IN THE HIGH COURT OF DELHI AT NEW DELHI

IA No. 10535/2008 (U/O 39 R 1 & 2)
I.A. No.15096/2008 (U/O 39 R 4)
in
CS (OS) 1826/2008

Reserved on : 22.10.2009
Pronounced on: 07.01.2010

NIRMA LIMITED ..... Plaintiff

Through : Mr. N.K. Kaul, Sr. Advocate with Mr. Ramesh Singh, Mr. Nikhil Goel and Mr. Syed Marsook, Advocates.

versus

NIMMA INTERNATIONAL AND ANR. ..... Defendants

Through : Mr. Amarjit Singh with Mr. Supreet Kaur, Mr. Dhruva Bhagat and Ms. Navneet Momi, Advocates.

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT

1. Whether the Reporters of local papers may be allowed to see the judgment? Yes

2. To be referred to Reporter or not? Yes

3. Whether the judgment should be reported in the Digest? Yes

HON'BLE MR. JUSTICE S.RAVINDRA BHAT

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1. This order will dispose of the I.A. Nos. 10535/2008 and 15096/2008. I.A. No. 10535 of 2008 is an application by the plaintiff under Order 39 Rules 1 and 2 for grant of order of temporary injunction restraining the Defendants, their principal officers, servants, agents and representatives from manufacturing, selling, exporting, offering for sale, advertising, directly or indirectly dealing in their products under the trade mark

"Nima Care" and/or any other mark which may be identical with or deceptively similar to trade mark "Nirma" and "Nima".

2. An *ex parte* order in favour of the applicant/plaintiff was issued by order dated 02.09.2008 by this Court restraining the defendants and their agents from manufacturing, selling, exporting, offering for sale, advertising, using the trade mark "Nima Care" and "Nirma" and/or any other mark deceptively similar to the trade marks "Nirma" of the plaintiff, till the next hearing. The Court in its order dated 02.09.2008 had observed that:

> *"As stated in the plaint, defendants have clandestinely applied for registration of their trade-marks NIMA recently with the Registrar of Trade-marks and that the plaintiff filed opposition to the said trade mark and as such trade mark has not yet been registered in their favour….I am satisfied that it is a fit case where ex-parte ad-interim injunction should be granted in their favour as apparently it is seen that the defendants are trying to hit upon or encroach upon the trade-marks of the plaintiff with a view to make wrongful gains to them thereby causing wrongful loss to the plaintiff. Not granting them injunction at this juncture will cause irreparable losses and injury to the plaintiff not only in terms of money nut in terms of their reputation in business which they seem to have established by virtue of long user"*

3. The Defendants have filed an application I.A. No. 15096 of 2009 under Order 39 Rule 4 seeking for vacation of the above order.

4. The suit contends that the Trade mark "Nirma" has been registered in Class 3 (the class dealing with detergent powder, detergent cake, toilet soaps etc); since 8.3.1979 under the Application No. 34680. The trade Mark "Nima" has been registered in Class 3 since 9.3.1982 under Application 396185B. The said trade mark "Nima" has also been registered as an associate trade mark of "Nirma". In fact, another trade mark *"Nima"* in Hindi has also been registered in Class 3 since 22.06.1999 under Application No. 862159 and 862160. "Nirma" has also been registered as a trade mark in all classes from Class 1-42, and the trade mark "Nima" has been registered in all classes from Class 1-42 except Class 41, where the application for the same is pending. The plaintiff asserts that it is the proprietor of the said trade marks.

5. The plaintiff submits that it is the largest player in the Indian detergent market, with a market share of approximately 38% and the second largest sales in toilet soaps with a market share of approximately 20 %. It is stated that "Nirma" is one of the largest selling detergent brands in the world. Plaintiff's counsel submits that "Nirma" has been recognized as a Superbrand in India and he relies on some reports/studies for this purpose. It is submitted that "Nirma" has a consumer base of over 2 million people across the country, and that it is also part of the corporate name, i.e. Nirma Limited which is registered under the Companies Act, 1956 and whose shares are listed on the Bombay Stock Exchange and National Stock Exchange. The plaintiff submits that it also uses the trade mark "Nirma" for edible goods such as salt, spices etc. and also that it is also involved in a host of other business activities.

