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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

*Reserved on: 14<sup>th</sup> December, 2021*

*Pronounced on: 17<sup>th</sup> May, 2022*

+ CS(COMM) 9/2021 & I.A. 287/2021, IA. 290/2021,  
I.A.287/2021, I.A.290/2021, I.A.15933/2021, I.A.15934/2021

KEI INDUSTRIES LIMITED ..... Plaintiff

Through: Mr. Chander M Lall, Sr. Adv.  
with Mr. Pallav Plait, Ms. Ananya Chug &  
Ms. Shreya Bhojnagarwala, Advs.

versus

MR. RAMAN KWATRA & ANR. .... Respondents

Through: Mr. D.K. Yadav and Ms.  
Kusum Kumari, Advs.

**CORAM:**

**HON'BLE MR. JUSTICE C. HARI SHANKAR**

**J U D G M E N T**

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**17.05.2022**

**I.A.287/2021 (under Order XXXIX Rules 1 and 2 of the CPC)**

1. KEI Industries Ltd, the plaintiff, alleges infringement, by the defendants, of its registered trademark "KEI", of which it has registration both as a word mark and as the  device mark. Accordingly, the plaint seeks a decree of permanent injunction, restraining the defendants from infringing the plaintiff's registered trademarks either physically or via online platforms, along with other prayers for rendition of accounts, delivery up and declaration.

2. With the plaint, the plaintiff has filed an application, under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC), seeking interlocutory injunctive reliefs. Learned Counsel for both sides have been heard at length on this application, which the present order disposes of.

### **Facts**

3. The dispute, in the present case, is not so much one of whether the mark used by the defendants does, or does not, infringe the plaintiffs registered marks, but whether the defendants are entitled to use the said mark. Given the nature of the controversy, it would be appropriate to proceed by setting out the rival stands of both sides, as they emerge from the pleadings.

### Case set up by the plaintiff in the plaint

4. According to the plaintiff, it was initially functioning as Krishna Electrical Industries, a partnership firm, which was subsequently incorporated into the plaintiff-public limited Company on 31<sup>st</sup> December, 1992. It claims to have been using the trademark/trade name/corporate name 'KEI' since the commencement of its business in 1968, and that the word mark 'KEI' was first registered in favour of the plaintiff in Class 9 for Wires and Cables (Electric and Telecommunication) on 27<sup>th</sup> September, 1988. Thereafter, the said word Mark 'KEI' was registered, in favour of the plaintiff, in Classes 6 , 16, 35, 37 and 42.

5. The plaintiff claims to have conceptualised, designed and adopted the logo mark “**KEI**” in 2007, with respect to its goods and services, since which time the plaintiff claims to have been using the said logo extensively, exclusively and continuously. Registrations for the said Device Mark **KEI** are held, by the plaintiff, in Classes 6 and 9, w.e.f. 14<sup>th</sup> June, 2007 and 29<sup>th</sup> June, 2007, respectively, as well as in Classes 16, 35, 37 and 42. Among the goods in respect of which the plaintiffs word and device marks are registered are wires and cables and electrical items.

6. Though the plaint provides a tabular depiction of all registrations held by the plaintiff, it may not be necessary, for the purposes of the present order, to make exhaustive reference thereto. Equally, the recitals, in the plaint, regarding the reputation that the plaintiff claims to have amassed over the years, and the various encomiums earned by it, relating to the use of the aforesaid marks, are also not of particular significance. Suffice it to state that the plaintiff avers that, by dint of long and extensive usage, the ‘KEI’ mark has acquired considerable goodwill and reputation.

7. Around September 2017, avers the plaint, the plaintiff, during a routine check of the online records of the Registry of Trade Marks, noticed that the defendant had applied for registration of the  Mark under Classes 7, 11 and 35. In view of the fact that the defendants, as per their application, were engaged in manufacture

and sale of, *inter alia*, electrical goods, the plaintiff, in an attempt to assert its exclusive rights over the 'KEI' mark, addressed a cease and desist notice, dated 31<sup>st</sup> October, 2017, to the defendants, calling upon the defendants to cease and desist from using the Mark 'KEI' and to withdraw the applications filed by them with the Trade Marks Registry, for registration of the said marks. The defendants responded to the legal notice, to which the plaintiff rejoined on 31<sup>st</sup> October, 2017. Oppositions were also filed, by the plaintiff, before the Registry of Trade Marks, against the applications for registration filed by the defendants.

8. The defendants having failed to discontinue usage of the allegedly infringing  mark, the plaintiff has filed the present suit, seeking injunction as noticed here in before. The plaintiff alleges that, as the trademark 'KEI' has, with the passage of time, become a source identifier of the goods and businesses of the plaintiff, and as 'KEI' is the most prominent, essential and striking part of the defendants'  mark, it was inevitable that a person who came across the defendants mark would be immediately deceived and confused, and misled into believing that the defendants' goods emerged from the plaintiff's stable. This possibility of deception, asserts the plaintiff, is exacerbated by the fact that the defendants are also using the impugned mark in connection with electrical goods. The plaintiff alleges that the defendants are clearly trying to illegally capitalise on the goodwill and reputation earned by the plaintiff, and its mark. This, it is further alleged, has also diluted the goodwill and

reputation of the plaintiff's marks. For all these reasons, the plaintiff seeks reliefs as noted hereinbefore.

