
(1995) 07 CAL CK 0044
In the Calcutta High Court
Case No : Suit No. 167 of 1995

The Hearst Corporation

APPELLANT

Vs

Dalal Street Communications Ltd.

RESPONDENT

Date of Decision : 21-07-1995

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 25 Rule 1, Order 39 Rule 1, Order 39 Rule 2
Trade and Merchandise Marks Act, 1958 — Section 106, 111(1), 2, 28, 29

Citation : (1995) 2 CALLT 346 : 101 CWN 211

Hon'ble Judges : Ruma Pal, J

Bench : Single Bench

Advocate : Goutam Chakraborty and R.K. Khanna, for the Appellant; Bisworoop Gupta and Ajoy Gupta, for the Respondent

Final Decision : Allowed

Judgement

Ruma Pal, J.—The plaintiff publishes a monthly magazine by the name "Esquire" and has been doing so since 1933. The magazine is sold internationally. Sales of the magazine are also effected in India. The plaintiff is the registered proprietor of the Trade Marke "Esquire" in India. Registration of the trade mark was granted in 1942 by the Trade Mark Registry at Calcutta in respect of inter alia magazines and periodicals. The trade mark is still valid. The plaintiff also owns the copy right in the script, get-up and style in which the trade mark "Esquire" is retailed.

2. Since October, 1994 the defendant has been publishing a monthly magazine with the name "E-square".

3. The plaintiff has filed this suit claiming that the defendant has thereby infringed the plaintiffs, trade mark and copy right of the trade mark "Esquire". An application for interim relief was filed and an ad-interim order was passed on 10th May, 1995 restraining the defendent from publishing the June issue of "E--square" until 18.5.95 without the leave of the Court. The May issue was also directed not to be marketed and sold till 18th May, 1995 if it had not already been done. On 18th May, 1995 the interim order was directed to continue as the

defendant did not appear. According to the defendant it was not served in time. The defendant preferred an appeal from the ad-interim order. No stay was granted. The defendant has now filed an application for modification and/or modification of the ad- interim orders and for stay of the trial of the suit. The defendant has also filed an application for security for costs. This judgment disposes of all these applications.

4. According to the defendants the name "E-square" had been adopted because the magazine was published for Executives and entrepreneurs. The defendant had entered into an agreement with the Citibank N.A. by which the defendant undertook to publish the magazine for free circulation to Citibank card members. After meeting the demands of the Citibank card members the defendant would be entitled to sell the magazine in the open market. The defendant has said that the mark of the plaintiff and that of the defendant was different alphabetically script-wise and in letter style. The client tail of the plaintiff was, exclusively men whereas the defendant's clients were Executives and entrepreneurs of whichever sex. The defendant emphasised that it is a reputed publishing firm and the name of the magazine had been approved and registered by the Registrar of Newspapers for India under the Press & Registration of Books Act, 1867. The defendant had also applied for registration of the mark "E-square" on 7th April, 1995 and had also applied for the rectification of the plaintiff's mark. The defendant has also alleged that there was a vast difference in the pricing of the magazine-the plaintiff's magazine selling for Rs. 220/- each whereas the defendant did not sell the bulk and only sold the excess after meeting the requirements of the Citibank card members at Rs. 12/- per copy. There was as such, according to the defendant, no possibility of deception or confusion. Additionally the defendant has submitted that the balance of convenience was in favour of the interim order being vacated.

5. The Trade and Merchandise Marks Act, 1958 (herein after referred to as the Act) was enacted inter alia for the better protection of trade marks. "Trade Mark" has been defined in Section 2(v) of the Act as "a mark used in relation to goods for the purpose of indicating or so as to indicate a communication 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 indicating of the identity of that person". Once a trade mark is registered, during the period of its validity, the registered proprietor has 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 (Vide Section 28). A trade mark is infringed when a person in the course, of trade uses a mark which is identical with or deceptively similar to the trade mark in relation to the goods in respect of which the trade mark is registered. Use of the mark by such person must be in a manner which is likely to be taken as being used as a trade mark (Vide Section 29).

6. Thus in an action for infringement

- (a) the plaintiff must be the registered owner of a trade mark;
- (b) the defendant must use a mark deceptively similar to the plaintiff's mark;
- (c) the use must be in relation to the goods in respect of which the plaintiff's mark is registered;
- (d) the use by the defendant must not be accidental but in the course of trade.

