

Sona BLW Precision Forgings Ltd Vs Sonae EV Private Limited

Court: Delhi High Court

Date of Decision: Aug. 2, 2022

Acts Referred: Code Of Civil Procedure, 1908 " Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 4

Trade Marks Act, 1999 " Section 29(2)(b), 29(3), 29(5)

Companies Act, 1956 " Section 20

Court-Fees Act, 1870 " Section 7(iv)(d)

Hon'ble Judges: Navin Chawla, J

Bench: Single Bench

Advocate: Jayant Mehta, Tejveer Singh Bhatia, Rohan Swamp, Tanya Arora, Nishant Katneshwarkar, Anisha Mathur, Harikesh Anirudhan, Mohit Goyal, Rahul Kumar

Judgement

Reg. No.,Date of Filing,Class,Trademark,Applicant

1707890,"08.07.2008

Date of Use:

20.10.1993",35,,"Sona Management

Services Limited (

assigned to Sona BLW

Precision Forgings)

1730148,10.09.2008,12,Sona BLW,"Sona BLW

Prazisionsschmi

edeGMBH (assigned

to

Sona BLW Precision

Forgings Ltd)

1032025,30.07.2001,12,SONA,"Permanently assigned

to Sona BL W

Precision Forgings

Ltd. vide Deed of

Assignment dated 10th

April, 2021.

Reg. No.,Date of Filing,Class,Trademark,Applicant

3816156,"25.04.2018

Date of user:

15.03.2018",12,,"The mark has been

assigned to the

Plaintiff

3816157,"25.04.2018

Date of user:

15.03.2018",12,,"The mark has been

assigned to the

Plaintiff

3816158,"25.04.2018

Date of user:

15.03.2018",12,,"The mark has been

assigned to the

Plaintiff

3816159,"25.04.2018

Date of user:

15.03.2018",12,,"The mark has been

assigned to the

Plaintiff

3816160,"25.04.2018

Date of user:

15.03.2018",12,,"The mark has been

assigned to the

Plaintiff

3816161,"25.04.2018

Date of user:

15.03.2018",12,,"The mark has been

assigned to the

Plaintiff

3816165,"25.04.2018

Date of user:

15.03.2018",35,,"The mark has been

assigned to the

Plaintiff

3816166,"25.04.2018

Date of user:

15.03.2018",35,,"The mark has been

assigned to the

Plaintiff

3816167,"25.04.2018

Date of user:

15.03.2018",35,,"The mark has been

assigned to the

Plaintiff

816168,"25.04.2018

Date of user:

15.03.2018",35,,"The mark has been

assigned to the

Plaintiff

3816170,"25.04.2018

Date of user:

15.03.2018",35,,"The mark has been

assigned to the

Plaintiff

Country/Reg.No., "Date of

Registration", Class, Trade Mark, Applicant

EUROPEAN

UNION/007208739", 05.05.2009, 12, SONA BLW, "Sona BLW Precision

Forgings Limited

AUSTRALIA/1298943, 13.02.2009, 12, SONA BLW, "Sona BLW Precision

Forgings Limited

INTERNATIONAL

REGISTRATION

BLW Precision

(WIPO) / I 000252

Forgings (Designated to

Limited Australia, China,

Islamic Republic of Iran,

South Korea, Japan,

Serbia,

Russia, Turkey, Vietnam

& Ukraine", 13.02.2009, 12, "SONA

BLW", "Sona BLW Precision

Forgings Limited

U.S.A/5852021, 03.09.2019, 12, SONA BLW, "Sona BLW

Prazisionsschmiede

GMBH (assigned vide

German Brand

Ownership Agreement

dated 28.03.2019 to

Sona BLW Precision

Forgings Ltd.) The

assignment in favour of

Sona BLW

Precision Forgings Ltd.

