

REPORTABLE

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL NO. 404 OF 2022
[Arising out of SLP(C) No. 21428 of 2019]

RENAISSANCE HOTEL HOLDINGS INC. ...APPELLANT(S)

VERSUS

B. VIJAYA SAI AND OTHERS ...RESPONDENT(S)

J U D G M E N T

B.R. GAVAI, J.

1. Leave granted.
2. This appeal challenges the judgment and order dated 12th April 2019 passed by the Single Judge of the High Court of Karnataka at Bengaluru in Regular First Appeal No. 1462 of 2012, thereby allowing the appeal filed by the respondents-defendants herein and setting aside the judgement and decree of the Principal District Judge, Bangalore Rural District, Bangalore (hereinafter referred to

as the “trial court”), dated 21st June 2012 passed in O.S. No. 3 of 2009, in favour of the appellant-plaintiff herein.

3. The facts in brief giving rise to the filing of the present appeal are as under:

The appellant-plaintiff filed a suit being O.S. No. 3 of 2009 before the trial court claiming a decree of permanent injunction to restrain the respondents-defendants from using the trade mark “SAI RENAISSANCE” or any other trade mark identical with the appellant-plaintiff’s trade mark “RENAISSANCE”, and from opening, operating, managing, franchising, licensing, dealing directly or indirectly in hotels, restaurant or hospitality services of any manner under the trade mark “RENAISSANCE”, and to deliver all the goods, label or any other printed material bearing the impugned mark “SAI RENAISSANCE” or “RENAISSANCE” and for damages amounting to Rs.3,50,000/- for having used its trade mark.

4. It is the case of the appellant-plaintiff that it is a company incorporated under the laws of the State of Delaware, United States of America. It is the further case of

the appellant-plaintiff that it is the holder and proprietor of the trade mark and service mark “RENAISSANCE” in relation to hotel, restaurant, catering, bar, cocktail lounge, fitness club, spa services, etc. It is the further case of the appellant-plaintiff that the trade mark “RENAISSANCE” has also been used in relation to a wide variety of goods commonly found in the appellant-plaintiff’s hotels such as bath robes, slippers, shirts, hats, matchboxes, writing paper, candies, etc. These products are imprinted with the appellant-plaintiff’s trade mark “RENAISSANCE”. It is the case of the appellant-plaintiff that the trade mark “RENAISSANCE” has been used by it for its hospitality business throughout the world since the year 1981. That it is one of the world’s largest and leading chains of hotels. That it is using the trade mark “RENAISSANCE” in India since 1990. It is the case of the appellant-plaintiff that it also runs a hotel and convention centre in Mumbai and in Goa. That it also owns a registration for the domain name www.renaissancehotels.com and spends about US\$ 14 million annually for worldwide advertisements and promotional activities.

5. It is the further case of the appellant-plaintiff that it has the registration for the trade mark and service mark “RENAISSANCE” in India, under Registration No. 610567 in Class 16 for “printed matter, periodicals, books, stationery, manuals, magazines, instructional and teaching materials and office requisites” and Registration No. 1241271 in Class 42 for “hotel, restaurant, catering, bar and cocktail lounge services, provisions of facilities for meetings, conferences and exhibitions, reservation services for hotel accommodations”, respectively.

6. According to the appellant-plaintiff, it came across a website at www.sairenaissance.com through which it discovered that the respondents-defendants were operating one hotel in Bangalore and another one in Puttaparthi under the impugned name “SAI RENAISSANCE”, which wholly incorporates the appellant-plaintiff’s well-known trade mark and service mark “RENAISSANCE”. The appellant-plaintiff immediately instructed that an investigation be carried out and sought legal advice with regard to the violation of its intellectual property. Upon investigation, it was revealed

that the respondents-defendants were running one hotel at Kadugodi, near Whitefield Railway Station, Bangalore and another one at By-Pass Road, Puttaparthi. It was further revealed that the respondents-defendants were copying appellant-plaintiff's trade mark "RENAISSANCE", its stylized representation, signage and business cards and leaflets. It is the case of the appellant-plaintiff that this was done in such a manner so as to suggest an affiliation, association, nexus or connection with the business of the appellant-plaintiff. The appellant-plaintiff, therefore, claimed infringement of its registered trade mark "RENAISSANCE" in Class 16 and Class 42. The appellant-plaintiff further contended that a similar suit instituted by it at Kochi being C.S. No. 5 of 2005 before the District Court at Ernakulam was decreed in its favour vide judgment dated 31st January 2008.

7. The respondents-defendants resisted the claim of the appellant-plaintiff by filing their written statement. It was contended that the suit was liable to be dismissed on account of delay, laches and acquiescence. It was further contended that "RENAISSANCE" is a generic word and no

such exclusive rights can be claimed over it in India as it is neither a well-known mark, nor it has any reputation built up by the appellant-plaintiff. It is the case of the respondents-defendants that they are ardent devotees of Sri Shirdi Sai Baba and Sri Puttaparthi Sai Baba. It is the belief of all the devotees of Sri Sai Baba including the first respondent-defendant that Sri Puttaparthi Sai Baba is the reincarnation of Sri Shirdi Sai Baba and therefore, the first respondent-defendant used the dictionary word “RENAISSANCE” after the name of Sri Shirdi Sai Baba and adopted the name “SAI RENAISSANCE”. It is the case of the first respondent-defendant that he has been running the hotel for the last 15 years. According to the first respondent-defendant, the hotel at Kadugodi near Whitefield was established in the year 2001 near the Ashram of Sri Sai Baba. It is the case of the first respondent-defendant that the hotel was established so as to provide facilities to the devotees of Sri Sai Baba. The respondents-defendants further submitted that even the first respondent-defendant was not aware that the appellant-plaintiff had established any such

hotel by incorporating the word “RENAISSANCE” in its name till he received suit summons in the said case.

