

Kala Niketan Vs. Kala Niketan

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Court : Delhi

Decided On : Sep-11-1981

Reported in : AIR1983Delhi161; ILR1981Delhi592

Judge : G.C. Jain, J.

Acts : [Trade and Merchandise Marks Act, 1958](#) - Sections 28(1)

Appeal No. : Suit Appeal No. 607 of 1978

Appellant : Kala Niketan

Respondent : Kala Niketan

Advocate for Pet/Ap. : Anoop Singh,; Manmohan Singh and; K.L. Aggarwal, Advs

Judgement :

G.C. Jain, J.

(1) In this suit the plaintiff, who carries of business as 'Kala Niketan', seeks a decree for permanent injunction restraining the defendant, its servants, agents, representatives and dealers from directly or indirectly, dealing in Sarees and other textile goods as 'Kala Niketan' or any other identical or deceptively similar trade name; an order for destruction of dies, blocks, transfer labels and any other material bearing the impugned trade name and for rendition of accounts.

(2) According to the allegations in the plaint, the business of selling Sarees as 'Kala Niketan' was started by Shrimati Momi Devi at 2343/2, Ajmal Khan Road, Karol Bagh, New Delhi, on April 7, 1957. In April 1958, she took her two sons, Shambhoo Nath Khanna and Krishan Lal Khanna, in partnership with her in the said business. Shambhoo Nath Khanna retired from the firm with effect from June 15, 1966. Shrimati Momi Devi also retired with effect from 1, 1972 after assigning her share and interests in the partnership business, goodwill, stocks etc. in favor of remaining partner, Krishan Lal Khanna, who was carrying on the said business as its sole proprietor since then. The trade name 'Kala Niketan', it is Stated, had acquired a valuable goodwill and reputation amongst the trade and public because of its long and extensive user since 1957. The annual sale from April 7, 1957 to March 31, 1958 was of Rs. 2,49,410.53. In the financial year 1975-76 it was increased to Rs. 11,06,840.70 and in the year 1976-77 the annual sale was of Rs. 10,26,420.45. The plaintiff had given wide publicity to its trade name through newspapers, radio, boarding and other media and the name is stated to have become popular amongst the public and the trade. The defendant being aware of the rights and interests of the plaintiff in this trade name, with mala fide and illegal design, adopted the same trade and started business in Sarees with a view to earn illegal profits on the reputation and goodwill of the plaintiff-firm. The defendant was passing off and causing confusion in the trade and public that he was in any way connected with the plaintiff-firm. The Sarees were purchased by ladies and they were bound to be confused on account of the deceptive similarity between the two trade names. The defendants had no right or interest to use and to pass off the plaintiff's trade name or its business. Defendants by this act had put the plaintiff to a great loss. The defendant-firm was served with a notice in December 1977 to stop user of the said passing off, but they did not stop the passing off of the trade name 'Kala Niketan' in spite of assurances. On the other hand, they with mala fide intention published a caution notice in the Indian Express, dated May 13, 1978 claiming that defendant firm was the proprietor of the name 'Kala Niketan' in respect of trade of all kinds of Sarees and textiles etc.

(3) The suit was resisted by the defendant-firm. It was pleaded that the defendant adopted its trading style, namely, 'Kala Niketan' in the year 1975 and had been using the same bona fide continuously without any reference to the plaintiff's

trading style. The words 'Kala Niketan', it was alleged, were wholly descriptive in the trade of Sarees and there were a number of traders and dealers in Sarees using the said trading style and the defendant was saved under the provisions contained in section 34 of the [Trade and Merchandise Marks Act, 1958](#). It was also alleged that there was no question of any confusion because the defendant's shop was situated in a different market at a considerable distance. All other allegations were denied. The following issues have been settled :

1. Whether the defendant is not entitled to trade under the name Kala Niketan
2. If issue No. 1 is found in favor of the plaintiff, is he not entitled to the grant of the reliefs claimed?
3. Whether the trade name Kala Niketan is descriptive and common to the trade
4. Relief.

Issues 1 to 3 :

(4) These issues are inter-connected and, therefore, I propose deciding them together.

