

MANU/DE/0760/2003

Equivalent Citation: 2003(70)DRJ393, 2003(27)PTC142(Del)**IN THE HIGH COURT OF DELHI**

FAO No. 331/2002 and CR No. 542/2002

Decided On: 23.05.2003

Appellants: **Goyal Gramodyog Sansthan and Ors.**
Vs.Respondent: **Seth Brothers and Anr.****Hon'ble Judges/Coram:**

S.N. Kapoor, J.

Counsels:

For Appellant/Petitioner/plaintiff: Rajiv Nayar, Senior Adv. and Maninder Singh and Pratibha M. Singh, Adv

For Respondents/Defendant: Ajay Sahni, Adv.

Subject: Intellectual Property Rights**Acts/Rules/Orders:**

Code of Civil Procedure, 1908 (CPC) - Order 7 Rule11

Cases Referred:

Ramu Hosieries rep. By M. Murugesan v. Ramu Hosieries rep. By Pandela Ramu and Anr., 1998 (Suppl.) Arb. LR 399, 1999 PTC (19) 183(Mad); Kheshtupal Sharma v. Pancham Singh Verma, AIR 1915 All. 262; Jay v. Ladler, 1988 [40] Ch. D. 649; Bourne v. Swan and Edgar Limited, 1903 [1] Ch. D. 211; Reddaway v. Banham, 1896 AC 199; Amba Lal Sarabhai Enterprises Limited v. Sara Pharmaceuticals and Ors., 1982 PTC 214; Amar Soap Factory v. Public Gram Udyog Samiti, 1985 PTC 85, 1987 [1] Arb. LR 375; State of Madras v. C.P. Agencies, AIR 1960 SC 1309; Read v. Brown, 1988 (22) QBD 128; Jawahar Engineering Co. and Ors., Ghaziabad v. Jawahar Engineering Pvt. Ltd., Sri Rampur, Distt. Ahmednagar, Maharashtra, 1983 PTC 207; M. Soni & Co. v. Chowdhari & Co., 1993 (27) DRJ 493; Mohan Kumar v. Narendra Products, 1995 (23) ALR 246, 1995 (15) PTC 248 (Del); Abdulla bin Ali v. Galappa, AIR 1985 SC 577; Ravi Singhal and Ors v. Smt. Manali Singhal and Anr., 87 (2000) DLT 658; Inspiration Clothes & U v. Colby International Limited, 2001 (57) DRJ 16; Ruchi (Pvt.) Ltd. v. Indian Flame Enterprises and Ors., 2001 PTC 876 (Delhi); , Indian Herbs Research and Supply Co. Ltd. v. Laljimal and Anr., 2002 (24) PTC 318 (Delhi); Dharamal Satyapal v. Janta Sales Corporation, 41 (1990) DLT 612; , Tata Iron & Steel Co. v. Mahavir Steel, 47 (1992) DLT 412, 1992(22) DRJ; Raplokes Brett Co. Ltd. v. Ganesh Property, 1998 (7) SCC 184; Haldiram Bhujawala v. Anand Kumar Deepak Kumar, 2000 PTC 147; Girnar Foods Pvt. Ltd. v. Godfrey Philips, 2001 PTC 360; Cadila Health Care Ltd. v. Cadila Pharmaceutical Ltd., 2001 PTC 300 (SC); Kala Niketan v. Kala Niketan, 2nd (1980) 1981 (1) PTC 213 (Del); K.R. Chinna Krishna Chettiar v. Ambal and Co., Madras and Anr., PTC (Suppl)(1) 258 (SC); De Cordova and Ors. v. Vick Chemical Co., (1951) 68 RPC 103; Charan Dass and Veer Industries (India) v. Bombay Crockery House, 1984 PTC 102; Creative Handicrafts v. Sedana Electric Co. and Anr., 1988 PTC 348; Hindustan Pencils Pvt. Ltd. v. India Stationery Products Co. and Anr., 1989 PTC 61; Hitachi Ltd. v. Ajay Kr. Agarwal and Ors., 1996 PTC (16); Rob Mathys India Pvt. Ltd. v. Synthes Ag Chur, 1997 (17) PTC

Citing Reference:

Discussed		10
Mentioned		21

Case Note:

Trade Mark - Infringement--Deceptive similarity--Permanent injunction--Ayurvedic preparation--plaintiff/respondent filing suit for permanent injunction for restraining infringement of trade mark, copyright, passing off and rendition of accounts in respect of one of its Ayurvedic medicine/churna "KAYAM CHURAN" used for curing chronic constipation, headache and hyper acidity--Word "KAYAM" registered since 1977--plaintiff/respondent filing suit when he came to know that defendant manufacturing and dealing in similar product using the words "KAYAM PLUS"--Fraudulent conduct in adopting a deceptively similar trademark--Lower court decreeing suit--Justified--Revision petition by defendant liable to be dismissed--Civil Procedure Code, 1908, Order 7 Rule 11.

