

IN THE HIGH COURT OF DELHI AT NEW DELHI

SUBJECT : TRADE MARK MATTER

CS(OS) 1154/2005

Reserved on: May 20, 2008

Pronounced on : July 1, 2008

EVERGREEN SWEET HOUSE Plaintiff
Through Mr.R.K.Aggarwal, Advocate.

versus

EVER GREEN AND ORS Defendant
Through Mr.Ramesh Saraf, Advocate for
defendants No.1 to 4.

Mr. Justice S. Ravindra Bhat

IA 6442/2005

1. This order will dispose of IA 6442/2005, an application for ad-interim injunction restraining the defendant from using the trademark and trading style “EVERGREEN”, or any other mark deceptively or confusingly similar to the plaintiff’s mark.

2. The Plaintiff, a partnership firm was established on 30th”September 1963 for preparing and selling rich traditional Indian sweets in the best of taste and quality.” The business has continued unhindered by the death of the original founder; it has been functioning without interruption under the trading style/trademark 'EVERGREEN SWEET HOUSE' (herafter “the mark”).” At present there are five partners of the Plaintiff firm. Besides marketing their products wholesale to their varied customers in India and abroad, the plaintiff's EVERGREEN SWEET HOUSE, a multi-cuisine Restaurant, with 4000 sq. ft. shop floor, is situated at a conspicuous location in the prime locality of South Delhi where food to suit every palate is served.

3. The plaintiff alludes to its yearly turnover of Rs.86.77 lakhs in 1987- 88, increasing to Rs.261.34 lakh in 1994-95, and to Rs.807.73 lakhs in 2003-04. The sale during 2004-05 was around Rs.1029.46 lakhs. It is claimed that the Plaintiff's goods are also exported abroad, specially to the UK and Australia, and earn substantial foreign exchange. The Plaintiff has a wide ranging customer profile, including customers from the neighbouring satellite townships of NOIDA, Gurgaon, Faridabad, Ballabgarh, Meerut, etc. as such towns are closely connected to Delhi by road and rail network. The plaintiffs applied for registration of their Trade Mark 'EVERGREEN SWEET HOUSE' with Logo, under Application No.816425 dated August 26, 1998, in Class 30, claiming user since June 25, 1965, which has since been accepted and published in the Trade Marks Journal No.1328 Suppl (5) dated March 30, 2005, and the Certificate of Registration was issued.

4. The Plaintiffs claim to be using the name/trading style/trade mark in respect of their products since 1965. In support of the said facts, photocopies of the documents, e.g., Registration Certificate of the establishment dated 25.4.1965 issued under Delhi Shops and Establishments Act, 1954, Certificate of Registration as a Dealer No.60971 dated 26.4.65, Delhi Sales-Tax Certificate registered under No.4054 dated 18-12-1975, Central Sales Tax Certificate Registration No.LC/100/076796/0465 dated 26-4-1965, Income Tax Assessment Orders from the year 1964-65 to 2002-2003, and Audited account of the Plaintiff from the year 1988 till 2003 have been produced. The Plaintiff claims that its goods have acquired a valuable goodwill and reputation in the market because of their quality.

5. The plaintiffs aver that, they became aware that the Defendants were using 'EVER GREEN' as their trade name/trademark, which led to their contacting the latter, through one Mr.Raj Kumar, who claimed to be the partner of the Defendant Nos.1 and 2. The latter were requested to remove the words EVER GREEN from their trading style/trade name as they are similar and identical to the trading style/trademark of the Plaintiffs, who had been using the same since 1965, as the use by the Defendants, in respect of the same business would create confusion and deception amongst the consumers. It is alleged that the Defendant No.1 assured the Plaintiffs that they would like to sort out the issue by having a joint meeting with the Plaintiff.” However, no such meeting never took place despite several assurances by the Defendant.” The Plaintiffs aver to the defendants

retracting from this assurance when they were contacted again in the second week of August 2005.

6. It is alleged that the Defendants, by giving stress on the words 'EVER GREEN' in their trading style, by writing them” prominently in special style, which is a significant part of the Plaintiff's Trade Mark and trading style 'EVER GREEN SWEET HOUSE' have thus imitated and copied all the essential features of the Plaintiff's trade mark/trading style. The plaintiffs allege that the trademark/trading style of the Defendants of which the words 'EVER GREEN' are the principal and significant parts, are exactly identical with and/or deceptively similar to that of the Plaintiff's trade mark and trading style, and as such the Defendants are infringing the former”s mark and passing off their goods as and for the goods of the Plaintiffs.” The use of the identical and/or deceptively similar trade mark and trading style by the Defendants amounts to an unlawful appropriation of the Plaintiff's rights in their trading style and trademark, intended to and would deceive the customers desires of purchasing the allied goods of the Plaintiff to cause them to believe that the goods of Defendants are marketed by the Plaintiff or that the Defendants are in associated with the Plaintiff, or that the Plaintiffs had themselves opened other outlets at NOIDA and Koshambhi, being managed by the Defendants.”

