

(2014) 02 DEL CK 0216

In the Delhi High Court

Case No : I.A. No. 9775 of 2008 in CS (OS) No. 2035 of 2006

M/s. S. Oliver Bernd Freier Gmbh and Co. Kg.

APPELLANT

Vs

M/s. Rasul Exports and Another

RESPONDENT

Date of Decision : 05-02-2014

Acts Referred:

Companies Act, 1956 — Section 20 22 22(5) 29(5)

Trade Marks Act, 1999 — Section 11(6) 11(9)(i) 2(1)(zg) 2(4)(c) 2(m)

Citation : (2014) 6 AD 135 : (2014) 208 DLT 84 : (2014) 58 PTC 630

Hon'ble Judges : Manmohan Singh, J

Bench : Single Bench

Advocate : S.K. Bansal, Mr. Ajay Amitabh Suman, Mr. Vikas Khara and Mr. Santosh Kumar, for the Appellant; S. Nanda Kumar and Mr. P. Dhayanand, for the Respondent

Final Decision : Disposed Off

Judgement

Manmohan Singh, J.—The present suit has been filed by the plaintiffs for permanent injunction, restraining infringement, passing off, rendition of accounts etc. against the defendants. The plaintiff, a company incorporated in Germany, is engaged in the business of manufacture and trade of a wide range of fashion and lifestyle products which principally include clothing and ready-made garments of all kinds and fashion accessory products like belts, shoes, bags, watches, eyewear products and fragrances and skincare products (hereinafter referred to as "the said goods and business").

2. It is the case of the plaintiff that since the year 1975, the plaintiff has been continuously, commercially, openly, in course of trade, has been using the trademark "s.Oliver", word per se and labels, which with the passage of time made minor changes in its artistic features, in respect of clothing and ready-made garments. It is stated that the word/mark "s.Oliver" forms an essential key and material part of the plaintiff's trade name and that the plaintiff has built up a globally valuable trade, business, goodwill and reputation.

3. The plaintiff's trademark "s.Oliver" (word per se) is registered in India under Trade Mark Registration No. 522064 in class 25 in relation to articles of clothing included in class 25 as of 29th December, 1989 and the user claimed is that of 1st September, 1975. The said trademark has been renewed from time to time.

4. The plaintiff's said trademark is registered in major countries all over the globe in relation to a wide variety of goods forming part of the said goods and business and is also pending registrations in many countries. The plaintiff has adopted the trademark "s.Oliver" as an essential and material part of its email Id i.e. info@s.oliver.de and domain name www.s.oliver.de. The plaintiff is the proprietor of the said trade mark, trade name and domain name under the statutory law as well as under the common law and claims the said trade mark, trade name and domain name to be "well known" within the meaning of Section 2(1)(zg) of the Trade Marks Act, 1999 (hereinafter referred to as "the Act").

5. The said goods and business of the plaintiff under the said trade mark, trade name and domain name are stated to have gained global trade and reputation and earned huge sales turnovers. The plaintiff is also stated to have been regularly and continuously promoting his said goods and business under his said trade mark and trade name throughout the world through various means and modes besides also sponsoring various sports events and tournaments of international repute. It is stated that the plaintiff has been an active partner and equipper in the National Games of the Special Olympics of Germany. It is also stated that the plaintiff has been spending millions of Euros on the publicity and promotion of the said trade mark and trade name and the goods and business thereunder.

6. The plaintiff's annual reports/catalogues demonstrate that the overall turnover volume of the plaintiff in the year 2001 has more than doubled since 1995 and stood at 615 million Euros. It is stated that there has been a sustained continuous increase in the sales and business of the plaintiff and that the plaintiff throughout the world on its own operates more than 35 mega shops, 200 franchise-partner stores and more than 700 shop-in-shops. Plaintiffs said trade mark, trade name, domain name enjoys reputation and goodwill world over which extends to India through various means and modes like print, electronic and internet media.

7. On the other hand, the defendant No. 1 is a sole proprietary concern of defendant No. 2 and the defendants are engaged in the business of manufacture and trade of clothing, ready-made garments including shirts and related goods (hereinafter referred to as the "impugned goods and business"). The defendants are said to have adopted and using in the course of trade the trade mark "OLIVE" in relation to the impugned goods and business.

8. It is the case of the plaintiff that the impugned trade mark "OLIVE" is identical with and/or deceptively similar to "s.Oliver" trade mark, trade name and domain name of the plaintiff in each and every aspect. The impugned goods and

business of the defendants are also of same/similar/allied/cognate nature to that of the plaintiff.

