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

+ **CS(COMM) 271/2021**

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA Plaintiff

Through: Mr. Chander M. Lall, Sr. Adv.
with Ms. Nancy Roy, Ms. Aastha Kakkar,
Mr. Prashant, Ms. Nida Khanam, Ms.
Ananya Chugh and Ms. Renuka Rajan,
Adv.

versus

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA Defendant

Through: Mr. Sandeep Sethi, Sr. Adv.
with Mr. Munish Mehra, Ms. Shreya Sethi,
Mr. Vikram Singh Dalal and Ms. Tanvi
Tewari, Adv.

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

J U D G M E N T (O R A L)

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21.03.2023

I.A.7230/2021 (under Order XXXIX Rules 1 and 2 of the CPC)

1. The plaintiff is The Institute of Chartered Accountants of India. The defendant is The Institute of Cost Accountants of India. The plaintiff abbreviates its moniker to the acronym ICAI, as does the defendant. Chagrined at this, the plaintiff has instituted the present suit against the defendant, objecting to the defendant's use of the ICAI acronym. The plaint, therefore, seeks an injunction against the defendant from using the said ICAI acronym in any manner whatsoever. The plaintiff has filed, with the plaint, I.A. 7230/2021 under Order XXXIX Rules 1 and 2 of the Code of Procedure, 1908

(CPC), seeking interlocutory injunctive reliefs. This judgment decides the said application.

2. I have heard Mr. Chander Lall, learned Senior Counsel for the plaintiff and Mr. Sandeep Sethi, learned Senior Counsel and Mr. Munish Mehra, learned Counsel for the defendant on the said application.

3. The word mark ICAI, being an abbreviation of “Institute of Chartered Accountants of India” stands registered in favour of the plaintiff, by the Registrar of Trade Marks, with effect from 25th March 2011 in Class 41 of the Nice Classification, which pertains to “Education and Providing of Training”. The defendant is engaged in the very same activity, the only difference being that the plaintiff classically caters to Chartered Accountants, whereas the defendant is the Institute of Cost Accountants.

4. The plaintiff claims user, of the ICAI mark, since 1949. The defendant, on the other hand, was rechristened as the Institute of Cost Accountants of only in 2012. Prior thereto, since 1959, the defendant was functioning as the Institute of Cost and Works Accountants of India (ICWAI). It appears that the defendant had sought, from the Ministry of Corporate Affairs (hereinafter the “MCA”), a change of its name from the Institute of Cost and Works Accountants of India to the Institute of Cost and Management Accountants of India. This proposal was opposed by the plaintiff who addressed various communications to the MCA, proposing that a more appropriate appellation to describe the defendant would be the “Institute of Cost

Accountants of India”. Mr. Mehra submits that it was consequent to these missives from the plaintiff that the MCA changed the name of the defendant institution from The Institute of Cost and Works Accountants of India to The Institute of Cost Accountants of India, with effect from 1st February 2012.

5. Consequent thereon, the defendant adopted the acronym ICAI, which is, admittedly, identical to the plaintiff’s ICAI acronym, as an abbreviation of its title, with effect from 2012, from which date the defendant claims user of the said acronym.

6. Mr. Chander Lall, learned Senior Counsel for the plaintiff submits that, thus, the plaintiff has, over the defendant, the advantage of both priority of registration as well as priority of use of the ICAI acronym. Inasmuch as the acronym of the plaintiff and the defendant is identical, Mr. Lall invokes Section 29(2)(c) read with Section 29(3)¹ of the Trade Marks Act, 1999, to contend that the ICAI acronym of the defendant infringes the plaintiff’s registered ICAI word mark. A clear case of infringement is, therefore, in the submission of Mr. Lall, made out in the present case.

¹ 29. **Infringement of registered trade marks. –**

(1) 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 is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) 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 because of –

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

7. Mr. Lall also contends that the defendant is, by using the impugned acronym ICAI, guilty of passing off its services as those of the plaintiff. He submits that, inasmuch as the plaintiff and the defendant offer similar services, the usage, by the defendant, of the impugned ICAI acronym would clearly mislead the public into confusing the institution of the defendant with that of the plaintiff. He submits that the test to be applied in such a case is one of initial interest confusion, for which purpose he relies on para 54 of the judgment of a learned Single Judge of this Court in *Baker Hughes Ltd. v. Hiroo Khushalani*², which was reversed in appeal but, thereafter, upheld by the Supreme Court in *Baker Hughes Ltd. v. Hiroo Khushalani*³. Mr. Lall has placed special reliance on para 54 of the report of the judgment of the learned Single Judge in *Baker Hughe*² as well as on the well-known decision of the Supreme Court in *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories*⁴ specifically emphasising on the following passage from para 28 of the latter decision:

“... Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.”

8. Relying on the afore-extracted passage from *Kaviraj Pandit Durga Dutt Sharma*⁴, Mr. Lall submits that, where the marks of the

² (1998) 74 DLT 715

³ (2004) 12 SCC 628

⁴ AIR 1965 SC 980

plaintiff and the defendant are identical, the test to be applied for assessing the existence of infringement and passing off also coalesce.

9. Thus, submits Mr. Lall, the defendant being guilty not only of infringing the registered ICAI word mark of the plaintiff, but also of, by using the impugned ICAI mark, passing off its services as those of the plaintiff, the plaintiff is entitled as of right to an interlocutory injunction against the defendant.

10. Responding to the submissions of Mr. Lall, Mr. Munish Mehra has initially sought to contend that the suit is not only bad on the ground of delay but is also hit by the principle of acquiescence as, in his submission, the plaintiff has acquiesced to the use, by the defendant, of the impugned ICAI mark. Mr. Mehra has, in this context, invited my attention to para 106 of the plaint, which sets out the cause of action for filing the suit, and which specifically states that the cause of action arose for the first time in or around July 2015, when the plaintiff became aware of the impugned ICAI mark of the defendant. He also relies, in this context, on a communication dated 6th July 2016 from the plaintiff to the MCA, which also objects to the use, by the defendant, of the impugned ICAI acronym. He further submits that the defendant's website www.icai.org was functional since 2015, and it can hardly be believed that the plaintiff was unaware of the use, by the defendant, of the ICAI acronym since then. He refers to various communications including communications addressed by, *inter alia*, the plaintiff itself, in which the defendant has been addressed as "ICAI".

11. Mr. Mehra also emphasises the equities of the situation, by seeking to submit that the very change of nomenclature of the defendant institution from the Institute of Cost and Works Accountants of India to the Institute of Cost Accountants of India took place consequent to communications addressed by the plaintiff to the MCA. In this context, he has drawn attention to letters dated 30th April 1985 and 21st April 1992, from the plaintiff to the MCA. From the former communication dated 30th April 1985, Mr. Mehra has emphasised para 9, which reads thus:

“9. In the end, if we may be permitted to suggest, instead of changing the name of the ICWAI as the Institute of Cost & Management Accountants of India, a more logical proposal would be to change its name in such a way that the designation used by its members and the name of the professional body are harmonious with each other. In other words, the name of the Institute may be changed to “The Institute of Cost Accountants of India” by dropping the words “and Works” from its name, if that be the main plank for suggesting a change in the name of the Institute.”

In the same vein, Mr. Mehra relies on the following passages from the subsequent communication dated 21st April 1992, addressed by the plaintiff to the MCA:

“It appears that no detailed study about the education and training in the area of management accountancy and the actual functions performed by various persons in this area has been made. Therefore, before any official recognition is granted for adding the word “Management Accountants” in the name of ICWAI or in the designation of their members, it would be necessary for the concerned authorities to make a detailed study.

