

(2000) 11 AP CK 0051

In the Andhra Pradesh High Court

Case No : C.C.C. Appeal No. 17 of 1999 and C.M.P. No. 2972 of 2000

Shalimar Chemical Works Ltd.

APPELLANT

Vs

Surender Oil and Dal Mills (Refineries) and Others

RESPONDENT

Date of Decision : 21-11-2000

Acts Referred:

Citation : AIR 2001 AP 126 : (2000) 3 APLJ 422 : (2004) 119 CompCas 535

Hon'ble Judges : G. Bikshapathy, J

Bench : Single Bench

Advocate : Vedula Venkataramana, for the Appellant; D. Govardhanachary and Pramod Kumar Kedia, for the Respondent

Final Decision : Allowed

Judgement

G. Bikshapathy, J.—This appeal is filed against the judgment and decree of the learned III Additional Chief Judge, City Civil Court, Hyderabad, in O.S. No. 1 of 1995, dated September 28, 1998. The appellant is the plaintiff in the suit. The suit was filed seeking permanent injunction restraining the defendants from infringing the registered trade mark "Shalimar" of the plaintiff by selling, marketing or offering for sale edible oil products bearing the name "Shalimar" on containers, labels, wrappers or using any name identical or deceptively similar to the plaintiff's trade mark and for connected reliefs.

2. It is the case of the appellant that it is a company, incorporated under the Companies Act, 1956, which has been carrying on the business of manufacturing and trading of high grade coconut oil used for cooking as well as manufacturing of various toilet products under the distinctive trade mark "Shalimar". The said trade mark was duly registered under class 3 and class 29 under the Trade and Merchandise Marks Act, 1958 (for brevity, "the Act"). Class 29 was registered on May 5, 1988, with registration Nos. A.490518 and B.490519 and class 3 was registered on November 13, 1985, with registration No. C.445446B. The trade marks so registered are valid and subsisting. The said trade mark, also being a piece of artistic work, was registered under the Copyright Act, 1957.

3. The appellant-company is one of the pioneers in India in the field of manufacturing and marketing of coconut oil not only for toilet purpose but also for other purposes. The appellant-company is in this business since 1945 and the trade mark "Shalimar" thus became a distinctive identification of the appellant's goods among the public. It has acquired considerable goodwill and reputation and thus it has become a household mark in respect of the product of the appellant. It has been effecting good amount of sales of the products. The advertisement has been taking place through various media such as televisions, newspapers, magazines, calendars, diaries etc. Thus, by virtue of registration, the appellant became entitled to use the said trade mark exclusively and no other person is entitled to use the said trade mark "Shalimar" in any form, which would amount to infringement of the appellant's registered trade mark "Shalimar" and passing off the goods.

4. The respondent-firms are carrying on the business of manufacturing and selling edible oils and have been illegally and unlawfully using the name "Shalimar" in relation to their edible oils with the object of misleading and confusing the members of the public and making them to believe that the said sunflower oil was a product manufactured by the appellant. Thus, the name "Shalimar" was intentionally used by the respondents to deceive the consumers. It is also stated that the respondents do not have any registered trade mark nor did they take any steps for rectification as per the provisions of the Act. Having come to know that the respondents have been using the name "Shalimar" and marketing their edible oils, the appellant made representations in the business circles and yet, the respondents were carrying on their business without any restraint. It is the case of the appellant that the respondents are not entitled to adopt the name "Shalimar" on the edible oil product manufactured and marketed by them. Thus, by using the name "Shalimar", the respondents have infringed the registered trade mark. It is also the case of the appellant that the mark "Shalimar" was registered in respect of edible oils being the goods included in class 9 of the Fourth Schedule to the Trade and Merchandise Rules, 1959, made under the Act and there is every likelihood that the consumer would be confused believing that it is a product of the appellant-company. Therefore, the suit was laid seeking permanent injunction restraining the respondents from using the registered trade mark or any other trade mark deceptively similar to the appellant's trade mark and copy right. The appellant also sought for a mandatory injunction to deliver to the appellant all cartons, packages, etc., for the destruction thereof.