has been recorded by

the

US Patent and Trade

Mark Office on 5th

April, 2021

Plaintiff's Word Mark, Defendant's Trade Name,,,

SONA, SONAE EV,,,

Plaintiff's

Marks/Logos", Defendant's Mark/Logo,,,

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""

""

cannot be sufficient to distinguish the mark of the defendant.,,,,

7.2 He submits that there is also a trade connection between the goods of the plaintiff and the defendant inasmuch as both are dealing in EV; with the,,,

plaintiff dealing in components of the same. In this regard, he places reliance on the judgment of the Supreme Court in Corn Products Refining Co. v. " ,,,,

Shangrila Food Products Ltd., (1960) 1 SCR 968 and of this Court in Ceat Tyres of India Ltd. v. Jai Industrial Services, 1990 SCC OnLine Del 360. " ,,,,

7.3 Placing reliance on the judgment of the High Court of Calcutta in Sony Kabushiki Kaisha v. Mahaluxmi Textile Mills, 2009 SCC OnLine Cal 531, " ,,,,

he submits that merely because the plaintiff is as of today not dealing in electric two-wheelers and charging stations (EV), it cannot be said that there" ,,,,

would be no deception/confusion caused by the use of a similar mark by the defendant. He further placed reliance on the judgment of the High Court,,,

of Bombay in Sunder Parmanand Lalwani v. Caltex (India) Ltd., 1965 SCC OnLine Bom 151 in support of his submission. " ,,,,

8. Findings of the Court,,,

8.1 I have considered the submissions made by the learned counsels for the parties.,,,,

8.2 From the assertions made by the plaintiff in the plaint, including the fact that the plaintiff has a revenue of Rs.1640 Crore, its registrations of its" ,,,,

trade marks in India and other countries, and other factors mentioned hereinabove, it can be said that the plaintiff has been able to make out a good" ,,,,

prima facie case of established reputation in its mark SONA for the components of automobiles: both EV as also non-EV. This was, in fact, " ,,,,

not even disputed by the learned counsel for the defendant in his submissions. On the other hand, the defendant in its application filed under Order" ,,,,

XXXIX Rule 4 of the CPC asserts that it is yet to enter the market and is in the process to launch its electric two-wheelers, which is expected to hit" ,,,,

the market in 2023.,,,,

8.3 Whether the goods offered by the plaintiff and the defendant are similar: It is the contention of the defendant that the products in which the,,,

plaintiff and the defendant deal are distinct, the consumers are not similar and there is no likelihood of there being any confusion or deception being" ,,,,

caused by the use of the impugned mark by the defendant. However, it is not denied by the defendant that the plaintiff is manufacturing/selling/dealing" ,,,,

in the components of electric vehicles, including the electric motors/controllers, and starters etc. for use in all passengers and commercial vehicles," ,,,,

including EV. This Court, in FDC Limited v. Docusuggest Healthcare, 2017 SCC OnLine Del 6381 has considered in detail the concept of" ,,,,

Ã¢â¬Åallied/cognate goods or servicesÃ¢â¬Å, and has held as follows:" ,,,,

Ã¢â¬Å51. Ã¢â¬ÅAllied/cognate goods or services, as understood from the material referred to below, are those goods/services which are not" ,,,,

identical, but can be said to be related or similar in nature (See McCarthy on Trademarks and Unfair Competition, Fourth Edition, Vol 5)." ,,,,

The Shorter Oxford English Dictionary on Historical Principles Fifth Edition 2002, Vol. 1. defines the term Ã¢â¬ÅAlliedÃ¢â¬Å as Ã¢â¬Åconnected" ,,,,

by nature or qualities; having affinityÃ¢â¬Å and the term Ã¢â¬ÅCognateÃ¢â¬Å as Ã¢â¬Åakin in origin, nature or qualityÃ¢â¬Å. Reference may also be" ,,,,

made to New Webster's Dictionary and Thesaurus of the English Language, 1992 which defines Ã¢â¬ÅAlliedÃ¢â¬Å as Ã¢â¬Årelating in subject or" ,,,,