Held:

manupat7 The choice of the word 'kayam plus' was not accidental but it was done intentionally to infringe the trade mark of plaintiff. Accordingly, it is apparent that there is prima facie case in favor of respondent No. 1. The balance of convenience is also in favor of respondent No. 1 and since they are likely to suffer irreparable loss as will, the order passed by the learned Additional District Judge is absolutely justified in granting the injunction.

For the aforesaid reasons neither the plaint could be rejected under Order 7 Rule 11 to justify the claim of the Revision Petitioner in the Revision to reject the plaint nor there is any justification for vacating the injunction order restraining the defendants and their servants etc. from manufacturing selling and offering for sale the advertisement, directly or indirectly dealing the Ayurvedic medicine churna or any other allied/cognate goods under the impugned trademark 'Kayam plus' or from using any trade mark which are identical to the deceptively similar to the plaintiffs above mentioned registered Trade Mark 'Kayam' and the device relating thereto.

JUDGMENT

S.N. Kapoor, J.

1. This order shall dispose of above named FAO 331 of 2002 filed against granting injunction as well as a Civil Revision Petition No. 5420/2002 against rejection of an application under Order 7 Rule 11 of the Code of Civil Procedure (for short the 'CPC) moved by defendants No. 1 to 3 petitioners, namely, Goyal Gramudyog Sansthan, Goyal Brothers and 'Goyal Herbals (P) Ltd. Both the matters are being taken together for they involve some common question of law and facts.

2. Brief facts giving an occasion to this appeal and Civil Revision are as follows: plaintiff/respondent No. 1, M/s. Seth Brothers, filed a suit for permanent injunction for restraining infringement of the trade mark, copyright, passing off and rendition of accounts in respect of one of its ayurvedic medicine/churns "KAYAM CHURAN" used for curing chronic constipation, headache and hyper acidity. The plaintiff/respondent claimed that they adopted and put to use trademark "KAYAM" in the year 1977 and they are the registered proprietor of the trade mark "KAYAM" registered under No. 348061-B dated 1st April, 1979. The plaintiff/respondent filed the suit when they came across the products of defendant No. 1 bearing the impugned trade mark "KAYAM" by using the words "KAYAM PLUS". Thus the petitioner/defendant Nos. 1 to 3 were guilty of fraudulent conduct in adopting a deceptively similar trademark "KAYAM PLUS" churan being an "Ayurvedic Medicine" could be manufactured and sold only after obtaining a license. No license had been filed to establish that the petitioners/defendant No. 1 has got a license to do so. On 25th August, 2001 a notice was issued to the respondent to desist from using the trade mark. It did not bring about any desired result and ultimately they had to file the suit. It is also alleged that the plaintiffs are using their trade mark "KAYAM" since 1977. They have conducted sales worth more than Rs. 70 crores of Kayam Churan bearing the said trade mark "KAYAM" and have allegedly till date spent more than Rs. 10 crores in advertising. The trademark "KAYAM" by its continuous, extensive and exclusive user throughout India on a very large scale has acquired since 1977 distinctive meaning in relation to Ayurvedic medicines manufactured by the respondent No. 1/plaintiff.

3. The plaintiff/respondent No. 1 further claimed that they came to know for the first time in the last week of August, 2001 that defendants No. 1 to 3/appellants were selling their goods in Delhi. After giving notice to the petitioner to desist, and when it did not bring the desired result, the suit was filed. In para 19 of the plaint jurisdiction of this Court was claimed on the following basis :-

"That this Hon'ble Court has the jurisdiction to entertain and try the present suit as the defendant No. 4 is residing, carrying on business and working for gain within the jurisdiction of this Hon'ble Court and Therefore part of the cause of action has arisen within the jurisdiction of this Hon'ble Court. Even otherwise the defendants 1 to 3 are advertising their said product and soliciting business within the jurisdiction of this Hon'ble Court and Therefore also this Hon'ble Court has the jurisdiction to entertain and try the present suit. This apart this Hon'ble Court also has the jurisdiction to entertain and try the present suit in view of Section 62(2) of the Copyright Act, 1957 in as much as the plaintiffs goods are being widely sold within the jurisdiction of this Hon'ble Court and the plaintiffs are Therefore carrying on their business within the jurisdiction of this Hon'ble Court."