6. The plaintiff argues that it has ventured in the education sector and has undertaken various activities in the educational and social development areas. It is submitted that the trade mark "Nirma" and "Nima" have been constantly advertised in different media including TV, broadcasting stations, newspapers and other print media, and continue to be so. The plaintiffs say that that the sale of the said products under the brand name "Nirma" and "Nima" have been progressively increasing. In this background, the plaintiff's complaint is that the defendant's use of the trading name "Nimma International" in relation to certain class of cosmetics, amounts to infringement of its trademarks.

7. The Defendant No. 1 is engaged in the manufacture and sale of cosmetic goods including hair oil, cold cream, shampoo, talcum-powder, lip guard, white petroleum jelly etc. It submits that it commenced business in respect of those products in 1999 under the name of "Nimma International".

8. The Defendant No. 1 filed applications before the Trade marks Registry, Delhi for the registration of the marks "Nimma", "Nimint", "Nirmaline" and "Nima Care". It argues that the mark "NIMSON's NIMACARE" is used in relation to the defendant's lip guard and white petroleum jelly, whereas the plaintiffs' marks are used in relation to

detergents, soaps etc. The defendants deny that use of their mark amounts to infringement of the plaintiffs' mark, and submit that phonetically as well as visually, the two marks are different, and that the trade channels through which they are marketed also differ. In these circumstances, say the defendants, there is no confusion, likelihood of confusion or deception on their part, amounting to appropriation of the plaintiff's marks.

9. The defendants submit that the use of NIMSON's is distinct from the use of the NIRMA logo and mark by the plaintiffs, and there is absolutely no scope for confusion of the consumer public. In this regard, it is argued that the defendant uses a 3-D hologram on all its products, with the mark NIMSON's and NIMMA International in a typical style and also NIMSON'S Cello-tape. It is further submitted that the use of these marks is honest, as NIMA has been adopted by the first defendant's proprietor, Himanshu Chaddha, out of his respect and regard for his mother Nirmal Chadha, who was popularly known by her nick name NIMMA. It is claimed that the defendant concern is a member of trade and commercial bodies such as FICCI, ASSOCHAM, ITPO, CHEEXCIL, etc. and that the use of the mark NIMMA INTERNATIONAL is protected under Section 35 of the Trademarks Act.

10. The defendants dispute that the plaintiff is the owner of trademarks bearing Nos. 346840, 396185, 862159 and 862160, as alleged by them. It is pointed out that the registration certificates and other documents relied upon, show that the registered owner is not the plaintiff, but some other company or companies. The defendants allege that the plaintiff has not shown how it acquired ownership of such marks, and therefore, cannot claim any right, much less complain about their infringement.

11. It may be seen from the above discussion that the plaintiffs' contention is that the trade-mark "Nimma" in the trade name/mark sense used by defendants, is deceptively similar to or identical with the trade mark "Nirma" as well as "Nima" of the plaintiff and therefore, the use of the word "Nimma" in its name itself by the defendant is infringement of the plaintiff's trade-marks. The plaintiff further contends that the mark "Nima Care" is also deceptively similar to its (the plaintiff's) registered trade-marks and that the defendants' use of it amounts to infringement of the plaintiff's trade-marks.

12. Para 32 of the suit states that the cause of action for the present suit first arose in June, 2008 when the plaintiff learnt about the use of the web domain, www.nimma_international.com, by the defendant, and thereafter, it accrued when the plaintiff discovered though their various sources about the Defendants' actually selling their products under the mark "Nima Care" and it has accrued on every occasion when the defendants have sold the goods bearing the trade mark "Nima Care". It is argued that the cause of action is a continuous one. It is contended that the defendants were surely aware of the plaintiff's copyright in the trade mark "Nirma" and "Nima" as the same is a matter of public record. The plaintiff, on the basis of the above contentions, seeks continuance of the order for interim injunction.

