

* **HIGH COURT OF DELHI : NEW DELHI**

+ **IA No.13156/2007 in CS (OS) No.2264/2007**

Oneida Ltd. Plaintiff

Through: Mr. Praveen Anand with Ms.
Vaishali Kakra, Adv.

Versus

Sh. Pankaj Jain and Anr. Defendants

Through: Mr. Manoj Kumar Garg with
Mr. Santosh Kumar and Mr.
B.L. Satija, Adv.

Judgment reserved on: December 21, 2009

Judgment decided on : January 8, 2010

Coram:

HON'BLE MR. JUSTICE MANMOHAN SINGH

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

MANMOHAN SINGH, J.

1. By this order I shall dispose of I.A. No.13156/2007 filed by the plaintiff under Order XXXIX Rules 1 & 2 read with Section 151 of the Code of Civil Procedure, 1908.

2. The brief facts are that the plaintiff has filed a suit for permanent injunction restraining the defendants and their officers, agents etc from selling, offering to sell, advertising, and directly or indirectly dealing in stainless steel products under any trade mark deceptively similar to the plaintiff's trade mark 'Oneida', as well as for passing off, damages and delivery up. The plaintiff is a Company

organized and existing under the laws of the State of New York, USA and claiming to be one of the largest manufacturer and marketer of stainless steel flatware and other tableware products in the world.

3. The plaintiff adopted the trade mark 'Oneida' in the year 1980 which also forms part of its trade name. The product range encompasses 4 major categories i.e. metal ware, dinnerware, glassware and other tabletop accessories. According to the plaintiff, metal ware products comprise stainless steel, silver plated and sterling silver flat ware and other metallic hollow ware, cutlery and other aluminium cookware, dinner ware range includes ceramic porcelain and stone ware plates, bowls, cups, mugs and range of related serving pieces. The glass ware products include glass, non-leaded crystals, stemware, barware, serve ware, giftware and decorative pieces. Table top accessories include ceramic and plastic ware and decorative accessories, kitchen and table picture frames and decorative pieces. The plaintiff claims to be one of the world's largest sourcing and distribution company distributing, amongst others, to hotels, restaurants, airlines etc.

4. In fact the plaintiff does business through its authorised distributor Verpaco India Pvt. Ltd. The plaintiff supplies goods under the trade mark Oneida in major hotel chains in India such as Taj Group, Hyatt etc. The plaintiff has a website www.oneida.com which provides details of its goods.

5. In March 2006 the plaintiff came to know that the defendants had obtained registration for the trade mark 'Onida' in respect of stainless steel goods etc. The plaintiff issued notice to defendant No.1

dated 29th March, 2006 informing it of its rights. The reply was received by the plaintiff on 24th May, 2006 wherein the defendant No.1 refuted all the allegations of the plaintiff and refused to change the trade mark. The plaintiff thereafter filed a rectification petition against defendant No.1's registration of the trade mark 'Onida' for stainless steel goods which is deceptively similar to the plaintiff's well known trade mark 'Oneida'.

6. The case of the plaintiff is that the defendant No.1 was also retailing its products through its distributor defendant No.2 in Delhi. Lastly, it is stated by the plaintiff that the adoption and use by the defendants of the trade mark 'Onida' which is deceptively similar to the trade mark of the plaintiff is fraudulent and such use is without any authorization and consent of the plaintiff.

7. The defendant No.2 made a statement before court on 3rd December, 2009 whereby he agreed to suffer a decree for permanent injunction and, therefore, the name of the defendant No.2 was deleted from the array of parties. The statement of Mr. Sushil Kumar Jain, defendant No.2 is reproduced hereunder:-

"I am defendant No.2 in the matter and authorised distributor of defendant No.1's goods in Delhi having my principal place of business at 4522, Main Road, Pahari Dhiraj, Sadar Bazar, Delhi by the name of Brij Kishore and Sons. I was dealing with the trade mark Onida for stainless steel goods manufactured and marketed by defendant No.1 and I have no intention to use the same in future. I have no objection if a decree for permanent injunction is passed against defendant No.2."