4. The defendant/petitioners have moved an application for rejecting the plaint claiming that Delhi Courts had no territorial jurisdiction to entertain the present suit. Jurisdiction of Delhi Court had, been invoked with mala fide intention by impleading respondent No. 2/defendant No. 4 as a party to the present suit. It is also claimed by the defendant/petitioner that defendant No. 4/respondent No. 2, M/s. Ishwar Dass Kishan Lal, 34, Main Market, Moti Nagar, New Delhi - 110015, have never been agent, distributor or stockist of defendants/petitioners No. 1 to 3 and averments made in the plaint were not sufficient to confer jurisdiction on Delhi Court to entertain the suit. It was submitted on behalf of the defendants/petitioners that Only a bald assertion in the plaint that the defendants were selling within territorial jurisdiction of this" Court, without there being anything on the record, would not confer jurisdiction of Delhi Courts. It was also claimed that neither the plaintiff nor the defendants are residents of Delhi. The plaint did not disclose that the partnership firm was registered. A rectification application bearing No. 1/2002 was pending. The product of the petitioner/defendant

5. Learned trial Court dismissed the application on the ground that at the initial stage only the averments in the plaint could be seen to fine out whether the Court had jurisdiction or not ; the defense of the defendant/petitioner could not be considered at that stage, nor it could be ignored that the plaintiff had specifically pleaded that defendant No. 4 was an agent of defendants/petitioners No. 1 to 3 and he was also their stockist. He had also taken note of a cash memo of respondent No. 2 Ishwar Dass Kishan Lal. He also noticed that respondents No. 1 to 3 had advertised their products in the Hindustan Times dated 5th November, 2001 published from Delhi and the defendant No. 1/petitioner moved an application for registration of its trademark in Delhi.

6. The learned trial Court relying on certain authorities granted ad interim injunction restraining petitioners from using the impugned trademark KAYAM PLUS or any trademark which is identical or deceptively similar to the plaintiffs and to reproduce registered trademark KAYAM vide order dated 4th May 2002 dismissed the application of the petitioner for rejecting the plaint by order dated 2nd May, 2002.

7. Feeling aggrieved, the present appeal and revision petition has been filed.

8. Having heard the parties counsel and after going through the record, it appears that the order passed by the learned trial Court could not be interfered for numerous reasons.

9. Before proceeding further, it would be desirable to refer to Section 105 and Clause (e) of Section 2 of the Trade and Merchandise Marks Act (hereinafter called the 'Act' for short) as well as Sub-section (4) of Section 2 and Sections 19 and 20 of the CPC for they relate to question of jurisdiction in relation to cause of action.

10. Section 105 and Clause (e) of Section 2 of the Act read as under :-

"105. Suit for infringement, etc., to be instituted before District Court No suit -

(a) for the infringement of a registered trade mark ; or

(b) relating to any right in a registered trade mark ; or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiffs trade mark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit."

11. Clause (e) of Section 2 of the Act reads as under :-2.

Definitions and interpretation

(1) In this Act, unless the context otherwise requires, --

(a) xxx

(b) xxx

(c) xxx

(d) xxx

(e) "District Court" has the meaning assigned to it in the Code of Civil Procedure, 1908 (5 of 1908).

12. It is further relevant here to reproduce Sub-section (4) of Section 2 and Sections 19 and 20 of the CPC. They read as under :-

"2. Definitions

In this Act, unless there is anything repugnant in the subject or context, --

(1) xxx

(2) xxx

(3) xxx

(4) "district" means the local limits of the jurisdiction of a principal Civil Court of original jurisdiction (hereinafter called a "District Court"), and includes the local limits of the ordinary civil jurisdiction of a High Court;"

19. Suits for compensation for wrongs to person or movables.

Where a suit is for compensation for wrong done to the person or to movable property if the wrong was done within the local limits of the jurisdiction of one Court and the defendant resides, or carries on business, or personally works for gain, within the local limits of the jurisdiction of another Court, the suit may be instituted at the option of the plaintiff in either of the said Courts."

Illustration

(a) A, residing in Delhi, beats B in Calcutta. B may sue A either in Calcutta or in Delhi

(b) A, residing in Delhi, publishes in Calcutta statements defamatory of B. B may sue A either in Calcutta or in Delhi.

20. Others suits to be instituted where defendants reside or cause of action arises

Subject to the limitations aforesaid, every suit shall be instituted in Court within the local limits of whose jurisdiction -

(a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain ; or

(b) any of the defendants, where there are more than one, at the time of the commencement of the suit, actually and voluntarily, or carries on business, or personally works for gain, provided that in such cases either the leave of the Court is given, or the defendant who do not reside, or carry on business, or personally work for gain, as aforesaid, acquiesce in such institution; or

(c) the cause of action, wholly or in part, arises.