8. It is contended by the respondents-defendants that the word “RENAISSANCE” is commonly found in the dictionary and is used by a large number of people and therefore, the trade mark “RENAISSANCE” has not become distinctive with the appellant-plaintiff as claimed by it. It is submitted by the respondents-defendants that “RENAISSANCE” is neither a coined word nor an inventive mark. It is further the case of the respondents-defendants that the appellant-plaintiff’s mark “RENAISSANCE” registered under Class 42 is subject to rectification proceedings, and as such, the appellant-plaintiff cannot claim that they are the registered proprietors of the said trade mark “RENAISSANCE”.

9. It is the further case of the respondents-defendants that the class of customers to which they were catering was totally different from the class of customers to which the appellant-plaintiff was catering. It is their case that the services provided by them and the appellant-plaintiff were also totally different. It was contended that the respondents-

defendants did not provide non-vegetarian food and alcoholic drinks to its customers. It was therefore contended that there was no possibility of confusion being created in the minds of the customers that the hotel of the respondents-defendants belonged to or was affiliated to the appellant-plaintiff.

10. The trial court framed the following issues:

- “1. Whether the Plaintiff is the registered proprietor of the trade mark/service mark “RENAISSANCE” under the Trade Mark Act 1999?
2. Whether the plaintiff is the proprietor of trade mark/service mark “Renaissance” on account of prior adoption and use in relation to hotels and hospitality business?
3. Whether the plaintiff proves that the defendant is infringing the trade mark of the plaintiff?
4. Whether the plaintiff proves that the action of defendant is one of passing off?
5. Whether the plaintiff is entitled to an order for delivery of goods, labels or any other printed materials?
6. Whether plaintiff is entitled for rendition of accounts and damages?
7. To what reliefs and decree the parties are entitled for?

Additional Issues

1. Whether the suit is not maintainable for want of signing and verification of the plaint by person having locus standi?
2. Whether the defendants prove that they have been honestly and continuously using the trade mark Hotel SAIRenaissance?"

11. The trial court answered the aforesaid issues as under:

“12. My answer to the above issues are as under:

Issue No.1:	Affirmative
Issue No.2:	Affirmative
Issue No.3:	Affirmative
Issue No.4:	Negative
Issue No.5:	Negative
Issue No.6:	negative
Additional Issue No.1:	Affirmative
Additional Issue No.2:	does not arise for consideration”

12. The trial court after considering the evidence on record and contentions raised on behalf of the parties, partly decreed the suit by restraining the respondents-defendants from using the trade mark “SAI RENAISSANCE” or any other trade mark which incorporates the appellant-plaintiff’s trade mark “RENAISSANCE” or is deceptively similar thereto in relation to or upon printed matter, periodicals, books, instructional and teaching materials, stationery, manuals,

magazines and office requisites amounting to infringement of the appellant-plaintiff's registered trade mark No. 610567 in Class 16 and for hotel, restaurant, catering, bar and cocktail lounge services, provision of facilities for meetings, conferences and exhibitions, reservation services for hotel accommodations amounting to infringement of the appellant-plaintiff's registered trade mark No. 1241271 in Class 42. The trial court further restrained the respondents-defendants from opening, operating, managing, franchising, licensing, dealing directly or indirectly in hotels, restaurant, or hospitality services of any manner under the trade mark or service mark "RENAISSANCE" or any deceptively similar mark "RENAISSANCE" or any deceptively similar mark including on the internet as a domain name www.sairenaissance.com or in any manner so as to pass off their services as those of or concocted with the appellant-plaintiff. The trial court, however, rejected the claim of the appellant-plaintiff for damages. Being aggrieved thereby, the respondents-defendants appealed before the High Court.

13. The High Court observed that the evidence produced by the appellant-plaintiff did not disclose that a trans-border reputation was earned by it to uphold its plea in that regard. The High Court further observed that the appellant-plaintiff is a 5 Star hotel but the respondents-defendants' hotel is not of that standard. The High Court further observed that no evidence was produced by the appellant-plaintiff to show that the respondents-defendants were taking unfair advantage of its trade mark or that the use of the word "SAI RENAISSANCE" was detrimental to the distinctive character or reputation of the appellant-plaintiff's trade mark.

14. Insofar as the judgment of the Kerala High Court in the case of *M/s The RENAISSANCE, Cochin v. M/s RENAISSANCE Hotels Inc. Marriotr*¹ in which injunction was granted in favour of the plaintiff against the Hotel (RENAISSANCE, COCHIN) is concerned, the High Court observed that the said judgment was not applicable to the facts of the present case. It was observed that in the said case, one of the customers had claimed that he was misled to

¹ RFA No. 235 of 2008 dated 28th April, 2009

believe that “The RENAISSANCE, COCHIN” was a part of the plaintiff’s hotel chain and therefore, he resided there. The High Court observed that in the present case, none of the customers had made such a claim. It further observed that the witness of the appellant-plaintiff had admitted that the respondents-defendants serve only vegetarian food without liquor and that he had no idea that the respondents-defendants had established two hotels exclusively for serving the devotees of Satya Sai Baba at Puttaparthi and Bengaluru, respectively. The High Court further observed that the evidence on record shows that the respondents-defendants have not taken unfair advantage, or that its existence was detrimental to the distinctive character or reputation of the appellant-plaintiff’s trade mark. The High Court, therefore, observed that there was no infringement of trade mark, and as such, allowed the appeal filed by the respondents-defendants herein by setting aside the judgement and decree dated 21st June 2012 passed by the trial court and dismissed the suit. Being aggrieved thereby, the appellant-plaintiff has approached this Court.

15. We have heard Shri K.V. Viswanathan, learned Senior Counsel appearing on behalf of the appellant-plaintiff and Shri B.C. Sitarama Rao, learned counsel appearing on behalf of the respondents-defendants.