5. The suit was resisted on several grounds. One of the grounds raised in the written statement is that the suit was not properly verified and that the person who filed the suit was not competent as there was no proper resolution of the company and, therefore, it was pleaded that the suit was liable to be dismissed. The appellant was put to strict proof that the mark was registered under the Act. The respondents also denied that there was extensive advertisement and that the appellant has the exclusive right to use the mark "Shalimar". "Shalimar" is

the name of a diamond and nobody can claim exclusive right over the said name. It is also stated that while the appellant is manufacturing coconut oil, the respondents are manufacturing sunflower oil and other ultra double refined edible oils and, therefore, there was no question of either misleading or confusing the members of the public that it is the appellant's product. The appellant's product is a non-edible oil for toilet purpose whereas the product of the respondents is exclusively for edible purposes. The manufacturing names of the appellant and that of the respondents are quite different. The alleged infringement of trade mark or passing off was denied. It is stated that the respondent-firms are manufacturing pulses and refined oils under the name and style of Surender Oil and Dall Mills with the brand of a diamond name "Shalimar Drop". The product of the appellant Shalimar coconut oil is packed in 200 gms. tins while the product of the respondents is refined sunflower oil packed in 15kg. tins and large size barrels. The marketing media and the type of consumers are different for both the products. Further, the mark of the respondents is a diamond with three sunflowers, whereas, the mark of the appellant is three coconut trees. Thus, there is any amount of dissimilarity with the mark used by the appellant and that of the respondents.

6. Basing on the respective contentions, the lower court framed the following issues :

1. Whether the plaintiff is the registered owner of the trade mark "Shalimar" ?
2. Whether the defendant has infringed the trade mark "Shalimar" of the plaintiff ?
3. Whether the defendant has passed off the goods of the plaintiff by using the trade mark "Shalimar" on their products ?
4. Whether the plaintiff is entitled to an injunction restraining the defendants from using trade mark "Shalimar" ?
5. Whether the plaintiff is entitled to an account of the profits made by the defendants ?

Two witnesses were examined for the appellant and one witness was examined for the respondents. Exhibits A1 to A18 were marked for the appellant and no documents were marked for the respondents.

7. The lower court held that the person who filed the suit was also not competent. It further held that the marks used by the appellant and the respondents are dissimilar visually and phonetically in its use and appearance and held that the passing off of goods was not established. With regard to the finding on the infringement of the trade mark, the lower court held that the documents filed in support of the claim were not admissible in evidence and, therefore, the infringement was not established. Therefore, on these three grounds, the lower court dismissed the suit.

8. Learned counsel for the appellant Mr. Venkataramana submits that the findings of the court below that the suit was filed by an incompetent person is wholly misconceived. The trial court failed to consider the relevant factors for deciding this issue. Admittedly, the person who filed the suit and who verified the averments in the plaint was the director of the company. He also filed a power of attorney in which it is clearly stated that he was given the power of attorney by virtue of the resolution passed by the board of directors. Under these circumstances, he submits that taking into consideration Order 29 of the CPC (for short "the Code"), which permits the suit to be filed by a director of the company, the lower court ought to have held that the suit was properly filed.

9. On the other hand, learned counsel appearing for the respondents submits that no resolution was filed by the appellant-company and, therefore, the finding of the lower court cannot be said to be contrary to law. It is not in dispute that the appellant-company is a registered company having been registered under the provisions of the Companies Act, 1956. But, the question is whether a resolution is necessary to be passed by the company to give power of attorney to one of the directors of the company. To the extent of power of attorney there is no dispute that he was given the proper power of attorney, exhibit A9 filed in the suit. It is to be noted in this regard that in the very same document of giving power of attorney, it was clearly mentioned that the power of attorney was issued on the basis of a resolution passed by the board of directors. When once it is mentioned in the power of attorney that it is supported by a resolution of the board of directors, then it would not be appropriate for the trial court to find that the director was not properly authorised and there was no resolution. Obviously, the trial court did not look to the contents of the power of attorney and thus rendered an erroneous finding. On this ground, I have to necessarily reject the finding of the lower court and hold that the suit was validly instituted by a competent person who has been authorised by the company in this regard. When once the resolution was passed authorising the managing director to give power of attorney in favour of a director of the company, no further resolution is necessary in this regard.

