

(2011) 05 DEL CK 0106

Delhi High Court

Case No: CS (OS) No. 326 of 2009

Mahashian Di Hatti Ltd.

APPELLANT

Vs

Mr. Raj Niwas, Proprietor of MHS
Masalay

RESPONDENT

Date of Decision: May 4, 2011

Acts Referred:

- Trade Marks Act, 1999 - Section 28, 29(1)

Citation: (2011) 6 AD 633 : (2011) 181 DLT 55 : (2011) 123 DRJ 395 : (2011) 5 ILR Delhi 659 : (2011) 46 PTC 343

Hon'ble Judges: V.K. Jain, J

Bench: Single Bench

Advocate: Kiran Suri, Purvesh Buttan and Aparna Mattoo, for the Appellant; None, for the Respondent

Judgement

V.K. Jain, J.

This is a suit for permanent injunction, damages and delivery up of infringing material.

The Plaintiff company is engaged in the business of manufacturing and selling "spices & condiments", which are being sold under its registered logo (comprising "MDH within three hexagon device, on red color background). The Plaintiff claims to be using the aforesaid logo trademark since 1949 in respect of various spices titles as "Kashmiri Mirch", "Kasoori Methi", "Meat Masala", "Chat Masala", "Sambar Masala", "Kitchen King" and "Khushbudar Masala".

2. The aforesaid logo trademark is registered in the name of Plaintiff company since 31st May, 1991 and the Plaintiff company claims its use throughout the world. This is also the case of the Plaintiff company that on account of long, continuous and extensive sale, sale promotion and wide publicity given to the products under the aforesaid logo and excellent quality of the products, the Plaintiff company enjoys

tremendous goodwill and reputation not only in India but worldwide, in respect of the goods sold under its registered logo trademark. The Plaintiff company claims sale of Rs. 181,90,67,134/-, Rs. 217,24,30,303/- and Rs. 252,79,37,137/- and advertisement and publicity expenses of Rs. 10,56,00,000/-, Rs. 12,34,00,000/- and Rs. 9,14,57,886/- in the years 2005-06, 2006-07 and 2007-08 respectively. During this period, the Plaintiff company claims sales of Garam Masala, Chana Masala, Meat Masala, Kitchen King and Haldi powder weighing 2960748 Kg., 3931290 Kg., 2359890 Kg., 3798234 Kg and 1467072 Kg respectively.

3. The Defendant has been using a logo "MHS" within hexagen device with red color background on carton is alleged to be similar to those being used by the Plaintiff company. The case of the Plaintiff is that this is being done with the sole intention to pass off the goods of the Defendant as those of the Plaintiff and amounts to not only infringement of its registered trademark but also passing off the goods of the Defendant as those of the Plaintiff. This is also the case of the Plaintiff that the Defendant had no justification for adopting the alphabets "MHS" with hexagen device with red color background and the use of the aforesaid mark by the Defendant is likely to cause confusion and deception as the goods of the Defendant are likely to be purchased by the consumer in a mistaken belief that they are the goods of the Plaintiff company or its affiliate and the public is likely to be deceived as regards the source of the goods. The Plaintiff company has accordingly sought an injunction restraining the Defendant from using the infringing logo "MHS" or any other trademark identical with or deceptively similar to Plaintiff's registered trademark "MDH" logo. It has also sought injunction restraining the Defendant from passing off its goods as those of the Plaintiff besides seeking destruction of the infringing material and damages amounting to Rs. 20 lakhs.

4. The Defendant filed written statement contesting the suit and took preliminary objection that the suit is not maintainable since he had applied for registration of the trademark "MHS" and there was no objection from the Plaintiff with respect to the aforesaid registration. On merits, it is stated that the trademark "MDH" logo has no similarity with the logo of the Defendant since "MDH" and "MHS" sound differently. It is also claimed that the letters "MHS" denote the first names of the family members of the Defendant. "M" stands for the name his late father Shri Meghram, "H" and "S" stand the name of his sons Hanshuman and Saurabh. It is also pointed out that the Defendant is using a pretty girl for advertising its products whereas the Plaintiff is using Mr. Mahashey Ji himself, who is aged about 85 years. It is further alleged that the Defendant has been advertising its products for the last two years without any protest from the Plaintiff.