kindÃ¢â¬Å and Ã¢â¬ÅCognateÃ¢â¬Å as Ã¢â¬Å1. adj. having a common ancestor or origin (of languages or words) having a common source or root (of" ,,,,

subjects etc.) related, naturally grouped together.Ã¢â¬Å. Cognate goods/services can be described, inter alia, as goods or services which have" ,,,,

a trade connection - as in glucose and biscuits (See Corn Products Refining Co. v. Shangrila Food Products Ltd., AIR 1960 SC 142) or" ,,,,

which are intended for the same class of customers - as in television picture tubes (parts thereof, video tapes and cassettes and television" ,,,,

tuners etc.) and televisions, tuners and T.V. Kits (See Prakash Industries Ltd. v. Rajan Enterprises (1994) 14 PTC 31), or are complementary" ,,,,

to each other - as in toothbrushes and toothpaste (See HM Sariya v. Ajanta India Ltd. (2006) 33 PTC 4).,,,,

xxxx, ,,,,

53. Now, to determine whether the defendants' services are allied and cognate to plaintiff's goods, it is essential to first discuss the law on" ,,,,

similarity in goods/services in trademarks and its development so far. While the Act is silent on the factors to be considered for similarity in" ,,,,

goods/services, the Courts in India - relying upon international cases and literature, have consolidated the guiding principles and" ,,,,

factors found relevant in ascertaining the similarity between goods/services. They are as follows: ,,,,

1. In Assam Roofing Ltd. v. JSB Cement LLP 2015 SCC OnLine Cal 6581, the learned Single Judge in Para 80 observes- Ã¢â¬ÅThe test of" ,,,,

similarity of goods is looked at from a business and commercial point of view. The nature and composition of the goods, the respective uses" ,,,,

of the articles and the trade channels through which they are brought and sold all go into consideration in this contextÃ¢â¬Å. (emphasis, ,,,,

supplied),,,,

2. In Kerly's Law of Trade Marks and Trade Names, 15 Edition 2011, the learned Author in Para 9-073 has stated as under : -" ,,,,

Ã¢â¬ÅAs para.23 of the decision in Canon v. MQM (1999) R.P.C. 117 makes clear, all factors relating to the goods or services themselves" ,,,,

must be taken into account. These include, inter alia, their nature, their intended purpose, their method of use and whether they are in" ,,,,

competition with each other or are complementary. It is clear that goods in different classes may nevertheless be considered similar, and" ,,,,

likewise that goods or services within the same class may be found to not be similar.Ã¢â¬Å (emphasis supplied),,,,

3. In Para 9-075, the Learned Author has mentioned some illustrations on similar goods or services including under Para 9-078" ,,,,

Ã¢â¬ÅÃ¢â¬ÅServices offered by beauty salons; solarium servicesÃ¢â¬Å similar to Ã¢â¬Åbusiness assistance with beauty preparations, salesÃ¢â¬Å and" ,,,,

Ã¢â¬Åbeauty preparations, perfumery, cosmetics dietetic substancesÃ¢â¬Å. The said illustration sources from the case of Beauty Shop" ,,,,

Application v. Opposition of Evora BV [1999] E.T.M.R. 20, wherein the Office for Harmonization in the Internal Market (Trade Marks and" ,,,,

Designs) also known as the Opposition Division held the defendant's services to be similar to the plaintiff's services and goods by observing ,,,,

that Ã¢â¬Åthe goods and services of the conflicting marks could be offered together and be intended for the same public.Ã¢â¬Å ,,,,

4. In British Sugar Plc. v. James Robertson & Sons Ltd. [1996] R.P.C. 281 at 294-297, relied upon in Balkrishna Hatcheries v. Nandos" ,,,,

International Ltd. 2007 SCC OnLine Bom 449 and Advance Magazine Publishers, Inc. v. Just Lifestyle Pvt. Ltd. 2016 SCC OnLine Bom" ,,,,