16. Shri Viswanathan submitted that the test under Sections 29(1), 29(2) and 29(3) of the Trade Marks Act, 1999 (hereinafter referred to as the “said Act”) would be applicable in the present case, where the class of goods or services is identical or similar. He submitted that, however, the High Court has grossly erred in applying the test as provided under Section 29(4) of the said Act. The learned Senior Counsel submitted that the High Court has further erred in only referring to the condition stipulated in clause (c) of Section 29(4) of the said Act. He submitted that Section 29(4) of the said Act would be applicable only if all the three conditions specified therein are satisfied. The learned Senior Counsel further submitted that the High Court has also failed to take into consideration that since the respondents-defendants were using the appellant-plaintiff’s registered trade mark “RENAISSANCE” as a part of their trade name for

the hotels and as a part of the name of their business concern, it squarely falls under sub-section (5) of Section 29 of the said Act and therefore, the respondents-defendants were liable for infringement of registered trade mark.

17. Shri Viswanathan further submitted that merely because the respondents-defendants were using the prefix “SAI” before the registered trade mark of the appellant-plaintiff, it would not save them from an action for infringement of the registered trade mark. He further submitted that the High Court, even after observing that the appellant-plaintiff was a prior user and registered proprietor in respect of the mark “RENAISSANCE” and having held that the respondents-defendants had adopted and had been using the registered trade mark of the appellant-plaintiff “RENAISSANCE” along with the prefix “SAI” and that both of them are in the hotels and hospitality business, has totally erred in holding that there was no infringement of the appellant-plaintiff’s trade mark. The learned Senior Counsel in support of this proposition, relies on the judgment of this

Court in the case of **Laxmikant V. Patel v. Chetanbhai Shah and Another**².

18. Shri Viswanathan further submitted that the test of deception or confusion has been wrongly applied by the High Court inasmuch as, in an action for infringement, where the respondents-defendants' trade mark is identical with the appellant-plaintiff's trade mark, such a test would not be applicable. In support of this proposition, he relies on the judgment of this Court in the case of **Ruston & Hornsby Limited v. Zamindara Engineering Co.**³.

19. Shri Viswanathan submitted that in an action for infringement, where the similarity between the plaintiff's and the defendant's mark is close either visually, phonetically or otherwise, and once it is found by the Court that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Reliance in this respect is placed on the judgment of this Court in the case of **Kaviraj**

² (2002) 3 SCC 65

³ (1969) 2 SCC 727

Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories⁴.

20. The learned Senior Counsel further submitted that the High Court, while reversing the judgement and decree passed by the trial court, has not applied the law correctly, as laid down by this Court in the case of ***Midas Hygiene Industries (P) Limited and Another v. Sudhir Bhatia and Others⁵***.

21. Shri Sitarama Rao, learned counsel appearing on behalf of the respondents-defendants, submitted that the very suit filed by the appellant-plaintiff itself was not maintainable inasmuch as the appellant-plaintiff was not a legal person. It is further submitted that “RENAISSANCE” is a generic English word and the appellant-plaintiff cannot claim monopoly of the same. He submitted that the respondent No. 1 was named “Vijaya Sai” by his parents as they believed that he was born as a result of the prayers made to Sri Sai Baba. It is further submitted that “RENAISSANCE” means “re-birth” and that the name “SAI RENAISSANCE” was

⁴ [1965] 1 SCR 737

⁵ (2004) 3 SCC 90

adopted for his hotel to signify the birth of Sri Puttaparthi Sai Baba as a reincarnation of Sri Shirdi Sai Baba and that the use of mark “SAI RENAISSANCE” amounts to honest concurrent use under Section 12 of the said Act. He further submitted that the appellant-plaintiff acquiesced to the respondents-defendants’ use of the mark inasmuch as the suit came to be filed after a long time gap.

22. Shri Sitarama Rao submitted that the High Court has rightly held that the respondents-defendants’ use was honest and that the reasoning given by them for adopting the word “SAI RENAISSANCE” was justifiable. He further submitted that the High Court has rightly held that the class of customers to which the appellant-plaintiff and the respondents-defendants were catering was totally different, and as such, had rightly allowed the appeal and dismissed the suit.

23. The learned counsel appearing on behalf of the respondents-defendants relies on the judgments of this Court in the cases of *Khoday Distilleries Limited (Now known as Khoday India Limited) v. Scotch Whisky Association*

***and Others*⁶, *Nandhini Deluxe v. Karnataka Cooperative Milk Producers Federation Limited*⁷, *Corn Products Refining Co. v. Shangrila Food Products Limited*⁸ and *Neon Laboratories Limited v. Medical Technologies Limited and Others*⁹.**

24. Shri Viswanathan, in rejoinder, has placed certain documents on record to show that the respondents-defendants have already discontinued the use of the term “RENAISSANCE” from the name of their hotel, signage, etc., and as such, accepted that their use of the term “RENAISSANCE” amounted to infringement of the appellant-plaintiff’s trade mark.

25. For appreciation of the rival controversy, it will be appropriate to briefly refer to the legislative scheme with regard to the trade mark laws.

26. On the day when India attained independence, the law with regard to registration and effective protection of trade

6 (2008) 10 SCC 723

7 (2018) 9 SCC 183

8 [1960] 1 SCR 968

9 (2016) 2 SCC 672

marks was governed by The Trade Marks Act, 1940 (hereinafter referred to as the “1940 Act”). Section 21 of the 1940 Act provided for the right conferred by registration and the exclusive right to use of the trade mark to the registered proprietor of the trade mark and infringement thereof.

Section 21 of the 1940 Act reads thus:

“21. Right conferred by registration.— (1) Subject to the provisions of Sections 22, 25 and 26, the registration of a person in the register as proprietor of a trade mark in respect of any goods shall give to that person the exclusive right to the use of the trade mark in relation to those goods and, without prejudice to the generality of the foregoing provision, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken either—

(a) as being used as a trade mark; or

(b) to import a reference to some person having the right either as a proprietor or as registered user to use the trade mark or to goods with which such a person as aforesaid is connected in the course of trade.”