5. A perusal of the record shows that on 27th March, 2009 Defendant appeared in the Court along with his counsel and stated that he would not use the impugned mark "MHS" logo in respect of spices, condiments manufactured and marketed by him and was ready to suffer a decree for injunction against him. Learned Counsel

for the Plaintiff took adjournment for visiting the business premises of Defendant to take possession of the infringing packing material and dyes and then to move a joint compromise application. On 4th May, 2009, the learned Counsel for the Defendant took an adjournment to call the Defendant for recording his statement in terms of the compromise suggested by Defendant itself on 27th March, 2009. However, on 18th May, 2009, the Defendant was represented by another counsel, who stated that Defendant was not ready for any settlement. When this matter was taken up on 22nd November, 2010, his counsel stated that in fact Defendant might not be willing even to contest the suit and might admit the claim of the Plaintiff. It was directed that in case the Defendant remains present in Court on the next date of hearing, he need not pay costs of Rs. 10,000/- , which was imposed on him on that day, on account of his failure, to file documents, though it was incorrectly typed in the proceedings that a last opportunity was being given to Defendant to file written statement within four weeks, subject to payment of Rs. 10,000/- as costs. In fact, the cost was imposed on account of failure of the Defendant to file documents and another opportunity to file documents was given to him, subject to payment of Rs. 10,000/- as further costs. It would be pertinent to note here that a costs of Rs. 3000/- imposed on the Defendant on 25th February, 2010 had also not been paid. When the matter was taken up on 4th February, 2011, it was noticed that Defendant had not paid costs amounting to Rs. 13,000/- and he was given one last and final opportunity to pay the costs within two weeks failing which the written statement filed by him was to stand rejected on account of non-payment of costs. The written statement filed by the Defendant stands rejected for non-payment of costs.

6. The Plaintiff examined Mr. Sanjeev Bhardwaj by way of ex-parte evidence. In his affidavit, Mr. Bhardwaj has affirmed on oath the case set up in the plaint and has stated that "MDH" logo was adopted by the Plaintiff company in the year 1949 on an international level and is being used by it for selling "species & condiments" under various titles such as "Kashmiri Mirch", "Kasoori Methi", "Meat Masala", "Chat Masala", "Sambar Masala", "Kitchen King" and "Khushbudar Masala". He has further stated that for the last many years, large quantity of its products is being sold by the Plaintiff company throughout the world under the trademark "MDH" logo either itself or through its affiliated companies. He has further stated that "MDH" logo of the Plaintiff company has been extensively advertising in the newspapers as well as on television and has become a household name not only in India but also in Dubai, United Kingdom, USA, European countries and Pakistan. According to him, the Plaintiff company had sale of Rs. 181,90,67,134/-, Rs. 217,24,30,303/- and Rs. 252,79,37,137/- and advertisement and publicity expenses of Rs. 10,56,00,000/-, Rs. 12,34,00,000/- and Rs. 9,14,57,886/- in the years 2005-06, 2006-07 and 2007-08 respectively. He claims that the Plaintiff company came to know about the logo adopted by the Defendant when the newspaper Vyapar Kesar dated 26th December, 2008 was brought to its notice.

7. Ex.PW-1/3 is the certificate of registration of trademark logo "MDH" in favor of the Plaintiff company in Class 30 in respect of saffron (seasoning). Ex. PW-1/8 is the certificate of registration of the label/package bearing the logo "MDH" of the Plaintiff company being used in Jal Jeera masala. Ex.PW-1/9 is the registered packaging of the Plaintiff bearing the logo "MDH" being used in respect of Pav Bhaji masala. Ex.PW-1/10 is the registered label/package using the logo "MDH" for selling Chana masala. Ex.PW-1/11 is the registered label/package of the Plaintiff bearing the aforesaid logo, being used for selling Chunky Chat masala. Ex.PW-1/13 is the registered label/package of the Plaintiff in respect of Tava Fry stuffed vegetables masala bearing the aforesaid logo. Ex.PW-1/14 is the registered label/package of the Plaintiff in respect of Pani Puri masala. Ex.PW-1/15 is the registered label/package of the Plaintiff in respect of Dal Makhani masala. Ex.PW-1/16 is the registered label/package of the Plaintiff in respect of Shahi Paneer masala.