We have already made out position clear in the earlier correspondence with the Department. We have also explained our position at various meetings held with the representatives of the Government and the ICAI. We reiterate that the management accounting being only a function, there is no need for including the same either in the name or in the designation of the members of either of the Institutes. If, however, any need for the change in the name of ICWAI is found necessary because the members of the said Institute do not perform any work relating to “Works

Accounting” it would be more logical to change the name of that Institute to “Institute of Cost Accountants of India” by dropping the words “and Works”. Such a change will bring out the nature of the work i.e., “Cost Accounting”, which is being performed. Such a change will also be in harmony with the designation used by the members of the ICWAI.”

12. Inasmuch as the acronym ICAI, employed by the defendant was consistent with the defendant’s full title, i.e., the Institute of Cost Accountants of India, Mr. Mehra submits that no occasion arises for the Court to restrain the defendant from using the said acronym.

13. Mr. Mehra has also placed reliance on a judgment dated 20th February 2018 delivered by a learned Single Judge of the High Court of Madras in *V. Venkata Siva Kumar v. Institute of Cost Accountants of India*⁵, from which he has emphasised paras 15 to 19 which read thus:

“15. On the other hand, the first respondent equally claims that it is entitled to use the very same acronym "ICAI" till its name is changed as the Institute of Cost and Management of Accountants of India by the Central Government, for which, their proposal sent already is pending before the Central Government. The said stand is made clear even in the letter dated 20.08.2015, addressed by the first respondent to the third respondent, which is extracted hereunder:

"Ref.No. :G/128/08/2015 August 20, 2015

Shri V.Sagar,
Acting Secretary,
The Institute of Chartered Accountants of India,
"ICAI Bhawan",
Indraprastha Marg,
New Delhi-110 002.

Sub: Using of abbreviation ICOAI or ICAI (Cost) instead of ICAI

⁵ MANU/TN/0880/2018

Dear Sir,

Please refer to your letter No 1-CA(2)/Misc/2015 dated 16th July, 2015 with a copy to Shri Manoj Kumar, Joint Secretary, Ministry of Corporate Affairs on the above subject.

The Institute is using the abbreviation "ICAI" for its nomenclature "Institute of Cost Accountants of India" as per amendment made in The Cost and Works Accountants (Amendment) Act, 2011 and there is no option other than to use 'ICAI'.

However, as per The Cost and Works Accountants (Amendment) Act, 2011, a member is entitled to use the letters 'ACMA' or 'FCMA' after his name to indicate that he is an Associate/Fellow of The Institute of Cost Accountants of India. Our Institute has already proposed to the Central Government for change of name to The Institute of Cost and Management Accountants of India, abbreviation of which is 'ICMAI' and is in accordance with the mission and vision of our Institute. Till such approval is received, there is no other option but to continue with use of the abbreviation 'ICAI'.

Thanking you,

Yours faithfully,

(Kaushika Banerjee)
Secretary (Acting)"

16. From the above narrated facts and circumstances, two things are emerging, which are as follows:

a) The first respondent has already approached the Central Government and made a proposal for change of their name as The Institute of Cost and Management of Accountants of India, abbreviation of which is "ICMAI". It appears that the said proposal is still pending.

b) It is also made clear by the first respondent in a communication dated 20.08.2015 that till such approval is received, the first respondent will continue to use the abbreviation "ICAI".

17. It is to be noted at this juncture that even after such stand of the first respondent was informed to the third respondent as early as on 20.08.2015, it seems, that the third respondent has not taken

any legal proceedings so far before any court of law against the first respondent.

18. Hence, from the above stand taken by the first respondent, there can be no difficulty in holding that till the name of the first respondent is changed as proposed by them, as stated supra, if they continue to use the acronym "ICAI" and if the third respondent is aggrieved against such usage in view of the registration of such trademark by the third respondent in their favour as discussed supra, certainly, it is for the third respondent to initiate appropriate legal action before the appropriate forum by filing appropriate application under the Trademarks Act. Certainly the third respondent's support to the petitioner in this proceedings cannot be equated with such appropriate proceedings under the Trademarks Act. Under such circumstances, certainly the present writ petition cannot be maintained that too, at the instance of the petitioner, who is only a member of the third respondent more particularly, when the third respondent has not chosen to challenge such alleged infringement before the competent Court of law so far.

19. Needless to state that the Trademark right is a proprietary right and therefore only such owner of the Trademark, if aggrieved against any infringement of such trademark, has locus standi and consequently a cause of action to initiate appropriate proceedings before the appropriate forum against such infringement and to seek the appropriate relief thereunder. Such proprietary right of trademark is a right in personam and not a right in rem. Therefore, the petitioner, though a member of the third respondent, cannot be called as an aggrieved person, even to initiate the proceedings before such appropriate forum against the alleged infringement."

14. On the aspect of acquiescence, Mr. Mehra has pressed into service the judgment of a learned Single Judge of the High Court of Bombay in *Essel Propack Ltd. v. Essel Kitchenware Ltd.*⁶, particularly paras 33, 34, 40, 42 and 45 thereof which read as under:

"33. Mr. Parikh says that if ever there was a clear case of acquiescence, this is it. He points out, for instance, that not only is there flagrant suppression in the Plaint and a complete falsehood about non-receipt of the reply to the Plaintiff's first notice, a matter not without significance, but by that reply the 1st Defendant in effect put the Plaintiff to notice that it intended to continue using the rival mark. The Plaintiff did not respond. It filed no suit. It took

⁶ (2016) 66 PTC 173

no action. It sat idly by while the 1st Defendant continued to grow its business. The explanation in paragraph 23 is, he says, no explanation at all. The Plaintiff omits mention of the fact that the 1st Defendant had served on the Plaintiff caveats both in the Bombay High Court and Calcutta High Court fully anticipating at that time, seven years before the suit was filed, that the Plaintiff would move against the 1st Defendant. Yet the Plaintiff did not act. There is no mention in the Plaint either of the Plaintiff's abandonment of its opposition to the 1st Defendant's registration application, a fact that, on its own shows that the Plaintiff knew throughout of the 1st Defendant's use of the rival mark but sought no injunctive relief. Today, when the 1st Defendant's volumes of domestic and international sales are high, it would, Mr. Parikh says, be wholly inequitable to grant the kind of injunction Mr. Kamat seeks. I think Mr. Parikh is right on all counts.

34. Mr. Parikh invites me to consider the Supreme Court decision in *Power Control Appliances v. Sumeet Machines Pvt. Ltd.*⁷ with him. That decision, of 1994, referred to and followed the decision of the UK Court of Appeals in *Electrolux LD v. Electrix LD*⁸. That in turn cited the very old decision of Fry J (as he then was) in *Willmott v. Barber*⁹ on the so-called five-fold test to establish acquiescence. That was not a case in infringement and passing off at all, but its principles were invoked in trade mark cases and passed into received wisdom. But, correctly read, Power Controls does not support the principle that Mr. Kamath now advances, submits Mr. Parikh, for it said in paragraph 26:

“26. Acquiescence is sitting by when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In *Harcourt v. White*¹⁰, Sr. John Romilly said: “It is important to distinguish mere negligence and acquiescence.” Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in *Mouson & Co. v. Boehm*¹¹. The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the

