

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

% *Judgment Reserved on : September 11, 2014*  
*Judgment Pronounced on : October 13, 2014*

+ **FAO(OS) 389/2014**

M/S. SOUTH INDIA BEVERAGES PVT. LTD. .... Appellant  
Represented by: Ms.Pratibha M.Singh, Sr.Advocate  
instructed by Mr.Saurabh S.Sinha,  
Ms.Jaya Manddia and Mr.Sanchit  
Aggarwal, Advocates

versus

GENERAL MILLS MARKETING INC.  
& ANR. .... Respondents  
Represented by: Ms.Anuradha Salhotra, Advocate  
with Mr.Sumit Wadhwa and  
Mr.Tushar A.John, Advocates

**CORAM:**

**HON'BLE MR. JUSTICE PRADEEP NANDRAJOG**

**HON'BLE MS. JUSTICE MUKTA GUPTA**

**PRADEEP NANDRAJOG, J.**

1. Appellant – the defendant in the suit, assails the order dated July 23, 2014, allowing the application filed by the respondent - plaintiff under Order XXXIX Rule 1 and 2 of the Code of Civil Procedure granting an interim injunction against the appellant restraining the appellant from using the mark 'D'DAAZS' or any other mark deceptively similar to that of the respondent - plaintiff's trade mark 'HAAGEN-DAZS' in relation to ice cream.

2. The respondent - plaintiff company has been incorporated under the laws of Delaware, USA and claims to be marketing, over a hundred consumer brands (processed food and ice cream), in over a hundred

countries across the globe. The respondent – plaintiff company claims to be manufacturing desserts such as ice-creams and frozen yogurts under the trademark ‘HAAGEN DAZS’ which according to it is an arbitrary word having no dictionary meaning. ‘HAAGEN DAZS’ has been made available in India only since the year 2007, however, the respondent - plaintiff obtained registration for the mark ‘HAAGEN DAZS’ in India in respect of ice cream, ices, sherbet, sorbet and frozen confections in class 30 with effect from January 21, 1993 and for food products in classes 29, 30 and 42 on January 01, 2008.

3. The appellant - defendant on the other hand, has been manufacturing ice-creams and frozen desserts under the name ‘D’DAAZ’ since the year 2009. It is the case of the appellant that the word ‘D’DAAZ’ is derived from the name of Late Dwarka Das, who was the father of one of the founder directors of the company. It is stated that the appellant - defendant has been supplying ice-creams across South India.

4. Since the present *lis* essentially hinges upon the conflict of trademarks propounded by the rival litigants, it would be incumbent upon us to juxtapose the same for the purpose of assessing whether *prima-facie* there exists a reasonable possibility of confusion to arise in the minds of the consumers.



Trademark of Respondent-Plaintiff

Trademark of Appellant-Defendant

5. It is the case of the appellant - defendant that the respondent - plaintiff enjoys protection for its mark 'HAAGEN DAZS' as an indivisible whole and not for the individual elements constituting the same. Reliance has been placed on the principle of '*anti-dissection*' consistently applied by the Courts since time immemorial while dealing with cases of trademark infringement. It has been further submitted that even if the constituting elements of the mark are considered, 'HAAGEN' forms the dominant part of the respondent-plaintiff's trademark and any potential similarity with the non-dominant element 'DAZS' in a trademark would not amount to infringement.

6. Per contra, the respondent - plaintiff has contended that 'DAZS' cannot be construed as a non-dominant element of their trademark and must be accorded sufficient prominence to warrant protection. In this regard it has been highlighted that the application for registration for the mark 'DAZS' separately has also been filed on October 22, 2012.

7. Since we are exercising an appellate jurisdiction over the decision of a learned Single Judge of this Court, who has exercised his judicial discretion and granted injunction in favour of the plaintiff, it may be pertinent to set out the parameters for interference in such matters.