8. Section 28 of Trade Marks Act, 1999 gives to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act. The action for infringement is, thus, a remedy provided by Trade Marks Act to the registered proprietor of a registered trade mark in case there is an invasion of the statutory right provided to him for use of that trade mark in relation to the goods for which the trade mark has been registered in his name. Section 29(1) of Trade Marks Act, 1999 provides that 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 is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

9. It is also a settled proposition of law, which was reiterated by Supreme Court in Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories PTC (2) 680 (SC), that if the Defendant resorts to colorable use of a registered trade mark, such an act of the Defendant would give rise to an action for passing off as well as for infringement. In an action based upon infringement of a registered trade mark if the mark used by the Defendant is visually, phonetically or otherwise so close to the registered trade mark of the Plaintiff that it is found to be an imitation of the registered trade mark, the statutory right of the owner of the registered trade mark is taken as infringed. In such a case, if it is found that the Defendant has adopted the essential features of the registered trade mark of the Plaintiff, he would be liable even if he is able to establish that on account of packaging, get up and other writings on his goods or on the container in which the goods are sold by him, it is possible to clearly distinguish his goods from the goods of the Plaintiff. On the other hand in a case of passing off, if it is shown that on account of these factors it is very

much possible for the purchaser to identify the origin of the goods and thereby distinguish the goods of the Defendant from the goods of the Plaintiff, the Defendant may not be held liable.

10. In [Corn Products Refining Co. Vs. Shangrila Food Products Ltd.](#), the Supreme Court observed that the question whether two competing marks are so similar as to be likely to deceive or cause confusion is one of first impression and it is for the court to decide it. The question has to be approached from the point of view of a man of average intelligence and imperfect recollection.

11. In [Parle Products \(P\) Ltd. Vs. J.P. and Co., Mysore](#), Supreme Court inter alia observed as under:

According to Karle's Law of Trade Marks and Trade Names (9th Edition Paragraph 838) "Two marks, when placed side by side, may exhibit many and various differences, yet the main idea left on the mind by both may be the same. A person acquainted with the one mark, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted.

It would be too much to expect that persons dealing with trademarked goods, and relying, as they frequently do, upon marks, should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing. Marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole. Moreover, variations in detail might well be supposed by customers to have been made by the owners of the trade mark they are already acquainted with for reasons of their own.

It is therefore clear that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him.

12. It is thus settled proposition of law that in order to constitute infringement the impugned trademark need not necessarily be absolutely identical to the registered trademark of the Plaintiff and it would be sufficient if the Plaintiff is able to show that the mark being used by the Defendant resembles his mark to such an extent that it is likely to deceive or cause confusion and that the user of the impugned trademark is in relation to the goods in respect of which the Plaintiff has obtained registration in his favor. It will be sufficient if the Plaintiff is able to show that the trademark adopted by the Defendant resembles its trademark in a substantial degree, on account of extensive use of the main features found in his trademark. In

fact, any intelligent person, seeking to encash upon the goodwill and reputation of a well-established trademark, would make some minor changes here and there so as to claim in the event of a suit or other proceeding, being initiated against him that the trademark being used by him, does not constitute infringement of the trademark, ownership of which vests in some other person. But, such rather minor variations or distinguishing features would not deprive the Plaintiff of injunction in case resemblance in the two trademarks is found to be substantial, to the extent that the impugned trademark is found to be similar to the registered trademark of the Plaintiff. No person can be allowed to sell goods either using the mark of another person or its imitation, so as to cause injury to that person and thereby enrich himself at the cost of a person who has spent considerable time, effort and money in building the brand reputation, which no amount of promotion or advertising can create unless the quality of the goods being sold under that brand is also found to be good and acceptable to the consumer. In a case based on infringement of a registered trademark, the Plaintiff need not prove anything more than the use of its registered trademark by the Defendant. In such a case, even if the Defendant is able to show that on account of use of other words by him in conjunction with the registered word/mark of the Plaintiff, there would be no confusion in the mind of the customer when he come across the product of the Defendant and/or that on account of the packaging, get up and the manner of writing trademark on the packaging, it is possible for the consumer to distinguish his product from that of the Plaintiff, he would still be liable for infringement of the registered trademark.