⁷ (1994) 2 SCC 448

⁸ (1954) 26 RPC 23

⁹ [L.R.] 15 Ch.D.96:43 LT 95

¹⁰ 28 Beav 303

¹¹ [L.R.] 26 Ch.D. 398

defendant as was laid down in *Rodgers v. Nowill*¹²,

40. Perhaps it is time to rid ourselves once and for all of this strange conflation of delay and acquiescence, and of this habit of saying that since mere delay is no reason to refuse an injunction that is otherwise warranted, therefore there can be no acquiescence; and, too, of this equally fallacious notion that when we speak of a positive act in the context of acquiescence in intellectual property, we mean and mean only some sort of pinpointed go-ahead. If that were so, there would be no distinction between consent and acquiescence. The latter is a species of estoppel, and for that reason, it is both a rule of evidence and a rule in equity. It is an estoppel in pais, and this only means that a party is prevented by his or her own conduct from obtaining the enforcement of a right which would operate to the detriment of another who justifiably acted on such conduct. This type of estoppel differs from an estoppel by deed or by record which, as a result of the language set out in a document, bars the enforcement of a claim against a party who acted in reliance upon those written terms. Courts adopt estoppel in pais when a contradictory stance stands unfair to another person who relied on the original position. What was the 1st Defendant here to make of the Plaintiff's failure to sue after it served a cease and desist notice? After it served caveats and no suit followed? After the Plaintiff abandoned its opposition to the 1st Defendant's registration application and allowed the 1st Defendant's mark to proceed to registration? Acquiescence means assent to an infringement of rights, either express or implied from conduct, by which the right to equitable relief is normally lost. It takes place when a person, with full knowledge of his own rights and of any acts which infringe them, has either at the time of infringement or after infringement, by his conduct led the persons responsible for the infringement to believe that he has waived or abandoned his rights. It literally means silent assent. It imports placid consent, concurrence, acceptance, or assent. The equitable doctrine of acquiescence may be taken to be that if a party having a right stands by and sees another dealing with the property in a manner inconsistent with that right and makes no objection while the act is in progress, he cannot afterwards complain. A proprietor of the trade mark who knowingly watches his competitor grow in the market and takes no action can claim no exclusivity in his own trade mark. He is deemed to have affirmed his rival's use of the mark in question. If the owner of a registered trade mark stands by and allows a man to spend considerable amounts on sales and promotional activities in order to acquire a reputation, he cannot then assert his rights in order to stop the business of another.

¹² (1847) 2 De GM & G 614 : 22 LJ kCh 404.

Where acquiescence in the infringement amounts to consent, it is a complete defence.

42. Mr. Parikh puts it thus : on the facts of this case, it was the 1st Defendant who put the Plaintiff to notice of the 1st Defendant's intention to continue using the mark complained of. Everything that the Plaintiff did thereafter, or, more importantly, did not do, was at the Plaintiff's peril. Its inaction and lack of any effective steps to halt the 1st Defendant in its tracks was encouragement enough. The 1st Defendant grew and expanded its business. It did so right under the Plaintiff's nose. It was not till seven years after it received the 1st Defendant's reply or counter-notice that the Plaintiff finally moved this Court. That, Mr. Parikh says, and I must agree, is far too late.

45. Similarly, the establishing of a good prima facie case is but one part of the raft of considerations that a Court of equity must weigh in the balance. The test of the prima facie is not the beginning and end of the matter. A given defendant may not be able to show acquiescence. On a fuller consideration after a trial is complete and all evidence is taken, his defence may even fail. But he is surely entitled to say that equity demands that injunctive relief be denied at the interim or ad-interim stage; and that, should the plaintiff succeed, compensation can always be ordered. We often do this even in cases under trade mark law when we direct only that a defendant should maintain accounts but deny the injunction. What is this except the acceptance of a supervening principle of equity? There are, *inter alia*, the tests of balance of convenience and irretrievable prejudice, questions of special equities, that govern the interlocutory applications generally. There is no reason to jettison these merely because the action is in trade mark law. In assessing any such case, whether founded in infringement or passing off or both, a Court considers not just the privileges and protection of exclusivity afforded by statute and common law to a claimant but also, and perhaps even more importantly, the greater public good: healthy and fair commercial competition, the avoidance of unjustified monopolies, and the paramount interest of the unsuspecting consumer of goods and services. Mr. Parikh therefore correctly relies on the decision of the Supreme Court in *Gujarat Bottling Co. Ltd. v. Coca Cola Company*¹³ for the proposition that the grant of injunctions is a purely equitable relief. A vital consideration in equity, one that I imagine is unyielding, is that the party seeking an injunction should be free from blame in

¹³ (1995) 5 SCC 545

its approach to the Court. This Plaintiff is not.”

15. Mr. Mehra submits that, as the defendant had no intent to deceive the plaintiff, or deceive consumers, by using the impugned ICAI acronym, no allegation of passing off could sustain against the defendant. He reiterates his contention that the defendant is universally known as the ICAI. Mr. Mehra has also emphasised the operational difficulties which would arise in implementing any order which would require the defendant to discontinue use of the ICAI acronym to designate its Institute. Pressing into service the principle of balance of convenience, Mr. Mehra submits that the interests of justice would be subserved if, instead of restraining the defendant from using the impugned ICAI acronym, the defendant be permitted to continue to do so, as it is doing now, subject to its maintaining accounts.

16. Mr. Mehra has also contested Mr. Lall’s contention that the use, by the defendant, of the impugned ICAI acronym is likely to result in confusion, among the public. He has, in this context, relied on para 20 of the written statement filed by the defendant by way of response to the plaint, in which it is, *inter alia*, averred thus:

“...It is in fact not uncommon for students to enrol in courses offered by both the Plaintiff and the Defendant as a matter of conscious choice in order to enhance their professional qualifications. It may be noted that 463 students enrolled in the Cost and Management Accountancy Intermediate Course offered by the Defendant (for the terms that ended in June, 2021 and December 2020) have already qualified the IPCC and CA Intermediate levels of the courses offered by the Plaintiff. As per the placement statistics of the Defendant, among the students who opted for placements through the Defendant a) in the year 2020: 56 students had already graduated from the Plaintiff and 215 were pursuing the CA course offered by the Plaintiff, and b) in the year

2019, 45 students had already graduated from the Plaintiff and 73 were pursuing the CA course offered by the Plaintiff. It is therefore stated that far from any confusion or deception arising as to the origin or source of the Defendant through the use of the acronym “ICAI”, there in fact exists a clear overlap in students who have enrolled and/or completed/graduated from the courses offered by both the Plaintiff and the Defendant, either concurrently or one after the other.”

Mr. Mehra submits that there is little likelihood of a Cost Accountant joining the plaintiff merely because the defendant uses the ICAI acronym, or *vice versa*. The plea of likelihood of confusion is, therefore, in his submission, devoid of merit.

17. Apropos Section 29(3) of the Trade Marks Act, Mr. Mehra submits, relying on the decision of the Supreme Court in *P. Suryanarayana v. K S Muddugowramma*¹⁴ and *Sodhi Transport Co. v. State of U.P.*¹⁵, that the presumption engrafted in the said provision is rebuttable, and not absolute.

18. In these circumstances, keeping in view the *prima facie* merits of the case and the pleas of balance of convenience and irreparable loss, Mr. Mehra’s plea is that, instead of injuncting the defendant from using the impugned ICAI acronym, which is likely to throw their activities into disarray, the defendant may be permitted continue to use of the said acronym subject to maintaining accounts or other terms as this Court may deem appropriate to impose.

19. Responding by way of rejoinder to the submissions of Mr. Mehra, Mr. Lall has invited my attention to a communication dated

¹⁴ AIR 2004 SC 1930

¹⁵ (1986) 2 SCC 486

10th December 2004, from the defendant to the plaintiff in which it is *inter alia* stated thus:

“...I tried to explain during the meeting that the name of your Institute has a brand name and is similar through out the world and hence would not have any impact consequent to the change of the name of our Institute. In fact, my experience in the industry, ICAI's Name is well known and treated on par with ICWAI for any placements. It was finally advised by Shri Jitesh Khosla, Joint Secretary that both of us have to discuss mutually to come to a settlement on the change of name of our Institute.”

20. Mr. Lall's contention is that the defendant was, therefore, aware since December 2004 that the plaintiff's ICAI mark was well known. The decision by the defendant to use the ICAI acronym consequent to its being rechristened as the Institute of Cost Accountants of India, even in full awareness of the fact that ICAI was a well-known trademark of the plaintiff, submits Mr. Lall, indicates the *malafides* of the defendant, which were seeking to capitalise on the reputation of the ICAI as, in Mr. Lall's contention, chartered accountants are, as a specie, a notch superior to cost accountants.