7. It is alleged that the Defendants are misrepresenting and cheating the ordinary customer by giving a wrong impression that the goods under the trademark 'EVER GREEN SWEETS' are the same which are marked by the Plaintiffs under their trademark/trading style 'EVERGREEN SWEET HOUSE' and the business outlets of the Defendants are authorized outlets of the Plaintiffs.” The Plaintiffs have spent substantial amounts in bringing up their business under the trademark/trading style 'EVERGREEN SWEET HOUSE' through hard labour and investments, and advertisement through various medias in order to popularize the aforesaid trade mark and trading style.”

8. The suit, one originally for passing off and accounts, had adverted to the plaintiff having applied for registration of its trademark; later, after registration was granted, the plaintiffs applied, and were permitted to amend the plaint, to incorporate the necessary consequential changes in the claim.

9. Mr. R.K. Agarwal, learned counsel reiterated the contentions set out in the pleadings. He relied on the decision reported as Laxmikant V. Patel “vs-

Chetanbhat Shah 2002 (24) PTC (SC) 1; National Bell Co “vs- Metal Goods Manufacturing Co. AIR 1971 SC 898; Indian Shaving Product Ltd “vs- Gift Pack and Anr 1998 PTC (18) 698. Counsel submitted these decisions have established that a rival businessman initiating sale of goods or services in the same name or by imitating that name causes injury to the business of another who has property in the name. In this case, the mark is a word mark; it is not descriptive of the goods or services. The defendants’ sole intention is to appropriate the plaintiff’s painstakingly built goodwill. It was also urged that the use of letters such as “MGM” insignificantly in the defendant’s mark did not undermine their basic attempt to ride on the plaintiff’s reputation.

10. The defendant states the Plaintiff cannot claim any monopoly in any manner in relation to common words whether for trade mark purposes or for copy right purposes. It is alleged that the plaintiff cannot claim any right in respect of the said names EVERGREEN whether in an isolated manner, or the former in conjunction with other word or alphabets. To permit it to do so would deprive the general public from using common word/words in any manner.

11. The defendants contend that they are well versed in the trade of sweets and have long standing experience.” Their products have been liked by the public in general and they have earned a good name and respect in the trade. It is contended that the mark “G.G.B.Evergreen” used by the defendant is in no way connected with “M/s.Ever Green Sweet House” and is not likely to confuse members of the public. According to them, the two trade-marks are different and do not create any confusion in the mind of an ordinary man.

12. The defendant contends that there are a number of sweetmeat/namkeen shops in Delhi using the phrase “Ever Green” which is quite common and is not the property of any individual. The plaintiff has not filed any suit against the said owners who are carrying on their business in Delhi. The defendants have furnished details of some such shops.

13. Learned counsel for the defendants reiterated the submissions made in the written statement and reply. He also stated that the defendant has objected to the maintainability of the suit, since the defendant operates exclusively outside the territorial jurisdiction of the court. He further submitted that the defendant had never used the mark, but used the letters “MGM” and “GTS” with EVERGREEN, to denote the malls and

commercial complexes where the outlets were located. Therefore, the question of confusion in the minds of the public could not arise. He also submitted that a look at the telephone directory would show that “EVERGREEN” is a fairly common or popular trading name, adopted by several concerns. Its use by the defendants, at an entirely different locale and with a completely different client profile, could not prejudice the plaintiff. In view of these considerations, injunction should be refused.

14. Marks are often classified in categories of generally increasing distinctiveness; they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful. The last three categories are entitled to trademark protection because they are inherently distinctive and can serve to identify a particular source of a product. Generic marks, in contrast, refer to the genus of which the particular product is a species, and are usually unregistrable as trademarks and therefore, unprotectable. Marks that describe a product, the second category do not inherently identify a particular source, and hence cannot be protected unless they acquire distinctiveness through secondary meaning. Such secondary meaning is achieved when, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.

15. A mark, is said to be deceptively similar to another (Section 2 (1)(h), Trademarks Act, 1999) if it so nearly resembles that other mark as to be likely to deceive or cause confusion. Section 29(1) deals with a situation where the defendant uses a mark, which is identical or deceptively similar to that of the plaintiff, in respect of the same goods or services, and in such manner that it is likely that such use is taken as being an use as a trademark. This amounts to infringement. To fall within section 29(1), the defendant’s use of the mark must be so that it is likely that the public assumes that the said mark is used as a trademark. Section 29(2) deals with three situations; one where the defendant’s mark is identical to that of the plaintiff and in respect of similar goods. Two, where the marks are similar and in respect of goods which are identical or similar. Three, the marks as well as the goods are identical. Infringement does not take place if only one of the three ingredients are satisfied; the plaintiff has to prove that use by the defendant is likely to cause confusion on the part of the public or is likely to have an association with the registered mark.