27. The legislature noticed that the 1940 Act was enacted prior to attaining independence, and after attaining independence, the development in the field of commerce and industry was quite rapid, and it was found that the law relating to trade marks was not adequate enough to meet the growing demands. Accordingly, The Trade and Merchandise Marks Act, 1958 (hereinafter referred to as the “1958 Act”) was enacted. Section 29 of the 1958 Act dealt with the infringement of trade marks, which reads thus:

“29. Infringement of trade marks.—(1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or a registered user thereof using by way of permitted use, uses in the course of a trade mark which is identical with, or deceptively similar to, the trade mark, in relation to any goods 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) In an action for infringement of a trade mark registered in Part B of the register an injunction or other relief shall not be granted to the plaintiff if the defendant establishes to the satisfaction of the court that the use of the mark of which the plaintiff complains is not likely to deceive or cause confusion or to be taken as indicating a connection in the course of trade between the goods in respect of which the trade mark is registered and some person having the right, either as registered proprietor or as registered user, to use the trade mark.”

28. Thereafter, in view of the developments in trading and commercial practices, increasing globalization of trade and industry, the need to encourage investment flows and transfer of technology, and the need for simplification and harmonization of trade mark management systems, it was found necessary by the Parliament to repeal the 1958 Act and enact a new Act, i.e., the said Act. It will be relevant to refer to the Statement of Objects and Reasons of the said Act:

“The Trade and Merchandise Marks Act, 1958 has served its purpose over the last four decades. It was felt that a comprehensive review of the existing law be made in view of developments in trading and commercial practices, increasing globalization of trade and industry, the need to encourage investment flows and transfer of technology, need for simplification and harmonization of trade mark management systems and to give effect to important judicial decisions. To achieve these purposes, the present Bill proposes to incorporate, inter alia the following, namely:-

.....

(j) prohibiting use of someone else’s trade marks as part of corporate names, or name of business concern;

.....”

29. The Trade Marks Bill of 1999 was passed by both the Houses of Parliament and the assent of the President was received on 30th December 1999. It came into force on 15th September 2003. It will be relevant to refer to Sections 28 and 29 of the said Act:

“28. Rights conferred by registration.—(1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

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 subsection (2), the court shall presume that it is likely to cause confusion on the part of the public.

(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—

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(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.

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

(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.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(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.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.”

30. Sub-section (1) of Section 28 of the said Act provides that subject to the other provisions of the said Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by the said Act. Sub-section (2) of Section 28 of the said Act provides that the exclusive right to the use of a trade mark given under sub-section (1) of Section 28 of the said Act shall be subject to any conditions and

limitations to which the registration is subject. The provisions of sub-section (3) of Section 28 of the said Act would not be relevant for the purpose of the present case.

31. Sub-section (1) of Section 29 of the said Act provides that 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. Sub-section (2) of Section 29 of the said Act provides that 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 its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or 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. Sub-section (3) of Section 29 of the said Act is of vital importance. It provides that in any case falling under clause (c) of sub-section (2) of Section 29 of the said Act, the court shall presume that it is likely to cause confusion on the part of the public.

32. A perusal of sub-section (2) of Section 29 of the said Act would reveal that a registered trade mark would be 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 the three eventualities mentioned in clauses (a), (b) and (c), is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark. The first eventuality covered by clause (a) being its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark. The second one covered by clause (b) being its similarity to the registered

trade mark and the identity or similarity of the goods or services covered by such registered trade mark. The third eventuality stipulated in clause (c) would be its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark.

33. It is, however, pertinent to note that by virtue of sub-section (3) of Section 29 of the said Act, the legislative intent insofar as the eventuality contained in clause (c) is concerned, is clear. Sub-section (3) of Section 29 of the said Act provides that in any case falling under clause (c) of sub-section (2) of Section 29 of the said Act, the Court shall presume that it is likely to cause confusion on the part of the public.

34. Sub-section (4) of Section 29 of the said Act provides that 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 similar to the registered trade mark; and is used in relation to goods or services which are not similar to those for which the trade mark is registered; and 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.

35. Sub-section (5) of Section 29 of the said Act provides that a registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

36. Sub-section (6) of Section 29 of the said Act provides that for the purposes of this section, a person uses a registered mark, if, in particular, he affixes it to goods or the packaging thereof; 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; imports or exports goods under the mark; or uses the registered trade mark on business papers or in advertising.

37. Sub-section (7) of Section 29 of the said Act provides that a registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorized by the proprietor or a licensee.

38. Sub-section (8) of Section 29 of the said Act provides that a registered trade mark is infringed by any advertising of that trade mark if such advertising takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or is detrimental to its distinctive character; or is against the reputation of the trade mark.

39. Sub-section (9) of Section 29 of the said Act provides that where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual

representation and reference in this section to the use of a mark shall be construed accordingly.

40. Section 30 of the said Act deals with the limits on effect of registered trade mark. Section 30 of the said Act, which would also be of vital importance in the present case, reads thus:

“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.

(2) A registered trade mark is not infringed where—

(a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;

(b) a trade mark is registered subject to any conditions or limitations, the use of the trade mark in any manner in relation to goods to be sold or otherwise traded in, in any place, or in relation to goods to be

exported to any market or in relation to services for use or available or acceptance in any place or country outside India or in any other circumstances, to which, having regard to those conditions or limitations, the registration does not extend;

(c) the use by a person of a trade mark—

(i) in relation to goods connected in the course of trade with the proprietor or a registered user of the trade mark if, as to those goods or a bulk or which they form part, the registered proprietor or the registered user conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trade mark; or

(ii) in relation to services to which the proprietor of such mark or of a registered user conforming to the permitted use has applied the mark, where the purpose and effect of the use of the mark is to indicate, in accordance with the fact, that those services have been performed by the proprietor or a registered user of the mark;

(d) the use of a trade mark by a person in relation to goods adapted to form part of, or to be accessory to, other goods or services in relation to which the trade mark has been used without infringement of the right given by registration under this Act or might for

the time being be so used, if the use of the trade mark is reasonably necessary in order to indicate that the goods or services are so adapted, and neither the purpose nor the effect of the use of the trade mark is to indicate, otherwise than in accordance with the fact, a connection in the course of trade between any person and the goods or services, as the case may be;

(e) the use of a registered trade mark, being one of two or more trade marks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under this Act.