9. It is stated that the defendants by its impugned adoption and user of the impugned trade mark is violating the plaintiff's trademark, trade name and domain name and thereby passing off and enabling others to pass off his goods and business as that of the plaintiff as well as diluting the plaintiffs' proprietary rights therein. It is stated that resemblance between the two trade marks is so close that it can occur hardly except by deliberate imitation. It is averred that the defendants adopted the impugned trade mark with a view to take advantage and to trade upon the global goodwill and reputation of the plaintiff's trademark, trade name and domain name and further with a view to calculate deception and confusion in the markets and to pass off the impugned goods and business as that of the plaintiff's. The impugned trade mark is bound to cause confusion and deception in the normal course of business activities of the plaintiff and defendants. Both marks are as under:

10. About mid-April 2006, the plaintiff learnt about the defendant no. 1 and impugned adoption of the impugned trade mark for the first time from a search obtained from the Trade Mark Office which revealed that the defendant No. 1 had made an application for registration thereof in class 25. The plaintiff immediately issued a cease and desist notice dated 29th April, 2006 to the defendants calling upon them to cease their impugned adoption and use, however, in the reply dated 27th May 2006, the defendants refused to do so. Since the defendants are persisting with their impugned activities despite the cease and desist notice, the plaintiff filed the present suit.

11. The defendants in their written statement averred that the Plaintiff has no presence in India either at the time of applying for registration of the trade mark "s.Oliver" or now, i.e. at the time of filing the suit. It is stated that the documents filed by the plaintiff list out list of stores and licensees in various countries, but none has been listed in India.

12. It has been stated that prima facie, there is no deceptive or phonetic similarity and therefore, there is no possibility of confusion between the two Trademarks, since while the plaintiff's mark "s.Oliver" is a personal name characterized by an initial, the defendants' mark "OLIVE" is the name of a common fruit tree. Even the Trade Mark Registry did not consider these marks identical as the Examination Report from the Registry did not cite the Plaintiffs' mark as a bar to registration of the defendants mark. The defendants stated that they had no knowledge of the use of the plaintiff mark in India and mere advertisement/registration in the Trade Mark Journal is not sufficient to protect the mark in India, but the actual user is necessary. It is averred that the user claimed by the plaintiff for use in India is completely false.

13. It has been stated that the plaintiff has not even filed the Certificate of Registration of their trade mark on record, which would to some extent establish

their title. It has been also stated that the plaintiff has not been using the mark in India since the application for registration of their trade mark in India filed by the plaintiff in December, 1989 was filed in the name of the plaintiff in Germany and the name of their Trade Mark Agent in India was furnished as the address for correspondence at the Trade Mark Registry which shows that plaintiff did not indicate the place of its business in India. Otherwise also, though the user claimed by the plaintiff in India is since 1975, the application for registration in India was filed in 1989, a full thirteen years after the plaintiff was purportedly using the mark in India.

14. It is the case of the defendants that both the marks are different and since the plaintiff has a website, there can be no confusion or deception as only the educated people access the Internet and that the educated people clearly know the difference between the personal name and the name of a fruit bearing tree and further more the letter "s" which occurs prior to the mark "Oliver" is clearly the distinguishing factor to rule out the deception/confusion between the two marks.

15. The defendants have denied the fact that the plaintiff's mark is a well known trade mark and also averred that the sale figures furnished by the plaintiff is for the turnover globally and is restricted to period between 1999 and 2002 and no figures have been mentioned for the period prior to 1999, furthermore, these figures do not reflect any sale in India. It is stated that when the plaintiff claims that they are a huge multinational company with sales figures running into millions of Euros, then it is surprising that the plaintiff does not have separate audited reports for sale in India. Further, neither any export to India is listed in the list of countries to which goods are exported which is furnished by the plaintiff nor is India mentioned in the list of show rooms and licenses all over the world furnished by the plaintiff.

16. It has been stated that no sales turnover in India, no advertisement costs in India, no place of business in India have been furnished by the plaintiff. This goes to prove that the Plaintiff does not have a presence in India nor are they selling their goods in India, contrary to their claim. It has also been stated that the plaintiff has obtained the registration by misleading the Trade Mark Registry and have not furnished any proof of use of the mark in India since registration and the defendants are planning to move for Rectification of the Register for removing the registered trade mark of the plaintiff from the Trade Marks Register.

17. It has been stated that the defendants have been openly and freely using their mark "OLIVE" since inception and that there has not been a single instance of confusion or deception. The defendants further stated that the mark of the plaintiff is neither invented, nor coined, nor unique nor rare, but the mark is the personal name and is nowhere even remotely similar to the mark of the defendants. It was averred that the plaintiffs have not established any of the claims made by them with regard to their reputation, sales or the fact that the two marks are deceptively or confusingly similar. Rather also, while the

defendants have been using their mark, the plaintiff has not.