8. The defendant No.1 has filed the written statement and raised the following defences in support of his submissions:-

- a) That the trade mark 'Onida' adopted and used by the defendant is not deceptively similar to the plaintiff's trade mark 'Oneida'.
- b) The products of both the parties are different, therefore, the question of passing off does not arise.
- c) The defendant No.1 is the registered proprietor of the trade mark 'Onida' since 1st October 1999 bearing registration No. 1080434 as of 13th February 2002 in respect of stainless steel goods, all being goods included in Class 21.
- d) That the defendant is the prior user of the mark 'Onida' in India in respect of stainless steel goods.
- e) That this court has no territorial jurisdiction to entertain and try the suit as the defendant No.2 is not the distributor of defendant No.1.
- f) That the defendant No.1 does not work for gain in Delhi.
- g) That the suit is barred by limitation and the plaintiff has filed the suit after about 8 years of the cause of action being accrued. Hence, there is a delay on the part of the plaintiff in bringing the action against the defendant.

9. I have heard learned counsel for the parties and have also gone through the pleadings and documents in the matter. The plaintiff in support of his submissions has filed various documents including the invoices issued by defendant No.2 for sale of goods under the trade mark 'Onida' in Delhi, print out from the website of the plaintiff, printouts of internet articles of the plaintiff's products under the trade

mark 'Oneida' in various countries of the world. The plaintiff has also filed the printed copy of the website www.indiabizclub.com showing the plaintiff's distributor Verpaco India Pvt. Ltd. and copy of the rectification petition filed by the plaintiff against the registration of the trade mark 'Onida' by the defendant in Class 21. The plaintiff has also filed the certified copy of the trade mark registration certificate pertaining to the trade mark 'Oneida' in various countries including United Kingdom, US, France, China and also the list of registrations worldwide of the trade mark Oneida. On the other hand the defendant has not filed any document in support of his submission nor has he filed any statement of sale figures, invoices or any cogent evidence to show the alleged user of the mark Onida since 1st October 1999 as alleged by the defendant.

10. As regard the first submission, the defendant has filed the photostat copy of the registration certificate of his trademark 'Oneida' which is registered in respect of stainless steel goods under class 21. It appears that the registration certificate was issued on 9th May 2005. The present suit was filed on 17th November 2007. Learned counsel for the plaintiff has fairly made a statement during the course of the arguments that till the disposal of the suit, the plaintiff has no objection if the defendant uses the trade mark 'Onida' in respect of stainless steel goods except the plaintiff's product range which comprises four major categories, namely, metal ware, dinner ware, glass ware and other table top accessories of stainless steel in order to avoid any confusion and

deception in the trade. The said proposal has not been accepted by learned counsel for the defendant.

11. The first submission of the defendant is that the two trade marks Onida and Oneida are not deceptively similar in view of the settled law on the subject wherein the two trade marks RUSTON and RUSTAM or RUSTAM INDIA, AMBAL and ANDAL and GLUVITA and GLUCOVITA are held to be similar by the Apex court as per the decision by the Supreme Court reported in *Ruston & Hornsby Ltd. v. The Zamindara Engineering Co., AIR 1970 SC 1649*, *K.R. Chinna Krishna Chettiar v. Shri Ambal and Co., Madras and Anr., AIR 1970 SC 146* and *Corn Products Refining Co. v. Shangrila Food Products Ltd., AIR 1960 SC 142*. In view of settled law, the two marks Onida and Oneida are held to be deceptively similar. The first submission of defendant no. 1 is therefore rejected.

12. The second submission of the defendant is that the two set of products of the parties are different. In case the said submission of the defendant is accepted then the defendant will not be entitled for use of the trade mark 'Onida' in respect of the stainless steel goods against which the plaintiff has no objection and in case the defendant will use the trade mark 'Onida' in relation to the plaintiff's range of categories of goods then there would be a clear case of passing off an deception.

13. Even otherwise, as per settled law the two set of goods are allied and cognate in the light of the decision given by the Supreme court reported in *Corn Products Refining Co.* (supra) where the mark

Glucose and Biscuits are held to be allied goods, para 20 of which reads as under :-