13. The defendants' position is that the plaintiff suppressed facts and made false and misleading statements in relation to material particulars. For this, it is submitted that the business activities of the plaintiff are of a different character in the sense that the class of purchasers in respect of the goods of the plaintiff and those of the defendants are entirely different from each other. Further, that the trade channels in respect of the goods are also distinct and different in each respect. The defendant also alleges that adoption and use of the trade name "Nimma International" by it is *bona fide* and honest. The defendant states that the plaintiff admitted to having filed a Notice of Opposition in paragraph 15 of the plaint and that in the light of admissions made by the plaintiff in para 15 of the suit, the averments made in para 32 of the plaint stand proved to be patently false. The counsel also asserts that the defendants have been using the mark "Nima Care" only in respect of lip guard and white petroleum jelly and that the trade mark "Nima Care" and/or "Nima" have never been used by the defendants in respect of soaps and detergents.

14. The defendant submits that the four registrations (of trade-marks) that the plaintiff asserts to be vest in it are not owned by it (the plaintiff). It is contended that the registrations relied upon by the plaintiff do not confer any rights upon it and the same are liable to be rectified/removed from the Registry of Trade Mark under provisions of

Section 47 and 57 of the Trade Marks Act, 1999. It is submitted that the plaintiff is not the registered proprietor of the trade marks in question.

15. From the materials on record, it is clear that all the registered trade-marks are in the name of the company Nirma Chemical Works Ltd. The plaintiff in this case is Nirma Ltd., a company separate from Nirma Chemical Ltd. Here, reference may be made to the judgment of this court in *Shantaben Karasanbhai Patel & others v. S.C. Jain & Anr*, 2001 (2) CTMR 47 (Delhi). In that matter the plaintiff Nos. 1 and 2 were trustees of Shri S.K. Patel Family Trust trading under the name and style of M/s. Nirma Chemical Works Ltd., the Plaintiff no. 4 (in that case), proprietor of the trade marks in "Nirma", the alleged infringement of which was the subject matter of the dispute. In paragraph 12 of the judgment, the Court recognized the plaintiffs as the registered owners of the trade mark "Nirma".

16. Now, the question that needs to be answered is whether the plaintiff (Nirma Ltd.) can be said to be the registered proprietor of the said trademarks. It was asserted, during the hearing that the plaintiff acquired ownership or trade-mark rights due to assignment in its favour, by Nirma Chemical Ltd. No evidence or proof of assignment of the said trade marks by Nirma Chemical Works Ltd. in favour of Nirma Ltd. is on record. The documents the plaintiff seems to be relying upon are copies of the Trade mark registration certificates and the balance sheet of Nirma Ltd. for the year ending 2007. The plaintiff has however, placed on record, the copy of Form TM-23, filed with the trademark registry, on 29-3-2001, requesting the NIRMA INDUSTRIES LTD may be entered in the Register of Trademarks as proprietor of trademarks mentioned in Annexure A, by virtue of an agreement to sell entered into with their proprietor, Nirma Chemical Works Ltd. Reliance is also placed upon the copies of orders of the Gujarat High Court, approving the scheme of compromise and arrangement, whereby Nirma Industries Ltd and Nirma Ltd. were merged or amalgamated.

17. The judgments of this court, particularly *Astrazeneca U.K. Ltd. and Anr. v. Orchid Chemicals and Pharmaceuticals Ltd.* 2006 PTC 733 (Delhi); *Grandlay Electricals (India) Ltd. v. Vidya Batra* 1998 PTC 18 (Delhi) and *Sun Pharmaceuticals Ltd. –vs-*

Cipla Ltd. 2009(39)PTC347(Del) have consistently ruled that so long as there is assignment of trademark, the fact that it is pending registration would not preclude the claimant from bringing an action for passing off, or infringement, as the case may be. This court sees no reason to depart from that principle; the plaintiff has placed on the record documents indicating that it applied for registration of assignment of the marks by their registered owner, and that the request is pending. That is *prima facie* sufficient to establish ownership.