Well Known Trade Mark

18. It is the case of the plaintiff before this court that the trade mark "s.Oliver" is a well-known trade mark within the meaning of Section 2(1)(zg) of the Act. The plaintiff has filed the copies of the registration certificate, invoices and recognition of the trade mark in many countries of the world.

19. The aspect of determination of well-known trade mark has been considered by this Court in some recent cases.

20. In the case of Bloomberg Finance LP Vs. Prafull Saklecha and Others, , it was observed in Para 31-44, 48-51 that:

31. As regards infringement, Section 29 of the TM Act 1999 sets out the different situations in which infringement of a registered mark can result. Section 29 of the TM Act 1999 reads as under:

29. Infringement of registered trademarks.

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he-

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trademark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising-

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.

32. Section 29 of the TM Act contemplates the owner/proprietor of the registered trade mark alleging infringement of the said mark by another person who is neither a registered proprietor in relation to the goods and services for which the mark is registered, nor has permission to use such mark in the course of his trade. u/s 29(1) infringement results if the mark is "identical with or deceptively

similar to" the registered trade mark and is in relation to the goods and services for which the trademark has been registered. The use of infringing or impugned mark must render it "likely to be taken as being used as a trade mark".

33. u/s 29(2)(a) infringement occurs where the impugned mark is identical with the registered trademark and the goods or service for which the impugned mark is being used is similar to the goods and services covered by the registered mark. u/s 29(2)(b) infringement occurs where the impugned mark is similar to the registered mark and the goods and the services for which is used is identical with or similar to the goods and services for which the registered mark is used. u/s 29(2)(c) infringement occurs where the impugned trade mark is identical to the registered trade mark and the goods or services for which the impugned mark is used is also identical to the goods/services covered by the registered trade mark.

34. An additional requirement in the above three situations for infringement to result is that the use of the impugned trademark "is likely to cause confusion on the part of the public" or "is likely to have an association with the registered trade mark". u/s 29(3) when the impugned trademark is identical to the registered trademark and the goods/services for which it is used are also identical to the goods or services for which the registration has been granted then "the Court shall presume that it is likely to cause confusion on the part of the public".

35. Therefore, u/s 29(1), (2) and (3) for infringement to result (i) the impugned mark has to be either similar to or identical with the registered mark and (ii) the goods or services for which the impugned mark is sued has to also either be identical with or similar to the goods or services for which registration has been granted. The scenario is different as regards Section 29(4) of the TM Act 1999. For infringement to result u/s 29(4), the following conditions are required to be fulfilled:

(i) the person using the impugned mark is neither a registered proprietor in relation to the goods and services for which the mark is registered nor is using it by way of permitted use

(ii) the impugned mark must be used in the course of trade

(ii) the impugned mark has to be either similar to or identical with the registered mark

(iii) the impugned mark is used for goods or services different from those for which registration has been granted;

(iv) the registered trade mark has a reputation in India;

(iv) the use of the impugned mark is without due cause, and takes unfair advantage of or is detrimental to,

(a) the distinctive character of the registered trade mark; or

(b) the reputation of the registered trade mark.

36. The expression "mark" has been defined in Section 2(m) of the TM Act to include "a device brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof." (emphasis supplied) Therefore, for the purpose of Section 29(4), the use of a mark as part of a corporate name would also attract infringement. In other words, if the registered mark is used by a person, who is not the registered proprietor of such mark or a permitted user, as part of the corporate name under which he trades then also infringement would also result. What is however important is that the registered trade mark must be shown to have a reputation in India and should be shown to have been used by the infringer "without due cause". Further, it should be shown that such adoption or use has resulted in the infringer taking unfair advantage of the registered mark or is detrimental to the distinctive character or repute of the registered trade mark.

37. Section 29(4) is also distinct from Section 29(1) to (3) of the TM Act in another important aspect. The element of having to demonstrate the likelihood of confusion is absent. Perhaps to balance out this element, the legislature has mandated the necessity of showing that (a) the mark has a reputation in India (b) that the mark has a distinctive character (c) the use by the infringer is without due cause. In other words, the legislative intent is to afford a stronger protection to a mark that has a reputation without the registered proprietor of such mark having to demonstrate the likelihood of confusion arising from the use of an identical or similar mark in relation to dissimilar goods and services. The words "detriment" in the context of the "distinctive character" of the mark brings in the concept of "dilution" and "blurring". In the context of "repute" they are also relatable to the concept of "tarnishment" and "degradation". The words "takes unfair advantage" refers to "free-riding" on the goodwill attached to mark which enjoys a reputation. The disjunctive "or" between the words "distinctive character" and "repute" is designedly inserted to cater to a situation where a mark may not have a distinctive character and yet may have a reputation.