[Explanation]. A corporation shall be deemed to carry on business as its sole or principal office in [India] or, in respect of any cause of action arising at any place where it has also a subordinate office, at such place."

13. It would be apparent from the above Sections that legislative intent is to enable a District Court to proceed with the matter where the trade mark has been infringed meaning thereby the Court having jurisdiction over the area where part of cause of action has arisen. In case one looks to Section 19 of the CPC, then the suit would fall under Section 19 to confer jurisdiction on the Delhi Courts for, it is not a suit for simple injunction based on sale of KAYAM PLUS Churana alleged by the plaintiff; it is also a suit for rendition of accounts of profits as well and since the prayer in Clause (4) seeks an order for rendition of account of profits illegally earned by the appellant/petitioner by manufacturing and selling 'Churan' under the impugned trade mark "KAYAM PLUS" at Delhi. It would amount to compensation within the meaning of Section 19 CPC for wrong done to the person or to movable property.

14. One may refer to the judgments of the Madras High Court in Ramu Hosieries rep. By M. Murugesan v. Ramu Hosieries rep. By Pandela Ramu and Anr., 1998 (Supp.) Arb. LR 399 : 1999 (19) PTC 183 (Mad) . In that case Madras High Court after referring to a number of cases made the following observations :-

"7.Thus, advertisement is an infringement of the trade mark. In Kheshtupal Sharma v. Panoram Singh Verma AIR 1915 All. 262, a Division Bench of Allahabad High Court has observed " on the other hand several English cases have been cited which show that it has been held for some years past that a trade mark may be infringed by means of an advertisement. We think it is sufficient to refer to decisions in Jay v. Ladler 1988 [40] Ch. D. 649, Bourne v. Swan and Edgar Limited 1903 [1] Ch. D. 211, and to the injunction which was issued by the House of Lords in the case of Reddaway v. Banham 1896 AC 1999. In Amba Lal Sarabhai Enterprises Limited v. Sara Pharmaceuticals and Ors. 1982 PTC 214, the Delhi High Court has taken the view that prima facie publication of an advertisement in Delhi offering for sale of goods was sufficient to confer injunction on the Delhi Courts. In Amar Soap Factory v. Public Gram Udyog Samiti 1985 PTC 85 : 1987 [1] Arb. LR 375, the Delhi High Court reiterated the same view and held that cause of action in part can be said to have arisen in favor of the plaintiff in Delhi by the publication of the advertisement of the defendant's mark in the Trade Marks Journal and accordingly the Delhi Courts have territorial jurisdiction to entertain and decide the suit" We hold that the trade mark may be infringed by means of an advertisement since the publication of an advertisement in papers, handbills is calculated to induce people to believe that they will get certain type of goods thus it amounts to infringement of the appellant's trade mark. We do not subscribe to the view of the trial Judge that advertisement by the defendant in Eenadu circulated in Madras does not provide a cause of action.

8. In order to determine the question of jurisdiction, it is appropriate to see whether any part of the cause of action for the present suit has arisen in Madras. In State of Madras v. C.P. Agencies, MANU/SC/0221/1959 : AIR1960SC1309 , their Lordships of the Supreme Court have quoted with approval the definition of 'cause of action' given in some of the English cases. In Read v. Brown

1988 (22) QBD 128 Lord Esher, M.R., defined 'cause of action' to mean : "Every fact which it would be necessary for the plaintiff to prove, if traversed in order to support his right to the judgment of the Court. It does not comprise every piece of evidence which is necessary to prove each fact but every fact which is necessary to be proved." In the same case, Fry. L.J., agreeing with Lord Esher, M.R. Said :

"Everything, which, if not proved, gives the defendant an immediate right to judgment must be part of the cause of action".

15. In view of the aforesaid this court need not burden this judgment by quoting other judgments. Besides, the view of the learned Addl. District Judge was just field for advertisement of deceptively similar product in Delhi in any form in newspapers, by hand bills, by board, by mobile vans, by TV or by radio would be sufficient to say that the concerned advertiser intended to either pass off their goods or to infringe the registered trademark of other. There could not be any dispute about publication of advertisement of the petitioner/defendant in Hindi daily "Hindustan" dated 5th November 2001 published from Delhi and circulated in Delhi and other Hindi speaking states at least. Since it is alleged that the advertisement was made in Delhi within the local limits of the jurisdiction of this Court and though neither the petitioner nor the respondents reside in Delhi, this suit could be instituted at the option of the plaintiff/respondent neither at Varanasi nor at Delhi. Illustrations A and B to Section 19 CPC clarify the position. In Illustrations A, it is mentioned that A, residing in Delhi, beats B in Calcutta. B may sue A either in Calcutta or in Delhi. In Illustration B, it is mentioned that A, residing in Delhi, publishes in Calcutta statements defamatory of B. B may sue A either in Calcutta or in Delhi. It is also alleged that the petitioner Goyal Gramudyog Sansthan had also filed an application for the registration of its impugned trade mark "KAYAM PLUS" in the Trade Mark Registry, Delhi without any territorial limitation. The District Court would have the requisite jurisdiction to entertain. The learned counsel for the respondents has rightly relied upon the following judgments :-

