

(2006) 05 CAL CK 0004

Calcutta High Court

Case No: G.A. No. 3854 of 2004 and C.S. No. 271 of 2004

Three-N-Products Private Ltd.

APPELLANT

Vs

Karnataka Soaps and Detergents
Limited and Another

RESPONDENT

Date of Decision: May 18, 2006

Acts Referred:

- Trade and Merchandise Marks Act, 1958 - Section 28, 30, 8
- Trade Marks Act, 1999 - Section 159, 24(4), 28, 29(2)

Citation: (2007) 1 CALLT 396 : (2006) 4 CHN 733 : (2007) 34 PTC 515

Hon'ble Judges: Kalyan Jyoti Sengupta, J

Bench: Single Bench

Judgement

Kalyan Jyoti Sengupta, J.

The above motion has been taken out by the plaintiff in a suit for infringement and passing off, for the interlocutory relief in the form of injunction restraining the respondents and/or their servants and/or agents and/or assignees and each of them or otherwise howsoever from using the mark "Ayur Care" or infringing the registered trade mark adopted by the petitioner or any other trade mark deceptively similar to the petitioner's registered mark "Ayur" and prefixing or suffixing the word "Ayur" in any other words.

2. Similar injunction has been asked for from passing off or attempting to pass off the products manufactured by them by using the name "Ayur" or any other name deceptively similar to "Ayur" namely "Ayur Care".

3. The case of the petitioner is that the plaintiff/petitioner was incorporated on 4th December, 1991 under the provisions of the Companies Act, 1956 and since then it has been carrying on business in manufacturing and selling of various kinds of cosmetics, hair lotions, essential oils, shampoo, dried and cooked fruits, coffee, sugar, flour and vegetables, jellies and other production under the trade mark and

name "Ayur".

4. The petitioner company was incorporated to take over the assets properties and business of the entire partnership firm which was carrying on similar business under the same name of the plaintiff. In essence the petitioner is the successor of all rights, interests and properties of the partnership firm of Three-N-Products. The said partnership firm used to carry on business under the trade name or name "Ayur" since 1984. Actually the said mark "Ayur" was registered under the name of the said firm under the provisions of Trade and Merchandise Marks Act, 1958 for various products, which includes soaps, cosmetics and different registration marks were given for the said mark on diverse dates between 14th May, 1984 till 3rd September, 1990.

5. The petitioners claim that petitioner has also applied for and got registration of its mark "Ayur" acted its trade mark "Ayur" registered in Nepal and Newzeland on 7th July, 2003 with effect from 22nd November, 2002. Since 1989 and onwards with, the said mark the predecessor-in-interest of the petitioner and at present the petitioner has been carrying on business of all the products and goods as mentioned therein.

6. In the year 2003-04 the petitioner had done business with the mark "Ayur1 of more than 21 million rupees. The petitioner has been spending from 1984 till 2004 very substantial amount on account of advertisement. In the year 2002-03 the petitioner spent a sum of Rs. 1.5 crores a sum of Rupees 80,55,845.90p till September, 2003 on account of advertisement. Therefore, according to the petitioner it is established prima facie that the said mark "Ayur" has been used by it as registered proprietor and user of the said mark, in relation to cosmetics products, which includes soap. In or about 2nd August, 2004 the petitioner discovered for the first time from the market that the respondents No. 2 its servants and agents had purportedly sold cosmetic soap manufactured by the respondent No.1 named as "Ayur Care" with very similar of almost identical brand with registered trade mark of the petitioner and in any event are deceptively and confusingly similar with that of the plaintiff. Thus they have infringed the petitioner's registered trade mark and they are also passing off their goods as those of the petitioner. The style and colour scheme and writing type on the cosmetic soap manufactured and sold by the said respondents, particularly the respondents No. 2, are identical or very similar to that of the petitioner's registered trade mark and/or artistic work and in any event deceptively and confusingly and confusing similar to that of the petitioner's trade mark.