(3) Where the goods bearing a registered trade mark are lawfully acquired by a person, the sale of the goods in the market or otherwise dealing in those goods by that person or by a person claiming under or through him is not infringement of a trade by reason only of—

(a) the registered trade mark having been assigned by the registered proprietor to some other person, after the acquisition of those goods; or

(b) the goods having been put on the market under the registered trade mark by the proprietor or with his consent.

(4) Sub-section (3) shall not apply where there exists legitimate reasons for the proprietor to oppose further dealings in the goods in particular, where the condition of the goods, has been changed or impaired after they have been put on the market.”

41. Section 31 of the said Act is also relevant in the present case, which reads thus:

“31. Registration to be prima facie evidence of validity.—(1) In all legal proceedings relating to a trade mark registered under this Act (including applications under Section 57), the original registration of the trade mark and of all subsequent assignments and transmissions of the trade mark shall be *prima facie* evidence of the validity thereof.

(2) In all legal proceedings, as aforesaid a registered trade mark shall not be held to be invalid on the ground that it was not a registrable trade mark under Section 9 except upon evidence of distinctiveness and that such evidence was not submitted to the Registrar before registration, if it is proved that the trade mark had been so used by the registered proprietor or his predecessor in title as to have become distinctive at the date of registration.”

42. It could thus be seen that in all legal proceedings relating to trade mark registered under the said Act, the original registration of the trade mark and of all subsequent assignments and transmissions of the trade mark shall be *prima facie* evidence of the validity thereof.

43. The legislative scheme is clear that when the mark of the defendant is identical with the registered trade mark of the plaintiff and the goods or services covered are similar to

the ones covered by such registered trade mark, it may be necessary to prove that it is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark. Similarly, when the trade mark of the plaintiff is similar to the registered trade mark of the defendant and the goods or services covered by such registered trade mark are identical or similar to the goods or services covered by such registered trade mark, it may again be necessary to establish that it is likely to cause confusion on the part of the public. However, when the trade mark of the defendant is identical with the registered trade mark of the plaintiff and that the goods or services of the defendant are identical with the goods or services covered by registered trade mark, the Court shall presume that it is likely to cause confusion on the part of the public.

44. Having considered the legislative scheme as has been elaborately provided in the said Act, it will be apposite to refer to the observations of this Court, while considering Section 21 of The Trade Marks Act, 1940 in the case of ***Kaviraj Pandit Durga Dutt Sharma*** (supra):

“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.”

45. It could thus be seen that this Court has pointed out the distinction between the causes of action and right to relief in suits for passing off and for infringement of

registered trade mark. It has been held that the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark, cannot be equated. It has been held that though an action for passing off is a Common Law remedy being an action for deceit, that is, a passing off by a person of his own goods as those of another; the action for infringement is a statutory right conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive rights to the use of the trade mark in relation to those goods. The use by the defendant of the trade mark of the plaintiff is a *sine qua non* in the case of an action for infringement. It has further been held that 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 in a case of infringement of the trade mark, whereas in the case of a 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.

46. Again, while considering the provisions of Section 21 of the 1940 Act, this Court in the case of ***Ruston & Hornsby Limited*** (supra), observed thus:

“4. It very often happens that although the defendant is not using the trade mark of the plaintiff, the get up of the defendant's goods may be so much like the plaintiff's that a clear case of passing off would be proved. It is on the contrary conceivable that although the defendant may be using the plaintiff's mark the get up of the defendant's goods may be so different from the get up of the plaintiff's goods and the prices also may be so different that there would be no probability of deception of the public. Nevertheless, in an action on the trade mark, that is to say, in an infringement action, an injunction would issue as soon as it is proved that the defendant is improperly using the plaintiff's mark.

5. The action for infringement is a statutory right. It is dependent upon the validity of the registration and subject to other restrictions laid down in Sections 30, 34 and 35 of the Act. On the other hand the gist of a passing off action is that A is not entitled to represent his goods as the goods of B but it is not necessary for B to prove that A did this knowingly or with any intent to deceive. It is enough that the get-up of B's goods has become distinctive of them and that there is a probability of confusion between them and the goods of A. No case of actual deception nor any actual damage need be proved. At common law the action was not maintainable

unless there had been fraud on A's part. In equity, however, Lord Cottenham, L.C., in *Millington v. Fox* [3 My & Cr 338] held that it was immaterial whether the defendant had been fraudulent or not in using the plaintiff's trade mark and granted an injunction accordingly. The common law courts, however, adhered to their view that fraud was necessary until the Judicature Acts, by fusing law and equity, gave the equitable rule the victory over the common law rule.

6. The two actions, however, are closely similar in some respects. As was observed by the Master of the Rolls in *Saville Perfumery Ltd. v. June Perfect Ltd.* [58 RPC 147 at 161] :

“The statute law relating to infringement of trade marks is based on the same fundamental idea as the law relating to passing-off. But it differs from that law in two particulars, namely (1) it is concerned only with one method of passing-off, namely, the use of a trade mark, and (2) the statutory protection is absolute in the sense that once a mark is shown to offend, the user of it cannot escape by showing that by something outside the actual mark itself he has distinguished his goods from those of the registered proprietor. Accordingly, in considering the question of infringement the Courts have held, and it is now expressly provided by the Trade Marks Act, 1938, Section 4, that infringement takes place not merely by exact imitation but by the use of a mark so nearly resembling the registered mark as to be likely to deceive.”