1. Jawahar Engineering Co. and Ors., Ghaziabad v. Jawahar Engineering Pvt. Ltd., Sri Rampur, Distt. Ahmednagar, Maharashtra 1983 PTC 207.
2. M. Soni & Co. v. Chowdhari & Co., MANU/DE/0518/1993 : 1993IVAD(Delhi)37 .
3. Mohan Kumar v. Narendra Products 1995 (23) ALR 246 : 1995 (15) PTC 248 (Del)

16. The next submission is that Defendant No. 4 relates to allegedly non-existent agent and Therefore, it is claimed that jurisdiction had been invented by just producing a fake receipt". Firstly, this Court cannot take into consideration defense of the petitioner at this stage for, it would be a matter of evidence. Secondly, supposing for the sake of arguments it is accepted that it was so. "Is there any answer for advertisement in the Hindustan Times ?". If the wrong is intended by advertising a product, which may have some alleged colour of deception, wrong to the plaintiff/respondent and his trade mark has been prima facie committed and the matter would be squarely covered under Section 19, irrespective of the fact whether it is covered by Clause (c) of Section 20 or not ? I need not burden this judgment further by referring to move authorities for, the settled proposition of law is that in order to justify the rejection of plaint the Court should look at the plaint and documents accompanying the plaint only and nothing else, including the defense raised by the defendant. If it does not disclose any cause of action, then the defendant would get the plaint rejected and not otherwise (see Abdulla bin Ali v. Galappa, MANU/SC/0307/1985 : AIR1985SC577 Ravi Singhal and Ors v. Smt. Manali Singhal and Anr. 87 (2000) DLT 658 (DB) [Para 21] ; Inspiration Clothes & U v. Colby International Limited 2001 (57) DRJ 16 [Rule D.B. has already been issued.] Ruchi (Pvt.) Ltd. v. Indian Flame Enterprises and Ors. 2001 PTC 876 (Delhi), Indian Herbs Research and Supply Co. Ltd. v. Laljimal and Anr. 2002 (24) PTC 318 (Delhi). Moreover it has been consistently held that the mere averment that the defendant were selling goods bearing deceptively similar trademark in Delhi was enough at initial stage for the court to assume jurisdiction. (See Dharamal Satyapal v. Janta Sales Corporation, MANU/DE/0454/1990 : 41(1990)DLT612 , Tata Iron & Steel Co. v. Mahavir Steel, MANU/DE/0525/1992 : 47(1992)DLT412 . It has been further consistently held that insofar as disputed questions of fact relating to questions are concerned, could only be gone in to after the evidence is recorded in the case (See Tata Iron Steel supra).

17. Consequently, the argument that assertion in the plaint that respondent No. 2 was the stockist was not at all sufficient to confer jurisdiction falls on the ground and has to be rejected.

18. As regards the plea of non-registration of partnership under Section 69(2) of the Partnership Act in para J of the petition, though the plea was taken but it was not virtually pressed with the same vehemence with which other arguments were advanced. This plea of non-registration had been negated for it was virtually answered in negative by the Supreme Court in the cases of Raplokes Brett Co. Ltd. v. Ganesh Property, MANU/SC/0595/1998 : AIR1998SC3085 and Haldiram Bhujjawala v. Anand Kumar Deepak Kumar, 2000 PTC 147. After considering a number of cases in Haldi Ram (supra), the Supreme Court took the view that Section 69(2) of the Partnership Act could not bar the enforcement of registered trade mark by way of suit by an unregistered firm, in respect of a statutory right or common law rights and in the cases of passing off as well as infringement of trade mark, for seeking relief of permanent injunction or damages the suit could not be treated as one based on statutory right under the Partnership Act. The suit based on the infringement of statutory rights and the Trade Marks Act as well as upon the common law principles of tort to passing off

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action was not barred under Sub-section (2) of Section 69 of the Partnership Act for in both the situations the unregistered partnership could not be said to be enforcing any right "arising out of the contract". This argument, Therefore, should not further detain this Court from rejecting the plea in this regard.