(5) Section 28(1) of the [Trade and Merchandise Marks Act, 1958](#), confers upon the registered proprietor of the trade mark the exclusive right to use the trade mark in relation to the goods in respect of which the trade-mark is registered and to obtain relief in respect of infringement of his trade mark. This right is, of course, dependent on the validity of the registration and is subject to the other provisions of the Act. Similarly, section 51(1) of this Act entitles a registered user of trade mark to institute proceedings for infringement in his own name in certain circumstances. This right is subject to any agreement subsisting between, the parties. It is thus clear that an action for infringement of a trade mark is based on a statutory right. Admittedly, the action brought by the plaintiff is not an action for infringement of trade mark. It is a common law action for passing off in relation to plaintiff's business. In other words, it is an action in tort.

(6) A trade name means a name under which goods are sold by a certain person and which by established usage has become known to the public as indicating that those goods are the goods of that person. To carry on business under such a name, mark, description or otherwise in such a manner as to mislead the public into believing that the business is that of another person, is an actionable wrong. Just as a man is not entitled to pass off his goods as being somebody else's goods, so the man is not entitled to carry on business in such a way as to represent his business as being that of another person. This form of injury is commonly termed that of passing off one's business as the business of another and is the most important example of the wrong of injurious falsehood. The basis of passing off action is making of a false representation. The right, the invasion of which is the subject of passing off action is the right to the goodwill of his business likely to be injured by the misrepresentation. The Court will protect the business reputation enjoyed by any person against tangible risks or probability of injury just as it would protect any other property of that person against any such risk or probability. One of the ways in which a business reputation may be injured is by the appropriation by a stranger of part of such reputation. Such appropriation: may be brought about by the adoption of a name which suggests that the person adopting it is in some way connected or associated with the person enjoying the reputation.

(7) The cause of action for a suit based on the tort of passing off involves a combination of distinctiveness of the plaintiff's name and an injurious use by the defendant of that name. Thus to succeed, the plaintiff must prove that the disputed name 'Kala Niketan' by long user has become distinctive of his goods in the sense that by use of his name in relation to goods they are regarded coming from a particular source. Secondly, the plaintiff must prove that defendant's use of trading style 'Kala Niketan' was likely or calculated to deceive and thus cause confusion and injury to the business reputation of the plaintiff. The proof of actual damage or fraud is unnecessary as held by a Division Bench of this Court in *Century Traders v. Roshan Lal Duggar & Co. and others* : AIR1978 Delhi250

(8) Parties have filed affidavits in support of their respective pleas. Shri Krishan Lal Khanna, sole proprietor of the plaintiff-firm, in his affidavit dated September 21,

1979 has stated that his firm was started in the year 1957 by his mother. Shrimati Morni Devi. She took him and his brother, Shambhoo Nath, as partners in the firm in the year 1958. Shambhoo Nath retired on June 15, 1966 and Shrimati Morni Devi retired with effect from April 1, 1972. The name of the firm remained as 'Kala Niketan' up-till now. These averments find corroboration from the various bills from the year 1957 to 1978 filed by the plaintiff on record. These bills are in favor of 'Kala Niketan'. Plaintiff has also filed copies of assessment orders for the assessment year 1958-59 to 1975-76. These show that the plaintiff was being assessed to income-tax for carrying on business under the trading style Messrs 'Kala Niketan'. Thus it has been proved that the plaintiff's business in Sarees under the trading name 'Kala Niketan' was going on since 1957.

(9) In Paragraph 6 of his affidavit dated September 21, 1979, Shri Krishan Lal, proprietor of the plaintiff-firm, has said that his firm had been advertising its trading name 'Kala Niketan' and its products i.e. Sarees, through various media i.e. handbills, drum beating, newspapers and radio. This fact also finds corroboration from the various bills and newspapers filed by the plaintiff on record. Correctness of these averments was not controverted in the various affidavits filed on behalf of the defendant. Thus it has been proved that the plaintiff had given wide publicity to its trading name 'Kala Niketan' through newspapers, radio, etc.

(10) As observed above, the plaintiff has filed copies of the assessment orders for the years 1958-59 to 1975-76. A perusal of these orders shows that in the year 1958-59 the business income of the plaintiff-firm was Rs. 14,841.00 . For the assessment year 1973-74 income was assessed at Rs. 32,075.00 . For the assessment year 1959-60 the total sales shown were of Rs. 4,27,308. For the year 1973-74 the total sales declared were of Rs. 7,02,660.00 . Thus it is clear that the plaintiff had good sales.