Case of defendants in written statement

9. In their written statement, the defendants have stated that trade and business, in the name and style of Kwality Electrico (India) was commenced, by Om Prakash Kwatra ("OPK", hereinafter), the father of Defendant 1 Raman Kwatra, in 1966, under the trademark/label



"KWALITY", in relation to electrical goods such as electric fans, room coolers, geysers, electric heating apparatus, electric rods, and the like. It is averred that Kwality Electrico (India) was registered, on 1<sup>st</sup> September, 1966, as a sole proprietorship of OPK. Thereafter, two partnership deeds came to be executed, the first on 1<sup>st</sup> April, 1998 and the second on 1<sup>st</sup> April, 2001. Though the former partnership deed, dated 1<sup>st</sup> April 1988, is not on record, the latter partnership deed dated 1<sup>st</sup> April 2001 makes reference to the former. The partnership deed dated 1<sup>st</sup> April, 2001, states that OPK, Rakesh Kwatra and Defendant 1 Raman Kwatra executed a partnership deed on 1<sup>st</sup> April, 1998, to work as a partnership under the name and style of Kwality Electrico (India), and that the second partnership deed, dated 1<sup>st</sup> April, 2001, was only executed to modify the terms of remuneration of the partners. Later, by a Dissolution Deed dated 31<sup>st</sup> March, 2004, the aforesaid partnership Kwality Electrico (India) was dissolved, as Rakesh Kwatra did not desire to continue as a partner. The Dissolution Deed also records the intent of OPK and Raman Kwatra

to continue the business, after taking over all assets and liabilities of Kwality Electrico (India). To formalise this intention, a third partnership deed was executed between OPK and Raman Kwatra on 17<sup>th</sup> April, 2004, in which the intent of OPK and Raman Kwatra to continue the business under the same name and style of Kwality Electrico (India), was again reiterated, with the partnership coming into effect on 1<sup>st</sup> April, 2004, i.e. immediately consequent to the dissolution deed dated 31<sup>st</sup> March 2004 becoming operative. This third partnership deed dated 17<sup>th</sup> April, 2004 recorded that the partnership would be dealing in the business of electrical goods and appliances, kitchenware, etc., and that OPK and Raman Kwatra would have shares in the business in the ratio of 60:40. All assets and liabilities of the erstwhile partnership, comprising OPK, Rakesh Kwatra and the Raman Kwatra were taken over by this firm.

**10.** On 25<sup>th</sup> May, 2009, an Indemnity Bond was executed by Defendant 1 Raman Kwatra in favour of DSIDC Ltd. The Indemnity Bond noted that an industrial plot bearing No. 123, Pocket M, Sector 3, Bawana Industrial Complex, Delhi, had been leased out by DSIDC, *vide* letter dated 23<sup>rd</sup> October, 2000, to OPK, and manifested the right and wish of OPK to transfer the said plot and constitution of the firm to Raman Kwatra, out of natural love and affection. The relevant covenants, effecting this transfer, in the Indemnity Bond, read thus:

“AND WHEREAS the transferor wishes to transfer the above said plot and Constitution of the said firm to the transferee, Sh. Raman Kwatra son of Sh. Om Prakash Kwatra R/o 87, Tagore Park, K he-110009 who shall be sole Proprietor of the said firm (hereinafter called the transferee) who is son of the transferor out of natural love and affection after having obtained necessary permission of the Competent Authority.

AND WHEREAS the lessee/transferor has applied to the lessor under the terms of lease for grant of permission to transfer of leasehold rights in the plot and for the change of Constitution of the said firm to the transferee;

AND WHEREAS the aforesaid transferee has agreed to accept transfer of leasehold rights in the said plot and Constitution of the said firm;

AND WHEREAS the lessee has applied to the lessor under the terms of lease to transfer of leasehold rights in favour of the transferee on the same terms and conditions as contained in the lease deed.

AND WHEREAS on the face of a representation made by the transferee, the lessor has agreed to give consent for the lessee for transfer of his leasehold rights if the transferee furnishes indemnity bond to the lessor or indemnify and the lessor against all losses or damages that it may sustain on account of giving consent for the said transfer.

Therefore, in consideration of the aforesaid agreement, the said Sh. Raman Kwatra son of Sh. Om Prakash Kwatra, R/o 87, Tagore Park, Delhi-110009 and his heirs, successors, executed as and administrators jointly and severally undertake to keep the lessor harmless and indemnify against all losses or damages whatsoever that may be sustained by or any claim, litigation is, proceedings etc. that may be taken out against it, or in respect thereof, whatsoever arising out of the transfer of leasehold rights in the plot and for the change of Constitution of the said firm in favour of the transferee.”

**11.** Simultaneously, on 25<sup>th</sup> May, 2009, OPK issued a Consent Letter in favour of Defendant 1 Raman Kwatra, formalising his consent to change of the constitution of the firm Kquality Electrico (India), from a partnership of OPK and Raman Kwatra into a sole proprietorship of Raman Kwatra.