21. On that last, somewhat presumptive, submission, I do not propose to express any opinion.

22. Apropos the submission of acquiescence, Mr. Lall has taken me through the list of dates filed with the plaint, which sets out the various communications addressed by the plaintiff in which it had objected to the use, by the defendant, of the impugned ICAI acronym. Such communications points out Mr. Lall, were addressed on, *inter alia*, 6th July 2016, 2nd June 2017, 19th June 2017, 15th December 2017, 20th March 2018, 28th May 2020 and 17th June 2020. In the face of these communications, Mr. Lall submits that it could hardly be

contended that the plaintiff was merely lying back and allowing the defendant to continue to use the infringing mark, without taking any action in that regard.

23. On the aspect of likelihood of confusion, Mr. Lall has invited my attention to paras 12 to 14 of the replication filed by way of response to the written statement of the defendant in the present case, which read thus:

“12. While the contents of the voluminous documents filed by the Plaintiff, in particular additional documents filed by the Plaintiff dated June 22, 2021 at Volumes 1,4,6,7,12 and 13, are self-explanatory, the Plaintiff is briefly outlining very few examples where the impugned mark ICAI *per se* has been used by the Defendant:

- Printouts evidencing material which would be particularly accessed by students such as brochures, newsletters, journals, placement material, prospectus, syllabus, online application forms, question papers, to name a few, who are highly likely to be confused as to the origin.

- The Defendant is using nomenclatures such as ‘EIRC OF ICAI’, ‘NIRC OF ICAI’, ‘SIRC OF ICAI’ etc. to denote its ICAI Regional Councils in different regions of the country, which are identical to the manner in which the Plaintiff describes its Regional Councils being ‘EIRC OF ICAI’, ‘NIRC OF ICAI’, ‘SIRC OF ICAI’, to name a few.

- Similarly, the Defendant is using the same nomenclature to describe its State wise Chapters such as "Chandigarh-Panchkula Chapter of ICAI", which is identical to that of the Plaintiff's

- The Defendant is also organizing events under the impugned mark ICAI and one such example is 'ICAI Global Student's Summit 2K19', which was also covered by leading newspapers. It is pertinent to mention that the news coverage mentioned the impugned mark ICAI *per se* in its headlines, thereby amounting to confusion to the readers on the organiser or origin of the event. As also mentioned in the Defendant's Annual Report, press meets were held and there was wide publicity for pre and post of the Global Summit 2020.

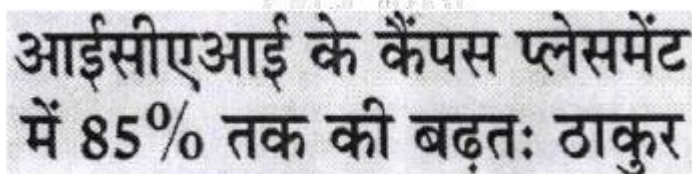


The Defendant also organizes meets and conclaves under the impugned mark such as 'National Conclave for Members in Industry, ICAI'

- The Defendant also organises its 'Annual ICAI National Awards – Essay Contest for Bankers'. It is pertinent to mention that such use is highly likely to cause confusion amongst participants as to the origin or organiser of such awards.

- Examples of use of impugned mark ICAI on MOUs between the Defendant and third parties. Such deliberate misrepresentation is likely highly to cause confusion in the public, government, regulatory bodies, and other stake holders etc.

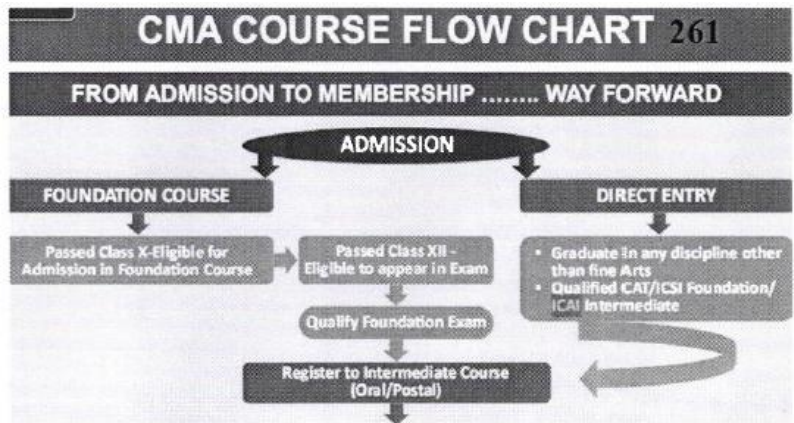
- In addition to this, there are many press / news releases wherein the impugned mark ICAI has been used as a standalone mark, thereby confusing the readers. To quote one example, the following headline would, at the very outset, confuse the reader as to the Institute.



13. The Plaintiff further submits that Courts in India have repeatedly held that the correct test is that of likelihood of confusion, as opposed to actual confusion. In the present case, owing to the identical use of ICAI by the Defendant, there is a huge likelihood of confusion and deception amongst the members of the public. It is a well settled proposition that even if an informed class of users / purchasers have a degree of knowledge and a sense of discrimination more substantial than that of an ordinary user / purchaser, but the mere fact that certain users / customers are sophisticated, knowledgeable and discriminating, does not rule out the element of confusion if the rival trade marks are identical.

14. Interestingly, from a perusal of the Defendant's documents, it is clear that the Defendant is using the impugned mark ICAI *per*

se. To quote an example, at Volume 2 Pg.314, the impugned mark ICAI is being used on standalone basis.



Under Volume 2 at Page 261-295, the Defendant, has filed documents such as third-party press releases, newspapers reports and photographs of award functions showing the use of the impugned mark ICAI *per se*. To quote an example from the Defendant's documents, the headline of the following press release would mislead and confuse the reader between the Plaintiff and the Defendant.



Under Volume 2 at page 296, the Defendant has also filed prospectus for the year 2021 which only bears use of ICAI *per se*. One such relevant extract is as follows:

CMA Prospectus

- ⊙ Cost Accounting Standards
- ⊙ Ind AS
- ⊙ Goods & Services Tax (GST) / Customs Act
- ⊙ Direct Tax (Practical Aspects)
- ⊙ Emerging Issues: Valuation and Insolvency & Bankruptcy Code
- ⊙ Securities Market
- ⊙ International Finance
- ⊙ Banking, Insurance & Financial Services

Fees : ₹4,000/- to be paid at the time of registration for this training programme.

World Class Employability and Techno Skills Training Facility for CMA Intermediate Students

**Member
SAP Student Academy Program**



**SAP Finance Power User Training & Certification
(With SAP Learning Hub & SAP S/4HANA) - 60 Hours**

Features:

- ▲ Industry Ready at the end of the training
- ▲ Learn on the best of ERP systems & understand the concept of best practices
- ▲ Employment Opportunities in the SAP ecosystem
- ▲ Learn from anywhere as you wish
- ▲ Accessible from any environment, desktop, laptop, tablet or mobile
- ▲ Access to exhaustive additional material available through SAP Training Hub
- ▲ Joint Certification of ICAI & SAP after successful completion

Microsoft Education



**Microsoft Office Training & Certification
40 Hours**

Features:

- ▲ Universal Usage - MS Office is the globally most widely used tool for professional exchange
- ▲ A must for job applicants - For anyone with an office-based job, Microsoft Office is a global tool. Employers assume, all job applicants have the working knowledge of MS-Office
- ▲ Universal compatibility with all operating systems
- ▲ All computers available in the market are compatible with all versions of MS-Office
- ▲ Certificate of MS Office provides the edge for a student over others in the current competitive job environment
- ▲ MS Excel is the most popular tool used for business analysis, financial modeling and reporting

Similarly, under Volumes 3 to 7, the Defendant has filed extracts from its social media pages, copies of MOUs entered with third parties and Annual Reports which mention the impugned mark ICAI *per se*. In light of this, the Defendant's averment that it has typically referred to itself by its complete amended name "Institute of Cost Accountants of India" or its logo is denied. The Defendant, has indeed referred to itself as ICAI *per se* which clearly demonstrates the dishonest intent and *malafides* of the Defendant."

