
(2009) 09 DEL CK 0223
In the Delhi High Court
Case No : CS (OS) 96 of 2007

Surya Food and Agro Ltd.

APPELLANT

Vs

Priya Gold Tea Company and Others

RESPONDENT

Date of Decision : 14-09-2009

Acts Referred:

Companies Act, 1999 — Section 28, 29, 29(2), 29(3), 29(5)

Citation : (2011) 46 PTC 162

Hon'ble Judges : S. Ravindra Bhat, J

Bench : Single Bench

Advocate : Neha Kapoor and Prakash Chandra, for the Appellant; None, for the Respondent

Final Decision : Allowed

Judgement

S. Ravindra Bhat, J.—The plaintiff in this suit seeks permanent injunction restraining the defendant from manufacturing, selling and/or offering

for sale directly or indirectly dealing in Tea and /or any other allied or cognate goods under the mark PRIYAGOLD or any other mark as may be

identical and/or deceptively similar to the plaintiff's trademark PRIYAGOLD and using the slogan ""Maango Haq Se"" and from doing any other

thing or act as may amount to passing off its goods and / or business as that of the plaintiff and from using the mark PRIYAGOLD as the part of its

firm name amounting to passing off and infringement of copyright. Further a restraint against the defendant from using the trademark PRIYAGOLD

in respect of tea for infringement of the plaintiffs' well-known trademark, or to do anything amounting to infringement of the plaintiff's registered

trademark, an order of delivery-up of the infringing material is sought.

2. The plaintiff is a limited company incorporated under the Indian Companies

Act. It claims to be the largest Corporation engaged in the business of manufacturing and marketing various food items including biscuits etc. for the last several years. It is stated that the trademark/house-mark PRIYAGOLD"" was coined and adopted by the plaintiff in the year 1993, which is using it since then. Though the plaintiff has been packing its biscuits under various names, its house-mark is used on each and every package, from the very beginning. It is claimed that the said mark is exclusively identified with the plaintiff's goods by the consumers and within the trade. The plaintiff's application for the mark's registration was accepted and advertised in the Trademark journal, as No. 1265, on 16.02.2002. The plaintiff is also the registered copyright owner of the logo PRIYAGOLD"" (registration No. A-55651/99). The plaintiff claims high sale figures of its products under the said mark. It is also claimed that the plaintiff has spent considerable amounts on advertising expenditure in order to promote the brand and increase sales. A statement of sales and advertising expenditure during the last several years is annexed, which discloses as under:

Year	Advertisement Expenditure	Sales
1997-98	63.13 Lacs	17.88 Crore
1998-99	1.29 Crore	28.52 Crore
1999-00	3.59 Crore	46.94 Crore
2000-01	4.64 Crore	54.73 Crore
2001-02	4.14 Crore	76.59 Crore
2002-03	6.87 Crore	101.60 Crore

(upto

Feb."03)

3. It is submitted that any unauthorized use of the plaintiff's mark or any other mark, which is deceptively similar or identical to it by any person in

respect of the said goods or any cognate or allied goods or the goods of the same description in relation to any other goods having common trade

channel/ class of purchaser, is bound to cause confusion and deception amongst the consumers and within the trade thus amounting to passing off.

4. The plaintiff alleges that the defendant carries on its business under the name and style of ""Priyagold Tea Company"". The plaintiff claims to not

being aware of the exact constitution of the defendant firm, but alleges that it (defendant) has adopted an identical mark PRIYAGOLD in respect

of tea; not only that, the defendant is also using the said mark as an essential part in the firm's name. Such adoption and use (of the said mark) is

dishonest, mala fide and tainted with the intention to trade on the plaintiff's well-established and hard earned goodwill. The adoption of the mark

by the defendant is unlawful and without any justification. Furthermore, the defendant did not stop at that, but also went ahead and copied the

plaintiff's slogan ""Haq Se Maango"" and has been using it for promoting its products as ""Maango Haq Se"".

5. The plaintiff claims that the defendant's unauthorized use of its mark has resulted in losses to it (both in business and reputation); it is estimated

that the defendant might have earned profits to the tune of Rs. 20 Lacs. On the basis of the above the plaintiff has set out its case and seeks the

relief outlined in para 22.

6. The defendant, it is alleged, is a proprietorship firm. The proprietor of the said firm has since expired. After his death a court notice was sent to

his legal heirs; since no appearance was entered by them, the defendant was set down ex-parte by order dated 04.03.2008 and the plaintiff was

directed to file its ex-parte evidence, which was done. In this view, only the facts urged by the plaintiff and established through the evidence by

way of affidavit shall be considered for adjudication of the suit.

7. The plaintiff's case is sought to be proved through the deposition of Shri Shekhar Aggarwal, its constituted attorney. He corroborated the

version set out in the suit, deposing about the plaintiff's reputation and business activities across the length and breadth of India. The plaintiff's

application for the registration was accepted and advertised in the trademark journal No. 1265 dated, 16.02.2002, which is exhibited as Ex.

PW1/2. The plaintiff has also filed copy of the registration certificate for the mark PRIYAGOLD under No. 700450B, as exhibit Ex. PW-1/3; the

copy of the copyright registration certificate is filed as exhibit Ex. PW-1/4 and the samples of the wrapper used for packaging plaintiff's products is

exhibited as Ex. PW-1/5 and the samples of the wrapper used by the defendant

for packaging its products is exhibited as Ex. PW-1/6.

