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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
O. O. C. J.

APPEAL NO.280 OF 1998
IN
NOTICE OF MOTION NO.2162 OF 1992
IN
SUIT NO.2888 OF 1992

Encore Electronics Ltd., a
Limited Company incorporated
under the Companies Act, 1956
having their registered office
at 3, Victory Mansion, Sitladevi
Temple Road, Mahim,
Bombay 400 016.

..Appellant.

Vs.

Anchor Electronics & Electricals Pvt. Ltd.,
a Private Limited Company incorporated
under the Companies Act, 1956 having
their registered office at Merchant
Chambers, 3rd Floor, New Marine Lines,
Bombay 400 020.

..Respondent.

....
Shri Hetal Thakore with Ms. Jyoti Ghag i/b Thakore Jariwala &
Associates for the Appellant.

Shri V.R. Dhond with Ms. Sheeja John i/b Smt. Jyoti H. Bhavsar for
the Respondents.

....

CORAM: R. M. S. KHANDEPARKAR, &
DR. D.Y. CHANDRACHUD, JJ.

22nd February, 2007.

JUDGMENT (Per DR.D.Y. CHANDRACHUD, J.) :

1. The Defendant in a suit for infringement and passing off is in appeal against an interlocutory order of injunction granted by the Learned Single Judge on 23rd September, 1997.

2. The Respondent before the Court instituted a suit for injunction restraining the Appellant from in any manner using the mark "Encore" or any other deceptively similar mark in relation to electrical or electronic goods including dish antennae. The action was based on a case of infringement and for passing off. The Plaintiff is a registered proprietor of various trademarks including the word marks Anchor, Ankur, Anchor, Ankar, Anker, Ansor and Ancor. Registration has been granted to the Plaintiff in respect of goods falling in Classes 9 and 11 of the IVth Schedule to the Trademark Rules in relation to a large number of electrical appliances and electronic goods. The Plaintiff was incorporated on 11th June, 1990. The trademark "Anchor" which forms the subject matter of the proceedings was first adopted in the year 1963 by the predecessor of the Plaintiff which was a partnership firm. When the Plaintiff took over the business of the firm in 1990, the gross annual turnover was in excess of Rs.50 Crores and the products manufactured and marketed under the "Anchor" mark included a

wide range of electrical and electronic items. Upon assignment of the mark to the Plaintiff, applications were filed before the Registrar of Trademarks for bringing the name of the Plaintiff on the record as the subsequent proprietor. The applications were allowed. In 1990, the volume of sales in respect of electrical and electronic goods on which the mark was used stood at **Rs.49.73** Crores. An amount of **Rs.1.19** Crores was expended in 1990 for advertisements and publicity for the mark. The Plaintiff has used the mark "Anchor" either by itself or with the device of an anchor on leaflets, literature, letterheads and publicity material. The trademark of the Plaintiff is stated to have become "a household word" and the products of the Plaintiff together with the associated mark are stated to have been utilized in locations as diverse as government and public buildings, cinema halls, schools, factories and private homes.

3. According to the Plaintiffs it was in May 1992 that they learnt that the Defendant had started dealing in dish antennae under the mark "Encore". A notice was addressed by the Plaintiff on 7th May, 1992 to the Defendant calling upon the Defendant to cease and desist from using the said mark. It appears that the

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Defendant had come out with a public issue of share capital. According to the Plaintiff it received queries from several sources enquiring whether it was the Plaintiff that was associated with the issue of share capital. According to the Plaintiff, the mark "Encore" is deceptively similar to the registered mark of the Plaintiff and is being used in respect of the same goods in respect of which the mark of the Plaintiff is registered. Moreover, it has been averred that when the mark "Anchor" is pronounced or written in Gujarati or Devanagari scripts, it appears "very close" to the registered trademarks of the Plaintiff. The Plaintiff avers that the word "Anchor" forms a part of its corporate name and trading style and has been associated by traders and by members of the public, exclusively with the Plaintiff. The corporate name, according to the Plaintiff, has acquired a reputation in the market and the Defendant has adopted the corporate name and style of "Encore Electronics Limited" which is deceptively similar, misleading and liable to cause confusion.