7. In this case conditions (a), (c) and (d) admittedly exist. Both the plaintiffs and the defendant's trade marks are used in respect of the same class of goods namely Clause 16 of the 4th Schedule. Therefore, the only question which will have to be decided in order to determine whether there has been an infringement of the plaintiff's trade mark is whether the mark used by the defendant is identical with or deceptively similar to the plaintiff's mark. The defendant's mark is not identical with the plaintiff's mark. Therefore, the plaintiff will have to establish at last prima facie that the defendant's mark is deceptively similar.

8. The degree of similarity necessary to be deceptive cannot be measured in terms of any objective standard. The phrase itself has been defined in Section 2(d) of the Act which shows that a mark shall be deemed to be deceptively similar to another mark when it so resembles the other mark as to be likely to deceive or cause confusion. This does not take the matter much further but it does indicate the two ingredients of infringement viz. similarity and the likelihood of deception or confusion. As far as similarity is concerned what is required is not mere resemblance but a "mere resemblance"-or close similarity.

9. The next ingredient is the likelihood to deceive or cause confusion. In other words, the statute does not require actual deception or confusion to found an action for infringement.

10. On the first ingredient the Supreme Court in the case of Amritdhara Pharmacy Vs. Satyadeo Gupta, held that it must be seen whether there was an overall similarity between the two names in respect of the same description of goods both visually phonetically, (see also in the matter of an application by the Pianotist Co. Ltd. (1906) 23 RPC 774, F. Hoffmann-la Roche and Co. Ltd. Vs. Geoffrey Manner and Co. Pvt. Ltd., .

11. It appears to me that there is a phonetic likeness between the words "E-square" and "Esquire" particularly in the Indian context where a perfect pronunciation of English as it should be spoken is not common. (See Aristoc Ltd. v. Rysta Ltd. : 1945 RPC 65, 72, The Bombay Oil Industries Pvt. Ltd. Vs. Ballarpur Industries Limited,

12. The close resemblance being there the enquiry is will it deceive? It is established on the basis of innumerable authorities that the question has to be approached from the point of view of an unwary purchaser of average intelligence and imperfect recollection. Secondly, the goods to which the words

are applied must be considered; and thirdly the nature and kind of customer who would be likely to buy the goods must be kept in view.

13. Both the magazines are, to use an unforensic term, "glossies" meant for the upwardly mobile class of persons. The defendant stated that the word "Esquire" was coined by the plaintiff because it was intended to cater to the aristocrats whereas the defendant's magazine had no such pretensions. This cannot be accepted as a differentiating factor as the age of aristocrats in sense of the blue blooded representing the cream of the society has been replaced with an elite whose pedigree is determined with reference to wealth. Credit card holders implies such a degree of solvency.

14. It is true that men are the targeted section of the plaintiff's magazine whereas there is no such gender bias as far as the defendant's magazine is concerned. However, the covers of the magazine of the defendant would appear to be framed with the idea of attracting the male interest whatever the contents might be.

15. For these reasons, on the basis of the phonetic similarity it appears to be clear that an unwary purchaser of average intelligence and imperfect recollection would be likely to confuse the defendant's use of the mark "E-square" on its magazine with the plaintiff's publication.

16. There is another way of considering the issue of infringement and that is whether the defendant's mark was an imitation of the plaintiff's mark. This, of course, implies a certain lack of bona fides on the imitator's part.

17. According to the Supreme Court in *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*,

"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, on further evidence is required to establish that the plaintiff's right are violated."

18. Similarly, in *Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co.*, it was said :

"An infringement action is the issue is as follows : "Is the defendant using a mark which is the same as or which is a colourable imitation of the plaintiff's registered trade mark?"

19. The plaintiff has to my mind adduced evidence sufficient to establish at least prima facie, a world wide reputation. It has relied upon International Editions of its magazine as well as Indian editions of "Esquire". The printed statement of account of the Audit Bureau of Circulation in the United States shows that for six months preceding 30th June, 1994, the total average paid circulation was 7,39,828. The monthly circulation for the January '94 issue in the U.S.A. was 7,28,030, Canada-16482 and internationally 6544. The circulation and

advertising costs have also been given along with the statement of account. India does not exist in isolation and the wide universal circulation of the plaintiff's magazine over a long period of time can also be taken into consideration for determining the issue.

20. I am not persuaded on the basis of the affidavits as filed that the word "E-square" was chosen for the reasons stated, namely because the magazine was for Executives and Entrepreneurs. Admittedly the readers of the defendant's magazine were primarily to be the Citibank Credit Card Members of the Citibank are limited to Executives and Entrepreneurs. It would therefore appear at this stage that the justification followed the choice of the name and the choice was not an original but inspired by the plaintiff's periodical.