12. The DSIDC wrote to Kwality Electrico (India) on 24<sup>th</sup> November, 2009, acknowledging the change in constitution of the partnership firm Kwality Electrico (India) into a sole proprietorship of Defendant 1 Raman Kwatra.

13. Registrations of the mark: OPK applied, on 4<sup>th</sup> April, 1997, for



registration of the “KWALITY” mark in Classes 9 (for Electrical iron, electric kettle, electric rods, testers and electrical accessories and appliances included in Class 9 and parts thereof) and 11 (for electric fans, room coolers and geysers, electric heating apparatus and parts thereof). It is admitted, by Defendant 1 Raman Kwatra, in his reply to IA 287/2021 (which is being decided by the present order), that, before his demise, OPK “granted his son Rajiv Kwatra permission to use the brand ‘KWALITY’” on the basis of which permission Rajiv Kwatra, trading as Orsons Home Appliances, obtained registrations,



of the “KWALITY” mark, in Class 9 on 23<sup>rd</sup> April, 2005, claiming user since 30<sup>th</sup> October, 1966 and in Class 11 on 2<sup>nd</sup> March, 2007, claiming user since 10<sup>th</sup> October, 1966. Both were device marks, and the registrations contain disclaimers for the words ‘Kwality.’ and ‘India’.

14. Use of impugned  mark by Defendant 1 Raman Kwatra: The written statement of Defendant 1 Raman Kwatra states that, consequent to the conversion, by OPK, of the erstwhile partnership of OPK and Raman Kwatra into a proprietorship of Raman Kwatra, he, i.e. Raman Kwatra obtained TIN No.

07710360485 and continued the business of the erstwhile partnership firm under the trademark 'KEI'. It is further asserted, in the written statement, that, in 2008, Defendant 1 conceived the impugned



mark, which he has been using since then. The written statement also asserts that the abbreviated 'KEI', in the format in which it finds place in the impugned  mark, was in use since 1966, through OPK.

**15.** On 11<sup>th</sup> May, 2016, the defendants filed applications under Classes 7 and 11 with the Trade Marks Registry, seeking registration of the impugned  Mark in respect of electric motor pumps, juicer, mixer, grinders, cooler pumps, fans, exhaust fans, air conditioners, toaster, geysers, electric oven, electric kettles, electric iron, electric voltage regulators and similar goods. As they have been opposed, registrations have not been granted.

**16.** Nonetheless, the written statement avers that the defendants trace their right to use the 'KEI' mark back to 1966, when its use was commenced by OPK. As such, the defendants claim priority of user, over the plaintiff, of the 'KEI' mark.

### **Rival Contentions**

**17.** Arguing for the plaintiff, Mr. Chander M. Lall, learned Senior Counsel submitted that, by using the impugned mark in which the letters 'KEI' forms the dominant part, the defendants are clearly

infringed the plaintiffs registered word mark 'KEI' as well as the device mark . He contests the stand of the defendants that Defendant 1 Raman Kwatra inherited, from OPK, the right to use the 'KEI' mark. There is no line of succession, points out Mr. Lal, to be found in the written statement of the defendants, on the basis whereof it could be said that the defendants succeeded to the rights to use the

'KEI' mark or the device mark  "KWALITY" which was originally being used by OPK since 1966. That being the position, Mr. Lal submits that the coinage and adoption, by Defendant 1 Raman Kwatra of the impugned  Mark is of 2008 vintage, so that the plaintiff has priority of user.

**18.** Mr Lal submits that, by virtue of the Indemnity Bond and Consent Letter dated 25<sup>th</sup> May, 2009 and the DSIDC letter dated 24<sup>th</sup> November, 2009, it was the erstwhile firm, of which OPK and Defendant 1 Raman Kwatra were partners, which was converted into a sole proprietorship of Raman Kwatra. As such, Mr. Lal submits that Raman Kwatra succeeded only to the firm, which was converted into a sole proprietorship in his name. Insofar as the right to use the

 "KWALITY" mark was concerned, Mr. Lal points out that there is a candid acknowledgement, in the written statement of Defendant 1, as well as in the reply of Defendant 1 to the present application, that the right to use the 'KWALITY' mark was granted, by OPK, to Rajiv Kwatra and that, on the basis of the said right, Rajiv Kwatra had

applied for, and obtained, registration of the  Mark in Classes 9 and 11. There was no claim, by the defendants, of any user of the impugned  Mark, any time prior to 2008.

**19.** Even in the response, dated 27<sup>th</sup> November, 2017, to the cease and desist notice dated 31<sup>st</sup> October, 2017, from the plaintiff, Mr. Lall

points out that there is no reference to the earlier  logo which had been used by OPK since 1966. Nor does the said response even referred to any acquisition of the right to use the 'KEI' mark, by the defendants, from OPK.

**20.** Adverting to the invoices of April, 2010 and later, placed on record by the defendants to substantiate their claim of prior user, Mr. Lall points out that the letters 'KEI' have been entered, by hand, against each item in the invoice, so as to make it appear that the goods were bearing the 'KEI' brand. Invoices, on watermarked paper with the  logo as the watermark, he points out, only dates from May 2015.