38. Section 2(zg) of the TM Act defines a "well known trade mark" in relation to any goods or services to mean "a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or service would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services." u/s 11(9)(i) and (v), for the purposes of registration of a well-known mark it is not necessary for such mark to have been used in India or be well-known to the public at large in India. It must be well known to a substantial segment of the relevant public.

39. It may not be necessary for the proprietor of a registered mark to show that

it is a "well-known trademark" as defined in Section 2(zg) although if in fact it is, it makes it easier to satisfy the "reputation" requirement of Section 29(4) of the TM Act. The presumption of distinctiveness attached to a registered mark is a rebuttable one. At the interim stage, either of these elements should be shown prima facie to exist. Whether in fact these elements are satisfied would depend on the evidence led by the parties at trial.

40. It may be noticed at this stage that even prior to the TM Act 1999 the Supreme Court in *N.R. Dongre and Others Vs. Whirlpool Corpn. and Another*,) recognised the concept of cross-border reputation when it upheld the decision of the Division Bench of this Court which granted a temporary injunction in favour of a Plaintiff based abroad. The Division Bench of this Court followed the decision in *Apple Computer Inc. Vs. Apple Leasing and Industries* , and held that it was not necessary to insist that a particular plaintiff must carry on business in a jurisdiction before improper use of its name or mark can be restrained by the court. The main consideration was "the likelihood of confusion and consequential injury to the plaintiff and the need to protect the public from deception. Where such confusion is prima facie shown to exist, protection should be given by courts to the name or mark".

41. Turning to Section 29(5) of the TM Act 1999, it is seen that it relates to a situation where (i) the infringer uses the registered trademark "as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern" and (ii) the business concern or trade is in the same goods or services in respect of which the trade mark is registered. If the owner/proprietor of the registered trade mark is able to show that both the above elements exist then an injunction restraining order the infringer should straightway follow. This is in the nature of a per se or a "no-fault" provision which offers a higher degree of protection where both the above elements are shown to exist. For the purpose of Section 29(5) of the TM Act 1999, there is no requirement to show that the mark has a distinctive character or that any confusion is likely to result from the use by the infringer of the registered mark as part of its trade name or name of the business concern.

42. However, in a situation where the first element is present and not the second then obviously the requirement of Section 29(5) is not fulfilled. The question is whether in such a situation the owner or proprietor of the registered trade mark is precluded from seeking a remedy u/s 29(4) of TM Act, 1999 if the conditions attached to Section 29(4) are fulfilled.

43. In the considered view of this Court, given the object and purpose of Section 29(1) to (4), Section 29(5) cannot be intended to be exhaustive of all situations of uses of the registered mark as part of the corporate name. Section 29(5) cannot be said to render Section 29(4) of the TM Act, 1999 otiose. In other words, the legislature may not be said to have intended not to provide a remedy where the registered trade mark is used as part of the corporate name but the business of the infringer is in goods or services other than those for which the

mark is registered.

44. The Statement of Objects and Reasons of the TM Act 1999 explain that sub-section (5) of Section 29 "seeks to prevent a person from adopting someone else's trade mark as part of that person's trade name or business name by explicitly providing that such action shall also constitute an infringement under this Act. This provision will bring this clause in harmony with the proposed amendments to Sections 20 and 22 of the Companies Act, 1956." Sections 20 and 22 of the CA have been amended to provide that where the name of a company resembles a registered trade mark, then the registration of the company in that name can be refused. The ROC is expected to gather information from the TM Registry. u/s 22(5) of the CA, the owner of the registered trade mark can apply to have the name of a company that is purportedly infringing the mark cancelled. All of this only strengthens the conclusion that where Section 29(5) offers a high degree of protection where both the elements envisaged in that provision exist, it is not meant to preclude the owner of a registered mark remediless when only the first and not the second element exists."

48. In Mahendra and Mahendra Paper Mills Ltd. Vs. Mahindra and Mahindra Ltd., , the case before the Supreme Court pertained to the grant of an injunction against the Defendant using, in any manner, as a part of its corporate name or trading style the words Mahindra & Mahindra or any word(s) deceptively similar to Mahindra or and/or Mahindra & Mahindra so as to pass off or enable others to pass off the business and/or services of the Defendant as those of the Plaintiffs or as emanating from or affiliated or in some way connected with Plaintiffs. The Defendant contended that its products were in no way similar to that of the Plaintiffs and that the business carried on by it did not overlap with the business of any of the companies enlisted by the Plaintiffs. The Supreme Court held that by using the Plaintiffs trademark as a part of its corporate name, the Defendant had committed the fraud of passing off its business and/or services as that of the Plaintiffs.

49. In Kalpataru Properties Private Limited and Others Vs. Kalpataru Hospitality and Facility Management Services (P) Limited, , the issue was whether an action in passing off was maintainable where the Plaintiff's registered mark was used as part of the Defendant's corporate name and the goods and services dealt with by the parties were in different classes. Following Mahendra and Mahendra, the Court held that a passing off action was maintainable in the case of a well known mark even if the goods and services being dealt with by the parties are not similar.