24. In conclusion, Mr. Lall reiterates his prayer for an interlocutory injunction.

25. Mr. Mehra, who sought to advance a brief sur rejoinder, was joined by Mr. Sandeep Sethi, learned Senior Counsel. Mr. Sethi contended, initially, that the defendant was always using the ICAI acronym in conjunction with its full name, i.e. The Institute of Cost Accountants of India. Inasmuch as the acronym and the name always figure together, Mr. Sethi submits that there could be no possibility of

any confusion among the public. Mr. Sethi has reiterated the contents of para 19 of the written statement of the defendant which reads thus:

“19. It is stated that apart from the valid and cogent reasons stated above which amply demonstrate the lack of any misrepresentation, confusion or deception in the minds of prospective students, private or Government institutions/organizations and the general public as to the origins and/or source of the services offered by the Defendant (which are completely distinct and distinguishable from the services offered by the Plaintiff), it is also pertinent to note that the Defendant, through its document, brochures, placement material, annual reports, publicity material, private/Government correspondences has typically referred to itself by its complete amended name i.e. "Institute of Cost Accountants of India" since the year 2012, in



conjunction with or without its unique and distinct logo so as to sufficiently differentiate it from the Plaintiff and/or its activities and services. It is stated that the adoption and use by the Defendant of the acronym "ICAI" is completely *bona fide* and honest as well as being totally commensurate with its amended name i.e., "Institute of Costs Accountants of India" which cannot be objected to by the Plaintiff particularly in view of its longstanding user by the Defendant since the year 2012 till date.”

26. Mr. Sethi also placed reliance on Section 30(1)¹⁶ of the Trade Marks Act to contend that, as the said provision applied to the present case, the defendant was insulated from the ill effects of Section 29. In support of his submission, Mr. Sethi relied on the decisions of the learned Single Judges of this court in *Bharat Biotech International Ltd. v. Optival Health Solutions Pvt. Ltd.*¹⁷ and *SBL Ltd. v. The Himalaya Drug Co.*¹⁸.

¹⁶ 30. **Limits on effect of registered trade mark.** –

(1) Nothing in Section 29 shall be construed as preventing the use of a registered trade mark by any person for the purposes of identifying goods or services as those of the proprietor provided the use –

(a) is in accordance with honest practices in industrial or commercial matters, and
(b) is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark.

¹⁷ MANU/DE/1102/2020

27. Inasmuch as Mr. Sethi had advanced certain new submissions, Mr. Lall responded by initially drawing my attention to certain pages of a brochure of the financial statements of the defendant to submit that the contention of Mr. Sethi that the defendant was always using the ICAI acronym along with its full title Institute of Cost Accountants of India was incorrect. Apropos Section 30(1), Mr. Lall submits that the provision is a mirror image of Section 29(8)¹⁹. Mr. Lall further submits that, in fact, the reliance, by the defendant, on Section 30(1) would amount to an acceptance of the factum of infringement, as the essential pre-condition, for the provision to apply, is use of the registered trade mark of the plaintiff by the defendant “for the purposes of identifying goods or services, as those of the plaintiff”. Thus, submits Mr. Lall, if the defendant is seeking to invoke Section 30(1), it would amount to a tacit acknowledgement of the fact that the defendant is, in fact, using the ICAI acronym to identify the services rendered by the defendant as those of the plaintiff which itself would entitle the plaintiff to an injunction.

28. Mr. Lall has also sought to distinguish the decisions in *Bharat Biotech International*¹⁷ and *SBL*¹⁸.

Analysis

29. Having heard learned Counsel for the parties, it does not appear to me that there can be any considerable debate on the aspect of

¹⁸ ILR (1997) (II) Del 168

¹⁹ (8) A registered trade mark is infringed by any advertising of that trade mark if such advertising –
(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or
(b) is detrimental to its distinctive character; or
(c) is against the reputation of the trade mark.

infringement. Indeed, it is practically a case of *res ipsa loquitur*²⁰. The plaintiff and the defendant are using identical acronyms, i.e., ICAI. The case, therefore, squarely falls within the ambit of Section 29(2)(c) of the Trade Marks Act and, therefore, also brings into operation Section 29(3). Section 29(3), read with Section 29(2)(c) clearly ordains that where the trademarks of the plaintiff and the defendant are the same, and the goods or services covered by the marks are also identical, the Court shall presume the likelihood of confusion on the part of the public.

30. The present case, therefore, justifies a *prima facie* finding of likelihood of confusion on the part of the public, by the use, by the defendant, of the impugned ICAI mark, by operation of Section 29(3) read with Section 29(2)(c) of the Trade Marks Act.

31. “Confusion”, despite being perhaps the most omniscient concept in the Trade Marks Act, finds, unfortunately, no definition therein. I, frankly, do not know why this is so; when other, associated and at times dependent concepts, find more precise elucidation. Interestingly, the concept of “deceptive similarity” has also, in Section 2(h), been defined by explaining that “a mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to *deceive or cause confusion*”. The statute, thereby, conflates, by legislative fiat, the concepts of deception and confusion. They are, however, etymologically not the same, and Courts have, therefore, distinguished the concepts by incorporating, into the concept of “deception”, intent to deceive, which would

²⁰ The things speaks for itself.

exclude “innocent confusion”. Innocent or deceptive, however, the Trade Marks Act is clear that confusion predicates infringement.

32. The statute being of little aid in understanding “confusion”, Courts have stepped in, to render the concept, if I may say so, less confusing. A Division Bench of this Court has, in *Shree Nath Heritage Liquor Pvt Ltd v. Allied Blender & Distillers Pvt Ltd*²¹, approvingly citing, in the process, McCarthy on Trademarks and Unfair Competition, cleared much of the confusing air, thus:

“General Principles:

4. It would be profitable to quickly summarize the general principles applicable in trademark cases, and we could do no better than distillate them from McCarthy on Trademarks and Unfair Competition, Ed. IV:

i. Likelihood of confusion (i.e. confusion is probable and not simply possible) is the standard for both trademark infringement and passing off.

ii. Priority of use needs to be considered.

iii. To establish trademark infringement and/or passing off in most cases (we discuss one statutory exception where confusion is presumed by court below) it needs to be shown that an appreciable number of buyers and not the majority of buyers are likely to be confused. Even 1% of India's population will be an appreciable number of buyers.

iv. Likelihood of confusion may be proved in many ways, such as:

- Through survey evidence;
- By showing actual confusion;
- Through arguments based on a clear inference arising from a comparison of the marks in question and the context in which the marks are used;

²¹ (2015) 63 PTC 551

- Under Section 29 of the Trademarks Act, 1999, confusion is presumed if the marks are identical and are used for identical goods/services.

5. Confusion can be of the following categories:

- Point of sale confusion-this refers to confusion that takes place at the time of purchase.
- Post sale confusion - this includes confusion of those other than the purchaser.
- Initial interest confusion - this refers to confusion that may be caused initially, i.e. prior to purchase, but at the time of purchase of the alleged infringer/tortfeasor's product or using its service, the consumer is not confused.
- Reverse confusion - this occurs when consumers purchase the goods or use services of the senior user thinking them to originate from the junior user.

6. When a person knows that the mark in question does not originate from the senior user but the senior user is called to mind, then it's a step before confusion. If on the other hand, the consumer is in a state of wonderment if there's a connection, this is confusion. Further, if this consumer then purchases the junior users product, this is then deception.