8417, the court laid down the objective test for similarity of description of goods/services as follows:" ,,,,

(a) Ã¢â¬ÅThe uses of the respective goods or services; ,,,,

(b) The users of the respective goods or services; ,,,,

(c) The physical nature of the goods or acts of service; ,,,,

(d) The trade channels through which the goods or services reach the market; ,,,,

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in" ,,,,

particular whether they are, or are likely to be, found on the same or different shelves; and" ,,,,

(f) The extent to which the respective goods and services are in competition with each other : that inquiry may take into account how those in ,,,,

trade classify goods, for instance whether market research companies, who of course act for industry, put goods or services in the same or" ,,,,

different sectors.Ã¢â¬Å ,,,,

5. Kerly 15 ed. while relying upon Canon (supra), further observes in Para 9-065 that the element of distinctive character of a trademark",,,,

and its reputation is also viewed when determining similarity between the goods and services and whether such similarity is sufficient to give,,,

rise to the likelihood of confusion.Ã¢â¬â€œ,,,

(Emphasis supplied),,,,

8.4 Applying the test laid down in FDC (supra), it can be said that prima facie the plaintiffÃ¢â¬â€œs and the defendantÃ¢â¬â€œs goods are allied/cognate",,,,

goods, for the following reasons:" ,,,,

i) Respective uses of goods/services: The plaintiff deals with the manufacturing and assembling of electric motors, controllers, alternators and starter" ,,,,

kits which form a part of the automobiles whereas the defendant deals in electric two-wheeler and charging stations EV; ,,,,

ii) Intended purpose: The plaintiffÃ¢â¬â€œs goods intend to provide a range of products for all passengers and commercial vehicles, including EV" ,,,,

whereas the defendant is providing a service to public institutions by setting up charging stations for electric two-wheelers and eventually venture into,,,

EV itself. ,,,,

iii) Respective users of goods/services: The customer portfolio of the plaintiff comprises of Global OEMs of EV, North American OEMs of" ,,,,

passenger and commercial vehicles as well as Indian OEMs of passenger and commercial vehicles as also EV whereas the defendant being a pre-, ,,,,

revenue startup, is bound to eventually overlap with the pre-existing customer base of the plaintiff." ,,,,

iv) Sector: The plaintiff and the defendant are both part of the automobile industry making a niche in the EV segment. ,,,,

8.5 As held in Corn Products Refining Co. (supra), the test to be applied is also of Ã¢â¬â€œtrade connectionÃ¢â¬â€œ. In the present case, it cannot be said that" ,,,,

the products of the plaintiff and the defendant are so distinct that they cannot create any confusion in the mind of the common purchasers/consumers. ,,,,

The common purchasers/consumers who are aware of the mark of the plaintiff can easily be misguided into believing that the plaintiff has now, ,,,,

expanded its business to electric two-wheelers and charging stations (EV), which may be considered as a trade progression for the plaintiff." ,,,,

8.6 In this regard, reference can also be made to the judgment of this Court in Ceat Tyres of India (supra) and of the High Court of Bombay in Sunder" ,,,,

Parmanand Lalwani (supra). Reliance in this regard can also be placed on the judgment of the Division Bench of this Court in Montari Overseas, ,,,,

Limited v. Montari Industries Ltd., 1995 SCC OnLine Del 865, wherein it was observed as under:" ,,,,

Ã¢â¬â€œ20. In considering the question whether the activities of the appellant are likely to cause confusion or pose a real and tangible risk of, ,,,,

injuring the respondents reputation or goodwill, regard must be had to the fact that appellant is using a name similar to that of the" ,,,,

respondent and it will amount to making a representation that the appellant is associated with the defendant. The appellant cannot be,,,,

permitted to appropriate the reputation and goodwill of the respondent to promote its business interests.,,,,