50. Recently, in Red Hat INC Vs. Mr. Hemant Gupta and Others, , this Court, while dealing with a case which involved the use of a registered trademark as part of its corporate name by the Defendant, held that the Plaintiff could seek a remedy for an infringement u/s 29(4) as well as Section 29(5) of the TM Act 1999.

51. The legal position emerging as a result of the above discussion may be summarised as under:

(a) Section 29(5) of the TM Act 1999 relates to a situation where (i) the infringer uses the registered trademark "as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern" and (ii) the business concern or trade is in the same goods or services in respect of which the trade mark is registered.

(b) This is in the nature of a per se or a "no-fault" provision which offers a higher degree of protection where both the above elements are shown to exist. If the owner/proprietor of the registered trade mark is able to show that both the above elements exist then an injunction order restraining order the infringer should straightway follow. For the purpose of Section 29(5) of the TM Act 1999 there is no requirement to show that the mark has a distinctive character or that any confusion is likely to result from the use by the infringer of the registered mark as part of its trade name or name of the business concern.

(c) However, in a situation where the first element is present and not the second then obviously the requirement of Section 29(5) is not fulfilled. Where the registered trade mark is used as part of the corporate name but the business of the infringer is in goods or services other than those for which the mark is registered, the owner or proprietor of the registered trade mark is not precluded from seeking a remedy u/s 29(4) of TM Act 1999 if the conditions attached to Section 29(4) are fulfilled.

(d) Given the object and purpose of Section 29(1) to (4), Section 29(5) cannot be intended to be exhaustive of all situations of uses of the registered mark as part of the corporate name. Section 29(5) cannot be said to render Section 29(4) otiose. The purpose of Section 29(5) was to offer a better protection and not to shut the door of Section 29(4) to a registered proprietor who is able to show that the registered mark enjoying a reputation in India has been used by the infringer as part of his corporate name but his business is in goods and services other than that for which the mark has been registered.

(e) A passing off action is maintainable in the case of a well known mark even if the goods and services being dealt with by the parties are not similar.

21. In another matter of *Rolex Sa Vs. Alex Jewellery Pvt. Ltd. and Others*, it was observed as under:

15. Section 2(4)(c) defines a well known trademark as the one which in relation to any goods, means a mark which has become so to the substantial segment of the public which uses such goods that the use of such mark in relation to other goods would be likely to be taken as indicating a connection in the course of trade between those goods and a person using the mark in relation to the first mentioned goods. In my view the segment of the public which uses the watches of the category/price range as the watches of the plaintiff, ROLEX is a well known

trademark. The said segment of the public if comes across jewellery/artificial jewellery also bearing the trademark ROLEX is likely to believe that the said jewellery has a connection to the plaintiff.

16. Yet another provision in the Act, though for the guidance of the Registrar but in relation to well known trademarks is to be found in Section 11(6) of the Act. Upon testing the trademark of the plaintiff on the touchstone of the ingredients of the said provision also, I find the said trademark of the plaintiff to be satisfying the test of a well known trademark. The documents filed by the plaintiff i.e., the advertising done in the media in India since 1947 and particularly in years immediately preceding the suit, registrations obtained show that relevant section of the public in India had knowledge of the trademark ROLEX in relation to the watches. The pleadings of the plaintiff and which are not contested also show that the plaintiff for the last nearly one century has been using the said trademark spread over nearly the entire developed/developing world. The advertisements of the plaintiff had appeared in the magazines in this country even when there were import restrictions. The plaintiff has filed documents to show registration of the trademark in a large number of countries and also to show successful enforcement of its rights with respect to the said trademark."

20. Over the years and very quickly in recent times, the international boundaries are disappearing. With the advent of the internet in the last over ten years it cannot now be said that a trademark which is very well known elsewhere would not be well known here. The test of a well known trademark in Section 2(zg) is qua the segment of the public which uses such goods. In my view any one in India, into buying expensive watches, knows of ROLEX watches and ROLEX has a reputation in India. Not only so, to satisfy the needs/demands of consumers in different countries, the well known international brands which were earlier available at prices equivalent to prices in country of origin and which owing to the exchange rate conversion were very high, have adapted to the Indian situation and lowered prices. A large number have set up manufacturing facilities here and taken out several variants. Thus, merely because today the price of a ROLEX watch may be much higher than the price of items of jewellery of the defendants as argued, cannot come in the way of the consumer still believing that the jewellery is from the house of the plaintiff. Also, there can be no ceiling to the price at which the defendants will continue to sell their jewellery. The defendants have claimed to be selling rolled gold jewellery; with the price of gold soaring, there is no certainty that the pieces of artificial jewellery of the defendants would not also be in the same range as the watches of the plaintiff. Even otherwise, the trend in modern times has been towards artificial/semi precious jewellery. In fact, the attraction to gold is confined to this part of the world only. In India also today there are several brands of artificial jewellery/semi precious jewellery whose brand value and/or prices are quite comparable to the gold jewellery of the conventional gold smiths