13. The logo "MDH" in three hexagons written in white color on red color background is an integral part of the registered mark/cartons of the Plaintiff company in respect of various spices and condiments. The Plaintiff is an established and well-reputed manufacturer and marketer of spices being sold using the aforesaid logo. It is settled proposition of law that in order to ascertain whether the impugned trademark constitutes infringement mark of the Plaintiff or not, the two marks are not to be placed side by side. The person coming across the product of the Defendant, bearing the impugned trademark may not necessarily be having the product of the Plaintiff bearing his registered trademark with him when he comes across the product of the Defendant with the mark "MHS" logo. This is more so in the case of an average Indian citizen who may not necessarily be well-educated. This proposition of law would apply with a greater force in case of products like spices which normally are purchased by housewives and domestic helps, who may not care to notice the features which distinguish the trademark of the Defendant from that of the Plaintiff. Therefore, if on coming across the product of the Defendant bearing the impugned trademark, he forms an impression that this could be the product of the Plaintiff, it may induce, on account of overall similarity of the two trademarks, him to believe that the product which he has come across was, in fact, the product of the Plaintiff or had some kind of an association or connection with the Plaintiff.

14. A comparison of the logo of the Plaintiff along with the logo of the Defendant would show the following prominent similarities:

(a) The Defendant has used three hexagons for writing three different letters as has been done by the Plaintiffs in writing the letters "MDH".

(b) The letters "MHS" have been written in white color and so are the letters "MDH"

(c) The background color used by the Defendant for writing the letters "MHS" is red and so is the background color used by the Plaintiffs.

(d) There is a white border on the hexagons of the Plaintiffs and the same is the position in respect of the hexagons being used by the Defendant.

(e) The shape of the letters used by the Defendant for writing "MHS" is identical to the shape of the letters used by the Plaintiff for writing the letters "MDH".

Thus, the trademark being used by the Defendant is visually similar to the trademark being used by the Plaintiff. Though phonetically, there may not be much similarity in the two trademarks on account of use of the letter "S" in place of "D" and re-arrangement of the letters. The last letter in the trademark of the Plaintiff is "H", whereas it has been made second letter in the trademark of the Defendant. The last letter in the trademark of the Plaintiff is "H", whereas it is "S" in the trademark of the Defendant. However, considering the strong visual similarity, rather weak phonetic similarity, would not be of much consequence and would not permit the Defendant to use the logo being presently used by him.

15. Admittedly, both the parties are engaged in the similar business as both of them are manufacturing and selling spices. Therefore, the Defendant, in my view, has infringed the registered trademark of the Plaintiff by using the aforesaid logo "MHS". The adoption and use of the letters "MHS" in the manners stated above appears to be deceptive intended to confuse the consumer and encash upon the goodwill which Plaintiff's trademark "MDH" enjoys in the market.

16. In [K.R. Chinna Krishna Chettiar Vs. Shri Ambal and Co., Madras and Another](#), the Respondents had two registered trademarks. The first mark consisted of a label containing a device of a goddess Sri Ambal seated on a globe floating on water enclosed in a circular frame with the legend "Sri Ambal parimala snuff" at the top of the label, whereas the other mark consisted of expression "Sri Ambal". The Appellant before Supreme Court was seeking registration of a label containing three panels. The first and the third panels contained equivalents of the words "Sri Andal Madras Snuff", whereas the central panel contained the picture of goddess Sri Andal and the legend "Sri Andal". Sri Andal and Sri Ambal are separate divinities. The question before the Court was whether the proposed mark of the Appellant was deceptively similar to the Respondents' mark. Noticing that the word Ambal was an essential feature of the registered trademarks, the Court was of the view that the name Andal proposed to be used by the Appellant did not cease to be deceptively

similar because it was used in conjunction with a pictorial device. Supreme Court referred to the case of De Cordova and Ors. v. Vick Chemical Coy. (1951) 68 R.P.C.103 where Vick Chemical Coy 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 Defendants advertised their ointment as "Karsote vapour Rub" and the Court held that the Defendants had infringed the registered marks. The view taken by Lord Radcliffe that "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" was affirmed by the Supreme Court. The appeal was accordingly dismissed by Supreme Court, despite the fact that the words Ambal and Andal had distinct meanings.