7. The respondent No. 1 in its affidavit has stated about its own goodwill in relation to their own products namely "Mysore Sandal Soap" and it is a Government of Karnataka undertaking. It is very well-known manufacturer of soap and cosmetics products all over the world and it has been carrying on business since in or about 1918. The respondent No. 1 started manufacturing of sandal wood soaps and oil during the Dewanship of Bharat Ratna Sir M. Visveswaraya. It has its own reputation

of its product regardless of the mark "Ayur" being used or not. Last five-years" sale figure fetched from the business of the respondent No. 1 as it has claimed, a sum of Rs. 17,12,05,211 in the year 2002-03, and sum of Rs. 5,14,68,192 on account of advertisement in the subsequent year to popularize its goods. The 1st respondent has increased its business not only in India but in abroad also. It has applied for registration for its mark "Mysore Sandals Ayur Care" and it has been registered subsequently on 30th November, 2004 under No. 1131275 in 2003 in respect of soaps and cosmetics. Thus the respondent No. 1 is also registered owner of the mark "Ayur Care". The respondent No. 2 however, has not filed any affidavit-in-opposition, as it is the dealer and/or retail seller of the respondent No. 1.

8. Mr. Goutam Chakraborty learned Senior Advocate appearing for the plaintiff highlighting the facts stated in the petition submits that it will be evident from the statements and averments therein that his client has been selling soaps under the name "Ayur" from January, 2001 whereas the "Mysore Sandal Ayur Care" mark has been registered in December, 2004. The date of application of this registration was 5th September, 2002 though it is alleged by the first defendant that it has been using the mark "Ayur" on soaps since 2002. No evidence whatsoever has been given, of user except the advertisement under the Trade Mark Journal. Nothing has been disclosed in the affidavit-in-opposition what is the advertisement expenses incurred by the first defendant for use of their product "Mysore Sandals Ayur Care." Therefore, subsequent registration of the mark "Ayur" for soap will not afford any defence against the action for infringement. The first defendant has infringed the mark "Ayur" of the petitioner as it has taken the essential features or particulars of its marks. What is the idea of the mark is to be seen in a case of infringement or passing off thereto. Pre-fixing or suffixing to the mark "Ayur" will not save from infringement. In support of his contention he has relied on the text of Kerly's Law of Trade Marks and Trade Names (14th Edn.) in paragraph 17-021 and 17-031. u/s 29(2)(a)(b) and Section 24(4) of the Trade Marks Act, 1999, the scope has been widened regarding infringement, which include mark of similar goods. In the old Act this position was not there. Although judicial pronouncements under the old Act held there will be infringement of a mark by applying to it similar goods by using the expression of cognate goods. He has drawn my attention to a judgment reported in 1995 PTC (15). He contends that the text book of Wadha on Infringement of Registered Trade Mark also noted the aforesaid legal position at pages 487 and 494. u/s 30(e) of the said Act "Ayur" has to be given one or two or more trade marks registered under the Act. While putting forward his case for passing off, he contends that admittedly the petitioner is a senior user of the mark "Ayur". From the evidence on record it is also apparent that the petitioner has been selling soap under the mark "Ayur" before the first defendant. He submits that the legal position is very clear in case of infringement of registered mark if it is proved; the order of injunction should ordinarily be passed.

9. He seeks reliance for this proposition of law on a decision of Supreme Court reported in [Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others](#), . According to him it is established, prima facie with evidence that the defendant No. 1 has been passing off their goods as that of the plaintiff. There is explanation for using the mark "Ayur", which has been held to be an unfounded and coined word. In the case reported in 2002 (24) PTC 518, interim relief was granted in favour of the plaintiff petitioner notwithstanding registration of the mark of the defendant No. 1 which was held to be of no help in case of passing off action. This has become settled law upon judicial pronouncement of Supreme Court and High Courts as well. He has reminded me of a decision of Delhi High Court reported in AIR 1995 Del. 300 and 1996 PTC 583. Subsequent decision of Supreme Court reported in [Laxmikant V. Patel Vs. Chetanbhat Shah and Another](#), has also laid down the principle in the matter of granting order of injunction in case of passing off. The petitioner has acquired considerable goodwill with the use of the word "Ayur" in relation to cosmetics products, which includes soap. This has been sought to be filched by the first defendant. This defrauding act of the first defendant is to be checked by passing order of injunction. In this connection he has relied on a decision reported in 2002 PTC 518.