**21.** Apropos an assertion, contained in the reply to the objection placed by the Trade Mark Registry in its Examination Report in response to the application No 3693720, submitted by the plaintiff for registration of the word Mark 'KEI', that, with respect to the defendants' mark, the plaintiff's Mark was "distinctive of the services

of’ the plaintiff and, in view of the difference between the services of the plaintiff and of the defendants, “there is not any likelihood of confusion”, Mr. Lall submits that this assertion could not amount to

an acknowledgement that the use of the impugned  Mark, by the defendants, would not result in the section or confusion. He also points out that, in the very next paragraph of its response, the plaintiff had clearly stated that it was contemplating considering appropriate legal remedies to protect his lawful rights and interests over the use of its proprietary and well-known Mark ‘KEI’. Mr. Lall has also placed reliance on the judgement of a coordinate Single Bench of this Court in *Teleecare Networks India Pvt Ltd v. Asus Technology Pvt Ltd*<sup>1</sup> to contend that assertions in submissions made to the Trade Marks Registry, in order to obtain registration, are not relevant while examining the aspect of infringement.

22. Responding to Mr. Lall’s submissions, Mr. D.K. Yadav, learned Counsel for the defendants drew my attention to the manner in

which the  mark was originally used by OPK since 1966 as well as the line of succession, under which three partnership deeds, and one dissolution deed came to be executed resulting, in his submission, in the defendants succeeding to the right to use the ‘KEI’ mark. Mr. Yadav has also invoked Section 29(4)(c)<sup>2</sup> of the Trade

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<sup>1</sup> 262 (2019) DLT 101

<sup>2</sup> 29. **Infringement of registered trade marks.—**

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which—

Marks Act, 1999, to contend that the plaintiff does not satisfy the ingredients of the said clause, which would be necessary for the plaintiff to be able to make out a case of infringement. Mr. Yadav has also sought protection under Section 12<sup>3</sup> of the Trade Marks Act, pleading honest and concurrent user of the impugned Mark, as his father OPK had been using the impugned Mark since 1966, and he was using the mark independently since 2008. he submits that the impugned Mark, used by his client, was different from the mark to which Rajiv Kwatra succeeded. Mr. Yadav places reliance, in this context, on the judgement of a learned Single Judge of this Court in *Mittal Electronics v. Sujata Home Appliances (P) Ltd*<sup>4</sup>.

23. Referring to the tabular representation of the registration is held by the plaintiff, as contained in the plaint, Mr. Yadav submits that the plaintiff's registration is only in Class 9 for wires and cables and that it has not succeeded in obtaining registration under Class 11, whereas the defendant is manufacturing electrical appliances, which fall under Classes 7 and 11, under the impugned mark. As such, contends Mr. Yadav, Section 29(2) of the Trade Marks Act would not apply, and, insofar as Section 29(4) of the Trade Marks Act is concerned, the plaintiff has failed to establish satisfaction of the ingredients of clause (c) of the sub- Section. Mr. Yadav submits that the suppression, by

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(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

<sup>3</sup> 12. **Registration in the case of honest concurrent use, etc.**—In the case of honest concurrent use or of other special circumstances which in the opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of the trade marks which are identical or similar (whether any such trade mark is already registered or not) in respect of the same or similar goods or services, subject to such conditions and limitations, if any, as the Registrar may think fit to impose.

<sup>4</sup> 2020 (83) PTC 358 (Del)

the plaintiff, of the fact that its application seeking registration of its mark under Class 11 was refused by the Trade Marks Registry, disentitles the plaintiff to any injunction, for which purpose he relies on the judgements of this Court in *Living Media India Ltd. v. Alpha Dealcom Pvt Ltd*<sup>5</sup>, *Poly Medicure Ltd v. Polybond India Pvt Ltd*<sup>6</sup>, *Keller Williuuams Realty IMC v. Dingle Buildcons Pvt Ltd*<sup>7</sup>, *Shri Gopal Engineering & Chemical Works v. POMX Laboratory*<sup>8</sup> and *Teleecare Network*<sup>1</sup>.

24. Arguing in rejoinder, Mr. Lall submits that the defendants have clearly admitted having adopted the impugned  logo only in 2008, whereas the plaintiff's adoption is of 1968. He refers, in this context, to the sales figures provided in para 8 of the plaint, and points out that, even in 2008, the sales of products using his client's mark were to the tune of ₹ 1055 crores. Clearly, therefore, submits Mr. Lall, the user, by the defendants, of the impugned mark, is subsequent in point of time to the user by the plaintiff of its registered mark.

25. Mr. Bhalla reiterates his submission that Defendant 1 Raman Kwatra did not succeed to the user of the  or 'KEI' mark, from OPK or otherwise. He cannot, therefore, plead honest and concurrent user, especially as the right to use the  mark,

<sup>5</sup> 208 (2014) DLT 145 : 2014 (58) PTC 589 (Del)