Factors considered by courts to determine likelihood of confusion in trademark infringement and passing off:

7. As per the law in the United States of America, while examining whether a mark resembling another can be registered, the Courts have interpreted Section 2(d) of the Lanham Act and in particular the expression '*likelihood of confusion*' (For example, Du Pont factors laid down by the CCPA).

8. While examining whether a mark infringes another under Section 32 of the Lanham Act, the Courts in America in various circuits have also examined the expression '*likelihood of confusion*' (For example, Polaroid factors of the 2nd Circuit and Sleek craft factors of the 9th Circuit).

9. In the above cases, the courts have laid down a series of factors that need to be looked at, which could be summarized as :-

• ***Du Pont factors*** laid down by the erstwhile United States Court of Customs and Patent Appeal [177 USPQ 563 (CCPA 1973)]

i. The similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression.

- ii. The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.
 - iii. The similarity or dissimilarity of established, likely-to-continue trade channels.
 - iv. The conditions under which and buyers to whom sales are made, i.e. impulse
 - v. careful, sophisticated purchasing.
 - v. The fame of the prior mark (sales, advertising, length of use).
 - vi. The number and nature of similar marks in use on similar goods.
 - vii. The nature and extent of any actual confusion.
 - viii. The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.
 - ix. The variety of goods on which a mark is or is not used (house mark, 'family' mark, product mark).
 - x. The market interface between applicant and the owner of a prior mark:
 - a. mere 'consent' to register or use.
 - b. agreement provisions designed to preclude confusion i.e. limitations on continued use of the marks by each party.
 - c. assignment of mark, application, registration and good will of the related business.
 - d. laches and estoppel attributable to owner of prior mark and indicative of lack of confusion.
 - xi. The extent to which applicant has a right to exclude others from use of its mark on its goods.
 - xii. The extent of potential confusion, i. e., whether *de minimis* or substantial.
 - xiii. Any other established fact probative of the effect of use.
- ***Polaroid factors*** laid down by the Federal Court of Appeals for the 2nd Circuit in 128 USPQ 411 (2d Cir. 1961) *Polaroid Corp. v. Polarad Electronics Corp.*

While these factors were developed for cases where the products or services of the two parties were different, they have been used in cases of identical goods and services as well.

- i. The strength of the mark.
- ii. The degree of similarity between the two marks.
- iii. The proximity of the products.
- iv. The likelihood that the prior owner will bridge the gap.
- v. Actual confusion.
- vi. The reciprocal of defendant's good faith in adopting its own mark (Bad faith).
- vii. The quality of defendant's product.
- viii. The sophistication of the buyers.

• ***Sleekcraft factors*** laid down by the Federal Court of Appeals for the 9th Circuit [204 USPQ 808 (9th Cir. 1979)]

- i. The strength of the plaintiff's mark.
- ii. Proximity of the goods.
- iii. Similarity of the marks.
- iv. Evidence of actual confusion.
- v. Marketing channels used.
- vi. Type of goods and the degree of care likely to be exercised by the purchaser.
- vii. Defendant's intent in selecting the mark.
- viii. Likelihood of expansion of the product lines.

Weightage to be given to each of the above factors should depend upon the facts of each case.

10. The aforesaid factors have been explained in subsequent cases to include the following considerations, namely (See *McCarthy on Trademarks and Unfair Competition, Ed. IV*):

• Similarity of marks:

- i. Marks can be similar/identical in their sound, sight or meaning.

ii. The 'Anti-dissection' and 'comparing dominant parts' rules are applied harmoniously.

iii. It is important to see similarity of context in which the marks appear.

• Class of consumers:

i. Courts have held that if the buyer market consists of both discriminating and casual purchasers, the court must give consideration to likely confusion of both kinds of buyers.

• Defendant's intention:

i. Courts have held that if the defendant intended confusion, this tends to show confusion of customers.

ii. Some Courts have even held that proof of defendant's bad faith in adopting the impugned mark shifts the burden to the defendant to disprove infringement.

iii. Intent may be inferred when the defendant is aware of the plaintiff's trademark.

• Proof of actual confusion:

i. While the test for trademark infringement and passing off is the likelihood of confusion, instances of actual confusion are obviously relevant to the determination of the question on confusion.

ii. Having said that, absence of evidence of actual confusion should not be held against the prior owner of a trademark if there is a likelihood of confusion arising from a comparison of the conflicting marks and the context of their use.

11. The factors laid down in India by the Supreme Court in the decision reported as (2001) 5 SCC 73 *Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd.* that are to be considered while deciding the question of likelihood of confusion in passing off are as follows:

i. Nature of the marks, that is, whether the marks are word marks or label marks or composite marks, i.e. both words and label works.

ii. Degree of resemblance between the marks, phonetically similar and hence similar in idea.

iii. Nature of goods in respect of which they are used as trademarks.

- iv. Similarity in nature, character and performance of goods of rival traders.
- v. Class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and degree of care they are likely to exercise in purchasing and/or using the goods.
- vi. Mode of purchasing the goods or placing orders for the goods.
- vii. Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

The Supreme Court has cautioned that weightage to be given to each of the above factors should depend upon the facts of each case and same weightage cannot be given to each factor in every case. The above *Cadila* factors for passing off have not been specifically applied to trademark infringement cases.

12. While applying the above factors while deciding the question of trademark infringement, the following must be borne in mind:

- i. Trademark infringement is governed by Section 29 of the Trademarks Act, 1999. This provision presumes confusion on the part of the public if the marks and goods/services in question are identical.
- ii. The view of the Supreme Court on the defence of ‘*added matter*’ in trademark infringement is that if the essential features of the trademark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from the of the registered proprietor of the mark would be immaterial. The relevant extract from the decision reported as AIR 1965 SC 980 *Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories* is reproduced below. It reads as under : -

“In an action for infringement, the plaintiff must, no doubt, make out that the use of the plaintiff’s mark is likely to deceive, but where the similarity between the plaintiff’s and the defendant’s mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff’s rights are violated. Expressed in another way, if the essential features of the trademark of the respondent have been adopted by the appellant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from the of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may

escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.”

33. There is, therefore, substance in the contention of Mr. Lall that one has to proceed on the basis of initial interest confusion. The principle has thus been expounded in the decision of the learned Single Judge in para 54 of *Baker Hughes*². What matters, fundamentally, is the initial impression that the defendant’s mark conveys to the viewer. If *that impression is confusing*, infringement must be held to have taken place. That, even shortly thereafter, the viewer being disabused of the said initial impression, is irrelevant. If, therefore, because of the use of the impugned mark by the defendant, the *initial interest* of the person viewing the mark is kindled, the mark is infringing in nature.

34. It is, therefore, well settled that, in order to assess infringement, one has to proceed on the basis of the effect of the impugned mark of the defendant from the point of view of initial interest of the consumer who uses the mark. This also serves to underscore the point that it is not necessary that the confusion, arising out of initial interest, *persists*. One may, hypothetically, envisage a situation in which a notice inviting applications for membership of the defendant is issued in the media, denoting the defendant as ICAI. A chartered accountant, who desires to become a member of the plaintiff Institute, proceeds to apply for membership, believing the notice to pertain to the plaintiff. That such a possibility could arise is *ex facie* obvious. Immediately on contacting the concerned person, perhaps even *before* application, the chartered accountant may be made aware of the fact that the notice has been issued, not by the plaintiff, but by the defendant. The

chartered accountant, thus disabused of the erroneous impression he had, does not apply. *Even so, as the chartered account was initially confused, by the notice having been issued by the defendant using the ICAI acronym, the element of initial interest confusion stands satisfied. That, before he could proceed further, the chartered accountant was made aware of the fact that the notice was actually pertaining to the defendant, and not the plaintiff, does not wipe out, or efface, the confusion that had taken place, solely on account of the use, by the defendant, of the ICAI acronym. That, by itself, suffices as “confusion” within the meaning of Section 29(2) of the Trade Marks Act.*