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4. In the affidavit in reply, the Defendant states that it engages in the manufacture of Cable T.V. Equipment and other electronic items. The Defendant had applied for registration of its

trademark "Encore" with the Registrar of Trademarks on 20th July, 1992. The Defendant claims to have been known as a manufacturer of Cable T.V. Equipment since 1989. According to the Defendant the Plaintiff is a manufacturer mainly of electrical goods which are available in a general hardware store whereas the Defendant manufactures sophisticated electronic equipment catering to a specialized market. According to the Defendant the maximum price of the Plaintiff's product would not exceed Rs.1,000/- per piece whereas the dish antennae manufactured by the Defendant would not cause less than Rs.50,000/- for the smallest of the antenna manufactured. The manufacture of dish antennae and other ancillary equipment is thus according to the Defendant not similar to the product of the Plaintiff. According to the Defendant it has established a substantial presence in the market in the field of electronic goods like dish antennae.

5. The Learned Single Judge by an order dated 23^d September, 1997 granted an interlocutory injunction. The Learned Judge was of the view that both phonetically as well as visually, the mark of the Defendant is similar to the mark of the Plaintiff. Moreover, both in Gujarati and Devanagari scripts, the word

“Encore” is written in a manner similar to the word “Anchor”. Hence, the mark of the Defendant is according to the Learned Single Judge identical or deceptively similar to the Plaintiff's mark “Anchor” and the adoption thereof by the Defendant as a part of its trading style amounts to an infringement of the Plaintiff's mark and a passing off of the goods of the Defendant as those of the Plaintiff. The Learned Single Judge noted that there is no explanation by the Defendant as to how it came to adopt the work “Encore” in the first place. The user of the mark by the Defendant has been held not to be bonafide and it has been found that the Defendant had deliberately adopted the mark to trade on the reputation of the Plaintiff with the knowledge that the mark “Anchor” is an established mark in respect of electrical and electronic goods. The Learned Single Judge observed that the Plaintiff has spent a considerable amount by way of publicity to popularize its trademark “Anchor”. Due regard has been had to the sales figures of the Plaintiff for the year 1990, and the Defendant's user has been held not to be either honest or concurrent. The Learned Single Judge has held that the Defendant is manufacturing dish antennae on the one hand, while the Plaintiff is manufacturing electronic goods and equipment including video-audio, MATV – CATV equipment and

accessories. All these have been held to be electronic items. Several items are manufactured by the Plaintiff as well as the Defendant. While the Plaintiff had produced material evidencing the extent of its business, no sales figures have been placed on the record by the Defendant. Having regard to all these circumstances, the Learned Single Judge was of the view that an order of injunction was warranted.

6. In assailing the order of the Learned Single Judge counsel appearing on behalf of the Defendant submitted that in considering a case of deceptive similarity, the rival marks have to be looked at as a whole. The Plaintiff, it has been urged, essentially manufactures electrical switches while the Defendant manufactures dish antennae. The trade channels, customers as well as the products manufactured are, it was submitted, different. The prices of the rival products are different. It was submitted that a purchaser of the Defendant's product would be a cable operator or a person in the trade while on the other hand the Plaintiff does not manufacture dish antennae at all. The approach of the Learned Single Judge was sought to be assailed and it was urged that the Learned Judge had erred in splitting up the word marks of

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the Plaintiff and the Defendant for the purposes of comparison.
According to the Defendant no material in support of the plea of
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deception has been forthcoming and the letters on which reliance
has been placed by the Plaintiff pertain to the issue of share
capital. Finally, it was sought to be urged that there is no material
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on the record to show that the Plaintiff has an established
reputation in respect of electronic goods.

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7. On behalf of the Plaintiff the order of injunction passed
by the Learned Single Judge has been supported by adverting to
the circumstance that the mark "Anchor" has been used initially by
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the Plaintiff's predecessor and later, by the Plaintiff, since 1963.
Adoption by the Defendant of the mark was over 25 years
thereafter since the year 1989. The sales figures of the Plaintiff
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demonstrate an established business and the extent of advertising
expenditure, it was urged, would substantiate the goodwill
associated with the mark of the Plaintiff. Both the goods of the
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Plaintiff as well as the Defendant, it was submitted fall in Class 9 of
the IVth Schedule to the Trademarks Rules, 1958. The mark of
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the Defendant, it was submitted, is visually, structurally and
phonetically similar to the mark of the Plaintiff. The Defendant, it

was submitted, has no cogent explanation for the adoption of a mark which is deceptively similar, save and except to say that the mark used by the Defendant is a French word. Finally, it was submitted that no sales figures were placed before the Learned Single Judge by the Defendant nor is any ground urged in the memo of appeal that though the sales figures were placed on the record, they have not been duly noted in the order impugned in the appeal. The learned counsel submitted that whether a confusion is liable to be caused by the use of the mark by the Defendant is ultimately a matter to be decided by the Court and in the present case having regard to the substantial similarity between the two marks a case for the grant of an interlocutory order of injunction has been made out.