18. The plaintiffs rely on the registration of the trademark "Nirma" in various classes, as well as "Nima". They have placed reliance on numerous documents, in the form of copies of invoices, brochures, press accounts, etc. They predominantly relate to the soaps and detergents products manufactured and marketed by them. The plaintiff also relies on brochures to prove that it is using "Nirma" as a brand for its educational institutions and similar services. The long user of "Nirma" particularly in relation to soaps, detergents and other such products, together with the figures of sales and advertising and promotion expenses urged by the plaintiff, no doubt establish that it has a strong brand presence, in relation to the mark and the goods associated with it. The plaintiff has also shown that some concerns – apparently connected with it, are registered as "NIMA" – a trust, and two private limited companies, dealing with detergents, pharmaceuticals, etc.

19. It is now established that a claim for trademark infringement is maintainable when the user of the impugned mark is not a registered owner; this is facially evident from the language of Section 29 of the Trademarks Act ("the Act"). Yet, if the owner of the "junior" registered mark is, trenching on the rights of the prior user, the latter is not remediless. A joint reading of Sections 27 and 28 of the Act establish that the registration of a trade mark under the Act would be irrelevant in an action of passing off as the registration of a trade mark does not confer any new right on the proprietor thereof than what already existed at common law without registration of mark. (See *N.R. Dongre v. Whirlpool Corporation,* AIR 1995 Del 300). Thus registration itself does not create a trade mark and the right exists independently of the registration which merely affords

further protection under the statue. The common law rights are left wholly unaffected and that priority in adoption and use of trade mark is superior to priority in registration. The Court, in *Dongre* summed up the legal proposition as under:

> *"15. The legal proposition that emerges from all the aforesaid decisions is that the registration is immaterial in a case of passing off and the criteria for granting an injunction is the prior user of the trade mark by the parties. In other words, "in an action for passing off, in order to succeed in getting an interim injunction the plaintiff has to establish user of the mark prior in point of time than the impugned user by the defendant and that the registration of the mark or similar mark prior in point of time to user of the plaintiff is irrelevant in an action of passing off and the mere presence of the mark in the register maintained by the trade mark registry did not prove its user by the persons in whose names the mark was registered and it is irrelevant for the purpose of deciding the application for interim injunction unless evidence had been led or was available of user of the registered trade mark."*

20. The documents on record show that the plaintiffs are proprietors of registered trade-marks; the plaintiffs are aggrieved by the use of NIMSONS and "Nimma International". The defendant has placed on record use of the NIMSON mark, and the NIMMA INTERNATIONAL trade name, for a considerable period of time, since 2001-2002. The plaintiffs, evidently through Notices of Opposition opposed applications, filed by the defendants, though for some of the applications for registration filed by the defendants in 2001, the opposition by the plaintiff was filed in 2004. From the documents on record, the defendants' use of the mark "Nimson" is in respect of cosmetics, of various kinds, including creams, hair dyes, etc.

21. The plaintiffs' claim for injunction is premised on two levels – one that the "NIRMA" mark is famous and distinctive, therefore worthy of protection from dilution. Two, that NIMSONs and NIMMA confusingly resemble its mark NIRMA and NIMA, used by its other concerns.

22. So far as the first ground is concerned, the materials on record undoubtedly show that the plaintiff is prior user of NIRMA, and that it has shown that the mark has a fairly widespread recognition amongst members of the consumer public. It also has shown

existence of 38% share in the soaps and detergents market. The question then is, whether in relation to dissimilar goods and produocts, such as cosmetics, do the rival marks NIMSONs and NIMMA INTERNATIONAL create any confusion, or do they resemble it, so as to be called "identical" or "similar" marks. Apart from the numerous invoices, brochures, clippings, etc produced by the plaintiffs, there is nothing to establish confusion that the two marks are similar to NIRMA. Then it is left to the court to fathom the "likelihood of confusion" alleged. Here, significantly, unlike in the case a claim for infringement of trademark of similar goods, the presumption raised under Section 29 (3) does not apply. The court has to apply the general test of likelihood of confusion, evolved through the decisions of the Supreme Court reported as *Kaviraj Pandit Durga Dutt Sharma v. Navratna Pharmaceutcal Laboratories* AIR 1965 SC 980; *Corn Product Refinding Co. v. Shangrila Food Products Ltd.* AIR 1960 SC 142; *Amritdhara Pharmacy v. Satya Deo Gupta* AIR 1963 SC 449 onwards. In *Amritdhara,* citing and applying the test laid down in a previous decision, it was held that:

> *"You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade-marks is used in a normal way as a trade mark for the goods of the respective owners of the marks."*

Applying the above test, the court is of opinion that the two words " NIMSONS" (the defendants' mark) and "NIRMA" (the plaintiffs' mark) are different. Phonetically, as well as semantically, there is no scope for confusing the two word marks. A look at the defendants' labels for its cosmetics, beauty and skin care products, dyes, etc also shows that the manner whereby NIMSONS is depicted nowhere resembles "NIRMA". It is therefore, held that NIMSONS is not deceptively, or confusingly similar to NIRMA, as to entitle the plaintiff to any injunction on that score, either in its passing off, or dilution claim.

23. The use of NIMMA INTERNATIONAL, however, stands on a different footing. The plaintiff has been able to establish that it is using NIRMA for about three decades; it has a considerable reputation. Section 29 (5) of the Act reads as follows:

> *"(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his business concern dealing in goods or services in respect of which the trade- mark is registered."*

The defendants' reliance on copies of registration certificates nowhere reflects proprietorship of any registered trademark in respect of NIMMA. The plaintiffs' registration, in respect of its mark NIRMA is strong, at least in relation to soaps and detergents. The plaintiffs' reliance on invoices, issued over the years, growing sales of its products, and the market share it possesses, *prima facie,* in this court's opinion, establish that it has acquired distinctiveness and reputation of the kind, envisioned in Section 29 (4). The defendant, on the other hand, pleads that its proprietor's mother was known as Nimma. It is not as if the defendant is an incorporated company, trading for a long time; it is a sole proprietorship concern. No doubt, the goods and products sold by it are different from those marketed by the plaintiff. Yet the latter has established that it has entered other areas, and owns trademarks in various classes. The explanation given by the defendant, in this court's opinion does not amount to "due cause" under Section 29 (4).

24. In *Infosys Technologies Ltd. v. Park Infosys and Ors.* 2002 (34) 178 (DEL) the defendants were using the expression "Infosys" as a prominent part of their business/trade name and domain name. After noticing various provisions of law and relevant precedents the court, in that matter held that:

> *"27. The trade mark 'Infosys' is certainly associated distinctively with the business and trade of the plaintiff. The pre-fix by the defendant of the word "Park" before the trademark 'Infosys' is certainly of no significance in as much as the word 'Infosys' is distinctive of the business and trade of the plaintiff. There can be no manner of doubt that use by the defendant is likely to result in confusion and the same has propensity of diverting customers and business of the plaintiff to the defendant. It is well settled that honesty and fairplay are required to be the basic*

policies in business and trading and no person has any right to carry on his business in such a way as would lead the public into believing that the goods or services belonging to someone else are his or associated therewith….”

25. In view of the above discussion, it is held that the defendant's use of NIMSONs in relation to its products does not infringe the plaintiffs' trademark NIRMA, or amount to its passing off; however, the use of the firm/ concern name NIMMA INTERNATIONAL by the defendant violates the plaintiffs rights. Accordingly, the defendants are restrained from using NIMMA, or any other mark, including NIMA, in relation to their trading name or style, or in relation any of the products or goods sold, marketed by them or on their behalf by their agents, employees, representatives, distributors, or anyone acting on their behalf, till disposal of the suit.

26. I.A. Nos. 10535/2008 and 15096/2008 are disposed off in terms of the above directions.

CS (OS) 1826/2008

List the suit for further proceedings on 3rd May, 2010.

January 7, 2010

S. RAVINDRA BHAT
(JUDGE)