<sup>6</sup> MANU/DE/3395/2019

<sup>7</sup> MANU/DE/0951/2020

<sup>8</sup> 47 (1992) DLT 480

which was earlier being used by OPK, had specifically been assigned by OPK to Rajiv Kwatra. As Rajiv Kwatra was using the said mark in the same business as Defendant 1 Raman Kwatra, Mr. Lall submits that Defendant 1 cannot seek shelter under Section 12 of the Trade Marks Act. Even otherwise, submits Mr. Lall, Section 12 is a provision which applies only to registration and not to use. Referring to the registrations held by his client, Mr. Lall submits that they extended to the areas covered by the products of the defendants, as they cover “all kinds of electrical and electronic instruments”. Referring to the judgement of the Supreme Court in *Vishnudas Trading v. Vazir Sultan Tobacco Co. Ltd*<sup>9</sup>, included by the defendants in their list of judgements, Mr. Lall points out that, in the said decision, the Supreme Court held that the registration granted for tobacco would cover cigarettes as well, though it did opine that the registrant ought to have got the mark rectified to lessen its sweep. He points out that the defendants have not applied to the Trade Marks Registry for rectification of the plaintiff’s registered trademark. Nor have they pleaded, in their written statement, that the plaintiff registered trade marks are unduly wide.

**26.** Adverting once again to the defendant’s reliance on the statement, in the response of the plaintiff to the objections raised by the Trade Marks Registry to the plaintiff’s application for registration, to the effect that the marks of the plaintiff and the defendant were completely different and dissimilar, Mr. Lall submits that the plea of absence of likelihood of confusion had been made with respect to the

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<sup>9</sup> (1997) 4 SCC 201

plaintiff's application for registration, and did not amount to an acknowledgement to the effect that the defendant's mark would not result in confusion with the plaintiffs, or to an acquiescence, by the plaintiff, not to proceed against the defendants. No estoppel could, therefore, he submits, be pleaded by the defendants against the plaintiff on account of the said statement. The principle of approbate and reprobate would not, in such circumstances, apply, submits the Lall.

27. Apropos the plea of delay pleaded by the respondent, in the plaintiff seeking legal redress, Mr. Lall, apart from citing the well-known judgement of the Supreme Court in *Midas Hygiene v. Sudhir Bhatia*<sup>10</sup>, also submits, on facts, that there was, in fact, no delay, as the earliest invoice filed by the defendant was of 11<sup>th</sup> April, 2015, whereas the cease and desist notice had been served by the plaintiff on the defendants on 31<sup>st</sup> October, 2017. Relying on the judgement of a Division Bench of this Court in *Pankaj Goel v. Dabur India Ltd*<sup>11</sup>, Mr. Lall submits that there was no compulsion, in law, on the plaintiff, to sue the defendants, till the defendants' business became substantial. For this reason, the plaintiff waited till the defendant obtained registration, to file the present suit. He has also relied, in this context, on the judgements of a learned Single Judge of this Court in *Amar Singh Chawalwala v. Rajdhani Roller Flour Mills Pvt Ltd*<sup>12</sup>. Additionally, on the aspect of infringement, Mr. Lall has cited the judgements of Division Benches of this Court in *L & T Ltd v. Lachmi*

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<sup>10</sup> 2004 (28) PTC 121 (SC) : (2004) 3 SCC 90

<sup>11</sup> 2008 (38) PTC 49 (Del)

<sup>12</sup> 1990 (10) PTC 220 (Del)

*Narain Trades*<sup>13</sup> and *Marico Ltd v. Agro Tech Foods Ltd*<sup>14</sup>, as also the Single Bench decisions in *Shree Rajmoti Industries v. Shri Vishwaprabha Food Products Pvt Ltd*<sup>15</sup>, *Honda Giken Kogyo Kabushiki Kaisha v. Rakesh Bhray*<sup>16</sup>, *Baker Hughes Ltd v. Hiroo Kushalani*<sup>17</sup>.

28. Relying on Section 124 of the Trade Marks Act, Mr. Lao submits that there is no proscription to suing, for infringement, the proprietor of the trade mark, so long as the plaintiff had opposed the registration before the Trade Marks Registry. Mr. Lall has also invited my attention to earlier orders passed by this Court, in which the plaintiffs registered marks had been protected by interlocutory injunctions.

### **Analysis**

29. This is, essentially, a Tale of Four Trademarks, of which three are registered and one (the impugned mark) is unregistered. The plaintiff is the proprietor of the registered word mark “KEI” registered under Class 9 of the Schedule to the Trademarks Rules, 2002 on 27<sup>th</sup> September, 1988, in respect of wires and cables (electric and telecommunication) and of the device mark  registered on 14<sup>th</sup> June, 2007 under Class 6 in respect of stainless steel wires and on 29<sup>th</sup> June, 2007 under Class 9 in respect of electrical wires and

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<sup>13</sup> 149 (2008) DLT 46 : 2008 (36) PTC 223 (Del)

<sup>14</sup> 174 (2010) DLT 279 (DB)

<sup>15</sup> 2018 SCC OnLine Del 11595

<sup>16</sup> 143 (2007) DLT 564

<sup>17</sup> 74 (1998) DLT 715

cables, electrical switchgear and other kinds of electrical and electronic instruments.

**30.** The third mark, figuring in the present proceedings is the



mark, registered in favour of Rajiv Kwatra, the son of Sh. Om Prakash Kawtra and elder brother of Defendant 1, on 23<sup>rd</sup> April, 2005, under Class 9 in respect of “electrical fan, electric kettle, electric rods, testers and electrical accessories and appliances including in class-9” and on 2<sup>nd</sup> March, 2007 under Class 11 in respect of “electric fans, room-coolers & geysers electric-heating apparatus & parts of the foresaid including in class-11”. This mark is, therefore, a device mark, as is apparent even from the trade marks application status on the website of the Registry of Trademarks. It is also important to note that the mark has been referred to as “KWALITY

(DEVICE)”. Thus, the “KWALITY mark” refers to , which is a device mark.