21. Regard must also be had to the fact that the expansion of business by the appellant and respondents in future may bring the parties into,,,,

competition (See The Dunlop Pneumatic Tyre Co. Ltd. v. The Dunlop Lubricant Co., 1899 (XVI) RPC 12 at page 15 and Crystalate" ,,,,

Gramophone Record Manufacturing Co. Ltd. v. British Crystalite Co. Ltd., 1934 (51) RPC 315 at page 322." ,,,,

22. The quality of goods and services and kind of business which a new company undertakes and the credit which it enjoys may injure the,,,,

reputation of the existing company due to adoption of a name by the former which is similar to the name of latter as they may be assumed to,,,,

be connected with each other (See. Ezving v. Buttercup Margarine Company Ltd., 1917 Vol. II Chancery Division 1 at page 3 and Ewing" ,,,,

(Trading as the Buttercup Dairy Company v. Buttercup Margarine Company Ltd., 1917 (Vol. 34) RPC 232 at page 239)." ,,,,

23. There is another aspect of the matter. Section 20 of the Companies Act 1956 treats a name of the company to be undesirable if it is,,,,

identical with or too nearly resembles the name by which a company in existence has been previously registered. Since the legislature itself,,,,

considers name of a company which is identical with the name of the other pre existing company to be undesirable, the legislative intent" ,,,,

must be given effect to by giving injunctive relief to a plaintiff against a defendant, who has copied the corporate name of the plaintiff.Ã¢â€ ,,,,

(Emphasis Supplied),,,,

8.7 Whether the two marks are different: As far as the difference in the two marks Ã¢â€SONAÃ¢â€ and Ã¢â€SONAEÃ¢â€ is concerned, it is well-" ,,,,

settled that in deciding the question of similarity between the two marks, the marks have to be considered as a whole. The dissection of the mark is" ,,,,

generally not permitted and can be applied only in exceptional cases. The test to be applied is the overall impression created by the mark and not the,,,,

impression created by the meticulous comparison of the two marks examined by a microscope to find differences. Ã¢â€"The true testÃ¢â€, as observed" ,,,,

by Sargant, J. Ã¢â€"is whether the totality of the proposed trade mark is such that it is likely to cause mistake or deception, or confusion, in" ,,,,

the minds of persons accustomed to the existing trade mark.Ã¢â€ (Law of Trade Marks and Passing off by P. Naryanan, 6th Edition, page" ,,,,

332, referring to Egg Products Appln. (1922) 39 RPC 155)." ,,,,

8.8 In the matter of an application by Rysta Ltd. to register a Trade Mark, (1943) 60 RPC 87, it has been held that "the answer to the question",

whether the sound of one word resembles too nearly the sound of another so as to bring the former within the limits of section 12 of the

Trade Marks Act, 1938, must nearly always depend on first impression, for obviously a person who is familiar with both words will neither

be deceived nor confused. It is the person who only knows the one word, and has perhaps an imperfect recollection of it, who is likely to be

deceived or confused. Little assistance, therefore, is to be obtained from a meticulous comparison of the two words, letter by letter and

syllable by syllable, pronounced with the clarity to be expected from a teacher of elocution.

8.9 It is also well-settled law that where one mark contains the whole of the other or its essential features, it is a factor to be taken into consideration.

It should be considered whether the individuality of the common part is lost or whether the common part stands out prominently.

8.10 Applying the above test to the facts of the present case, prima facie, by the use of the alphabet, the two marks cannot be said to have

been sufficiently differentiated or distinguished. The common and essential feature of the two competing marks is

the plaintiff. In my prima facie opinion, the mere addition of alphabet to the said common part is not sufficient to hold that the two marks

would not lead to any deception or confusion in the minds of an unwary consumer.

8.11 The learned counsel for the defendant submitted that the defendant uses the mark SONAE EV as its trade mark and this should be

sufficient to distinguish the mark of the plaintiff and the defendant. In my prima facie opinion, the use of the suffix EV and/or SONAE

Electric can also not be considered to be sufficient to distinguish the two marks. EV merely denotes Electric Vehicle and therefore, the

pre-dominant part of the mark shall remain SONAE. The same would be the position with the suffix SONAE of Electric, which would be

perceived more as a SONAE tag line rather than a separate trade mark.