21. The difference in price would be a relevant consideration only for the purpose of determining the nature of the likely customers. Where the class of customers who would purchase "Esquire" would be the same as the class of persons seeking to purchase the defendant's magazine, in my opinion, the price would lose much of its relevance.

22. Where there is proof of infringement the plaintiff should be entitled to an injunction as a matter of course. u/s 106 in any suit of infringement or for passing off a Court may grant relief including an injunction and damages together with or without an order for delivery up of the infringing marks for destruction or erasure.

23. But being an interlocutory proceeding the question of balance of convenience and the assessment of the relative injury to either party is material. The balance of convenience in my view is in favour of the plaintiff. The use of the infringing mark by the defendant may affect the plaintiff's goodwill and reputation and damages might not be adequate compensation. On the other hand the defendant's loss would be purely pecuniary as it is not, the defendant's case that it has acquired a reputation in respect of the mark "E-Square".

24. The agreement between the defendant and the Citibank also shows that the defendant was required to supply the Credit Card Members of the Citibank with copies of its magazine free of charge for a period of 12 months after meeting which the defendant would be entitled to sell the magazine commercially to the public at large. The bulk of the circulation is on a complimentary basis.

25. Besides the plaintiff's mark is much prior to the defendant. In my view therefore the plaintiff is entitled to an injunction as prayed for.

26. There will accordingly be an order in terms of prayer (a) of the plaintiff's notice of motion until the disposal of the suit.

27. As far as the defendant's application to modification and stay is concerned, the prayers in so far as they relate to the variation of the ad-interim order have become infructuous. No submission on the question of stay of the suit u/s 111 of the Act was made by the plaintiffs. The stay must in any event be allowed in

view of the mandatory provisions of Section 111(1)(i). There will accordingly be an order in terms of prayer (c) of the defendant's notice of motion dated 8.5.95.

28. The third application is the application of the defendant for security for costs to be paid by the plaintiff to the defendant. An amount of Rs. 25 lakhs has been claimed. The application has been made under provisions of Order XXV Rule 1 of the Code of Civil Procedure. Order XXV Rule 1 reads as follows :

"1.(1) At any stage of a suit, the Court may, either of its own motion or on the application of any defendant, order the plaintiff, for reasons to be recorded, to give within the time fixed by it security for the payment of all costs incurred and likely to be incurred by any defendant :

Provided that such an order shall be made in all cases in which it appears to the Court that a sole plaintiff is, or (when there are more plaintiffs than one) that all the plaintiffs are residing out of India and that such plaintiff does not possess or that no one of such plaintiffs possesses any sufficient immovable property within India other than the property in suit."

29. The wording appears to be mandatory. The decision in Revlon Inc. and Others Vs. Kemco Chemicals and Others, has held so. I see no reason for differing with the view taken by the learned Single Judge. However, the rule proceeds on the presumption that there is a real possibility of the plaintiff being directed to pay costs of the defendant at the time of final disposal of the suit. The rule does not take away the discretion of the Court with regard to the quantum. The word security implies a possible liability. Having held prima facie in favour of the plaintiff on the merits it would not be reasonable to proceed on the assumption that the plaintiff will ultimately fail.

30. For the reason in the Revlon decision (supra) which I respectfully adopt, I direct that the plaintiff will furnish security to the extent of Rs 50,000/- either by way of bank guarantee through a nationalised bank in favour of the defendant or deposit of Rs. 50,000/- in cash with its Advocate on Record within six weeks from the date of receipt of the signed copy of the minutes of this order. In case the security is furnished by way of a bank guarantee, the plaintiff will go on renewing the same as and when such renewal is required and will inform the defendant's Advocate on record about the renewal of the same within seven days from; the date of renewal. The plaintiff's Advocate on record is directed to intimate the Advocate on record of the defendant as soon as the security is furnished in terms of this order. If however, the security is furnished in cash, then the said Rs. 50,000/- to be deposited with the advocate on record of the plaintiff within the period mentioned above. The said Advocate on record will hold the same free from any lien and will invest the same in a short term fixed deposit not exceeding three months with a nationalised bank and will go on renewing the same along with its accrued interest subject to further order of Court. The plaintiff's Advocate on record will intimate the defendant's Advocate on record within one week after each renewal. The plaintiff's Advocate on record will

intimate the defendant's Advocate on record, the name and address of the bank where money has been invested within one week of such investment.

31. Stay prayed for is refused.

All parties concerned are to act on a xeroxed signed copy of this judgments and order upon usual undertaking. Such xerox copies of the judgment and order shall be made available to the parties expeditiously, in any event not later than 25th July, 1995.