**31.** The fourth mark, which is the impugned mark and which is

unregistered, is , of which the defendants have sought, but have been unable to obtain, registration, Admittedly, this mark is being used by the defendants in respect of electric fans, electrical water heaters etc. Photographs of packages reflecting the use of the impugned mark in respect to ceiling fans and immersion water heaters have also been filed in the pleadings, in para 32 of the pleadings.

Defendants did not succeed to the use of the 'KEI' mark

**32.** It is admitted, in the written statement filed by defendant in response to the present suit, as under:

*“Mr. Rajiv Kwatra, brother of defendant no.1 started the business under the brand “KWALITY as late Om Prakash Kwatra before his holy demise, granted his son Rajiv Kwatra permission to use the brand ‘KWALITY’. Mr. Rajiv Kwatra also got the trademark/label registered in classes 9 & 11 in his name”.*

(Emphasis supplied)

The documents under which the right to use the “KWALITY” mark was granted by OPK to Rajiv Kwatra is not forthcoming on the record. Nonetheless, it is admitted, in the afore-extracted passage from the written statement of the defendants in the present suit, that the right to use the “KWALITY” brand was granted, prior to his demise, by OPK to Rajiv Kwatra and that it was on that basis that Rajiv

Kwatra applied and obtained the registration for the mark  under Classes 9 and 11 on 23<sup>rd</sup> April, 2005 and 2<sup>nd</sup> March, 2007 respectively. In each of the said certificates, the mark is referred to as the “KWALITY (DEVICE)” mark.

**33.** Clearly, therefore, the Defendant 1 was conscious of the fact that, though under the indemnity bond and consent letters dated 25<sup>th</sup> May, 2009 supra, the erstwhile partnership, in the names of OPK and Defendant 1 had been converted into a proprietorship of Defendant 1,

the right to use the  mark had been specifically bequeathed by OPK to Rajiv Kwatra. Defendant 1 has not disputed the legitimacy of the registrations obtained by Rajiv Kwatra in respect of the said

 mark under Classes 9 and 11 on 23<sup>rd</sup> April, 2005 and 2<sup>nd</sup> March, 2007. As such, *prima facie*, Defendant 1 has conceded that the

right to use the  mark vested, by virtue of the bequest by OPK, entirely in his elder brother Rajiv Kwatra, and that he had no right to use the said mark. In view thereof, it is not open to Defendant

1 to plead that he had succeeded to the right to use the  mark from OPK. Despite the line of succession by which the initial proprietorship of OPK was converted into a partnership of OPK, Rakesh Kwatra and Defendant 1, thereafter, into a partnership of OPK and Defendant 1 and, thereafter, into a proprietorship of Defendant 1,

the right to use the  mark was specifically vested by OPK, after his demise, in Rajiv Kwatra and, in respect of the said mark, Rajiv Kwatra obtained registrations under Classes 9 and 11, the validity of which has not been sought to be called into question by the defendants.

**34.** The Defendant 1 claims, in his written statement, to have coined and devised the impugned  mark in 2008. The defendants

had applied for registration of the aforesaid mark in Classes 9 and 11, but have not succeed in obtaining registration, in view of the opposition by the plaintiff thereto.

35. When one compares the impugned  mark with the  mark which was being used by OPK and to the use of which Rajiv Kwatra succeeded, it is apparent that the letters “KEI” have been copied by Defendant 1 in exactly the same lettering, font and style in

which they find place in the  mark , which was validly registered in favour of Rajiv Kwatra.

36. *Prima facie*, Defendant 1 had no right to use the said mark which, in respect of its dominant  part, was identical to the , the right to use in respect of which had been specifically assigned by OPK to Rajiv Kwatra and which stood validly registered by Rajiv Kwatra.

#### Deceptive similarity and infringement

37. Approaching, now, the aspect of deceptive similarity, Mr. D.K. Yadav, learned Counsel for the defendants, had sought to contend that the plaintiff was not entitled to relief as the plaintiff had failed to establish the existence of the ingredients of Section 29(4)(c) of the Trademarks Act. This submission, in my *prima facie* opinion, is bereft of merit.

38. Section 29(4) does not come in for application in the present case at all, inasmuch as it relates to cases in which the allegedly infringing mark is used in relation to goods or services *which are not similar* to those for which the trademark is registered. In the present case, the goods in respect of which the defendants are using the impugned  are, *prima facie*, similar to the goods in respect of which the plaintiff's "KEI" word mark and  device mark are registered, as the registration held by the plaintiff covers, apart from the specific items referred to in the registration, also "other kinds of electrical and electronic instruments". If one were to construe the expression "other kinds of electrical and electronic instruments" *ejusdem generis* to the words which precede the said expression in registration certificates issued to the plaintiff, the electrical and electronic instruments which would be covered by the said expression would be analogous to electrical wires and cables, electrical switch gears, control panels, circuit breakers, transformers, amplifiers, switches and fuses of all kinds.