8. While considering the merits of the rival submissions that have been urged on behalf of the parties, at the outset we note that the use of the trademark 'Anchor' by the predecessor-in-title of the Plaintiff dates back to 1963. The word 'Anchor' is an essential part of the corporate name of the Plaintiff. The pleading before the Court is that the mark 'Anchor' has a distinctive character and is associated both by traders as well as by members of the public

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exclusively with the Plaintiff as regards electrical and electronic
goods. The mark 'Encore' was adopted by the Defendant nearly
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25 years later, in 1989. The sales of the Plaintiff increased from
Rs.6,300/- in 1964 to Rs. 1.76 crores in 1973, Rs. 10.12 crores in
1983 and by the year 1990 were to the extent of Rs. 49.73 crores.
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The expenses incurred on advertising the electronic and electrical
goods sold by the Plaintiff were to the extent of Rs. 1.19 crores in
1990. At the interlocutory stage, the Learned Single Judge was,
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therefore, justified in drawing the inference that the mark 'Anchor'
that is used by the Plaintiff on electrical and electronic goods has
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acquired a distinctive character. Associated with the mark is the
goodwill and reputation which connects the mark with the goods of
the Plaintiff. By the time that the suit was instituted in 1992, the
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goodwill had grown over a long period of three decades during the
course of which the mark was adopted, initially by the predecessor-
in-title of the Plaintiff and thereafter by the Plaintiff. The
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submission of the Plaintiff that the goodwill and reputation
associated with the mark are significant enough to lead to the
inference that the mark 'Anchor' is a household name reflective of
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the products which the Plaintiff manufactures and sells can prima
facie be accepted.

9. The phonetic similarity between 'Anchor' on the one hand and 'Encore', on the other, is striking. The two marks are phonetically, visually and structurally similar. The overall impression conveyed by a mark as a whole, has to be assessed in evaluating whether the mark of the Defendant is deceptively similar to the mark of the Plaintiff. Phonetic similarity constitutes an important index of whether a mark bears a deceptive or misleading similarity to another. The phonetic structure indicates how the rival marks ring in the ears. Courts in a country such as ours whose culture is enriched by a diversity of languages and scripts have to consider how the rival marks are spelt and pronounced in languages in which they are commonly used. Counsel for the Defendant submits before the Court that while 'Encore' is a word of French origin, 'Anchor' is a word of English usage and the pronunciation of the two words must differ. The submission misses the point. The case before the Court is not about how an Englishman would pronounce 'Anchor' or a Frenchman would pronounce 'Encore'. The Court must consider the usage of words in India, the manner in which a word would be written in Indian languages and last but not least, the similarity of

pronunciation if the rival marks were to be pronounced in languages prevalent in the country where the marks are used. The manner in which the 'a' as in 'anchor' is pronounced by an Englishman on Notting Hill may well appear to a discerning traveller to be distinct from a Frenchman's pronunciation of the 'e' in 'encore' on a fashionable by lane near Champs Elysees. That is no defence to an action in our Courts for passing off: For the ordinary consumer in Ahmedabad and her counterpart in Mumbai's shopping streets, the 'a' in 'anchor' and the 'e' in 'encore' are perilously and deceptively similar. The Court must assess the make up of an Indian consumer and, associated with that, the cultural traits that underlie the spelling and pronunciation of words. The case of the Plaintiff is that in Gujarati as well as in Hindi, there is not even a subtle distinction between the manner in which 'Anchor' and 'Encore' would be pronounced and we find merit in the submission. The overall impact in terms of phonetical usage is one of striking similarity. The test is not whether a customer who wishes to buy the product of the Plaintiff is likely to end up buying the product of the Defendant. The test is whether the ordinary customer is likely to be led to believe that 'Encore' is associated with the mark and the trading style of the Plaintiff. The phonetical,

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visual and structural get up of the two words is so strikingly similar as to lead to a likelihood of deception. The question of deception is a matter for the Court to determine, particularly at the interlocutory stage. The judgment of the Learned Single Judge has been criticized on the ground that the Court attempted to break up the words contained in the rival marks. We do not share that perception. What the Learned Single Judge has done in the present case is to compare the two rival marks and to emphasize a striking similarity between the marks with reference to the common features of the rival words. That is a permissible exercise and the judgment of the Learned Single Judge does no more than that.