19. The next point for consideration is whether the word KAYAM had acquired any distinctive meaning or it is just an ordinary dictionary word meaning stable, lasting, permanent, confirmed and sanction. In this very connection it was also argued that though the trade mark is registered but a rectification petition had already been filed. It was also contended that at the behest of the respondent the Registrar of Trade Marks had informed that the search certificate issued in respect of KAYAM PLUS in the name of M/s Goyal Gramudyog, UP under. Rule 24(3) of the Trade and Merchandise Rules, 1959 for use under Section 45(1) of the Copyright Act on 9th April, 2002 stood cancelled vide letter dated 9th August, 2002. Along with this, the learned counsel for the appellant had also filed a copy of the order dated 10th September, 2002 in CM(M) 441/2002 whereby notice had been issued. Therefore, there is no dispute about the fact that the question relating to the certificate in issue as well as rectification, matter is also pending.

20. Learned counsel for the appellant relied upon the judgment in Girnar Foods Pvt. Ltd. v. Godfrey Philips 2001 PTC 360. In that case the respondent suppressed material facts by not disclosing that a disclaimer was issued in respect of Super Cup. It appears that the trademark of the respondent No. 1 was registered on 11th April, 1979 and was renewed on 11th April, 2000 and the mark KAYAM device was registered. The device contained the words Ayurvedic, medicine, Kayam, Churan. It is claimed that only the device was registered and not the word Kayam and device was not being used by the appellant. The registration did not grant exclusive right to use the word Kayam. It was not an invented word. There could not be dispute about one aspect that in ordinary sense the word Kayam is a very generic word. It is also true that device Kayam Churan, as stated above, has been registered and not the word Kayam or Kayam Churan. But it is also apparent from reply dated 11th September, 2001 to the notice dated 25th August, 2001 that the appellant want to use the same word and that top for churan by adopting a device as is evidence from para 5 of the reply to the notice to desist in following words :

"That the word mark "KAYAM PLUS CHURNA" represented in original, artistic designed letters coupled with colourful devices, combinations, designs, artistic features, packing styles, descriptive matters in its composite form is original, own invented, coined and unique trade mark and has acquired a good valuable reputation due to its excellent quality and character throughout India within short span of uninterrupted user since 1996."

21. Insofar as the judgment of the Division Bench in Girnar's case (supra) is concerned it is also required to be seen that the appellants themselves want to use the same word 'Kayam' with plus and churna by adopting the same methodology of device. There are numerous documents on record to show that Kayam Churna was being purchased by Goyal Brothers one of the appellants as is evident from Page-65, vide bill dated 4th May 1992 for the purpose of sale. It is also evident that no certificate from the Controller of Drug is claimed by the appellant for the purpose of selling ayurvedic medicine churna. Similarly there are numerous bills in the name of Goyal Brothers from Pg-65 to Pg-119 and the bills are from 4th May, 1992 to 8th January, 2002 and they range between 21,865/- to as much as 74,100/-. These are the documents filed by the appellant. If it is just a general word and if the appellant were earlier selling Kayam Churna after purchasing or selling either as principal or as an agent in the same Kayam Churna, could there be any other thing except mala fide intention to pass off the same thing? User had been claimed by the appellants/petitioners only from 25th March, 1996.

22. Before proceeding further it would be desirable to refer to Cadila Health Care Ltd. v. Cadila Pharmaceutical Ltd. 2001 PTC 300 (SC). Certain guidelines have been laid down for considering certain factors for deciding the question of deceptive similarity in following words :

"Broadly stated in an action for passing off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors to be considered :

- (a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks, i.e. both words and label works.
- (b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.
- (c) The nature of the goods in respect of which they are used as trade marks.
- (d) The similarity in the nature, character and performance of the goods of the rival traders.'
- (e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

23. Insofar as the resemblance between the marks Kayam and Kayam Plus is concerned, it is phonetically similar to a very great extent. The nature of the goods in respect of both the items is churna which is being

manupatra sold through common channels. As regards the class of purchasers it is purchased generally by persons who may not be literate at all as well as semi-literate and in case instead of the name of Kayam Churna, Kayam Plus Churna is given, they are likely to purchase the same. The class of purchasers who are likely to buy the goods bearing the marks would require education. In this light it is not possible to accept that there is no deceptive similarity in between the same.