47. It could thus be seen that this Court again reiterated that the question to be asked in an infringement action is as to whether the defendant is using a mark which is same as, or which is a colourable imitation of the plaintiff's registered trade mark. It has further been held that though the get up of the defendant's goods may be so different from the plaintiff's goods and the prices may also be so different that there would be no probability of deception of the public, nevertheless even in such cases, i.e., in an infringement action, an injunction would be issued as soon as it is proved that the defendant is improperly using the plaintiff's mark. It has been reiterated that no case of actual deception nor any actual damage needs to be proved in such cases. This Court has further held that though two actions are closely similar in some respects, in an action for infringement, where the defendant's trade mark is identical with the plaintiff's trade mark, the Court will not enquire whether the infringement is such as is likely to deceive or cause confusion.

48. In the present case, both the trial court and the High Court have come to the conclusion that the trade mark of the respondents-defendants is identical with that of the appellant-plaintiff and further that the services rendered by the respondents-defendants are under the same class, i.e., Class 16 and Class 42, in respect of which the appellant-plaintiff's trade mark "RENAISSANCE" was registered. In such circumstances, the trial court had rightly held that the goods of the appellant-plaintiff would be covered by Section 29(2)(c) read with Section 29(3) of the said Act.

49. However, the High Court, while reversing the decree of injunction granted by the trial court, has held that the appellant-plaintiff had failed to establish that the trade mark has reputation in India and that the respondents-defendants' use thereof was honest and further that there was no confusion likely to be created in the minds of the consumers inasmuch as the class of consumers was totally different. It appears that the High Court has relied only on clause (c) of sub-section (4) of Section 29 of the said Act to arrive at such a conclusion.

50. We find that the High Court has totally erred in taking into consideration only clause (c) of sub-section (4) of Section 29 of the said Act. It is to be noted that, whereas, the legislature has used the word 'or' after clauses (a) and (b) in sub-section (2) of Section 29 of the said Act, it has used the word 'and' after clauses (a) and (b) in sub-section (4) of Section 29 of the said Act. It could thus be seen that the legislative intent is very clear. Insofar as sub-section (2) of Section 29 of the said Act is concerned, it is sufficient that any of the conditions as provided in clauses (a), (b) or (c) is satisfied.

51. It is further clear that in case of an eventuality covered under clause (c) of sub-section (2) of Section 29 in view of the provisions of sub-section (3) of Section 29 of the said Act, the Court shall presume that it is likely to cause confusion on the part of the public.

52. The perusal of sub-section (4) of Section 29 of the said Act would reveal that the same deals with an eventuality when the impugned trade mark is identical with or similar to

the registered trade mark and is used in relation to goods or services which are not similar to those for which the trade mark is registered. Only in such an eventuality, it will be necessary to establish that 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. The legislative intent is clear by employing the word “and” after clauses (a) and (b) in sub-section (4) of Section 29 of the said Act. Unless all the three conditions are satisfied, it will not be open to the proprietor of the registered trade mark to sue for infringement when though the impugned trade mark is identical with the registered trade mark, but is used in relation to goods or services which are not similar to those for which the trade mark is registered. To sum up, while sub-section (2) of Section 29 of the said Act deals with those situations where the trade mark is identical or similar and the goods covered by such a trade mark are identical or similar, sub-section (4) of Section 29 of the said Act deals with situations where though the trade mark is identical, but

the goods or services are not similar to those for which the trade mark is registered.

53. Undisputedly, the appellant-plaintiff's trade mark "RENAISSANCE" is registered in relation to goods and services in Class 16 and Class 42 and the mark "SAI RENAISSANCE", which is identical or similar to that of the appellant-plaintiff's trade mark, was being used by the respondents-defendants in relation to the goods and services similar to that of the appellant-plaintiff's.

54. In these circumstances, we are of the considered view that it was not open for the High Court to have entered into the discussion as to whether the appellant-plaintiff's trade mark had 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. We find that the High Court has erred in entering into the discussion as to whether the respondents-defendants and the appellant-plaintiff cater to different classes of customers and as to whether there was

likely to be confusion in the minds of consumers with regard to the hotel of the respondents-defendants belonging to the same group as of the appellant-plaintiff's. As held by this Court in the case of ***Ruston & Hornsby Limited*** (supra), in an action for infringement, once it is found that the defendant's trade mark was identical with the plaintiff's registered trade mark, the Court could not have gone into an enquiry whether the infringement is such as is likely to deceive or cause confusion. In an infringement action, an injunction would be issued as soon as it is proved that the defendant is improperly using the trade mark of the plaintiff.

55. It is not in dispute that the appellant-plaintiff's trade mark "RENAISSANCE" is registered under Class 16 and Class 42, which deals with hotels and hotel related services and goods. It is also not in dispute that the mark and the business name "SAI RENAISSANCE", which was being used by the respondents-defendants, was also in relation to Class 16 and Class 42. As such, the use of the word "RENAISSANCE" by the respondents-defendants as a part of

their trade name or business concern, would squarely be hit by sub-section (5) of Section 29 of the said Act.

56. It is further to be noted that the words “RENAISSANCE” and “SAI RENAISSANCE” are phonetically as well as visually similar. As already discussed hereinabove, sub-section (9) of Section 29 of the said Act provides that where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation. As such, the use of the word “SAI RENAISSANCE” which is phonetically and visually similar to “RENAISSANCE”, would also be an act of infringement in view of the provisions of sub-section (9) of Section 29 of the said Act.

57. It is pertinent to note that, the High Court has relied on Section 30(1)(b) of the said Act in paragraph (18) of the impugned judgment. It will be relevant to refer to paragraph (18), which reads thus:

“18. Section 30(1)(b) of the Act has also contextual application. This Section reads as follows:-

“30. Limits of 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)xxxxxxxxxxxxx

(b)is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark.””