10. The Defendant has no bonafide or logical explanation for the adoption of the mark. To merely assert that the mark of the Defendant has an origin in the French language is no explanation whatsoever. That in our view, is merely an afterthought to conjure up some justification for the adoption of a mark which is deceptively similar. This is not a case where it can be said that there was a bonafide, honest and concurrent use of the mark by the Defendant. In the affidavit in reply to the Notice of Motion filed by a Director of the Defendant, there are only broad generalities

bereft of factual details. The Defendant claims to be “a leading manufacturer of Cable TV Equipment in India” and “to have now established a substantial presence in the market in the field of electronics like Dish Antenna etc.” (para 9). Significantly, in the affidavit, there is absolutely no disclosure of the extent of the business, sales or turn over of the Defendant. The Learned Single Judge was justified in drawing an adverse inference against the Defendant on this ground.

Common field of activity

11. One of the principal defences to the action for passing off in this case is that the field of activity of the Defendant is not the same as that of the Plaintiff. After all, the submission goes, the Plaintiff manufactures electrical and electronic goods while the Defendant manufactures dish antennae. Associated with the differences in the products manufactured, there is, according to the Defendant a variation in the price range of the rival products. The trade channels, it has been submitted, would be different and the consumer who would purchase a product of the Plaintiff would not necessarily be in the market for purchasing one of the dish antennae of the Defendant. Conversely, a consumer who sets out

to purchase a dish antenna would not be in the same market as the one where the Plaintiff's electrical and electronic goods are available for sale. So the submission is that there is no likelihood of confusion.

12. The submission requires an analysis of the issue whether a common field of activity is an ingredient which is necessary in order to sustain a claim for injunction in an action for passing off. An incisive discussion on the origin of the common field of activity test is contained in a judgment of the Court of Appeal in England in **Harrods Limited v. Harrodian School Limited**¹. Millett, L.J. noted in the course of the judgment that the expression "common field of activity" was enunciated in a judgment in **McCulloch v. May** (1948) 65 **R.P.C.** 58 where Wynn-Parry J. dismissed a claim of the Plaintiff for want of the factor. In **Harrods** the Court of Appeal, however, noted that the application of this test was contrary to several previous authorities, for example, **Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.** (1898) 15 **R.P.C.** 105 (cameras and bicycles) and **Walter v. Ashton** (1902) 2 Ch. 282 (The Times newspaper

1 (1996) R. P. C. 697.

and bicycles). The Court of Appeal noted that the test in fact "is now discredited". The Court of Appeal then observed that in several judgments the absence of a common field of activity notwithstanding, the power of the Court to grant relief in an action for passing off had been recognized :

"In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although "the plaintiff and the defendant were not competing traders in the same line of business". In the *Lego* case Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties."

13. The judgment of the Court of Appeal notes that while the absence of a common field of activity is not fatal to an action for passing off, it is at the same time an 'important and highly relevant consideration' in deciding whether there is a likelihood of confusion.

That is because the existence or otherwise of a common field of activity would be relevant to determine whether the public would associate a kind of association between the field of activities of the Plaintiff and that of the Defendant. The extent of the burden in such a case depends upon the prominence and goodwill

associated with the mark of the Plaintiff :

“Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective business may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.”

14. Where the relationship between the respective fields of activity of the Plaintiff and the Defendant is only tenuous, the burden of proving the likelihood of confusion and the resulting damage is heavy. The judgment of the Court of Appeal recognizes that in a classic case of passing off where both the Plaintiff and the Defendant are engaged in the same activity and the Defendant represents his goods as being those of the Plaintiff, there is an obvious risk of damage to the business of the Plaintiff by substitution. The Plaintiff is liable to suffer a loss of his clientele, which transfers its custom to the Defendant on the mistaken assumption that the goods of the Defendant are in fact the goods of the Plaintiff. However, this is not the only kind of damage that is liable to be caused to the goodwill of the Plaintiff. When parties are not in competition with each other, the reputation and goodwill of the Plaintiff may yet be damaged without a corresponding gain to

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the Defendant. Millett L.J. noted that for example in the Lego case, a customer who was dissatisfied with the plastic irrigation equipment of the Defendant may be dissuaded from buying a plastic toy construction kit for his children if he believed that it was made by the Defendant. "The danger in such a case is that the plaintiff loses control over his own reputation". (at page 715).