24. The goods of the plaintiff may lose their sheen to the strata of the society for which they are intended if such strata finds the goods in the same brand name even though not from the house of the plaintiff being available for a much lower price. The goods of the plaintiff would then cease to be a status symbol or a fashion statement. Undoubtedly, the same would be to the detriment of the plaintiff. Having found a prima facie case in favour of the plaintiff and irreparable injury to be caused to the plaintiff by allowing the defendant to continue using the trademark, I also find the element of balance of convenience to be satisfied in the present case. The registration of the mark of the plaintiff is over 90 years prior to the claimed commencement of the use by the defendant. Even if the defendant, at the time of commencing the use, did not know of the inherent risk in adopting the well known trade mark, the defendant, at least, immediately on applying for registration and on opposition being filed by the plaintiff became aware of the perils in such use. Thus, use by the defendant of the mark is for short time only and use during the period of opposition is of no avail. The mark has got no relation to the jewellery being marketed by the defendants. Unless the defendant is deriving any advantage of the goodwill/brand value of the plaintiff and which it is not entitled to, it ought not to make any difference in the business of the defendants if the said jewellery is sold under a mark other than ROLEX.

Infringement of Trade Mark

22. Admitted facts are that the plaintiff is a registered proprietor of trademark "s.Oliver" in India and the earliest registration is under No. 522064 in Class 25 dated 29th December, 1989. The said trademark is also registered in various other classes i.e. 3, 6, 9, 14, 18, 20, 24, 25, 26 and 28 and the same trade mark is also registered in various countries as per details mentioned in para 13 of the plaint.

23. The defendants have adopted the trademark "OLIVE" in relation to the readymade garments. As per the plaintiff, it came to know about the defendants' activities in April, 2006 when the said trademark was advertised in the Trade Marks Journal. Photograph of the defendants' product has also been filed. The defendants have filed documents claiming manufacturing of the said goods of M/s. Hyatt Clothing Company. The plaintiff's separate suit against M/s. Hyatt Clothing Company in the District Court, Delhi has already been decreed.

24. By virtue of registration of trademark "s.Oliver", the plaintiff has exclusive rights to use the same. The use of identical or deceptively similar mark(s) in relation to goods in which the plaintiff's trademark is registered amounts to infringement of trademark u/s 28 and 29 of the Act. Admittedly the plaintiff is the prior user, adopter and registered proprietor of the trademark "s.Oliver".

25. The defendants have not disputed the fact that the plaintiff is the owner of registered trade mark "s.Oliver" and the same is being used in relation to the readymade garments of all kinds. The said trade mark is not only registered in

India but in various countries of the world. It is a well-known trade mark. The products of the plaintiff in respect of clothing and readymade garments are available in India. The plaintiff is the prior user of the said trade mark. The plaintiff has also the registered domain name in its favour i.e. www.s.oliver.de. The said trade mark is also essential and dominant part of its corporate name. The defendants have also not disputed that the defendants are using the trade mark "OLIVE" in relation to the business of ready-made garments and clothing. The customers and markets of two products are the same. The question before this court is as to whether two trademarks are identical or deceptively similar or not in order to prove the case of the infringement of trade mark and passing off.

26. Being the registered proprietor, exclusive rights are conferred in favour of the plaintiff in relation to the goods in respect of which the trade mark is registered, who can obtain relief in respect of infringement of the trade mark. The registration of the plaintiff is to be taken as prima facie evidence of validity u/s 31 of the Act and the registration even otherwise is conclusive after the expiry of seven years.

Test of Infringement

27. In order to establish infringement, the main ingredients of Section 29 are that the plaintiff's mark must be registered under the Act, the defendants mark is identical with or deceptively similar to the registered trade mark, the defendants use of the mark is in the course of trade in respect of the goods covered by the registered trade mark. The rival marks are to be compared as a whole. Where two rival marks are identical, it is not necessary for the plaintiff to prove further that the use of defendant's trade mark is likely to deceive and cause confusion as the registration shows the title of the registered proprietor and the things speak for themselves. In an infringement action, once a mark is used as indicating commercial origin by the defendant, no amount of added matter intended to show the true origin of the goods can effect the question. If court finds that the defendant's mark is closely, visually and phonetically similar, even then no further proof is necessary. It is not necessary for the plaintiff to adduce evidence of actual deception in order to prove the case of infringement. If packing of two products is different in an action of infringement, the same is immaterial. Its validity cannot be challenged in the infringement proceedings under the Trade and Merchandise Marks Act, 1958. (See *Corn Products Refining Co. Vs. Shangrila Food Products Ltd.*, *Amritdhara Pharmacy Vs. Satyadeo Gupta*, and *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*, *Automatic Electric Limited Vs. R.K. Dhawan and Another*, and *S.A.P. Balraj and Ors. Vs. S.P.V. Nadar and Sons and Another*, 1963 Madras page 12).