39. In my *prima facie* opinion, electrical fans, geysers and water immersion rods, in respect of which defendants are using the impugned  are allied and similar to the goods in respect of which the plaintiff's word mark and device mark are registered. They, therefore, fall within the ambit of the expression "other kinds of electrical and electronic instruments" as contained in the registration granted to the plaintiff of its 'KEI' word mark and  device

mark, and are, even otherwise, “similar goods” within the meaning of Section 29(2) of the Trademarks Act.

40. Insofar as similarity between  and the plaintiff’s registered marks are concerned, the aspect of infringement is self apparent. The plaintiff holds a valid and subsisting word mark registration for the word ‘KEI’, in respect of electric wires and cables. Any use, by any other party, of the acronym ‘KEI’, in respect of identical or similar goods would amount to infringement. The use, by the defendants, of the impugned  mark, in respect of electric fans, electric water heaters, immersion water heaters etc. is, therefore, *prima facie* infringing of the plaintiff’s registered work mark ‘KEI’ word mark and  device mark, within the meaning of Section 29(2) of the Trademarks Act.

41. I also find substance in the contention of Mr. Lall that, in removing, from the impugned  mark, the reference to “Kwality Electrico India”, which figured in the earlier  mark being used by OPK and registered in favour of Mr.Rajiv Kwatra, the defendants have removed the main feature by which a customer could know that the mark related to “Kwality Electrico (India)” and not to the plaintiff.

42. As things stand, the impugned defendants’ mark is merely ‘KEI’ depicted in a particular style. There is no other textual material, in the mark, apart from the letters ‘KEI’. The mark is used in respect

of electrical goods, while the plaintiff's word mark 'KEI' and device mark  are also registered in respect of electrical goods and instruments. There is, therefore, clear *prima facie* infringement, by the defendants, by use of the impugned  mark, of the plaintiff's registered word. 'KEI' mark and  device mark.

**43.** The defendants, admittedly, coined the impugned mark only in 2008. The plaintiff's word mark registration dates back to 27<sup>th</sup> September, 1988 and its device mark registrations to 14<sup>th</sup> and 29<sup>th</sup> June, 2007. The plaintiff, therefore, has priority of registration, vis-à-vis the defendants. The plaintiff has claimed user since 1966, which has been accepted by the Registry of Trade Mark while granting registration to the plaintiff. The earliest invoices of the defendants, as Mr. Lall, has correctly points out are of the year 2015. The plaintiff has, therefore, not only priority of registration but also priority of user vis-à-vis the defendants.

**44.** A clear *prima facie* case of infringement, by the defendants, by their use of the  mark, of the plaintiff's registered word and device marks, is, therefore, made out.

#### Defendant's defence of honest and concurrent user

**45.** *Prima facie*, in my view, Defendant 1 cannot, therefore, plead that he was using the said mark in an honest and concurrent fashion.

The availability, to Defendant 1, of the benefit of Section 12 of the Trademarks Act is, therefore, *prima facie* questionable.

46. Even otherwise, as Mr. Lall has pointed out, Section 12 is essentially a provision which enables the Registrar to permit registration of a mark which is identical or similar to an existing mark in respect of same or similar goods. It does not envisage honest and concurrent user as a defence to an allegation of infringement of a registered trade mark. One may refer with advantage, in this context, to the judgement of the Supreme Court in *Power Control Appliances v. Sumeet Machines*<sup>18</sup>, which dealt with an allegation of infringement under the Copyright Act, 1957. Honest and concurrent user was pleaded as a defence to the charge of infringement, for which purpose reliance was placed on the Trade and Merchandise Marks Act, 1958 (“the 1958 Act”). There was no provision dealing with honest and concurrent user in the Copyright Act. The Supreme Court, while rejecting the plea of the defendant, in para 42 of the report in the said case, held thus:

“The High Court had failed to note the plea of honest and concurrent user as stated in Section 12(3) of 1958 Act for securing the concurrent registration is not a valid defence for the infringement of copyright.”

No doubt, in that case, the Supreme Court was dealing with a somewhat unusual defence of honest and concurrent user, predicated on Section 12 of the 1958 Act as a defence to an allegation of copyright infringement, under the Copyright Act. Nonetheless, the afore-extracted findings of the Supreme Court are also, in my

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<sup>18</sup> (1994) 2 SCC 448

considered opinion, an authority for the proposition that a provision which permits grant of concurrent registrations of identical or similar trade marks, if the use of the latter mark is honest and concurrent, cannot be used as a defence to a charge of infringement. To that extent, the position, as it obtained in the 1958 Act, vis-à-vis the Copyright Act, is identical to the position which obtains in the present Trade Marks Act, 1999. The Trade Marks Act, too, envisages honest and concurrent user only as a ground on which concurrent registrations of similar or identical marks could be granted by the Registry of Trade Marks. There is no provision, in the Trade Marks Act, which contemplates honest and concurrent user as a defence to a charge of infringement of trade mark. Where a case of infringement is made out, therefore, injunction has necessarily to follow, and it is no defence to the defendant to urge that the user, by the defendant, of the allegedly infringing mark, was honest and concurrent. \

**47.** Section 28(1) of the Trade Marks Act is clear and categorical in this regard. It states that “the registration of trademark shall, if valid, give to the registered proprietor of the trademark the exclusive right to the use of the trademark in relation to the goods or services in respect of which the trademark is registered *and to obtain relief in respect of infringement of the trademark* in the manner provided by this Act”. The manner in which relief, in respect of infringement of a registered trademark, can be obtained under the Trade Marks Act, is to be found in Section 135 thereof, sub-sections (1) and (2) of which read thus:

**“135. Relief in suits for infringement or for passing off. –**

(1) The relief which a court may grant in any suit for infringement or for passing off referred to in Section 134 includes injunction (subject to such terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order for the delivery-up of the infringing labels and marks for destruction or erasure.