58. The glaring mistake that has been committed by the High Court is the failure to notice the following part of Section 30(1) of the said Act:

“(a) is in accordance with honest practices in industrial or commercial matters, and”

59. The perusal of Section 30(1) of the said Act would reveal that for availing the benefit of Section 30 of the said Act, it is required that the twin conditions, i.e., the use of the impugned trade mark being in accordance with the honest practices in industrial or commercial matters, and that such a use is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark, are required to be fulfilled. It is again to be noted that

in sub-section (1) of Section 30 of the said Act, after clause (a), the word used is 'and', like the one used in sub-section (4) of Section 29 of the said Act, in contradistinction to the word 'or' used in sub-section (2) of Section 29 of the said Act. The High Court has referred only to the condition stipulated in clause (b) of sub-section (1) of Section 30 of the said Act ignoring the fact that, to get the benefit of sub-section (1) of Section 30 of the said Act, both the conditions had to be fulfilled. Unless it is established that such a use is in accordance with the honest practices in industrial or commercial matters, and is not to take unfair advantage or is not detrimental to the distinctive character or repute of the trade mark, one could not get benefit under Section 30(1) of the said Act. As such, the finding in this regard by the High Court is also erroneous.

60. We find that the High Court has failed to take into consideration two important principles of interpretation. The first one being of textual and contextual interpretation. It will be apposite to refer to the guiding principles, succinctly summed up by Chinnappa Reddy, J., in the judgment of this

Court in the case of ***Reserve Bank of India v. Peerless***

General Finance and Investment Co. Ltd. and Others¹⁰:

“**33.** Interpretation must depend on the text and the context. They are the bases of interpretation. One may well say if the text is the texture, context is what gives the colour. Neither can be ignored. Both are important. That interpretation is best which makes the textual interpretation match the contextual. A statute is best interpreted when we know why it was enacted. With this knowledge, the statute must be read, first as a whole and then section by section, clause by clause, phrase by phrase and word by word. If a statute is looked at, in the context of its enactment, with the glasses of the statute-maker, provided by such context, its scheme, the sections, clauses, phrases and words may take colour and appear different than when the statute is looked at without the glasses provided by the context. With these glasses we must look at the Act as a whole and discover what each section, each clause, each phrase and each word is meant and designed to say as to fit into the scheme of the entire Act. No part of a statute and no word of a statute can be construed in isolation. Statutes have to be construed so that every word has a place and everything is in its place. It is by looking at the definition as a whole in the setting of the entire Act and by reference to what preceded the enactment and the reasons for it that the Court construed the expression “Prize Chit” in *Srinivasa* [(1980) 4 SCC 507 : (1981) 1 SCR 801 : 51 Com Cas 464] and we find no reason to depart from the Court's construction.”

10 (1987) 1 SCC 424

61. It is thus trite law that while interpreting the provisions of a statute, it is necessary that the textual interpretation should be matched with the contextual one. The Act must be looked at as a whole and it must be discovered what each section, each clause, each phrase and each word is meant and designed to say as to fit into the scheme of the entire Act. No part of a statute and no word of a statute can be construed in isolation. Statutes have to be construed so that every word has a place and everything is in its place. As already discussed hereinabove, the said Act has been enacted by the legislature taking into consideration the increased globalization of trade and industry, the need to encourage investment flows and transfer of technology, and the need for simplification and harmonization of trade mark management systems. One of the purposes for which the said Act has been enacted is prohibiting the use of someone else's trade mark as a part of the corporate name or the name of business concern. If the entire scheme of the Act is construed as a whole, it provides for the rights conferred by registration and the right to sue for infringement of the

registered trade mark by its proprietor. The legislative scheme as enacted under the said statute elaborately provides for the eventualities in which a proprietor of the registered trade mark can bring an action for infringement of the trade mark and the limits on effect of the registered trade mark. By picking up a part of the provisions in sub-section (4) of Section 29 of the said Act and a part of the provision in sub-section (1) of Section 30 of the said Act and giving it a textual meaning without considering the context in which the said provisions have to be construed, in our view, would not be permissible. We are at pains to say that the High Court fell in error in doing so.

62. Another principle that the High Court has failed to notice is that a part of a section cannot be read in isolation. This Court, speaking through A.P. Sen, J., in the case of ***Balasinor Nagrik Cooperative Bank Ltd. v. Babubhai Shankerlal Pandya and Others***¹¹, observed thus:

“4.It is an elementary rule that construction of a section is to be made of all parts together. It is not permissible to omit any part of it. For, the principle

11 (1987) 1 SCC 606

that the statute must be read as a whole is equally applicable to different parts of the same section.....”

This principle was reiterated by this Court in the case of

Kalawatibai v. Soiryabai and Others¹²:

“6. It is well settled that a section has to be read in its entirety as one composite unit without bifurcating it or ignoring any part of it.....”

63. Ignoring this principle, the High Court has picked up clause (c) of sub-section (4) of Section 29 of the said Act in isolation without even noticing the other provisions contained in the said sub-section (4) of Section 29 of the said Act. Similarly, again while considering the import of sub-section (1) of Section 30 of the said Act, the High Court has only picked up clause (b) of sub-section (1) of Section 30 of the said Act, ignoring the provisions contained in clause (a) of the said sub-section (1) of Section 30 of the said Act.

64. That leaves us with the reliance placed by the High Court on the judgment of this Court in the case of ***Midas***

12 (1991) 3 SCC 410

Hygiene Industries (P) Limited (supra). The High Court has relied on the following observations of this Court in the aforementioned case:

“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.