35. “Initial interest confusion” permeates both infringement and passing off. Para 54 of the report in *Baker Hughes²*, on which Mr Lall relies, underscores this position:

“54. I have given my anxious consideration to the submissions of the learned counsel for the defendants on this aspect of the matter. There can be an informed class of purchasers who have a degree of knowledge and a sense of discrimination more substantial than that of an ordinary purchaser, but the mere fact that the customers are sophisticated, knowledgeable and discriminating does not rule out the element of confusion if the trade marks/trade names/corporate names of two companies are identical or if the similarity between them is profound. *In several cases it has been held that initial confusion is likely to arise even amongst sophisticated and knowledgeable purchasers under a mistaken belief that the two companies using the same corporate name, trading name or style are inter-related.* It is the awakened consumers who are more aware of the modern business trends such as trade mark licensing, mergers, franchising, etc. *It is this class of buyers who are likely to think that there is some sort of association between the products of two different companies when they come across common or similar trade names or corporate names or trading styles used by them. The sophistication of a buyer is no guarantee against likely confusion. In some case, however, it is also possible that such a purchaser after having been misled into an initial interest in a product manufactured by an imitator discovers his folly, but this initial interest being based on confusion and deception can give rise to a cause of action for the tort of*

passing off as the purchaser has been made to think that there is some connection or nexus between the products and business of two disparate companies. This view finds support from various decisions gathered in Section 20.12 of the Filing Instructions 1988, Fall Cumulative Supplement from Callmann 'Unfair Competition, Trademarks and Monopolies'. This Section reads as under: —

“But even apart from the doctrine of greater care, if the manner of purchasing becomes routine, the possibility of confusion can arise notwithstanding the expertise of the purchasers (*Layne-Western Co. v. Fry*²²). The mere fact that all the customers are discriminating technicians does not by itself insure against confusion; being skilled in the relevant art does not necessarily preclude confusion if the similarity between the marks is great (*Wincharger Corp. v. Rinco. Inc.*)²³ “The words ‘sophisticated’ and ‘knowledgeable’ are not talismans which, when invoked, act magically to dissipate a likelihood of confusion. It must also be shown how the purchasers react to trademarks, how observant and discriminating they are in practice, or that the decision to purchase involves such careful consideration over such a long period of time that even subtle differences are likely to result in a recognition that different marks are involved before an irrevocable decision is made “(*Refreshment Mach., Inc. v. Read Industries. Inc.*²⁴)”.

*“In some cases it has been held that a different type of confusion, referred to as “initial confusion”, is likely to arise even among sophisticated purchasers. As one court has said; by intentionally copying the trade mark of another more established company, one company attempts to attract potential customers based on the reputation and name built up by the first user; the older company. The danger here is not that the sophisticated purchaser [in the oil trading market] will actually purchase from Pegasus Petroleum believing that he has purchased from Mobil [Oil Co.], the danger is that the purchaser will be misled into an initial interest in Pegasus Petroleum based on a mistaken belief as to the two companies' inter-relationships [*Mobil Oil Corp. v. Pegasus Petroleum Corp.*]”²⁵.*

It has also been suggested that sophisticated consumers,

²² 174 F Supp 621 (CCPA 1960)

²³ 297 F2d 261 (CCPA 1962)

²⁴ 196 USPQ 840 (TTAB 1977)

²⁵ 229 USPQ 890

being more aware of such modern business trends as trademark licensing and conglomerate mergers, are more rather than less likely to suspect some association between disparate companies or products when they see what appears to be one company's mark on another's product [*Lois Sportswear, USA, Inc. v. Levi Straus & Co.*²⁶].”
(Emphasis supplied)

36. Of course, initial interest confusion must occur *as a result of the use, by the defendant, of the infringing mark*. If, for example, the defendant, in the present case, were to use its full title “Institute of Cost Accountants”, instead of ICAI, and, nonetheless, a member of the public were to be confused because he, at that point, confused “Cost Accountant” with “Chartered Accountant”, that confusion would obviously be attributable, not to the defendant, but to the gentleman who couldn’t distinguish Tweedledum from Tweedledee. Where, however, the confusion arises because of the use of the ICAI mark as denoting the defendant, the intellectual property right of the plaintiff would stand infringed, and the defendant may, subject to satisfaction of other indicia of the tort, also be guilty of passing off its service as that of the plaintiff.

37. Mr. Sethi sought to contend that the defendant was always using the ICAI mark in conjunction with its full name, i.e. Institute of Cost Accountants of India. Though Mr. Lall contests this submission on facts, the contention, even if accepted, cannot take the defendant out of the scope and sweep of Section 29(2) read with Section 29(3) of the Trade Marks Act.

38. Section 29(2) as enacted, may be divided into two parts. The

²⁶ 230 USPQ 831, 837 (CA2, 1986)

first part sets out the pre-conditions for the provision to apply. These are that (i) the plaintiff's trade mark must be registered, (ii) the defendant must not be a person using the mark by way of permitted use and (iii) the mark must be used by the defendant in the course of trade. The concept of usage, by a person, of a mark, is explained in Section 29(6)²⁷, read with Section 2(2)(b) and (c)²⁸, according to which use of the plaintiff's registered mark by the defendant in any manner, including usage on business papers or on advertising, would amount to use, by the defendant, of the plaintiff's registered mark for the purposes of Section 29. It cannot, therefore, be denied that the defendant is, in fact, using the ICAI acronym within the meaning of Section 29(2) of the Trade Marks Act. Thus, the initial pre-conditions for the said provision to apply stand satisfied in the present case.

39. Where the pre-conditions stand satisfied, Section 29(2) proceeds, in the second part, to ordain that if, because of, *inter alia*, the identity of the defendant's mark with the registered trade mark of the plaintiff, and the identity of the goods or services covered by both the marks, there is likelihood of confusion on the part of the public or likelihood of the public presuming an association between the

²⁷ (6) For the purposes of this section, a person uses a registered mark, if, in particular, he –

- (a) affixes it to goods or the packaging thereof;
- (b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;
- (c) imports or exports goods under the mark; or
- (d) uses the registered trade mark on business papers or in advertising.

²⁸ (2) In this Act, unless the context otherwise requires, any reference –

- (b) to the use of a mark shall be construed as a reference to the use of printed or other visual representation of the mark;
- (c) to the use of a mark, -
 - (i) in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods;
 - (ii) in relation to services, shall be construed as a reference to the use of the mark as or as part of any statement about the availability, provision or performance of such services;

defendant's mark and the registered trademark of the plaintiff, the plaintiff's registered trademark would stand infringed by the defendant. This position is further clarified by Section 29(3), which requires the Court to presume, in a case where the marks, as well as the goods or services covered by the marks, are identical, the existence of likelihood of confusion on the part of the public.

40. The likelihood of confusion on the part of the public is, therefore, a statutorily presumed incidence of the conjoint operation of the identity of the marks and the identity of the goods and services covered by the marks. This confusion may arise in various circumstances and on account of various forms of usage. It is obvious, given the fact that the plaintiff and the defendant are using the identical marks, i.e., ICAI, in respect of identical services, namely the imparting of education and providing of training, that, in the absence of any other distinguishing feature, the marks by themselves are bound to create confusion in the perception of the observer who observes them. It is impossible, without additional material, to divine whether the reference to ICAI, in respect of educational and training services in Class 12 of the NICE classification, refers to the plaintiff Institute of Chartered Accountants or the defendant Institute of Cost Accountants. It is this reality which finds statutory enunciation in Section 29(3) of the Trade Marks Act.