10. The trial court held that the xerox copies of the registered documents exhibits A1 to A9 filed by the appellant were not admissible in evidence. But, however, in appeal, the appellant-plaintiff filed an application to receive the original documents. These documents were not filed on the ground that while marking the documents, no objection was recorded on behalf of the respondents and, therefore, photostat copies are filed. When objection was not recorded, it would not be open for the court to reject the same on the ground that it was not properly inducted into evidence. Therefore, the appellant filed an interlocutory application to receive the original documents. Learned counsel appearing for the respondents-defendants objected for the said petition on the ground that no reasons were assigned as to why such documents were not filed before the lower court and, therefore, he would be precluded from filing such documents. In the instant case genuineness of the xerox copies of the documents were not opposed

nor challenged by the respondents except a general denial in the written statement. When true copies are filed and they were received in evidence and when the respondents had no objection for the same, could there be any objection to the court to receive them and consider the same as if it is a valid piece of evidence to be considered in the judgment. Moreover, now a petition has been filed to receive the originals of the documents filed in the lower court. I am unable to accept the contention of learned counsel for the respondents. The photostat copies of the documents were already filed before the lower court and the originals are now being sought to be filed as the lower court refused to consider these documents on the ground that they were not admissible in evidence. Therefore, the said procedure is permissible under Order 40. Hence, I am of the view that there is no impediment for receiving the originals of the documents. It is not the case of additional evidence. The evidence was already available before the court, but, it was not acted upon on the ground that the same was inadmissible in evidence. Therefore, I have to necessarily allow the application. Accordingly, C. M. P. No. 2972 of 2000 is allowed and the original document exhibits A1 to A5 are received in evidence.

11. Learned counsel for the appellant next contends that the finding of the trial court that either passing off action or infringement of trade mark was not established is not correct. But, he fairly concedes that the claim for passing off goods was not established and hence he concentrated his submission on the issue relating to infringement of trade mark. He submits that the relevant provisions of the Act have not been properly appreciated by the lower court. Learned counsel would submit that the trade mark was registered under the provisions of the Act and it is a prima facie evidence of validity u/s 31 of the Act. It was registered in classes 3 and 29 of the Fourth Schedule. Coconut oil is being used as edible oil and also for toilet preparations. Therefore, when once the registration is granted in favour of the appellant-company, it has the exclusive right to use the same unless a third party seeks rectification under the provisions of the Act. Admittedly, in the instant case, the respondents did not have any registered trade mark and no steps were taken for rectification in accordance with the provisions of the Act. Even though it is stated that rectification is taking place, yet, no evidence is forthcoming. When once the trade mark is registered, the person gets a statutory protection and he will have the right of restraining others from using the trade mark by which no other person is entitled to use the said mark either deceptively or visually or phonetically.

12. The respondents were using the mark "Shalimar" even though it is a registered trade mark of the appellant, presently used for marketing coconut oil which is used both for edible and toilet purposes. The marks used by both the parties are, however, different. In the label of the appellant, three coconut trees are printed while in the label of the respondents three sunflowers are printed. But, as far as infringement of trade mark is concerned, that is an irrelevant factor. Learned counsel for the appellant relies on the following decisions of the Supreme Court and of this court in Parle Products (P) Ltd. Vs. J.P. and Co.,

Mysore, ; M. Mahender Shah v. Tiruchy Flour Mills [1997] 2 ALD 251 ; N.R. Dongre v. Whirlpool Corporation [1996] 5 SCC 714 ; Teju Singh Vs. Shanta Devi, ; P.C. Purushothama Reddiar Vs. S. Perumal, ; Ajjarapu Subbarao Vs. Pulla Venkata Rama Rao and Others, and S.M. Dyechem Ltd. v. Cadbury (India) Ltd. AIR 2000 SC 2114.

13. Learned counsel for the respondents Mr. Govardhanachary, however, submits that there was neither infringement of trade mark nor passing off of goods. Even though the goods manufactured by the respondents bear the name of "Shalimar", the labels are quite different and there is no scope for either confusion or deception visually or phonetically. He also relies on a decision of the Supreme Court in S.M. Dyechem Ltd.'s case AIR 2000 SC 2114.

14. The question that falls for consideration is whether there is an infringement of trade mark of the appellant. Learned counsel for the appellant fairly concedes that he is not stressing on the passing off of goods, but it is a clear case of infringement. In the case of passing off of goods, the person who is using a mark at the earliest point of time is considered on a higher footing than the later person. But, in the case of infringement of trade mark, once a trade mark is registered under the provisions of the Act, its validity cannot be challenged except in accordance with law or the right to use that trade mark cannot be objected. In a latest judgment of the Supreme Court in Dyechem's case AIR 2000 SC 2114 which was relied on by both counsel, this aspect of infringement of trade mark apart from passing off of goods has been elaborately discussed.