(2) The order of injunction under sub-section (1) may include an *ex parte* injunction or any interlocutory order for any of the following matters, namely: –

(a) for discovery of documents;

(b) preserving of infringing goods, documents or other evidence which are related to the subject-matter of the suit;

(c) restraining the defendant from disposing of or dealing with his assets in a manner which may adversely affect plaintiff's ability to recover damages, costs or other pecuniary remedies which may be finally awarded to the plaintiff.”

Though, for reasons which are not immediately clear, Section 135, though titled “Relief in suits for infringement or for passing off”, does not explicitly set out the reliefs to which the proprietor of a trademark, which has been infringed by another, is entitled (as envisaged by Section 28 (1)), but, rather, sets out the reliefs *which a Court may grant*, in a suit for infringement or passing off. A meaningful interpretation of Section 135, read in conjunction with Section 28, would, however, in my view, necessarily require Section 135 to be

read as setting out the “reliefs in respect of infringement of a registered trade mark”, within the meaning of Section 28 (1).

**48.** Read thus, honest and concurrent user by the defendant, of the infringing trade mark, even if it exists, is not statutorily envisaged as a ground on which the plaintiff, whose marks has been infringed, can be denied an injunction, to which Section 135(1), read with Section 28(1), guarantees the plaintiff. There is, therefore, *prima facie* substance in the contention of Mr. Lall that it is not open to the defendants to plead, as a defence to infringement of the plaintiff’s registered trademarks, honest and concurrent user.

Plaintiff’s averment in its reply to the objection of the Registry of Trade Marks and its import

**49.** In view of the aforesaid *prima facie* findings arrived at by this Court on a comparison of marks, no substantial benefit could accrue to the defendants from the plaintiff’s statement, in its reply to the objection raised by the Registry of Trade Marks in response to the plaintiff’s application for registration of its mark, to the effect that the defendants’ mark was not deceptively similar to that of the plaintiff. Even otherwise, on this issue, the coordinate Single Bench has, in its judgment in *Teleecare Networks India Pvt Ltd*<sup>1</sup>, held thus:

“**41.** Once a mark is registered, the certificate of registration has to be seen as it is. Post grant of registration of the mark ZEN, neither the Examination Report dated 01<sup>st</sup> May, 2010 nor the plaintiff’s reply are relevant documents. In *H&M Hennes & Mauritz AB v. HM Megabrand Pvt. Ltd.*<sup>19</sup>, it has been held as under:—

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<sup>19</sup> (2018) 251 DLT 651

15. The plea of the defendants, of the plaintiffs, at the time of seeking registration and when confronted with 'HMT', 'HMTV', 'HMTW', 'H.M. Tex Kamal' and 'H.M.C.', having taken a stand that the mark has to be considered in entirety, may be considered at this stage. The question to be adjudicated is, whether the plaintiffs, having taken such a stand, is estopped from suing for infringement. The question, in my opinion, cannot be answered in abstract and has to be answered on facts. None of the businesses, marks whereof as aforesaid the plaintiffs were confronted with, were in any business even remotely connected to business of the plaintiffs. In fact the marks HMT & HMTV were abbreviations of their earlier names Hindustan Machine Tools and His Masters Voice respectively and which businesses, over the years had come to be referred by their abbreviation. Merely because the plaintiffs at the stage of seeking registration took a stand as aforesaid, cannot stop the plaintiff from exercising its statutory and natural rights. There is no estoppel against statute."

42. In any event, as there is no estoppel against statute, the stand taken by plaintiff in reply to the examination report is not relevant."

50. As, on facts, I have found there to be a *prima facie* case of infringement, by the defendants, of the plaintiff's registered trade marks, I do not deem it necessary to burden this judgement with a discussion of all the judgements cited at the Bar, many of which are, in any event, merely interlocutory orders, which cannot be said to be of binding precedential authority.

## Conclusion

51. For all the aforesaid reasons, I am of the opinion that the plaintiff has succeeded in making out a *prima facie* case for an interlocutory injunction, restraining the defendants, or their agents, sister concerns or any entity incorporated by the Defendants or anyone acting for and on their behalf as the case maybe, from using the impugned mark , in relation to any electrical goods or instruments, including electrical fans, room coolers, geysers, electric heating apparatus etc., or any allied or similar goods, pending disposal of the present suit.

52. The present stay application is allowed accordingly.

**MAY 17, 2022**  
*r.bararia/dsn*

**C. HARI SHANKAR, J.**

सत्यमेव जयते