10. Mr. S.N. Mukherjee learned senior Counsel while resisting this motion contends that the petitioner has no registration for soap. The registration certificate disclosed by the petitioner shows it has registered trade mark in respect of several goods of different classes but none of the said goods is soap. According to him, under the provisions of Sections 8 and 28 of the old Act (1958 Act of the 4th Schedule thereto) read with Sections 28 and 159 of the present Act (1999) a person is entitled to sue for infringement of trade mark only in respect of goods for which its trade mark has been registered. The registration of the mark in favour of the petitioner was granted under the old Act. Therefore, by reason of the above statutory provisions registration is deemed to have been granted under the new Act. The respondent's mark has also been registered with effect from 1st September, 2002. Though it is contended that the petitioner mark has acquired a secondary meaning but no such case has been made out in the petition.

11. Mr. Mukherjee however contends that legal advantage as provided in Section 29(2)(4) of the new Act is of no consequence in the instant case as the same will apply where the rival mark is also not registered. As such there is no infringement and no relief can be granted.

12. As far as the case of the petitioner of passing off is concerned, he submits, no particulars have been given since when petitioner commenced manufacturing soaps. Rather in the affidavit-in-reply it is claimed it has started manufacturing of soaps in January, 2001 and this documents are not to be relied on at all. Moreover, the getup and packaging of soaps by the petitioner and the respondents are totally different as would be evident from the samples. There are distinguishing features

whereby and whereunder the customer can easily make difference between the two products. His client's trade mark is "Mysore Sandal Ayur Care" whilst the petitioner's trade mark is "Ayur" and/or "Tulsium". The petitioner has not put up any challenge to the first use of the respondent of its mark since 3rd January, 2000.

13. He further contends that when there is a dispute as to the product no injunction should be granted in case of passing off. He has sought reliance of a Supreme Court decision reported in 2001 (5) SCC 95. The Division Bench in this case by its order dated 2005 directed to continue order dated 30th November, 2004 of learned Single Judge of maintaining accounts. Therefore the petitioner is amply protected. It is an admitted position that the respondents have been manufacturing soaps under this mark for quite some times. In such circumstances no interim relief for injunction should be granted. He has relied on a decision of the Supreme Court in this connection reported in 1999 (9) SCC 1.

14. I have heard respective contentions of the learned Counsels and I have gone through the materials placed before me. In this interlocutory motion the question is whether the interim order passed at the ad interim stage should be restored or the interim order varied subsequently and affirmed by the Appeal Court dated 22nd August, 2005 shall be allowed to continue or the interim order passed should be vacated altogether or not. It is an admitted position that the plaintiff is having the registered mark "Ayur" in relation to cosmetics and it does not relate to soap. The defendant has also got its registration mark "Ayur Care". As such the word "Ayur" has been used with the suffix word, care. Therefore, apparently there has been an infringement of the mark of the plaintiff. The mark of the plaintiff was registered under the provision of old Act, 1958 and in relation to the provision of the aforesaid old Act preventive or protective order of injunction was available in relation to the goods for which the mark was registered and it had no greater or wider right as the old registration is deemed to have been accepted and/or registered under the new Act, 1999, as such, the registered mark will also cover other similar goods. Mr. Chakraborty is right in saying as far as legal principle is concerned that soap is a cognate product of cosmetic goods in relation to which his client has got its registration. This legal proposition has been settled by the decision reported in 1995 PTC (15) at page 294. Going by the present provision of the law when the defendant No. 1 had applied for registration of the said mark in relation to soaps and obtained registration, he is also entitled to use the mark as being registered user. It is difficult to deny this statutory right of the registered owner of the mark, may be a subsequent one. It was open for the plaintiff to object to such registration of the same mark in relation to soaps, if they minded but they have chosen not to do so. I am of the view that though the plaintiff has still right for rectification and/or removal of the registration of the same mark "Ayur" in relation to soaps but then until it is removed or rectified the defendant No. 1 is entitled to use the mark subject to the question of passing off. According to me, as rightly said by Mr. S.K. Mukherjee, there is no infringement of the mark "Ayur" by the defendant No. 1 as

far as the product of soap is concerned.