“20. It was then said that the goods were not of the same description and that therefore in spite of the similarity of the two marks there would be no risk of confusion or deception. We are unable to accept this contention. It is true that we have to proceed on the basis that the goods are not of the same description for the purposes of Section 10(1) of the Act. But there is evidence that glucose is used in the manufacture of biscuits. That would establish a trade connection between the two commodities, namely, glucose manufactured by the appellant and the biscuits produced by the respondent. An average purchaser would therefore be likely to think that the respondent’s ‘Gluvita biscuits’ were made with the appellant’s ‘Glucovita’ glucose. This was the kind of trade connection between different goods which in the “*Black Magic*” case (*In re: an application by Edward Hack*) was taken into consideration in arriving at the conclusion that there was likelihood of confusion or deception. The goods in this case were chocolates and laxatives and it was proved that laxatives were often made with chocolate coatings. We may also refer to the “*Panda*” case (*In re: an application by Ladislav Jellinek*). The goods there concerned were shoes and shoe polishes. It was observed that shoe polishes being used for shoes, there was trade connection between them and that this might lead to confusion or deception though the goods were different. The application for registration was however refused under that section of the English Act which corresponds to Section 8 of our Act on the ground that the opponents, the manufacturers of shoes, had not established a reputation for their trademark among the public.”

In the case of *Bajaj Electricals Ltd. Vs. Metals & Allied*

Products, AIR 1988 Bombay 167 (DB) para 8 reads as under :-

“8. ... It is not possible to accept the submission. The articles manufactured by the plaintiffs and the defendants are kitchen wares and are commonly used in almost every kitchen in this country. The mere fact that the articles manufactured by the contesting parties are different in nature is no answer to the claim that the defendants are guilty of passing off. We entirely agree with the conclusion recorded by the learned trial Judge that there is identity of the goods, the mark and the consumer and the goods manufactures by both the plaintiffs and the defendants are

sold under one shop. Mr. Cooper complained that the electric goods manufactured by the plaintiffs and the stainless steel utensils manufactured by the defendants are not sold in one shop. The submission is not accurate because it is common experience that kitchen ware or kitchen appliances like mixers, grinders, pressure cookers, and stainless steel utensils are sold in the same shop. At this interim stage, we are not prepared to accept the submission of Mr. Cooper on this count and we see no reason to take different view from that of the learned single Judge on this aspect. In our judgment, prima facie, it is clear that the defendants have intentionally and dishonestly tried to pass off their goods by use of name "Bajaj".”

14. For the reason given above, it is held that the two sets of goods in which the parties are carrying on their business are allied, cognate and overlapping with each other. Hence, there is no force in the submission of defendant no. 1.

15. The third submission of the learned counsel for the defendant is that the defendant is the registered proprietor of the trade mark and no injunction can be passed against the registered proprietor of a trademark. (Although the plaintiff has categorically made the statement that the plaintiff has no objection if the defendant may use the trade mark ‘Onida’ in respect of stainless steel goods in which the trade mark is registered during the pendency of the suit or till the mark is rectified by the Authority.) Even otherwise it is settled law that in a suit for passing off the injunction can be granted against the registered proprietor in case the plaintiff is able to prove prior user in the case of passing off as settled by this court in the reported case of *N.R. Dongre vs. Whirlpool Corporation, AIR 1995 Delhi 300* wherein it was held as under :-

“40. ... Under Section 27 (2) an action for passing off against registered user of trade mark is maintainable at the instance of a prior user of the same, similar or identical mark. Since such a remedy is available against the registered user of a trade mark, an interim injunction restraining him to use the mark can also be granted to make the remedy effective.”

The said judgment has been upheld by the Supreme Court.

The argument of the defendant therefore has no force in the eyes of the law.

16. The fourth submission of the learned counsel for the defendant also has no force that the defendant is the prior user of the trade mark ‘Onida’ in India. It is the admitted position that the trade mark of the plaintiff is ‘Oneida’ which is being used for the last more than 100 years in various overseas countries of the world and is also registered. The plaintiff has claimed its right on the basis of trans-border reputation and export of goods in India as well as user through its distributor. Such user in the other countries can also be considered the user in this country as per well settled law on the subject by the Apex court in the reported case of *Milmet Oftho Industries v. Allergan Inc.,(2004) 12 SCC 624* wherein it was clearly held that if a product/its trademark/ trade name gains international reputation, a mark deceptively similar to it can be enjoined against as the test is which party brought its product in the market first. Therefore, the submission made by the defendant no. 1 is without any substance and is rejected.

17. The next submission of the defendant is that this court has no territorial jurisdiction to entertain and try the present suit. The defendant has denied that the defendant No.2 is its distributor. As a

matter of fact the plaintiff has filed the original invoices issued by the defendant No.2 in Delhi pertaining to the sale of the goods manufactured by the defendant No.1 bearing the trade mark 'Onida'. The defendant No.2 has also made a statement before this court on oath which was recorded on 3rd December, 2009.