8.12 In M/s South India Beverages Pvt. Ltd. v. General Mills Marketing Inc., (2015) 61 PTC 231 (Del.), a Division Bench of this Court held that

"though it bears no reiteration that while a mark is to be considered in entirety, yet it is permissible to accord more or less importance or

dominance to a particular portion or element of a mark in case of composite mark. Thus, a particular element of a composite mark

which enjoys greater prominence vis-a-vis other constituent elements, may be termed as a dominant mark. It was further held that

“the principle of anti-dissection does not impose an absolute embargo upon the consideration of the constituent elements of a,

composite mark. The said elements may be viewed as a preliminary step on the way to an ultimate determination of probable customer,

reaction to the conflicting composites as a whole. Thus, the principle of anti-dissection and identification of dominant mark,”

are not antithetical to one another and if viewed in a holistic perspective, the said principles rather compliment each other. Applying the,”

above test to the facts of the case, SONA remains the dominant mark of both, the plaintiff as also the defendant. The use of the,”

alphabet or the suffix EV and/or Roar of Electric by the defendant at least prima facie do not appear to sufficiently,

distinguish the two competing marks.,,

8.13 Submission on Section 29(5) of the Act: As far as the submission of the learned counsel for the defendant that as the goods of the plaintiff,

and the defendant are not similar, Section 29(5) of the Act would have no application, the same ignores the fact that the defendant is also using the,”

impugned trade mark SONAE as not only the trade name or the name of the defendant’s business concern but also as a trade mark. This,,

is also evident from the various documents that have been placed on record by the plaintiff along with the plaint. In fact, the defendant has itself also”

applied for registration of its trade mark, of course as a label mark with the suffix Roar of Electric. The judgments in Mankind Pharma (supra)”

and Raymond Ltd. (supra), therefore, also cannot come to the aid of the defendant. Therefore, the case of the plaintiff would prima facie also attract”

Section 29(2)(b) as also Section 29(3) of the Act.,,

9. In view of the above, I am of the opinion that the plaintiff has been able to make out a good prima facie case in its favour for the grant of an”

injunction.,,

9.1 As far as the balance of convenience is concerned, as noted hereinabove, the defendant is yet to enter the market, while the plaintiff has been”

established and has a worldwide presence. The balance of convenience is therefore clearly in favour of the plaintiff and against the defendant.,,

9.2 The plaintiff is also likely to suffer grave irreparable injury in case the defendant is not restrained from use of mark SONAE or any further,,

deceptively similar mark to that of the plaintiff, as the use of such a mark can lead to the dilution of the rights of the plaintiff in its mark. It can also”

lead to an unwary consumer drawing a conclusion of trade association between the plaintiff and the defendant.,,

9.3 I have also considered the submission of the learned counsel for the defendant that this Court would lack the pecuniary jurisdiction to entertain the,,

present suit inasmuch as the plaintiff has failed to give any basis for valuing its suit for the purpose of the valuation in excess of Rs.2 Crore (Rupees,,,

Two Crore only). In my opinion, the said submission has no merit as it is for the plaintiff to value the suit for the purposes of jurisdiction in terms of" ,,,,

Section 7(iv)(d) of the Court-Fees Act, 1870." ,,,,

10. Relief:,,,,

10.1 In view of the above, the ad-interim injunction granted vide order dated 02.06.2022 is made absolute. I.A. No.8936 of 2022 is allowed in the" ,,,,

above terms, while I.A. No.9798 of 2022 is dismissed." ,,,,

10.2 I may reiterate that any observations made in the present judgment are only prima facie in nature and shall not in any manner prejudice any party,,,,

in the trial of the suit.~,~,~