24. The suggestion that the word 'kayam' is a generic word and as such it should not have been registered for it was devoid of any distinctive character under Section 9(1) of the Act. But despite this claim one could not be oblivious to the fact that the device includes the word "kayam" and the device has gained a distinctiveness by its continuing user since 1977, and particularly after its registration. In ordinary course, one might have been inclined to accept the contention that the word "kayam" by itself may or may not have been registered but once the device is registered containing the word "Kayam" and it has acquired a trade name. A trade name under which the churna manufactured by respondent No. 1 is sold and the trade name had acquired reputation and become known to the public. This indicated that the churan manufactured by them was being sold as Kayam Churna. To carry a business, to use the same trade name by adopting deceptive measures is ample proof of an attempt to mislead the public into believing that the churna manufactured by the appellant was that of respondent No. 1. Appellant as such, is not entitled to pass off his goods as goods of respondent No. 1. The right, the invasion of which is the subject of passing off action is the right to the goodwill of his business and it is likely to be injured by the misrepresentation. The Court will protect the business reputation enjoyed by any person against tangible risks or probability of injury just as it would protect any other property of that person against any such risk or probability, as was observed in *M/s Kala Niketan v. M/s Kala Niketan* 2nd (1980) 2 Delhi 592 : 1981 (1) PTC 213 (Del). In this case it is more so for at least the device is registered. In this regard it would further be mentioned that in *K.R. Chinna Krishna Chettiar v. Ambal and Co., Madras and Anr.*, (1)PTC (Suppl) 258 (SC) it was held that "there was no visual resemblance between the two marks, but ocular comparison is not always the decisive test. The resemblance between the two marks must be considered with reference to the ear as well as the eye. There was a close affinity of sound between Ambal and Andal. The two words were found to be deceptively similar for the purpose of infringement under Section 12 of the Trade and Merchandise Marks Act, 1958. Here the word "Kayam" is the same word without there being any phonetic difference. Para 9 is reproduced for the purpose of proper appreciation :-

"9. The name Andal does not cease to be deceptively similar because it is used in conjunction with a pictorial device. The case of *De Cordova and Others v. Vick Chemical Co.* (1951) 68 RPC 103 is instructive. From the appendix printed at page 270 of the same volume it appears that Vick Chemical Company were the proprietors of the registered trade mark consisting of the word "Vaporub" and another registered trade mark consisting of a design of which the words "Vicks Vaporub\ Salve" formed a part. The appendix at page 226 shows that the defendants advertised their ointment as "Karsote Vapour Rub". It was held that the defendants had infringed the registered marks. Lord Radcliffe said :

".....a mark is infringed by another trader if, even without using the whole of it upon or in connection with his goods, he uses one or more of its essential features. "

25. There are numerous cases where words in similar fashion were taken to be deceptively similar for the purposes of infringement of trade mark as well as of passing off actions.

26. In the case of *Charan Dass & Veer Industries (India) v. Bombay Crockery House* 1984 PTC 102 it was held that "disclaimer by itself does not, in any way debar acquiring of a right to exclusive use of a word in the trade mark otherwise than by registration. In that case the word 'perfect' could not be allegedly registered as trade mark for it pertained to the quality of the article. It was also contended in that case that the word 'perfect' was being used by several manufacturers of stoves. But this Court held that the defendant were stockists and sellers of the stoves manufactured by plaintiffs under the same name up to 1981. There was further no dispute in that case that it was in the year 1981 that the defendants started manufacturing his own stoves under the trade mark 'Trishul Perfect' and 'Vijay Perfect'. It was Therefore clear that the user of the trade-mark 'Perfect' by the plaintiff was much earlier than the user of the same by the defendant. It was also obvious that the defendant being stockist and seller of the products of the plaintiff could easily pass off his own products as those of the plaintiffs because of the same trade-mark 'Perfect'. The facts of the present case are akin to that case for at least *M/s. Goyal Gramudyog Sansthan* were purchasing and selling the Kayam Churan of the respondent No. 1.

27. In *Creative Handicrafts v. Sedana Electric Co. and Anr.* 1988 PTC 348 it was held that,

"if the goods manufactured by the defendants are likely to cause confusion and deception and are likely to be regarded as the goods manufactured by the plaintiff then in an action under the head passing off, the plaintiff would be entitled to an injunction. The goods which were manufactured by the defendants are both electrical and non-electrical but they are domestic appliances and they are sold alongside television sets which by now have become as much a domestic appliance as a cooler."

manupatra 28. In that case the defendants were restrained from selling the aforesaid goods except sewing machines, pressure cookers and water filters, which were non-electrical items.

29. In *Hindustan Pencils Pvt. Ltd. v. India Stationery Products Co. and Anr.* 1989 PTC 61 the plaintiff was registered proprietor of the trade mark 'Nataraj' and device. The defendants started using the offending mark 'Nataraj' and the device of Nataraj and it was held to be an infringement of the plaintiff's registered trade mark in respect of stationery items.