16. In a case of infringement of trademark, the plaintiff may establish that the defendant’s trademark is identical with or so nearly resembles its work

either visually or phonetically or otherwise, that it is likely to deceive or cause confusion in relation to the case in respect of which the plaintiff got his mark registered. Kaviraj Pandit Durga Dutt Sharma Vs. Navratna Pharmaceutical Laboratories, AIR 1965 SC 980, establishes that in an action for infringement, where the similarity between the Plaintiff's and Defendants mark is so close, either visually, phonetically or otherwise and the Court reaches a conclusion that there is an imitation, no further evidence is required to establish that the Plaintiff's rights are violated.

17. As to what is the appropriate standard to adjudge infringement of a registered trade mark is no longer open to debate; the issue has been settled now for almost four decades. The standard to be adopted in such cases is that of "likelihood of confusion" and not actual deception and actual damage. The Court, in such cases is to determine the likelihood of confusion and deceptive similarity in order to arrive at a prima facie finding of infringement keeping in mind the following considerations: (i) the broad and essential features of the of competing marks will have to be viewed, (ii) the marks will have to be considered as a whole in their respective contexts, (iii) the similarities rather than dissimilarities will have to be taken note of and (iv) the marks must be judged from the point of view of unwary purchaser of average intelligence and imperfect recollection. These principles have been established and applied in *Ruston and Hornsby v. Zamindara Engineering Co.*, (1969) 2 SCC 727, *Parle Products v. JP and Co.*, AIR 1972 SC 1359, *Amritdhara Pharmacy v. Satya Deo Gupta*, AIR 1963 SC 449, *Cadila Health Care v. Cadila Pharmaceuticals*, (2001) 5 SCC 73 and *Heinz Italia v. Dabur India* (2007) 6 SCC 1

18. The standard or threshold to determine infringement therefore, is "likelihood of confusion". In judging whether the offending mark infringes, it is not always necessary to keep both the marks together, to decide whether there is infringement. The court must satisfy itself whether the complaint is justified, by keeping in mind a reasonable, but unwary customer; the standard is not that of a careful customer; neither is it of a "moron in a hurry". The object of affording protection to a mark, which has acquired a degree of distinctiveness is to protect the goodwill of the trader, and at the same time assure the public and customers about the constancy of the nature of services or products they seek.

19. The plaintiff's mark is a word mark. It is not descriptive or suggestive of the products or services offered. EVERGREEN does not readily conjure up

the image of sweets- the two words used in conjunction with each other naturally lead the mind on to a green vista, or an association with the habitat, or environs. The mark, in relation to sweets and confections is arbitrary; a coined one. The materials on record show that this mark has been used since 1965. The plaintiff has produced documents such as invoices, sales tax returns and documents, and so on. The invoices date back to 1995-96 and prima facie show that the plaintiff has been using the mark for about four decades; it has also acquired registration. It has relied on materials in the form of more than 14 years of invoices, etc. It has also averred to its growing sales over the years and demand for its products within the city, as well outside Delhi. On the other hand, the defendants seem to have opened the outlets recently. They do not claim prior user. Although their area of operation is in UP, it is not as if the locales are far off; indeed they are within malls and complexes which have come up recently and are part of the larger, National Capital Region. There is a very real likelihood of the customers being misled into believing that these outlets and units have some association with the plaintiff. The packaging materials of the defendants placed on record also shows that the use of the letters “MGM” and GTS are insignificant, in relation to the prominence given to “EVERGREEN”.”

20. In *Laxmikant V. Patel*'s case (supra) a prefix was added to the trademark in dispute. The trade dress (or style) was “Muktajivan Colour Lab” and the abbreviation 'QSS' (Quick Service Station) was added as a prefix. The Supreme Court held that the addition, or prefix did not make any difference to the trade name, as QSS was merely adjective-prefix; infringement was thus inferred. In *Kedar Nath v. M.P. and F. Mills*; (AIR 1974 Delhi 12) the prefix VIJAY was added to SUDERSHAN DHOOP. The prefix was found to be inconspicuous; the mark was held likely to cause deception to the unwary purchaser. A similar view was expressed in *V and S Vin Spirit AB v Kullu Valley Mineral Water Co* 2005 (30) PTC 44 (Del)). For these reasons, the use of other letters in conjunction with EVERGREEN by the defendants, in this case, is inconsequential; it does not minimize the probability of deception.

21. On an overall conspectus of these facts, the court is of the opinion that the plaintiff has been able to show a strong prima facie, case warranting interim relief. So far as balance of hardships is concerned, the court is of the view that uncurbed, the defendant would continue to bank on the plaintiff's goodwill and profit from it, making it harder for the plaintiff to secure

monetary relief. Moreover, the defendant's unchecked use of the mark would lead to confusion and potential loss of the plaintiff's reputation.

22. In view of the above considerations, the defendant is restrained from using the words "EVERGREEN SWEET HOUSE" or any other mark containing the combination of the words EVERGREEN SWEETS or words or marks confusingly or deceptively similar to those of the plaintiffs in relation to its business of sweets and confectionaries, during pendency of this suit. The application is allowed in these terms.

Sd/-
(S. RAVINDRA BHAT)
JUDGE