18. At this stage the court has to take a prima facie view pertaining to the point of jurisdiction as it is a mixed question of law and fact and each case has to be considered on the question of territorial jurisdiction as per its own merit. In the case of *Laxmikant V. Patel v. Chetanbhai Shah*, (2002) 3 SCC 65 the Apex Court has considered the aspect of passing off action. In para 9 and 11, it has been held as under :-

“9. It will be useful to have a general view of certain statutory definitions as incorporated in the Trade Marks Act, 1999. The definition of trade mark is very wide and means, inter alia, a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others. Mark includes amongst other things name or word also. Name includes any abbreviation of a name.

11. *Salmond & Heuston in Law of Torts* (20th Edn., at p. 395) call this form of injury as “injurious falsehood” and observe the same having been “awkwardly termed” as “passing-off” and state:

“The legal and economic basis of this tort is to provide protection for the right of property which exists not in a particular name, mark or style but in an established business, commercial or professional reputation or goodwill. So to sell merchandise or carry on business under such a name, mark, description, or otherwise in such a manner as to mislead the public into believing that the merchandise or business is that of another person is a wrong actionable at the suit of that other person. This form of injury is commonly, though awkwardly, termed that of *passing-off* one's goods or business as the goods or business of another and is the

most important example of the wrong of injurious falsehood. The gist of the conception of passing-off is that the goods are in effect telling a falsehood about themselves, are saying something about themselves which is calculated to mislead. The law on this matter is designed to protect traders against that form of unfair competition which consists in acquiring for oneself, by means of false or misleading devices, the benefit of the reputation already achieved by rival traders.”

19. The plaintiff has invoked this court’s jurisdiction in Para 21 of the plaint wherein the plaintiff has specifically made a statement that defendant No.2 is based within the jurisdiction of this court and, therefore, a part of cause of action has arisen within the jurisdiction of this court. The statement of defendant No.2 was recorded in the presence of defendant No.1 who did not raise any objection at the time of recording the said statement.

20. Therefore, the above said reasons are sufficient at this stage to give the benefit to the plaintiff in respect of the point of jurisdiction. Prima facie, I hold that this court has territorial jurisdiction to entertain the try the present suit. However, the plaintiff has to prove this issue at the time of trial. Since the defendant No.2 was selling the goods of the defendant No.1, the same amounts to working for gain by defendant No.1 in Delhi. The fifth submission of defendant no. 1 is also rejected.

21. In the last and sixth submission, it is argued by learned counsel for the defendant that the suit is barred by limitation and there is a delay in bringing the action by the plaintiff. Though the defendant has claimed the user since 1999 but he has not produced any evidence in support of his submission. The defendant has not filed any statement of

sale figures, invoices, advertisement or even a single document to show that the trade mark 'Onida' is used since 1999.

22. The defendant has only filed a Photostat copy of the registration certificate which was granted to the defendant on 9th May, 2006. The present suit has been filed in the year 2007. Since the plaintiff is a foreign company, therefore, the present suit has been filed after filing the rectification of the registered trade mark of the plaintiff. The benefit under these circumstances goes in favour of the plaintiff to initiate proceedings at the earlier dispatch.

23. During the course of the arguments the defendant was asked to provide the statement of sale figures and documents. However, the defendant has failed to file any document in support of its submission. Therefore, the said submission is also rejected. Under these circumstances, it appears that the balance of convenience clearly lies in favour of the plaintiff and against the defendant. In case the injunction is not granted the plaintiff will suffer irreparable loss and injury as the plaintiff's case is that the defendant has tried to enter into the same range of activities in which the plaintiff is dealing.

24. For the reasons stated above, the defendant is, therefore, restrained not to use the trade mark 'Onida' in respect of metal ware, dinner ware, glass ware and other table top accessories. However, the defendant No.1 is free to use the same for other stainless steel goods pertaining to the trade mark 'Onida' till the disposal of the suit. I.A. No. 13156/2007 filed by the plaintiff is allowed in view of the above said directions.

25. Issues in the above said matter are already framed on 1st December, 2008. The plaintiff is given eight weeks more time to produce the evidence by way of affidavits. List the matter before the Joint Registrar on 12th April, 2010.

MANMOHAN SINGH, J.

JANUARY 8, 2010

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