* IN THE HIGH COURT OF DELHI AT NEW DELHI

\+ **FAO (OS) No. 222/2009**

Reserved on : May 27th, 2009
Date of decision : May 29th, 2009

GUFIC PVT. LTD. & ANOTHER . ...Appellant
Through : Mr. Sudhir Chandra, Sr. Advocate with Mr. Abhinav Vasisht, Ms. Harshita Priyanka, Ms. Depbjyoti Bhattacharya, Ms. Girija Krishan Varma, Advocates

VERSUS

CLINIQUE LABORATORIES, LLC & ANOTHER ...Respondent
Through : Mr. Sandeep Sethi, Sr. Advocate with Ms. Anuradha Salhotra, Ms. Reetika Walia, Mr. Sumit Wadhwa and Mr. Sindhu Sinha, Advocates

CORAM:
HON'BLE MR. JUSTICE MUKUL MUDGAL
HON'BLE MR. JUSTICE VALMIKI J.MEHTA

1. Whether the Reporters of local papers may be allowed to see the judgment? No

2. To be referred to the Reporter or not? No

3. Whether the judgment should be reported in the Digest? No

% **ORDER**

MUKUL MUDGAL J

1. The two trade marks in question are "Clinique" of the respondent and "Skin Cliniq Stretch Nil" of the appellant. By the impugned judgment the appellant has

been restrained from the use of the word "Cliniq" as part of its trade mark. The learned Single Judge has held that use of the word "Cliniq" by the appellant as a part of its trade mark amounts to infringement and passing off of the trade mark "Clinique" of the respondent.

2. We are of the opinion that the impugned judgment is liable to be stayed for the following reasons :-

(A) The two trade marks are not identical. One trade mark is Clinique and the other trademark is Skin Cliniq Stretch Nil. Even if the action is one for infringement, when however the impugned trade mark is not identical with the registered trade mark, the issue to be looked at is that of deceptive similarity, and for determining deceptive similarity, for an infringement action the tests which are applied are the same tests as those of passing off. This position is now well established by the two judgments of the Supreme Court as given below. In the case of ***Ruston & Hornsby Ltd. v. Zamindara Engineering Co., (1969) 2 SCC 727*** it was held in para 7 as under :-

> **"**In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the Court will not enquire whether the infringement is such as is likely to deceive or cause confusion. But where the alleged infringement consists of using not the exact mark on the register, but something similar to it, the test of infringement is the same as in an action for passing-off. In other words, the test as to likelihood of confusion or deception arising from similarity of marks is the same both in infringement and passing-off actions.**"**
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> (Emphasis added)

The ratio of the abovementioned case was also followed recently by the Hon'ble Supreme Court in its case of **Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel,(2006) 8 SCC 726, at page 765** where in para 91 it is stated as under :-

> "Although the defendant may not be using the actual trade mark of the plaintiff, the get-up of the defendant's goods may be so much like the plaintiff's that a clear case of passing-off could be proved. It is also possible that the defendant may be using the plaintiff's mark, the get-up of the defendant's goods may be so different from the get-up of the plaintiff's goods and the prices also may be so different that there would be no probability of deception to the public. However, in an infringement action, an injunction would be issued if it is proved that the defendant is improperly using the plaintiff's mark. In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the court will not enquire whether the infringement is such as is likely to deceive or cause confusion. The test, therefore, is as to likelihood of confusion or deception arising from similarity of marks, and is the same both in infringement and passing-off actions**.**"

Another judgment which would be relevant is the recent judgment of the Hon'ble Supreme Court reported as **Khoday Distilleries Ltd. v. Scotch Whisky Assn., (2008) 10 SCC 723**. In this judgment the Supreme Court has said that huge and substantial difference in the prices of the two products is a factor which would show that there is no passing off with respect to the goods of the person who claims to be aggrieved as compared to the goods with the disputed trade mark. In the facts of the said case the Supreme Court on account of the difference in the price of whisky being sold under the brand "Peter Scot", the same was held not to

result in passing off of the scotch whisky as is/was being manufactured by the scotch whisky manufacturers of Scotland.

The two trademarks are therefore to be compared to see whether use of the trade mark Skin Cliniq Stretch Nil by the appellant leads to passing off of the trade mark Clinique of the respondent. We are of the view that no case of passing off and deceptive similarity arises in the facts of the present case for the following reasons :-

(a) There is a substantial and marked difference between the two trademarks "Clinique" of the respondent and "Skin Cliniq Stretch Nil" of the appellant.

(b) There is a huge price difference between the two products and the class of customers therefore would be substantially different. The difference in the price of the two products is between 4-8 times i.e the product of the respondent is around 4-8 times costlier than the product of the appellant.