(11) Shri Krishan Lal Khanna in his affidavit dated September 21, 1979 (paragraph 10) has stated that during the last 20 years the plaintiff-firm 'Kala Niketan' had achieved unique reputation, name and goodwill throughout Delhi and its suburbs and the trading style 'Kala Niketan' was exclusively associated with him and it had achieved name for fresh Sarees and durable material. Sarvshri Kundan Lal, Kedar

Nath and Deputy Chattwani have stated in their affidavits that during these years the plaintiff had earned a very good reputation, goodwill and name in the market. Shri B. L. Bajaj in his affidavit deposed that the plaintiff's prices were very reasonable and competitive and their stocks were always fresh and, therefore, he had been patronising the shop for the last many years. From this evidence, corroborated from the facts, namely, that the business was being run under the name 'Kala Niketan' since 1957 i.e. for more than 20 years: lot of amount has been spent on advertisement and the business turn-over was in several lacs it has been proved that the trading name 'Kala Niketan' had achieved reputation and goodwill in the market. In other words, the plaintiff had acquired distinctiveness of its trading name. The above-mentioned circumstances are sufficient to associate the trade name so closely with the goods, i.e. Sarees of the plaintiff, as to become a part of the goodwill of the business of the plaintiff. He has thus acquired a quasi-proprietary right to the exclusive use of this trade name in relation to the Sarees. In *Wearwell Cycle Co. (India) Limited v. Wearwell Industries, Ludhiana and others* 1969 D.L.T. 469, use of trade mark for twelve years resulting in the sales of cycles worth Rs. 3 crores and advertising expenses of Rs. 4 lacs was considered sufficient to acquire the proprietary right to the trade mark. Here the turnover is, no doubt, in lacs only but the plaintiff is carrying on the business of sale of Sarees and not of manufacture. Moreover, the user of this trade name is for the last more than 20 years.

(12) Shri Kuldip Jain, son of Shri Lal Chand Jain, has filed an affidavit on behalf of the defendant and has stated that Messrs Kala Niketan in Karol Bagh were not very good' pay masters. This is a vague statement and is of no value.

(13) The defendant is using exactly the same trade name 'Kala Niketan'. From the fact that defendant's trade name is identical it would be reasonable to assume that there will be interference with the trade and there may be a diversion of customers. There was likelihood of considerable confusion. The use of the trade name 'Kala Niketan' by the defendant was likely to deceive the plaintiff's customers in the thinking that defendant's business was that of the plaintiff's. Several affidavits have been filed on behalf of the defendant but there is no evidence that get-up, packing and other writing and marks on the goods or on

packets in which the defendant offered his goods for sale show marked difference or indicate a different trade origin. Shri Kasturi Lal Tandon in paragraph 10 of his affidavit dated August 31, 1978 has stated that to make some distinction the defendant had been using the words 'South Extension' wherever the words 'Kala Niketan' appeared. 'South Extension' is just the address of the defendant-firm and is not a part of the trading name and does not distinguish the business of the defendant from that of the plaintiff. This alleged difference is not sufficient to avoid confusion.

(14) Shri Kasturi Lal Tandon, partner of the defendant-firm, in his affidavit dated August 31, 1978 has stated that 'Kala Niketan' means 'House of Art' which was quite descriptive in respect of Sarees which had, some peculiar design and art and the word 'Kala' was very common to Sarees' trade and that the descriptive words in respect of particular trade could not be monopolised under the law. He has also stated that the name 'Kala Niketan' was being used by various firms throughout India and was also being used in Delhi by three firms in Kamla Nagar, Jogiwara Nai Sarak and Vinay Nagar Market. In his affidavit dated March 4, 1980 he further stated that Saree business was being carried on also under the name 'Kala Mandir', 'Kala Mahal', 'Kala Bhawan', 'Kala Sangam', 'Kala Kendra', etc. Mrs. Tarvinder Kaur in her affidavit dated March 4, 1980 deposed that 'Kala Niketan' meant 'House of Art' and in respect of sarees was quite descriptive of the goods just as 'Beautiful House', 'Best Choice House', for ladies articles. Mrs. Neelam Khuller in her affidavit dated March 4, 1980 stated that 'Kala Niketan' meant 'House of Art' and that defendant-firm sold goods under artistic designs and good quality with reasonable prices. Mrs. Mandeep Sarang deposed that 'Kala Niketan' meant 'House of Art' and that there were many Saree shops under the name 'Kala Niketan', 'Kala Mandir', 'Kala Bhawan', 'Kala Sangam' and 'Kala Kendra' and these names signified that they dealt in artistic designs of Sarees or clothes. Shri Kuldip Jain deposed that 'Kala Niketan' meant 'House of Art' and that there were about fifteen shops all over India with this name three of them being in Delhi. On the basis of this evidence, learned counsel appearing for the defendant contended that the words 'Kala Niketan' were simple words in common use in the general language of the people and were descriptive of the quality and character of the goods i.e. 'Sarees in which the defendant was dealing and, therefore, these