8. The United States Courts of Appeals for the Sixth Circuit in its celebrated decision reported as 1261 F.2d 759 *Frisch's Restaurant, Inc v. Shoney's Inc*, enunciated certain considerations which the Courts may bear in mind while deciding the plea of injunction in cases of trademark infringement. It was observed as under:-

*“[5] This circuit has enunciated four elements which must be considered and "carefully balanced" in deciding to issue or withhold a preliminary injunction. Mason County Medical Ass'n v. Knebel, 563 F.2d 256, 264 (6th Cir. 1977);*

*1. Whether the movant has shown a strong or substantial likelihood or probability of success on the merits.*

*2. Whether the movant has shown irreparable injury.*

*3. Whether the preliminary injunction could harm third parties.*

*4. Whether the public interest would be served by issuing the preliminary injunction.*

*[6] 563 F.2d at 261 (citing cases). See also In re DeLorean Motors Co., 755 F.2d 1223 (6th Cir. 1985); USACO Coal Co. v. Carbomin Energy, Inc., 689 F.2d 94 (6th Cir. 1982); Mobil Corp. v. Marathon Oil Co., 669 F.2d 366, 368 (6th Cir. 1981). The standard of appellate review of a district court order granting or denying a preliminary injunction is whether it abused its discretion. Tate v. Frey, 735 F.2d 986, 990 (6th Cir. 1984). See also, e.g., In re De Lorean Motors Co., supra; Friendship Materials Inc. v. Michigan Brick, Inc., 679 F.2d 100, 102 (6th Cir. 1982); Adams v. Federal Express Corp., 547 F.2d 319 (6th Cir. 1976). Rigid adherence to the "abuse of discretion" standard is required to avoid untoward disruption of the progression of lawsuits as the lower court decision "was in no sense a final disposition". Tate v. Frey, 735 F.2d at 990 (citing Securities and Exchange Comm'n v. Senex Corp., 534 F.2d 1240 (6th Cir. 1976); Brandeis Machinery and Supply Corp. v. Barber-Green Co., 503 F.2d 503 (6th Cir. 1974)). See, e.g., In re De Lorean Motors Co., supra.” [Emphasis Supplied]*

9. Before embarking on a detailed discussion of the submissions advanced at the bar, it would be apposite to take notice of the salutary

purpose and sublime philosophy which underscores the laws affording protection of trademarks.

10. A successful brand name is created by generating a high level of brand awareness and forming distinctive brand images. Brand image refers to the role of brand names and other aspects of a brand's trade dress as cues that retrieve or signal product attributes, benefits, affect or overall quality. In this sense, the brand itself is not a memory target but a cue that might facilitate recall or inference of previously learned brand associations. A paramount factor influencing a consumer's choice of brand is his memory of previous exposures of the brand. *Distinctive brand names and packaging are highly conducive to mental associations and serve as pathways to facilitate a much more accurate recall by a consumer.* It enables finer retrieval of the experience. Studies reveal that extrinsic brand cues might actually enhance the memorability of prior experiences with specific brands, thereby facilitating accurate quality discrimination and improving consumer welfare. Thus, the development of such brand value in the form of a mark containing names, patterns, etc. which would often be a direct reflection of an enterprise's goodwill and market reputation was accorded protection in the form of their registration as trademark. *A similar mark causes a slow decline in the accuracy of a consumer's memory-based judgments and therefore, the Trademarks Act seeks to put a check on such practises.* It also assumes significance that the learning process of a consumer is the result of a consumption experience which is *sequential* as opposed to *simultaneous*. There may be vast spells between consumption which may naturally give impetus to confusion. Confusion of very satisfactory consumption experiences with less satisfying experience may lead to a reduction in repeated purchase

and dilution of brand equity. [Luke Warlopet. Al, '*Distinctive Brand Cues and Memory for Product Consumption Experiences*', *International Journal of Research in Marketing* 22 (2005) 27-44].

11. Even when all or most brands are present at the point of choice (e.g. at a supermarket) consumers still retrieve information from memory and only notice specific brands, as evidenced by the short amount of time taken to choose brands despite wide ranges on offer. Therefore the issue of retrieval of brand name information from memory is still relevant in that context [Jenni Romaniuk and Byron Sharp, '*Conceptualizing and measuring brand salience*', *Marketing Theory Articles Volume 4(4)*, Pages 327-342].