(c) The style, manner of writing and the colour combination of the two trade marks are totally different as a reference to the packaging of the two products show.

(d) Whereas the product of the appellant is an Ayurvedic cream, the product of the respondent is not an ayurvedic product.

(e) Merely because the respondent has a green colour packaging and the fact that the word cliniq in the trade mark of the appellant is shown in another shade of green cannot mean that there is deceptive similarity between the two trademarks because the trademarks are used on packaging which are totally, completely and absolutely separate and has almost no common features.

(B). Another important factor which persuades us to stay the impugned judgment is that the appellant is in the business as claimed by it from the year 1998 and at least since 2001 as per its sales figures given in the written statement which are reproduced below :-

Year	100 ml		20 ml	
	Quantity	MRP Value (Rs.)	Quantity	MRP Value (Rs.)
2008-09	119714	14365680	56317	1689510
2008	11800	14136000	86544	2596320
2007	101764	12211680	76607	2298210
2006	123048	14765760	99499	2984970
2005	94669	11360280	79118	2375640
2004	142175	17061000	90296	2708880
2003	150113	18013560	96401	2892030
2002	183761	22051320	113482	3404460
2001	81798	9815760	9350	280500
Total	**10,08,842**	**13,37,81,040**	**7,07,614**	**2,12,30,520**

The goods are said to be excisable goods and therefore according to the appellant there cannot be any doubt as to the genuineness of these figures.

The law with regard to grant of a pendent lite/interim injunction is well settled and it has been consistently held by this court and by the Hon'ble Supreme Court that if the business of the defendant has recently started or is about to start, then the things are looked at differently than the position if the business of the defendant has commenced way back and is running successfully for many years. In the latter category of cases where the business is running for many years injunction is not granted to stop a running business because the object of injunction is not to create a new state of affairs not existing in around the date of the suit. Reference in this behalf is invited to a judgment of Single Judge of this court in **QRG Enterprises & Anr. Vs. Surendra Electricals & Ors, 2005 (120) DLT 456: 2005 (30) PTC 471**. Paras 30, 31 & 39 of the said judgment are relevant wherein the Single Judge has relied upon the Supreme Court judgments for this purpose, and which paras read as under:

> "30. Interlocutory remedy is normally intended to preserve in *status quo* rights of the parties which may appear of a prima facie case. As observed by Their Lordships of the Supreme Court in the decision reported as 1990 (Supp.) SCC 727, **Wander Ltd. & Anr v. Antox India Pvt. Ltd:**
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> "Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The Court at this stage acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated, "… is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be made against the corresponding need of the defendant to be protected against injury resulting from his having been preventing from

exercising his own legal rights for which he could not be adequately compensated. The Court must weigh one need against another and determine where the 'balance of convenience' lies."

31. As observed by Their Lordships in Mahendra & Mahendra Paper Mills Ltd. (supra):

"The Court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendants has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted."

39. I am required to preserve a status quo, the rights of the plaintiffs and defendants which may appear on a prima facie case. Protection of the interest of the plaintiffs has to be weighed vis-a vis the corresponding interest of the defendants. It is not a case where the defendants have to commence enterprise. Real challenge is to defendants 5 and 6 who have been in business since 1956 and 1974 respectively. In the light of the prima facie facts noted above, balance of convenience and irreparable loss and injury, I am of the opinion that the ex parte ad interim injunction granted to the plaintiffs on 25.11.2004 requires to be vacated."

3. In the facts of the present case the appellant/defendant has pleaded a case of acquiescence in para 4.1 of its written statement and such a defence when laid, especially when the business is going on at least since 2001, then in the year 2009 a running business should not be stopped and acquiescence can be validly pleaded and it would be established during trial when so pleaded and supported by prima facie facts. In such a situation injunction ought not to be granted. Acquiescence is a statutory defence under Section 30(2)(c)(i) of the Trade Marks Act, 1999. In fact the Hon'ble Supreme Court in the judgment of **Power Control Appliances V. Sumeet Machines (P) Ltd., (1994) 2 SCC 448** has held that the case of

acquiescence at the stage of grant of interim relief when pleaded by the defendant is to be more easily accepted than at the stage of final arguments because unlike the stage of interim injunction the plea of acquiescence when accepted at the stage of final arguments would result in forever depriving the right as claimed by plaintiff.

4. Accordingly, in the facts of the case for the reasons inter alia stated above we stay the operation of the impugned judgment until further orders and further hearing in the C.M. 7977/2009. Dasti under the Court Master's signature.

(MUKUL MUDGAL)
JUDGE

(VALMIKI J. MEHTA)
JUDGE

May 29th, 2009
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