[emphasis supplied by me]”

65. The emphasis has been placed by the High Court on the observations of this Court in the case of **Midas Hygiene Industries (P) Limited** (supra) to the effect that the grant of injunction also becomes necessary if it *prima facie* appears that the adoption of the mark was itself dishonest. The High Court has relied upon the said observations to reverse the order of injunction on the ground that there is no dishonesty in the respondents-defendants’ adoption of the mark and therefore, they cannot be said to have infringed the trade mark. In our considered view, the aforesaid observations are made out of context. In the said case, the

suit was filed for passing off or for infringement of the copyright. In the said case, the Single Judge of the High Court had granted injunction in favour of the plaintiff from manufacturing, marketing, distributing or selling insecticides, pesticides as well as insect repellent under the name 'LAXMAN REKHA'. The Division Bench had vacated the injunction on the ground that there was delay and laches. This Court found that at least from 1991, the plaintiff was using the mark 'LAXMAN REKHA' and the plaintiff was having a copyright in the marks 'KRAZY LINES' and 'LAXMAN REKHA' with effect from 19th November 1991. It was also found that the respondent worked with the plaintiff prior to launching his business. In the said case, this Court observed that the grant of injunction becomes necessary if it *prima facie* appears that the adoption of the mark was itself dishonest. However, the said judgment cannot be used as a ratio for the proposition that, if the plaintiff fails to prove that the defendant's use was dishonest, an injunction cannot be granted. On the contrary, the High Court has failed to take into consideration the observations

made in the very same paragraph to the effect that in cases of infringement, either of a trade mark or copyright, normally an injunction must follow.

66. Insofar as the reliance placed by the learned counsel for the respondents-defendants on the judgment of this Court in the case of *Khoday Distilleries Limited* (supra) is concerned, the said case arose out of an application filed by the applicants on 21st April 1986 with regard to rectification of the trade mark. In the said case, the manufacture of the product was started by the company in May 1968. The said company filed an application for registration of its mark before the competent authority. The manufacturer was informed that its application was accepted and it was allowed to proceed with the advertisement and the trade mark was subsequently registered inasmuch as there was only one opposition, and as such, the trade mark came to be registered. The applicants had not filed any opposition application. They came to know of the manufacturer's mark on or about 20th September 1974. They filed an application for rectification of the said trade mark on 21st April 1986.

The question of acquiescence was considered in the said case since it was noticed that though the product was being manufactured since 1968 and though the applicants who sought rectification application came to know about the same on or around 20th September 1974, the rectification application came to be filed only in the year 1986. The present case arises out of an action for infringement of a trade mark. As such, ratio in ***Khoday Distilleries Limited*** (supra), would not be applicable to the present case. It is further to be noted that this Court in paragraph (84) of the said judgment has specifically observed that the said Act had no application in the said case, which reads thus:

“**84.** So far as the applicability of the 1999 Act is concerned, having regard to the provisions of Sections 20(2) and 26(2), we are of the opinion that the 1999 Act will have no application.”

67. In that view of the matter, reliance placed by the respondents-defendants on the judgment of this Court in the case of ***Khoday Distilleries Limited*** (supra) is misplaced.

68. Insofar as reliance placed on the judgment of this Court in the case of ***Nandhini Deluxe*** (supra) is concerned, in the said case, the marks for consideration were “Nandhini” and “Nandini”. It will be relevant to refer to the following observations of this Court in the said case:

“**30.** Applying the aforesaid principles to the instant case, when we find that not only visual appearance of the two marks is different, they even relate to different products. Further, the manner in which they are traded by the appellant and the respondent respectively, highlighted above, it is difficult to imagine that an average man of ordinary intelligence would associate the goods of the appellant as that of the respondent.”

69. It could thus be seen that in the facts of the said case, not only the visual appearance of the two marks were different, but they even related to different products. As such, the said judgment would also be of no assistance to the case of the respondents-defendants in the present case.

70. Insofar as the reliance placed on the judgment of this Court in the case of ***Neon Laboratories Limited*** (supra) is concerned, the said case arose out of the proceedings for grant of temporary injunction under Order XXXIX Rules 1

and 2 of the Code of Civil Procedure, 1908. The trial court had granted an injunction in favour of the plaintiff finding that the plaintiff had, with *prima facie* material, established that it was using their trade mark well before the attempted use of an identical or closely similar trade mark by the appellant-defendant. The said injunction was affirmed by the Single Judge of the High Court. Confirming the concurrent orders, this Court held that the plaintiff would be entitled to a temporary injunction in light of the “first in the market” test. As such, the said judgment would also not be applicable to the facts of the present case.

71. We are, therefore, of the considered view that the High Court fell in error on various counts. The present case stood squarely covered by the provisions of Section 29(2)(c) read with sub-section (3) of Section 29 of the said Act. The present case also stood covered under sub-sections (5) and (9) of Section 29 of the said Act. The High Court has erred in taking into consideration clause (c) of sub-section (4) of Section 29 of the said Act in isolation without noticing other parts of the said sub-section (4) of Section 29 of the said Act

and the import thereof. The High Court has failed to take into consideration that in order to avail the benefit of Section 30 of the said Act, apart from establishing that the use of the impugned trade mark was not such as to take unfair advantage of or is detrimental to the distinctive character or repute of the trade mark, it is also necessary to establish that such a use is in accordance with the honest practices in industrial or commercial matters. As such, we have no hesitation to hold that the High Court was not justified in interfering with the well-reasoned order of the trial court.

72. Therefore, we are of the considered view that the High Court fell in error by interfering with the well-reasoned order of the trial court and so, the present appeal deserves to be allowed.

73. In the result, the appeal is allowed and the impugned judgment and order dated 12th April 2019 passed by the High Court of Karnataka at Bengaluru in Regular First Appeal No. 1462 of 2012 is quashed and set aside. The judgement and decree dated 21st June 2012 passed by the trial court in O.S. No. 3 of 2009 is maintained.

74. No order as to cost. Pending application(s), if any, are disposed of in the above terms.

.....**J.**
[L. NAGESWARA RAO]

.....**J.**
[B.R. GAVAI]

.....**J.**
[B.V. NAGARATHNA]

NEW DELHI;
JANUARY 19, 2022.