30. Similarly in the case of *Hitachi Ltd. v. Ajay Kr. Agarwal and Ors.* 1996 (16) PTC (DB) on account of phonetic similarity between 'Hitachi' and 'Hitaishi' it was held that there was likelihood of confusion or deception could not be ruled out. In this case a Division Bench of this Court held as under :

"18. The courts cannot allow a trader to the use of trade mark which bears a close or deceptive similarity, affinity and proximity in sound and/or looks with the trade marks belonging to others, whether by prior use or prior registration, in order to maintain, purity and morality in trade and to protect the unwary customer from being misled in buying a product which he did not intend to buy. Infringer or plagiarist of a trade mark cannot be allowed to thrive on somebody else's reputation and goodwill. This view was also echoed by one of us in *Tata Iron and Steel Co. and Ors. v. Mahavir Steels and Ors.*, MANU/DE/0525/1992 : 47(1992)DLT412 where the offending mark 'FISCO' was held to be deceptively similar to 'TISCO', While holding so it was held as follows : "15.....There is a growing tendency to copy the trade marks to cash upon some one else's business reputation. The pirates of trade marks are like parasites clinging to others for their growth. Imitators of trade marks have the sole object of diverting the business of others. This tendency must be curbed in the interest of the trade and the consumers."

31. It may further be held that so long the rectification does not take place, infringement of the trade mark could not be permitted by any Court of law.

32. One of the arguments advanced by the learned Counsel for the appellant was delay in filing the suit. In this matter the appellant applied in 1996 and there was some advertisements on 1st July, 2001 (Pg. 192). It was claimed that *Kayam Plus Churna* was lodged on 30th June. It is further notable that *M/s. Goyal Gramudyog Sansthan* had obtained a license to manufacture for sale of Ayurvedic and Sidha Unani drugs, for certain drugs as per list enclosed from 24th April, 1997 to 31st December, 1998. But in that there was no mention of the *Kayam Plus Churna* though there were two churnas : *Trifla* and *Bhaskar Lavan* at item Nos. 3 and 4 (Pg - 161 & 162). The fact that they allegedly applied and claimed user since 25th March, 1996 cannot be accepted to accept their claim for delay and laches. It may be mentioned that after this advertisement on 1st July, 2001 notice dated 25th August, 2001 was issued which was replied to on 11th September 2001. The suit itself was filed within few months.

33. Firstly, there is no delay and secondly such a delay is immaterial in the case like the present one. A Division Bench in *Rob Mathys India Pvt. Ltd. v. Synthes Ag Chur* 1997 (17) PTC (DB) in a similar case where the defendants were using the goods of the plaintiffs held that "delay implicate was certainly no defense to an action for infringement of a trade mark for the appellants neither claimed to be rivals of respondent No. 1."

34. So long they did not start manufacturing the same and launched the product on 30th June 2001 and so long they continued to purchase and sell the *Kayam Churna* till 8th January, 2002. In such circumstances, this Court could not countenance the user of the trade mark by the appellant and the Court disapproved the action of the appellant to continue to bask in the warmth and make illicit profit from the reputation built by respondent No. 1. This was found to be a necessity of commercial morality, business ethics and necessity to protect the consumers.

35. Seeing the well reasoned judgment written by the learned Additional District Judge I do not find that this Court should unnecessarily burden the judgment with authorities. From the above discussion it is very much apparent that respondent No. 1 has established prima facie case for granting injunction and the learned Trial Court was justified in holding that the choice of the word 'kayam plus' was not accidental but it was done intentionally to infringe the trade mark of plaintiff. Accordingly, it is apparent that there is prima facie case in favor of respondent No. 1. The balance of convenience is also in favor of respondent No. 1 and Since, they are likely to suffer irreparable loss as will, the order passed by the learned Additional District Judge is absolutely justified in granting the injunction.

36. For the aforesaid reasons neither the plaint could be rejected under Order 7 Rule 11 to justify the claim of the Revision Petitioner in the Revision to reject the plaint nor there is any justification for vacating the injunction order restraining the defendants and their servants etc. from manufacturing selling and offering for sale the advertisement, directly or indirectly dealing the Ayurvedic medicine churna or any other allied/cognate goods under the impugned trademark 'Kayam plus' or from using any trade mark which are identical to the deceptively similar to the plaintiffs above mentioned registered Trade Mark 'Kayam' and the device relating thereto.

manupatra 37. For the aforesaid reasons the Civil Revision No. 542/2002 as well as the appeal FAO No. 331/2000 both are dismissed accordingly.

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