words could not be monopolised and consequently the plaintiff was not entitled to any protection. Reliance was also placed on a letter dated January 15, 1980 issued by the Trade Marks Registry, Bombay opining that the mark 'Kala Niketan' was prima facie inherently not adapted to distinguish and was also prima facie inherently not capable of distinguishing the goods mentioned in the request within the meaning of section 9 of the Act.

(15) It is settled law that if a trade name merely describes the goods or their characteristics then ordinarily the plaintiff cannot prevent others from using it. A trade name is opposed to a merely descriptive name. In *Office Cleaning Services Limited v. Westminster Window & General Cleaners Limited*, (1946) 63 R.P.C. 39, Lord Simonds said :

'IT comes in the end, I think, to no more than this, that where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.'

'ARE the words 'Kala Niketan' descriptive of the Sarees' is, therefore, the question that now falls for determination.

(16) The test whether the words are descriptive has been laid down in *Corpus Jurisdiction Secundum* Volume 87 in paragraph 34 at page 271 as follows :

'THE true test in determining whether a particular name or phrase is descriptive is whether, as it is com- used, it is reasonably indicative and descriptive of the thing intended. In order to be descriptive, within the condemnation of the rule, it is sufficient if information is afforded as to the general nature or character of the article, and it is not necessary that the words or marks used shall comprise a clear, complete, and accurate description. The meaning which should be given is the impression and signification which are conveyed to the public. Whether words or marks claimed as trade-marks are descriptive or whether they are suggestive or

arbitrary and fanciful must be decided with respect to the articles to which they are applied and the mark must be considered as a whole.'

The word 'Niketan' according to Bhargava's Standard Illustrated Dictionary of the Hindi Language means 'dwelling, habitation, house, place, residence, mansion'. This word 'Niketan' is not indicative in any way of the goods in question i.e. Sarees. It does not afford any information as to the general nature or character of the Sarees. The word 'Kala' according to the above-mentioned Dictionary, inter alia, means : 'brilliance, grandeur, fraud, trick, sport, play, supernatural power, somersault, art, craft, technics, fine arts'. According to the learned counsel for the defendant the word 'Kala' suggests Sarees with artistic designs.

(17) On a careful examination, I am unable to accede to this contention. The word 'Kala' or the words 'Kala Niketan' are not descriptive of the qualities or characteristics of Sarees. These words do not indicate the Sarees. They do not afford the information as to the general nature or character of the Sarees. The word 'Kala' is a noun and not an adjective. It cannot be said that it describes the quality of the Sarees. The word 'art' according to Chamber's Twentieth Century Dictionary (Revised Edition) is noun and means : 'practical skill, or its application, guided by principles : human skill and agency (opp. to nature) : application of skill to production of beauty (esp. visible beauty) and works of creative imagination (as the fine arts) : a branch of learning, esp. one of the liberal arts (see trivium, quadrivium), as in faculty of arts, master of arts; skill or knowledge in a particular department : a skilled profession or trade, craft, or branch of activity : magic or occult knowledge or influence : a method of doing a thing : a knack : contrivance : address : cunning ; artifice : crafty conduct : a wile.' Applying these meanings the word 'art' cannot be said to be indicative or descriptive of the Sarees. It does not refer to Sarees or its quality. In Mohd. Rafiq and another v. Modi Sugar Mills Ltd. : AIR1972 Delhi46 , a Division Bench of this Court held that 'the reference to the character and quality, in our opinion, should be direct and plain and not remote and farfetched. Likewise, the word, which is sought to be construed as laudatory, should have obvious signification of praise, and not one out of which an inference of praise has to be spelt out by a laboured process'. Applying this rule to the present case, the word 'Kala' has no direct reference to the character or quality of

Sarees. Any remote or far-fetched connection is of no significance. In Mohd. Rafiq's case (supra) the word 'SUN' was held to be non-descriptive of the goods in question, i.e. lanterns. This case stands on a much higher footing.