28. Even if a word forming part of the mark has come in trade to be used to identify the goods of the owner of the trade mark, it is an infringement of the mark itself to use that word as the mark or part of the mark of another trader for which confusion is likely to result. The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and

demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him, for orders are not placed, or are often not placed, under such conditions. It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole. In the decision reported as *De Cordova v. Vick Chemical Co.*, (1951) 68 RPC 103 at page 105 the plaintiffs were the proprietors of a label containing the words "Vick's VapoRub" as the essential feature, registered in Jamaica, and the defendants used a similar label with the words "Karsote Vapour Rub" as the essential feature, and it was shown that the expression "VapoRub" had become distinctive of the plaintiff's goods in Jamaica, an action for infringement was successful. (See *De Cordova v. Vick Chemical Co.* (supra), *Saville Perfumery Ltd. v. June Perfect Ltd.*, (1941) 58 RPC 147 *Parle Products (P) Ltd. Vs. J.P. and Co., Mysore*, at 1362 and *M/s. National Chemicals and Colour Co. and Others Vs. Reckitt and Colman of India Limited and Another*,

29. The issue of essential features of the trade marks has been discussed in details in the case of *Kaviraj Pandit Durga Dutt Sharma vs. Navaratna Pharmaceutical Laboratories* (supra):-

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;.....

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....

30. In order to decide as to whether the defendants' mark is deceptively similar to the mark of the plaintiff, it is absolutely necessary to refer the test laid down in the judgment of Mr. Justice Parker in the decision reported as 1906 (23) RPC 774, *Pointiest case*, wherein it was discussed that:

You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those

goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trademarks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion-that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods-then you may refuse the registration, or rather you must refuse the registration in that case.

Likelihood of Confusion and Deception

31. In the decision reported as *James Chadwick and Bros. Ltd. Vs. The National Sewing Thread Co. Ltd.*, Chagla C.J. and Bhagwati, J.; referring to the words "likely to deceive or cause confusion" in section 10 of the Trade Marks Act, 1940, observed at page 152 as follows:-

Now in deciding whether a particular trade mark is likely to deceive or cause confusion, it is not sufficient merely to compare it with the trade mark which is already registered and whose proprietor is offering opposition to the registration of the former trade mark. What is important is to find out what is the distinguishing or essential feature of the trade mark already registered and what is the main feature or the main idea underlying that trade mark, and if it is found that the trade mark whose registration is sought contains the same distinguishing or essential feature or conveys the same idea, then ordinarily the Registrar would be right if he came to the conclusion that the trade mark should not be registered. The real question is as to how a purchaser, who must be looked upon as an average man of ordinary intelligence, would react to a particular trade mark, what association he would form by looking at the trade mark, and in what respect he would connect the trade mark with the goods which he would be purchasing. It is impossible to accept that a man looking at a trade mark would take in every single feature of the trade mark. The question would be, what would he normally retain in his mind after looking at the trade mark? What would be the salient feature of the trade mark which in future would lead him to associate the particular goods with that trade mark?

The decisions referred with regard to essential features were followed by the Division Bench in the decision reported as *Atlas Cycle Industries Ltd. Vs. Hind Cycles Limited*, The Division Bench has examined the similar question very thoroughly while dealing with the two rival trademarks *Royal Star* and *Eastern Star* of the parties and has come to the conclusion that the trade mark adopted and used by the defendant *Royal Star* is similar to plaintiff's trade mark *Eastern Star*.

In the decision reported as *Aristoc v. Rysta*, (1945) 65 RPC 62 decided by the House of Lords, it was held that the comparison of trademarks was a matter of first impression, but the mark "Rysta" too closely resembled mark "Aristoc" phonetically and it would be liable to lead to deception and confusion.

32. Considering the decisions referred above and facts and circumstances in the present matter, it is very clear that the trade mark of the plaintiff "s.Oliver" is a well known trade mark. The defendants' mark "OLIVE" in relation to similar goods is deceptively similar to the plaintiff's mark "s.Oliver" and use of the same amounts to infringement of plaintiff's registered trade mark.

Passing off

33. In *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd.*, 1980 RPC 31, Lord Diplock stated the essential characteristics of a passing off action as under:

(1) misrepresentation, (2) made by a person in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.