15. Before I refer to the legal provisions and the relevant case law, it is necessary to mention the undisputed facts. The appellant has been using the mark "Shalimar" from 1945 and it has been manufacturing coconut oil for cooking and various toilet products. It has also been marketing the said product under the mark "Shalimar". The mark was duly registered under the provisions of the Act under classifications 3 and 29 of the Fourth Schedule. The validity of registration cannot be denied in view of Section 31 of the Act. The registered owner of the trade mark is the appellant, viz., Shalimar Chemical Works Ltd., Calcutta. As per exhibit A6, considerable amount of sales has been taking place and equally huge expenses were being incurred towards advertising and publicity of the product. In 1991 and 1992 the sales were to the tune of over Rs. 40 crores and Rs. 50 crores respectively. This itself indicates that the company has acquired good reputation in the market for its product coconut oil. As per the registration mark, the company is entitled to use the mark for all edible oils. Though the appellant has been manufacturing and marketing coconut oil, it is equally entitled to use the mark for all edible oils. Thus, the mark "Shalimar" became distinctive of appellant's goods. The respondents-defendants are engaged in the manufacture of pulses and edible oils. Sunflower oil in tins of 15kg. and barrels is marketed with the mark "Shalimar". The Sunflower oil falls in edible oils. But, however, it has not registered the mark and using the same for trading purposes. The contention of the respondents is that the mark and

label used by the respondents is quite different and distinct. Moreover, the products of the respondents and appellants are quite different. Hence, there cannot be any deceptive similarity either visually or phonetically and no confusion whatsoever would arise in the mind of the consumer.

16. As already stated, the issue is not with regard to passing off of action, but infringement of trade mark. The rights conferred by registration on the proprietor of a registered trade mark are contained in Section 28 of the Act. What constitutes an infringement of trade mark is covered by Section 29 of the Act, subject to exceptions in Section 30. Sections 28 and 29 of the Act are extracted below :

"28. Rights conferred by registration.--(1) Subject to the other provisions of this Act, the registration of a trade mark in Part A or Part B of the register shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under Sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."

17. In this case, the respondents did not have any registered trade mark and they have been marketing the sunflower oil from 1989 onwards with the mark "Shalimar". The expressions "mark" and "trade mark" are defined as follows :

""mark" includes a device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination thereof ;

"trade mark" means--

(i) in relation to Chapter X (other than Section 81), a registered trade mark or a mark used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark ; and

(ii) in relation to the other provisions of this Act, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a

connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark registered as such under the provisions of Chapter VIII."

18. The legal provisions are very clear on the subject. The respondents-defendants did not possess any registered mark, whereas the appellant, admittedly, is the proprietor of a registered trade mark and is entitled to exclusively use the same for the goods it manufactures. Hence, the main contention of the appellant is that the respondents have infringed the trade mark registered by the appellant. In *Coca-Cola Co. of Canada Ltd. v. Pepsi-Cola Co. of Canada Ltd.* [1942] 1 All ER 615(PC), Lord Russell of Killowen said,

"In an action for infringement the question for determination must be answered by the court, unaided by outside evidence, after the comparison of the defendant's mark as used with the plaintiff's registered mark, not placing them side by side, but by asking itself whether, having due regard to relevant surrounding circumstances, the defendant's mark as used is similar (as defined by the Act) to the plaintiff's registered mark as it would be remembered by persons possessed of an average memory with its usual imperfections."

In *Carless, Capel and Leonard v. F. Pilmore-Bedford and Sons* [1928] 45 RPC 205, Tomlin J., said :

"The question whether or not there is an infringement depends really upon this, whether there has been, in relation to the particular user of these pumps in the form of a light house, a user in connection with goods for the purpose of indicating that they are the goods of the proprietor of the mark. That may be, of course, either by using the identical mark or it may be by using something which is a colourable imitation of the mark, but it must be a user in connection with goods of such a kind as will indicate their origin. I am not going to say for one moment that there may not be a user by form of such a kind as to amount to an infringement of trade mark, that is to say, I am not going to say that there may not be cases where a man may form a container for goods on the lines of a registered design and use it in such a way as to constitute thereby an infringement of trade mark. It is true that a trade mark does not give a man a monopoly in the form which is represented in the mark ; on the other hand, it may be that the form may be so used as to indicate origin and thereby constitute infringement. The question is whether that is the condition here."

19. The Supreme Court in *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*, laid down the distinguishing features between the passing off action and infringement of trade mark. It observed thus (page 989) :

"The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark and in equating the essentials of a passing off action with those in

respect of an action complaining of an infringement of a registered trademark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right u/s 21 in respect of a registered trade mark and also of a passing off by the use of the same mark. The finding in favour of the appellant to which learned counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in their colour and other features and their general get-up together with the circumstance that the name and address of the manufactory of the appellant was prominently displayed on his packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy in the event of the use by another of that mark or a colourable imitation thereof. While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of "the exclusive right to the use of the trade mark in relation to those goods" (vide Section 21 of the Act). The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable 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 plaintiffs 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.