15. It appears from the judgment and order of the Appeal Court that question of passing off has been kept untouched and it has been kept for decision of this Court at the time of final hearing. It is settled position of law that irrespective of the factum of registration of any mark passing off action is always examined separately and the same is judged on the factum of senior user. Mere factum of registration does not prove the user of the mark and this has to be established by cogent evidence. The decision of the Trade Mark Registrar with regard to the user whether implied or expressed is not binding upon the Civil Court. It is still open for the Civil Court to examine the aspect of the user of the matter.

16. Now, in this context, from the facts and statement and also from the evidence produced before me the Court is looking into the aspect as to who is the senior user of the mark "Ayur". It is stated in the petition that the mark "Ayur" has been used since 1984 by the petitioner and as a matter of fact the same had been used by the predecessor-in-interest of the petitioner, which was then a partnership firm. The sale figures from the year, 1984 till September, 2003 have been given. Similarly, the amounts of the advertisement expenses of the same period have also been given. It is stated that the said mark had been in use in relation to the products of the cosmetic goods particularly the soap. Therefore, in the petition, apart from the statement I do not find any evidence to support the user of the mark "Ayur" in the year, 1984. Significantly, this statement has been denied and disputed by the respondent. At the same time the respondent No. 1 has not produced any document as to actual user of the mark "Ayur Care" in relation to soap. Apart from bare statement and fact of registration of the mark there is no document to show that the use of the mark "Ayur" has been established. But in the affidavit-in-reply I find the petitioner has produced a document of sale of their soap with the mark "Ayur" on 23rd January, 2001. As such, I find that plaintiff at least has been able to prove use of the mark from 2001, whereas the defendant No. 1 has failed to do so. It is true that because of registration the respondent No. 1 is entitled to use the mark "Ayur" in relation to soap but mere factum of registration does not licence it to pass off their product with the mark "Ayur". It is settled position of the law that for granting order of injunction in the case of passing off the essential things are who is the senior user, whether the two competing marks are used in the same product and whether there is any likelihood of confusion in the mind of the customers if both the marks are allowed to be used simultaneously. The word "Ayur" may be a generic and common word but it is held by judicial pronouncement of Delhi High Court that the mark "Ayur" of the plaintiff has acquired secondary significance. The defendant No. 1 initially did not use the mark "Ayur", and without the said mark the defendant had a large volume of business with its own reputation. I do not find any reason as to why the respondent No. 1 has later on adopted the mark "Ayur" with this product of soap.

17. In case of [Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others](#), the Supreme Court held that in absence of explanation in adopting the similar mark in case of the same product the Court takes adverse inference against later user.

18. In case of N.R. Dongre v. Whirlpool Corporation reported in 1996 PTC (16) page 583, it has been held that injunction can be granted even against an owner of the trademark in an appropriate case if it is established that party who is seeking the order of injunction is the senior user of the mark. Similar view was taken by the Supreme Court in a case reported in [Laxmikant V. Patel Vs. Chetanbhat Shah and Another](#).

19. Under these circumstances, I think that the application of the plaintiff succeeds on the question of passing off as it has been able to establish its case with the evidence that it is the senior user of the mark "Ayur". Accordingly, I direct the respondent No. 1, while selling and/or marketing their product soap, not to use the mark "Ayur" and for this purpose I give them time for two months from date of receipt of the copy of the order, within which this must be done. The respondent No. 1 shall also give the accounts of the stock to the plaintiffs Advocate-on-record which have already been distributed for marketing on the date of receipt of the copy of this order and also the price of the goods already realized by marketing commencing from date of filing of the suit. The said sale figure shall be kept separately. On expiry of two months time if the word "Ayur" is not deleted from their boxes or anywhere else in marketing their product then the respondents and each of them or their servants or agents and/or assigns will be stopped from marketing/dealing with the soaps with the mark "Ayur".

20. Thus this application is disposed of without any order as to costs.

21. After the judgment is delivered upon hearing the learned Counsel for the parties and upon considering the submissions of the learned Counsel I grant three months" time instead of two months as prayed for by learned Counsel for the defendant No. 1.

23. Urgent xerox certified copy of this judgment be made available to the parties, if applied for.