(18) Learned counsel for the defendant placed reliance on a Division Bench decision of Andhra Pradesh High Court in Teju Singh v. Shanta Devi : AIR 1974 AP274 . In that case the plaintiff was carrying on business of Electric Drycleaners under the trading name 'One day Electric Dry-Cleaners'. The defendants carried on business under the trading name 'Only 1 day Electric Dry-Cleaners'. It was held that the words 'one day' were words of common usage and purely descriptive. This authority does not help the defendant because, as observed above, the words 'Kala Niketan' are not descriptive of Sarees. Moreover, that case it was held on facts that in view of the respective designs of the parties there was no scope for a customer being misled. This is not the case here. The defendant had adopted exactly the same name and there is not the slightest difference which may be called as sufficient to distinguish and avoid confusion between the two trading names. The contention that the defendant had used the words 'South Extension' which were sufficient to distinguish and avoid confusion cannot be accepted because 'South Extension' is just the address. The trading name or the trading style is only 'Kala Niketan'.

(19) The defendant has led evidence to show that several other persons were using the same name throughout India. So far as using the same trading name in other parts of the country is concerned, it is of no use. It is not the plaintiff's case that he had acquired an all India reputation qua his trade name. So far as Delhi is concerned, according to the affidavit of Shri Kasturi Lal Tandon there were three such firms, one at Kamla Nagar, the other at Jogiwara, Nai Sarak under the trading name 'Jain Kala Niketan' and the third at Vinay Nagar Market. Defendant has not cared to file affidavits of the proprietors or the partners of the aforesaid firms. Shri Krishan Lal Khanna in his counter-affidavit dated April 9, 1980 has stated that he had visited the said shop No. 25, Vinay Nagar Market, New Delhi and the name of the said shop was 'Sari Mandir'. He has filed a photograph of that shop in support of his statement. His brother, Shambhoo Nath has also filed an affidavit stating that he had been using the trading style 'Kala Niketan' at Kamla

Nagar shop and had now agreed to discontinue the use of the words 'Kala Niketan'. Thus it cannot be said that it was the common name in Delhi or that many persons were trading in Sarees under that name.

(20) The Registrar of Trade Marks, Bombay, in his letter dated January 15, 1980 has opined that mark 'Kala Niketan' was prima facie inherently not adopted to distinguish and was also prima facie inherently not capable of distinguishing the goods mentioned in the request within the meaning of section 9, namely, the Sarees. His opinion is neither conclusive nor sufficient to hold that the words 'Kala Niketan' were descriptive of Sarees.

(21) For all these reasons I hold that it has been proved that the disputed name 'Kala Niketan' has become distinctive of plaintiff's business and defendant's use of trading style 'Kala Niketan' was likely or calculated to deceive or cause confusion and injury to the business reputation of the plaintiff. The trade name 'Kala Niketan' was not descriptive of the Sarees in which the parties were dealing. Defendant was, therefore, not entitled to trade under the name 'Kala Niketan' and the plaintiff was entitled to relief of permanent injunction.

(22) The plaintiff has also claimed a decree for rendition of accounts and an order for destruction of dies, blocks, labels, etc. There is no evidence that the defendant had any dies, transfer labels, etc., and therefore no order for their destruction was required.

(23) Account of profits is an equitable remedy and the Court has discretion whether or not to grant it. There is no reasonable prospect that the inquiry will reach any positive result. In such circumstances I do not think it proper to grant a decree for accounts. The issues are decided accordingly.

(24) The plaintiff is, therefore, granted a decree for permanent injunction restraining the defendant, their servants, agents, representatives from selling or offering for sale or dealing in Sarees under the trade name 'Kala Niketan' or any other identical or deceptively similar trade name. The rest of the suit is dismissed. The plaintiff is entitled to costs.

