads to a prima facie conclusion thatr there was deceptive similarity between the two labels. Therefore, it is a fit case in which interference in the impugned-order deserves to be made.

Accordingly, the impugned-order is set aside. The application of the plaintiff/appellant for temporary injunction is allowed. It is directed that the defendant/respondent No. 1 shall not sell the "Gudakhu" manufactured by it under the labels at Sl.Nos. 2 & 3 of "Annexure-C" or any other label or trade name, which is deceptively similar to that being used by the plaintiff/appellant as shown at Sl. No. 1 of "Annexure-C". The parties shall, however, bear their own costs of this appeal.