When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be "in the course of trade", the question whether

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

20. Reiteration the above principles, the Supreme Court in Parle Products (P) Ltd. Vs. J.P. and Co., Mysore, said (page 1362) :

"It is, therefore, clear that 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. In this case we find that the packets are practically of the same size, the colour scheme of the two wrappers is almost the same ; the design on both though not identical bears such a close resemblance that one can easily be mistaken for the other. The essential features of both are that there is a girl with one arm raised and carrying something in the other with a cow or cows near her and hens or chickens in the foreground. In the background there is a farm house with a fence. The words "gluco biscuits" in one and "glucose biscuits" on the

other occupy a prominent place at the top with a good deal of similarity between the two writings. Anyone in our opinion who has a look at one of the packets today may easily mistake the other if shown on another day as being the same article which he had seen before. If one was not careful enough to note the peculiar features of the wrapper on the plaintiff's goods, he might easily mistake the defendants' wrapper for the plaintiff's if shown to him some-time after he had seen the plaintiff's. After all, an ordinary purchaser is not gifted with the powers of observation of a Sherlock Holmes. We have, therefore, no doubt that the defendants' wrapper is deceptively similar to the plaintiff's which was registered. We do not think it necessary to refer to the decisions referred to at the Bar as in our view each case will have to be judged on its own features and it would be of no use to note on how many points there was similarity and in how many others there was absence of it."

21. In the latest decision of the Supreme Court, entire case law on the subject was traced out.

22. While referring to infringement of trade marks, the Supreme Court held that the plaintiff in a suit has to prove that not only his trade mark is infringed by a person, but the said person is using the mark in the course of his trade which is identical with or deceptively similar to the trade mark of the plaintiff in such a manner as to render the use of the mark likely to be mistaken as the registered trade mark. In this regard, the Supreme Court held as follows (AIR 2000 SC 2121) :

"Under Section 23 of the Act, a plaintiff in a suit on the basis of infringement has to prove not only that his trade mark is infringed by a person who is not a registered proprietor of the mark or a registered user thereof but that the said person is using a mark in the course of his trade, "which is identical with or deceptively similar to the trade mark of the plaintiff, in such manner as to render the use of the mark likely to be mistaken as the registered trade mark." u/s 2(d) the words "deceptively similar" are defined as follows : "a mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion".

We shall now refer to the broad principles applicable to infringement actions and in particular to devices, labels and composite marks.

Essential features if copied :

It is well-settled that the plaintiff must prove that essential features of his registered mark have been copied. The onus to prove "deception" is on the part of the plaintiff who alleges infringement. A mark is said to be infringed by another trade if, even without using the whole of it, the latter uses one or more of its "essential features". The identification of an essential feature depends partly on the courts own judgment and partly on the burden of the evidence that is placed before it Ascertainment of an essential feature is not to be by ocular test alone ; it is impossible to exclude consideration of the sound of words

forming part or the whole of the mark. (Kerly, Law of Trade Marks and Trade Names, 11th edition 1983, para. 14, 21)."

23. With regard to essential features in respect of phonetic or visual similarities, the Supreme Court observed as follows :

While differentiating the distinction between passing off and infringement of a trade mark, the Supreme Court observed as follows (page 2126 of 2000 of AIR SC) :

"For the above reasons, we hold that on the question of the relative strength the decision must go in favour of the defendant that there is no infringement and the High Court was right in refusing temporary injunction. Point 5 is decided accordingly . . .

Passing off and infringement--differences :

Here the point is in relation to relative strength of the parties on the question of "passing off". As discussed under Point 5 the proof of resemblance or similarity in cases of passing off and infringement are different. "In a passing off action additions, get up or trade-dress might be relevant to enable the defendant to escape. In infringement cases, such facts do not assume relevance. (see Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, ; Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co., and Wander Ltd, v. Antox India Pvt. Ltd. [1990] Suppl. SCC 727).