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15. The departure from a strict application of the common field of activity test is exemplified by the dictum contained in the judgment in **Teleworks Limited v. Telework Group PLC**². The judgment inter alia lays down the following principles :

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" (i) The action in passing off can, as the law stands, adequately protect the development of a growing business. Thus if a claimant has at the relevant date only a modest business in one or two lines of goods, he can still succeed in a passing off action against a company selling other goods. It all depends on whether the evidence establishes that purchasers would be led into the belief that the defendant company was now selling these new goods.

(2) If the claimant's reputation at the relevant date is inadequate to induce people to believe that the defendant's goods and services are the claimant's, or connected with him, then that is the end of the matter. It is not right to go on to consider evidence of future developments of the claimants' business.

(3) It is of course legitimate in a passing off case, as in

2 (2002) R. P. C. 27.

any other case where the protection of the court is sought by way of injunctive relief, to look not only at the actual acts of the defendant, but his threatened acts as well. If the evidence establishes a tangible threat by the defendant to trade in a significantly different way from that in which it currently trades, then it is right to consider whether that conduct, viewed against the established reputation of the claimant, would be likely to give rise to deception or confusion.

(4) There is no requirement in the law of passing off for the claimant and the defendant to be operating in the same field. However, that is not to say that the existence or otherwise of an overlap is not highly relevant to assessing the evidence of misrepresentation. The question of whether two companies trade in the same field can be affected by the level of particularity with which one defines the field.”

16. The judgment of Mr. Justice Brightman in **John Walker & Sons Limited v. Rothmans International Limited and John Sinclair Limited**³ emphasises that a case of passing off may yet be established though the Plaintiff and the Defendant do not trade in the same or an associated field. In such a case there is no possibility of what is called product confusion – in the case before the Court there the Judge noted that no one would purchase the Defendant's cigarettes which were sold under the mark of Red Label thinking that he was buying the Plaintiff's Red Label Whisky. That notwithstanding, the use of a name in which the Plaintiff has

3 1978 F. S. R. 357

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acquired a significant reputation with the public may warrant an order of restraint when the use of a deceptively similar name by the Defendant may lead the public to confuse that the product of the Defendant has associated with it the hallmark of quality of the Plaintiff :

“To put the matter in general terms, if one trader acquires a reputation with the public in relation to a particular name or get-up, the use of that name or get-up by another trader in either an associated field or even in a different field may be restrained if the public may be confused into thinking that the product or service of the other trader has the cachet of the first trader's established name or get-up. This is to be distinguished from what may be called product confusion. In the case with which I am concerned there is obviously no possibility whatever of product confusion. No one would purchase the defendants' Red Label cigarettes thinking that he was buying the plaintiffs' Red Label whisky. The confusion, if any, is only that of name.”

17. Kerly's Law of Trademarks and Trade Names, Fourteenth Edition page 447 posits the principle of law that there is no rule that the Defendant must operate in the same field of activity as the claimant. This, however, does not mean that an examination of their respective fields of activity is irrelevant since the more remote the activities of the parties, the stronger would be the evidence needed to establish misrepresentation and the real likelihood of damage that are the prerequisite of a right of action in

passing off. The judgment of the Supreme Court in **Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.**⁴ also indicates that the nature of the goods in respect of which the trademarks are used and the similarity in the nature, character and performance of the goods of the rival traders are factors to be considered in the ultimate evaluation.

18. In the present case, it is a matter of significance that the marks registered by the Plaintiff fall in Class 9 and Class 11 of the IVth Schedule to the Trade and Merchandise Marks Rules 1959. Clause 9, in particular is to the following effect :

“9. Scientific, natural, surveying and electrical apparatus and instruments (including wireless), photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision) life-saving and teaching apparatus and instruments; coin or counter-freed apparatus; talking machines; cash registers; calculating machines; fire-extinguishing apparatus.”

19. The goods which are manufactured by the Defendant indeed fall in the same class. In fact, the application for registration submitted by the Defendant on 20th July, 1992 was for the

4 AIR 2001 SC 1952.

registration of a large body of goods consisting of a whole range of apparatus and equipment falling in Class 9 of the IVth Schedule.