12. At this juncture it would be beneficial to refer to the observations of the United States Court of Appeals for the Sixth Circuit in its decision reported as 494 F.3d 730 *Groeneveld Transport Efficiency Inc v. Lubecore International Inc.* It was observed:-

"Trademark law's likelihood-of-confusion requirement, in contrast, is designed to promote informational integrity in the marketplace. By ensuring that consumers are not confused about what they are buying, trademark law allows them to allocate their capital efficiently to the brands that they find most deserving. This, in turn, incentivizes manufacturers to create robust brand recognition by consistently offering good products and good services, which results in more consumer satisfaction. That is the virtuous cycle envisioned by trademark law, including its trade-dress branch. As stated in *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 115 S.Ct. 1300, 131 L.Ed.2d 248 (1995):

In principle, trademark law, by preventing others from copying a source-identifying mark, reduces the customer's costs of shopping and making purchasing decisions, for it quickly and easily assures a potential customer that this item - the item with this mark - is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At

the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product. The law thereby encourages the production of quality products, and simultaneously discourages those who hope to sell inferior products by capitalizing on a consumer's inability quickly to evaluate the quality of an item offered for sale. It is the source-distinguishing ability of a mark . . . that permits it to serve these basic purposes.

*Id.* at 163-64, 115 S.Ct. 1300 (internal citations, quotation marks, and brackets omitted) (emphasis in original).

Such an incentive structure would of course be disrupted if a manufacturer's hard-won brand recognition were open to appropriation by other manufacturers who confused consumers into believing that the two brands are affiliated or are one and the same. If manufacturers' qualitative efforts were subject to such skimming off, they would have less incentive to improve their offerings and build a robust brand in the first place.

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So trademark law, like the law of unfair competition of which it is a part, focuses not on copying *per se* but on confusion: The law of unfair competition has its roots in the common-law tort of deceit: its general concern is with protecting consumers from confusion as to source. While that concern may result in the creation of 'quasi-property rights' in communicative symbols, the focus is on the protection of consumers, not the protection of producers as an incentive to product innovation. Judge Hand captured the distinction well in *Crescent Tool Co. v. Kilborn & Bishop Co.*, 247 F. 299, 301 (2d Cir. 1917), where he wrote: "The plaintiff has the right not to lose his customers through false representations that those are his wares which in fact are not, but he may not monopolize any design or pattern, however trifling. The defendant, on the other hand, may copy plaintiff's goods slavishly down to the minutest detail: but he may not represent himself as the plaintiff in their sale." [Emphasis Supplied]

13. Even the Supreme Court in its judgment reported as (2002) 3 SCC 65 Laxmikant v. Patel v. Chetan Bhai Shah & Anr, observed:-

*“10. A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that the goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.”[Emphasis Supplied]*

14. Adverting ourselves to the case under consideration, we find that the mark of the respondent - plaintiff ‘HAAGEN DAZS’ is what may be termed as a ‘Composite Mark’ i.e. made up of more than one element.

15. Analysis of composite marks in the cases of trademark infringement pose peculiar problems and has led the Courts to develop the rules of ‘anti-dissection’ and identification of ‘dominant mark’.

### **The Rule of Anti-Dissection**

16. This rule mandates that the Courts whilst dealing with cases of trademark infringement involving composite marks, must consider the composite marks in their entirety as an indivisible whole rather than truncating or dissecting them into its component parts and make comparison with the corresponding parts of arrival mark to determine the



likelihood of confusion. The *raison d'être* underscoring the said principle is that the *commercial impression of a composite trademark on an ordinary prospective buyer is created by the mark as a whole and not by its component parts* [994 F.2d 1359, 1362 (9th Cir. 1993) *Fruit of the loom, Inc. v. Girouard*; 174 F. Supp. 2d 718, 725 (M.D. Tenn. 2001) *Autozone, Inc. v. Tandy Corporation*].

17. The Court of Appeals of the Federal Circuit in its decision reported as 393 F.3d 1238 (Fed. Cir. 2004) *Shen Mfg. Co. v. The Ritz Hotel*, had the occasion to apply the principle of ‘*anti-dissection*’. The appellant owned and operated hotels under the trademarks ‘RITZ PARIS’ and ‘HOTEL RITZ’. He also operated under the trademark ‘PUTTING ON THE RITZ’ for shower curtains. The respondent owned the trademark ‘RITZ’ and had also been using it in connection with the sale of kitchen textiles, towels, potholders, etc. The respondent opposed the appellant’s application for the registration of the trademarks ‘PUTTING ON THE RITZ’. The Court applied the anti-dissection rule and held that the mark must be viewed in its entirety. It observed that the rule ensures that the mark is evaluated in the same way as a prospective buyer i.e. the commercial impression of the mark as a whole needs to be considered. It held that the trademark ‘PUTTING ON THE RITZ’ when evaluated as a whole, conveyed an image of ‘*comfort, sophistication and wealth*’ which was completely different from the commercial impression that respondent’s mark gave, which is that of cooking or manual labour.