41. Where the mark by itself is confusing, the possibility of removing the confusion by adding additional material, or providing additional information, does not detract from the applicability of Section 29(2)(c) read with Section 29(3). The classical test of

infringement, *vis-à-vis* passing off, is thus laid down, in paras 28 and 29 of *Kaviraj Pandit Durga Dutt Sharma v. Navratna Pharmaceuticals Laboratories*⁴ which have, on that issue, become *locus classicus*:

“28. The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark and in equating the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right under Section 21 in respect of a registered trade mark and also of a passing off by the use of the same mark. *The finding in favour of the appellant to which the learned counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in the colour and other features and their general get-up together with the circumstance that the name and address of the manufactory of the appellant was prominently displayed on his packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy for the event of the use by another of that mark or a colourable imitation thereof.* While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. *The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods*” (Vide Section 21 of the Act). The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. *In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is*

likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

29. When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be “in the course of trade”, *the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for then the infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered (Vide Section 21). A point has sometimes been raised as to whether the words “or cause confusion” introduce any element which is not already covered by the words “likely to deceive” and it has sometimes been answered by saying that it is merely an extension of the earlier test and does not add very materially to the concept indicated by the earlier words “likely to deceive”. But this apart, as the question arises in an action for infringement the onus would be on the plaintiff to establish that the trade mark used by the defendant in the course of trade in the goods in respect of which his mark is registered, is deceptively similar. This has necessarily to be ascertained by a comparison of the two marks — the degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standards. The persons who would be deceived are, of course, the purchasers of the goods and it is the likelihood of their being deceived that is the subject of consideration. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. The purpose of the comparison is for determining whether the essential features of the plaintiff's trade mark are to be found in that used by the defendant. The identification of the essential features of the mark is in essence a question of fact and depends on the judgment of the Court based on the evidence led before it as regards the usage of the trade. It should, however, be borne in mind that the object of the enquiry in ultimate analysis is whether the mark used by the defendant as a*

whole is deceptively similar to that of the registered mark of the plaintiff.”

(Emphasis supplied)

42. There is, therefore, a clear *prima facie* case of infringement, by the usage, by the defendant, of the impugned ICAI acronym, to designate its institution.

43. The various incidents highlighted in para 12 of the replication filed by the plaintiff, as extracted in para 23 *supra*, clearly underscore the possibility of confusion in the minds of the public, by the usage, by the defendant of the impugned ICAI acronym. Indeed, if a member of the public were to merely come across the ICAI acronym used *per se*, it would be impossible to know whether the acronym was being used to denote the defendant or the plaintiff. On the aspect of possibility of confusion, by the usage, by the defendant, of the impugned ICAI acronym, therefore, I am of the opinion that there can hardly be any dispute.

44. The submission of Mr. Mehra, to the effect that the plaintiff should be non-suited on the ground of acquiescence is also, in my considered opinion, *prima facie* devoid of substance. Mr. Lall has taken me through the communications addressed by the plaintiff to various authorities, including the Ministry of Corporate Affairs, objecting to the usage, by the defendant, of the impugned ICAI acronym. The plaintiff having become aware of the use of the said acronym by the defendant in July 2015, wrote to the Ministry of Corporate Affairs on 6th July 2016, 2nd June 2017, 19th June 2017, 15th December 2017, 20th March 2018 and 28th May 2020 and 17th June 2020, objecting to the use, by the defendant, of the impugned ICAI

acronym. This protest continued till May 2020. It cannot, therefore, be said that the plaintiff was merely sitting back, without doing anything and allowing the defendant to continue to use the impugned ICAI acronym.

45. Besides, the usage, by the defendant, of the ICAI acronym had been made subject matter of a challenge, before the High Court of Madras, at the instance of one of the members of the plaintiff association as far back as in 2016 by way of W.P. No. 30203/2016 (*V. Venkata Siva Kumar v. Institute of Cost Accountants of India & Ors.*)⁵. The plaintiff was Respondent 3 in the said writ petition. The writ petition sought, *inter alia*, issuance of a writ of mandamus to the respondent to change its acronym from ICAI to ICOAI. This writ petition came to be disposed of, by the High Court of Madras, on 20th February 2018. In para 17 of the said decision, the High Court of Madras specifically reserved liberty with the plaintiff to institute proceedings under the Trade Marks Act, challenging the use, by the defendant, of the ICAI acronym. There was, therefore, justifiable cause for the plaintiff not having independently sought its legal remedies under the Trade Marks Act at least till the disposal, by the High Court of Madras, of the aforesaid writ petition, which took place only on 20th February 2018.

46. For all these reasons, I am unable to accept the submission of learned Counsel for the defendant that the plaintiff deserves to be non-suited on the ground of delay or acquiescence.

47. Mr. Mehra had further sought to contend that the presumption

under Section 29(3) of the Trade Marks Act is rebuttable and had cited, for the said purpose, the decisions in *P. Suryanarayana*¹⁴ and *Sodhi Transport Co.*¹⁵. Mr. Lall does not, on principle, dispute this contention. He, however, submits that, even if the presumption engrafted in Section 29(3) of the Trade Marks Act is rebuttable, the onus to rebut the presumption would rest on the defendant. He submits – and I agree – that the defendant has not, in any manner of speaking, managed to discharge the said onus. At the very least, at a *prima facie* stage, given the identity of the plaintiff's and defendant's marks, and the identity of the services in respect of which the marks are used, seen in conjunction with Section 29(2)(c) and Section 29(3) of the Trade Marks Act, the Court has necessarily to presume the existence of a possibility of confusion in the minds of the public by the use, by the defendant, of the impugned ICAI acronym.

48. On the aspect of delay and acquiescence, one may also rely on the following passage from the decision of the Supreme Court in *Midas Hygiene Industries (P) Ltd v. Sudhir Bhatia*²⁹ which clearly holds that delay cannot be treated as an inhibiting factor, where grant of relief in a case of apparent infringement is concerned:

“5. The law on the subject is well settled. In cases of infringement either of trade mark or of copyright, normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it *prima facie* appears that the adoption of the mark was itself dishonest.”

49. The reliance, by the defendant, on Section 30(1) of the Trade Marks Act is obviously misconceived. Section 30(1) applies as Mr. Lall correctly pointed out only where the defendant uses the registered

trade mark of the plaintiff for the purposes of identifying the goods or services of the defendant as those of the plaintiff. The defendant does not, quite obviously, seek to contend that, by using the impugned ICAI acronym, it is seeking to identify the services provided by it as those provided by the plaintiff. The very first ingredient of Section 30(1) is not, therefore, satisfied in the present case.

50. As Section 30(1) does not apply and as the facts of the present case clearly fall within the four corners of Section 29(2)(c) read with Section 29(3) of the Trade Marks Act, the prayer for interlocutory injunction has necessarily to be allowed.

51. As I have found the prayer for interlocutory injunction as deserving of being granted on the aspect of infringement, I do not deem it necessary to enter into the issue of passing off.

52. For the aforesaid reasons, the present application is allowed.

53. The defendant as well as all others acting on its behalf shall stand restrained, henceforth, from using ICAI as an acronym for its institution or for the services provided by it. The defendant shall also take steps to ensure that the acronym ICAI, as referring to the defendant, is removed from all physical and virtual media/websites where the defendant has a presence, which would include all websites on the internet as well as all its social media platforms.

54. Mr. Mehra has, however, submitted that, given the extent of the

²⁹ (2004) 3 SCC 90

defendant's operations, and the extent of usage of the impugned ICAI acronym, the defendant be permitted a reasonable period of time in order to comply with these directions. The request is reasonable. Given the fact that the defendant is a statutory body, it is given three months' time from today to remove the impugned ICAI acronym from all existing web pages or other physical or virtual representations in which the said acronym is used.

55. I.A. 7230/2021 filed by the plaintiff stands allowed accordingly.

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56. List before the learned Joint Registrar (Judicial) for admission and denial of the documents and marking of exhibits on 13th April 2023, whereafter the matter would be placed before the Court for case management hearing and further proceedings.

C.HARI SHANKAR, J

MARCH 21, 2023/kr