It is possible that, on the same facts, a suit for passing off may fail but a suit for infringement may succeed because the additions, the get up and trade dress may enable a defendant to escape in a passing off action. A somewhat similar but interesting situation arose in a dispute between two companies. In The National Sewing Thread Co., Ltd., carrying on business in Chidambaram Vs. James Chadwick and Bros. Ltd., , the passing off action failed. But thereafter James Chadwick Co. succeeded in an appeal arising out of the registration proceedings and the said judgment was confirmed by this court in National Sewing Thread Co. Ltd. Vs. James Chadwick and Bros. Ltd. (J. and P. Coats Ltd., Assignee), . It was held that the judgment in the passing off case could not be relied upon by the opposite side in latter registration proceedings."

24. Thus, the principle was settled as early as 1965 that in all cases of passing off action additions, get up or trade-dress might be relevant to enable the defendant to escape, but in infringement cases, the said facts do not assume relevance. Even though there is dissimilarity in the marks used by the appellant and the respondents, but, inasmuch as the appellant is the registered owner of the trade mark "Shalimar", it is entitled to use the same to the exclusion of others and the rectification proceedings were also not issued by the respondents. It is also not the case of the respondents that they have filed an application for registration of the trade mark. In the cases dealt with by the Supreme Court, it was only at the interim stage the matter was discussed and it was decided on the

prima facie aspect of the matter.

25. Even though other decisions were cited by learned counsel for the appellant, but they are not necessary to refer inasmuch as the Supreme Court has considered all the other decisions relied on by learned counsel for the parties in S.M. Dyechem Ltd.'s case AIR 2000 SC 2314. Therefore, it will be of no use by repeating the same. Hence, when once the infringement is alleged, it is not necessary that the mark should be deceptively similar and if the mark has the effect of creating confusion in the minds of the consumer, it constitutes sufficient violation of the trade mark or infringement of the registered trade mark.

26. In Daimler Benz Aktiengesellschaft and another Vs. Hybo Hindustan, , the Delhi High Court held thus (headnote) :

"There are names and marks which have become household words. "Benz" as name of a car would be known to every family that has ever used as a quality car. The name "Benz" as applied to a car, has a unique place in the world. There is hardly one who is conscious of existence of the cars/automobiles who would not recognise the name "Benz" used in connection with cars. Thus the boxes in which the defendant sells its undergarments for men, and the representation thereon is of a man with his legs separate and hands joined together above his shoulder, all within a circle, indicate, the strong suggestion of the link between the three pointed star of "Mercedes Benz" car and the undergarments sold by the defendant. This cannot be considered to be a "honest concurrent user" by the defendant of the above said symbol. Therefore, the defendant could be restrained from using the word "Benz" with reference to any underwear, which is manufactured by them, and injunction could be issued restraining the defendant to cease and desist from carrying on trade in any undergarments in the name of "Benz" and "Three Pointed Human Being in a Ring", forthwith.

The Trade Mark law is not intended to protect a person who deliberately sets out to take the benefit of somebody else's reputation with reference to goods, especially so when the reputation extends world wide. By no stretch of imagination can it be said that use for any length of time of the name "Benz" should be not objected to."

27. The appellant has been marketing coconut oil under the registered trade name "Shalimar" and the respondents are using the name "Shalimar" for marketing Sunflower edible oil. Though the products are different, yet the appellant has a registered trade mark and it is entitled to use the same for any edible oil. It is natural that when once the name is well known for a particular product, the consumers would tend to purchase the product of that company and it is likely to create confusion in the minds of the public since the name "Shalimar" is used by both the appellant and the respondents. Even though the respondents are marketing edible oils, yet, the consumer would be under the impression that it is manufactured by Shalimar Chemicals and not by the respondent-company, more especially when the trade mark was registered.

28. Under the above circumstances, the lower court has completely missed the provisions of the Act and has come to an erroneous conclusion that there was no infringement of the trade mark. The originals of exhibits A1 to A5, which are marked in this court, would clearly indicate that the trade mark "Shalimar" has been registered with the appropriate authorities and it is valid and the same is in operation till today. On the other hand, the respondents did not have any registration at all even till today nor any rectification proceedings were initiated by them. Therefore, the appellant is entitled to use the trade mark not only for the coconut oil which is being marketed throughout, but for any other edible oil. The appellant is entitled to use the same to the exclusion of others unless the rectification proceedings are initiated or the validity of the trade mark gets annulled or the time expires.

29. Thus, for the above reasons, I am of the view that the lower court gravely erred in holding that there was no infringement of the trade mark of the appellant. For the reasons set out above, the judgment of the lower court is set aside and the suit O. S. No. 1 of 1995 is decreed as prayed for.

30. The C. C. A. is allowed as above. No costs.