In the present case, therefore, it cannot be said that the field of activity of the Defendant is so far removed from the field of activity of the Plaintiff as to render the possibility of confusion remote enough to be unworthy of judicial recognition. The rival fields are, on the contrary, proximate. Undoubtedly, a possibility of product confusion may not exist where the goods of the Defendant are not identical to the goods of the Plaintiff. However, where as in the present case the fields of activity have a broad and reasonable correlation, there is a likelihood of confusion in the sense that a customer who seeks to purchase the goods of the Defendant is liable to believe that associated with those goods is the hallmark of quality that has become associated with the goods of the Plaintiff. Added to this circumstance is the important consideration in the present case that the use of the mark "Anchor" by the Plaintiff over a span of three decades has made it virtually a household name in the field of electrical and electronic appliances. The likelihood of confusion in such a case is amplified making it necessary for the Court to protect the goodwill and the business reputation associated with the mark of the Plaintiff.

Phonetic Similarity

20. The contention of the Defendant before the Court is that the mark of the Defendant traces its origin to a French word - 'encore' while the mark of the Plaintiff is pure and simple, a word in the English language - 'anchor'. The element of phonetic similarity has always been regarded in the law to be an important index in an action for passing off. Where rival marks bear a close phonetic resemblance the ingredients required for establishing deceptive similarity would be found to exist. In the leading decision on the subject - the **Pianotist** rendered as far back as 9th November, 1906 (1906 R. P.C. 774) Mr. Justice Parker laid down a test which has been accepted by the Supreme Court in India as well. The judgment in **Pianotist** tells us that the Judge "must take the two words ..." and that he "must judge of them, both by their look and by their sound". Kerly's Law of Trade Marks and Trade Names, Fourteenth Edition (page 600) summarizes the principle succinctly by stating that it is both the ear as well as the eye that must be considered.

21. The test of phonetic similarity was accepted in the

judgment of the Supreme Court in **Amritdhara Pharmacy v. Satya Deo**⁵. In **Durga Dutt Sharma v. N. P. Laboratories**⁶ the Supreme Court held thus :

“In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated.”

These principles were reiterated in a judgment of the Supreme Court in **Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.**⁷ holding that the earlier decision of a Bench of two Learned Judges in **S. M. Dyechem Ltd. v. Cadbury (India) Ltd.**⁸ which had taken a contrary view did not lay down the correct position. The larger Bench in **Cadila Health Care Ltd.** held that it was not correct in law to hold “that the principle of phonetic similarity has to be jettisoned when the manner in which the competing words are written is different”. The Court held that both **Amritdhara** and **Durga Dutt Sharma's** cases (supra) had accepted the relevance of

5 AIR 1963 SC 449

6 AIR 1965 SC 980.

7 AIR 2001 SC 1952.

8 (2000)5 SCC 573.

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the test of phonetic similarity. In the present case, the reliance
placed in the course of the submissions on behalf of the Defendant
of its mark having an origin in a French word is, as already noted in b
the earlier part of the judgment neither bonafide nor an honest
defence. The Court must have a realistic consciousness of the fact
that both the marks are used in the Indian market and it is a c
consumer in India whose observation and assessment must guide
the decision making. The manner in which the rival marks would be
ordinarily pronounced and the manner in which the marks would be d
written in Indian languages constitutes an important indicator of
whether a case of deceptive similarity has been established. As
the Learned Single Judge stated both the marks contained an e
overwhelming emphasis on the letters 'ncor' and the fact that the
mark of the Plaintiff begins with an "a" while the mark of the f
Defendant begins with an "e" would make little difference to the
manner in which the rival marks are pronounced. The manner in
which the marks would be written in the Gujarati and Devanagari g
scripts bears a close resemblance – close enough for an intending
purchaser of the product of the Defendant to be led to believe that
the goods of the Defendant have associated with them the goodwill h
and reputation which is associated with the mark of the Plaintiff.

22. In these circumstances, the order passed by the Learned Single Judge cannot be faulted. The Plaintiff has established a prima facie case for the grant of an order of injunction. The essential requirements in an action for passing off have been duly established. The balance of convenience lies in favour of the Plaintiff. The large turn over of the Plaintiff is borne out by the figures which have been disclosed in the plaint. The Plaintiff has expended extensive sums of money in advertising and publicity. Irreparable harm and prejudice is liable to be caused to the business of the Plaintiff, unless an interlocutory order of injunction were to be passed as prayed. The goodwill and reputation associated with the Plaintiff's mark, cultivated as it has been over a period of three decades when the suit was instituted would be liable to suffer serious damage unless the Defendant was to be enjoined. The Learned Single Judge was not in error in granting an interlocutory order of injunction.

23. We do not find any reason to interfere. The Appeal shall accordingly stand dismissed. Costs in the suit.

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(R. M. S. KHANDEPARKAR, J.)

(DR. D.Y. CHANDRACHUD, J.)

Bombay High Court

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