17. It is also in the interest of the consumer that a well-established brand such as "MDH" or its colorable imitation, as is made out from the manner in which the logo "MHS" has been used by the Defendant, should not be allowed to be used by another person in such a deceptive manner. The consumer, on account of the confusion created in his mind, from use of the logo "MHS" in the manner it has been used by the Defendant may end up purchasing the product of the Defendant believing the same to be that of the Plaintiff. If the quality of the product of the Defendant is found to be inferior to that of the products of the Plaintiff that would result not only in diminishing the brand value which Plaintiff's trademark "MDH" enjoys in the market, but would also be detrimental to the interest of the consumer. Considering the manner in which the trademark "MHS" has been used by the Defendant, the Defendant will be able to pass off his case as those of the Plaintiff. Therefore, the act of the Defendant constitutes not only infringement, but also the passing off.

18. Though the Defendant has claimed that there was no protest from the Plaintiff when he applied for registration of the trademark "MHS", this is found to be incorrect since the Plaintiff did file Notice of Opposition, a copy of which has been filed by it. Hence, it cannot be said that the Plaintiff has acquiesced in the use of the trademark "MHS" by the Defendant or has otherwise condoned the use in any manner. As regards use of a pretty girl by the Defendant for advertising its products as against Mr Mahashyaji himself appearing in the advertisement of the Plaintiff, I am of the view that it would be of no consequence considering the similarities in the two trademarks used on their respective cartons.

During the course of arguments, the learned Counsel for the Plaintiff pressed not only for injunction, but also for grant of punitive damages though no other relief was pressed by her.

19. In the case of [Time Incorporated Vs. Lokesh Srivastava and Another](#), this Court observed that punitive damages are founded on the philosophy of corrective justice and as such, in appropriate cases these must be awarded to give a signal to the

wrong doers that the law does not take a breach merely as a matter between rival parties but feels concerned about those also who are not party to the lis but suffer on account of the breach. In the case of [Hero Honda Motors Ltd. Vs. Shree Assuramji Scooters](#), this Court noticing that the Defendant had chosen to stay away from the proceedings of the Court felt that in such case punitive damages need to be awarded, since otherwise the Defendant, who appears in the Court and submits its account books would be liable for damages whereas a party which chooses to stay away from the Court proceedings would escape the liability on account of the failure of the availability of account books.

20. In [Microsoft Corporation Vs. Deepak Raval](#) this Court observed that in our country the Courts are becoming sensitive to the growing menace of piracy and have started granting punitive damages even in cases where due to absence of Defendant, the exact figures of sale made by them under the infringing copyright and/or trademark, exact damages are not available. The justification given by the Court for award of compulsory damages was to make up for the loss suffered by the Plaintiff and deter a wrong doer and like-minded from indulging in such unlawful activities.

In [Larsen and Toubro Limited Vs. Chagan Bhai Patel](#), this Court observed that it would be encouraging the violators of intellectual property, if the Defendants notwithstanding having not contested the suit are not burdened with punitive damages.

21. Also, the Court needs to take note of the fact that a lot of energy and resources are spent in litigating against those who infringe the trademark and copyright of others and try to encash upon the goodwill and reputation of other brands by passing off their goods and/or services as those of that well known brand. If punitive damages are not awarded in such cases, it would only encourage unscrupulous persons who actuated by dishonest intention, use the well-reputed trademark of another person, so as to encash on the goodwill and reputation which that mark enjoys in the market, with impunity, and then avoid payment of damages by remaining absent from the Court, thereby depriving the Plaintiff an opportunity to establish actual profit earned by him from use of the infringing mark, which can be computed only on the basis of his account books. This would, therefore, amount to putting premium on dishonesty and give an unfair advantage to an unscrupulous infringer over those who have a bona fide defence to make and therefore come forward to contest the suit and place their case before the Court.

22. For the reasons given in the preceding paragraphs, the Defendant is hereby restrained from manufacturing, selling or marketing any spices or condiments using the impugned logo "MHS" or any other trademark which is identical or deceptively similar to the registered logo trademark "MDH" of the Plaintiff. The Plaintiff is also awarded punitive damages amounting to Rs 1 lakh against the Defendant.

Decree sheet be drawn accordingly.