8. The plaintiff is the registered proprietor of the trade mark label bearing the mark ""PRIYAGOLD"" and thus, u/s 28 of the 1999 Act it enjoys

exclusive rights in relation to the said mark and thus its action against infringement is founded u/s 29 (of the said Act). It places reliance of National

Bell Co. v. Metal Goods Mfg. Co. AIR 1971 SC 898 where it was held that:

On registration of a trade mark, the registered proprietor gets u/s 28 the exclusive right to the use of such trade marks in relation to the goods in

respect of which the trade mark is registered and to obtain relief in respect of any infringement of such trade mark.

and Midas Hygiene Industries Pvt. Ltd. v. Sudhir Bhatia and Ors. 2002 (28) PTC 121, where the court observed 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.

9. In support of its action for passing off, the plaintiff places reliance on the following extract from Laxmikant V. Patel Vs. Chetanbhat Shah and

Another, :

10. A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such

business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A

competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the

property in that name. The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in

believing that he goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does

so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business.

Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it

results in confusion and has propensity of diverting the customers and clients of

someone else to himself and thereby resulting in injury.

The court is also mindful of Section 29(2), (3) and (5), which read as follows:

(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.

(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 business concern dealing

in goods or services in respect of which the trade mark is registered.

10. As to what is the appropriate standard to adjudge infringement of a registered trade mark is no longer open to debate; the issue has been

settled now for almost four decades. The standard to be adopted in such cases is that of "likelihood of confusion" and not actual deception and

actual damage. The Court, in such cases is to determine the likelihood of confusion and deceptive similarity in order to arrive at a prima facie

finding of infringement keeping in mind the following considerations:

(i) the broad and essential features of the of competing marks will have to be viewed,

(ii) the marks will have to be considered as a whole in their respective contexts,

(iii) the similarities rather than dissimilarities will have to be taken note of and

(iv) the marks must be judged from the point of view of unwary purchaser of average intelligence and imperfect recollection.

These principles have been established and applied in Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co., , Parle Products (P) Ltd. Vs.

J.P. and Co., Mysore, , Amritdhara Pharmacy Vs. Satyadeo Gupta, , Cadila Health

Care Ltd. Vs. Cadila Pharmaceuticals Ltd., and Heinz Italia
and Another Vs. Dabur India Ltd.,

11. The plaintiff's mark is a word mark. It is not descriptive or suggestive of the products or services offered. PRIYAGOLD does not readily

conjure up the image of biscuits. The mark, in relation to biscuits is arbitrary; a coined one. The materials on record show that this mark has been

used since 1993. The plaintiff has produced documents such as invoices, sales tax returns and documents, and so on. The invoices date back to 1993.

12. The defendant's trade or firm name is ""Priyagold Tea Company"". It is a proprietorship concern. The defendant has not appeared and

contested the suit, or the evidence filed in court. Its trade name is deceptively, or confusingly identical or similar to the plaintiff's registered

trademark. No explanation is forthcoming why the defendant hit upon the same name. The materials on record, in the opinion of the court, establish

that the plaintiff has been using the mark since 1993; its sales figures and turnover presented to the court testify to some degree of reputation, and

goodwill, in relation to its products, all of which are marketed under the brand ""PRIYAGOLD"". In this case the defendant is marketing its product,

i.e. Tea under the business name "M/s Priyagold Tea Company", it is using "PRIYAGOLD" as a salient part of the expression. The defendant has

even copied the plaintiff's slogan, i.e. ""Haq Se Maango"" after slight modification and has adopted it as ""Maango Haq Se"". By promoting its

products under that expression the defendant is most certainly trading on the goodwill that the plaintiff has acquired in its trade by delivering quality

products and undertaking extensive brand building exercises. There is nothing on record to suggest that the defendant could have bonafide hit upon

the same expression ""PRIYAGOLD"" or the slogan ""Maango Haq Se"" in relation to the same or similar products. The mark is a coined phrase, and

the plaintiff's evidence is suggestive of linkage (of the phrase) with its products. The facts revealed to this Court are sufficient to hold that the

defendant is indulging in infringement of the plaintiff's trademark, with the attendant confusion. The plaintiff is thus, held entitled for a decree of

injunction as is claimed.

13. In support of its claim for damages the plaintiff has relies upon Time

Incorporated Vs. Lokesh Srivastava and Another, , where the court had observed that:

This Court has no hesitation in saying that the time has come when the Courts dealing actions for infringement of trade marks, copy rights, patents

etc. should not only grant compensatory damages but award punitive damages also with a view to discourage and dishearten law breakers who

indulge in violations with impunity out of lust for money so that they realize that in case they are caught, they would be liable not only to reimburse

the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them.

The decision in Microsoft Corporation Vs. Mr. Yogesh Papat and Another, , is, likewise, relied on; the court expressed the following view:

plaintiff would also be entitled to damages for the reason that it would be futile to direct the defendants to render accounts for the reason that the

defendants have been carrying on business surreptitiously".

14. The assessment of damages has to be based on cogent evidence furnished for the purpose. In its evidence by way of affidavit the plaintiff has

not provided any record of the business procured by the defendant as being detrimental to the business of the plaintiff nor has it annexed a

statement of loss of profits suffered by it on account of business diversion due to the defendant using the mark.

15. The plaintiff submits that the profits made by the defendant by misappropriating its goodwill and reputation, as well as on account of business

diversion is the loss suffered by the plaintiff and that as it has no access to the accounts of the defendant, it is unable to assess the profits made by

them, which is estimated at Rs. 20 Lakhs, but no document in support of that claim is placed for consideration by the Court.

16. In view of the above discussion, the suit is entitled to succeed in so far as the claim for permanent injunction is concerned. However, so far as

damages are concerned, the court does not see any reason to depart from the approach mentioned in Time Incorporated and Yogesh Popat

(supra). Accordingly, the suit is decreed in terms of Para 29(i); with costs. Counsel's fee is quantified at Rs. 25,000/ -. Let decree be drawn in

these terms.