34. The Supreme Court in the case of *Laxmikant V. Patel Vs. Chetanbhat Shah and Another*, , the relevant para 10 has held as under:-

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 his 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.

In this case, the Apex Court further observed that:

Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently.

35. The Division Bench of this Court in the case of *B.K. Engineering Co. Vs. Ubhi Enterprises (Registered) and Another*, , has held that:

Trading must not only be honest but must not even unintentionally be unfair.

36. Lastly the learned counsel for the defendants has argued that there is a delay on the part of the plaintiff in bringing the action before this Court. However, no cogent evidence has been filed by the defendants in order to show that the plaintiff was aware about the use of the defendants. Even otherwise, in case of any delay that happened on the part of the plaintiff for bringing an action for infringement of trade mark, the same is not fatal for the purpose of grant of injunction order. It is pertinent here to mention that the defendants have claimed the user of the trade mark "OLIVE" in the application for registration of the trade mark from 1st February, 2001, however, the application for registration

was filed on 1st March, 2004. However also from the record, it appears that the trade mark "OLIVE" is being used by only the defendants since May, 2004. No cogent evidence has been produced by the defendants in support of their use since year 2001 as claimed in the application for registration. The present suit is filed in the year 2006 and so the delay is of 2 years.

37. Few decisions on the aspect of delay are referred as under:

a) In the case of Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others, relevant para-5 of the said judgment is as under:

5. The law on the subject is well settled. In cases of infringement either of Trade Mark or of Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the Mark was itself dishonest.

b) In the case of Swaran Singh Vs. Usha Industries (India) and Another, it was held as under:

There is then the question of delay. Learned counsel for the respondents had urged that the delay is fatal to the grant of an injunction. We are not so satisfied. A delay in the matter of seeking an injunction may be a ground for refusing an injunction in certain circumstances. In the present case, we are dealing with a statutory right based on the provisions of the Trade and Merchandise Marks Act, 1958. An exclusive right is granted by the registration to the holder of a registered trade mark. We do not think statutory rights can be lost by delay. The effect of a registered mark is so clearly defined in the statute as to be not capable of being misunderstood. Even if there is some delay, the exclusive right cannot be lost. The registered mark cannot be reduced to a nullity.....

c) In the case of Hindustan Pencils (P) Ltd. Vs. India Stationery Products Co. and Another, it was held as under:

It was observed by Romer, J. in the matter of an application brought by J.R. Parkinson and Co. Ltd., (1946) 63 RPC 171 at page 181 that "in my judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently". It was further noted by the learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history.

d) In the case of M/s. Bengal Waterproof Limited Vs. M/s. Bombay Waterproof Manufacturing Company and Another, it was held as under:

20. It is now well settled that an action for passing off is a common law remedy being an action in substance of deceit under the Law of Torts. Wherever and whenever fresh deceitful act is committed the person deceived would naturally

have a fresh cause of action in his favour. Thus every time when a person passes off his goods as those of another he commits the act of such deceit. Similarly whenever and wherever a person commits breach of a registered trade mark of another he commits a recurring act of breach or infringement of such trade mark giving a recurring and fresh cause of action at each time of such infringement to the party aggrieved. It is difficult to agree how in such a case when in historical past earlier suit was disposed of as technically not maintainable in absence of proper relief, for all times to come in future defendant of such a suit should be armed with a license to go on committing fresh acts of infringement and passing off with impunity without being subjected to any legal action against such future acts.

38. Considering the overall facts and circumstances of the case, I am of the considered view that the plaintiff has been able to make out a prima facie strong case for infringement of trade mark "s.Oliver" as the said trade mark is a well-known trade mark and is being used by the plaintiff not only in India but in many countries of the world and the trade mark "OLIVE" of the defendants is deceptively similar with the trade mark of the plaintiff "s.Oliver" in relation to similar goods. The plaintiff is the prior user of the trademark. Thus, the balance of convenience also lies in favour of the plaintiff and against the defendants. In case the interim order is not passed, the plaintiff will suffer irreparable loss and injury because using the deceptively similar trade mark by the defendants would violate the exclusive rights of the plaintiff. Under these circumstances, the defendants, their servants and agents etc. are restrained from using the trade mark "OLIVE" in respect of clothing and ready-made garments including shirts and allied and cognate goods. However, considering the facts and circumstances of the case and since the defendants are using the trade mark "OLIVE" for the last many years, the defendants are granted time up to 31st December, 2014 to dispose of the existing stock and to change the name/trade mark "OLIVE" to some other trade mark/mark which may not be either identical with or deceptively similar to the plaintiff's trade "s.Oliver". The application is disposed of accordingly.

CS(OS) No. 2035/2006

List on 10th March, 2014.