18. Similarly in the decision reported as 994 F.2d 1359, 1362 (9th Cir. 1993) *Fruit of the Loom Inc. v. Girouard*, the Court repelled the claim of infringement by applying the principle of ‘*anti-dissection*’. The plaintiff operated under the trademark ‘FRUIT OF THE LOOM’, whereas the defendant operated under the trade name ‘FRUIT FLOPS’ and ‘FRUIT

CUPS’. Both parties were in the business of manufacturing and selling garments. The plaintiff brought a suit of infringement of trademark against the defendant. The Court compared the ‘FRUIT OF THE LOOM’ mark to ‘FRUIT FLOPS’ and ‘FRUIT CUPS’ mark and found the marks to be dissimilar. The Court observed that the purchasers view the ‘FRUIT OF THE LOOM’ mark as a whole rather than as dissected parts. It was further held that *it is the combination of the terms in its entirety that constitute plaintiff’s distinctive mark.*

### **The Identification of ‘Dominant Mark’**

19. Though it bears no reiteration that while a mark is to be considered in entirety, yet it is permissible to accord more or less importance or ‘*dominance*’ to a particular portion or element of a mark in cases of composite marks. Thus, a particular element of a composite mark which enjoys greater prominence vis-à-vis other constituent elements, may be termed as a ‘*dominant mark*’.

20. At this juncture it would be apposite to refer to a recent decision of this Court reported as 211(2014) DLT 296 *Stiefel Laboratories v. Ajanta Pharma Ltd.* The Court whilst expounding upon the principle of ‘anti-dissection’ cited with approval the views of the eminent author on the subject comprised in his authoritative treatise -McCarthy on Trademarks and Unfair Competition. It was observed:

*“41. The anti-dissection rule which is under these circumstances required to be applied in India is really based upon nature of customer. It has been rightly set out in McCarthy on Trademarks and Unfair Competition about the said rule particularly in Para 23.15 which is reproduced hereunder:*

*23.15 Comparing Marks: Differences v. Similarities*

*[1] The Anti-Dissection Rule*

*[a] Compare composites as a Whole: Conflicting composite marks are to be compared by looking at them as a whole, rather than breaking the marks up into their component parts for comparison. This is the "anti dissection" rule. The rationale for the rule is that the commercial impression of a composite trademark on an ordinary prospective buyer is created by the mark as a whole, not by its component parts. However, it is not a violation of the anti-dissection rule to view the component parts of conflicting composite marks as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus, conflicting marks must be compared in their entirety. A mark should not be dissected or split up into its component parts and each part then compared with corresponding parts of the conflicting mark to determine the likelihood of confusion. It is the impression that the mark as a whole creates on the average reasonably prudent buyer and not the parts thereof, that is important. As the Supreme Court observed: "The commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety." The anti-dissection rule is based upon a common sense observation of customer behavior: the typical shopper does not retain all of the individual details of a composite mark in his or her mind, but retains only an overall, general impression created by the composite as a whole. It is the overall impression created by the mark from the ordinary shopper's cursory observation in the marketplace that will or will not lead to a likelihood of confusion, not the impression created from a meticulous comparison as expressed in carefully weighed analysis in legal briefs. In litigation over the alleged similarity of marks, the owner will emphasize the similarities and the alleged infringer will emphasize the differences. The point is that the two marks should not be examined with a microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity are more important than minor points of difference. A court should not engage in "technical gymnastics" in an attempt to find some minor differences between conflicting marks.*

*However, where there are both similarities and differences in the marks, there must be weighed against one another to see which predominate.*

*The rationale of the anti-dissection rule is based upon this assumption: "An average purchaser does not retain all the details of a mark, but rather the mental impression of the mark creates in its totality. It has been held to be a violation of the anti-dissection rule to focus upon the "prominent" feature of a mark and decide likely confusion solely upon that feature, ignoring all other elements of the mark. Similarly, it is improper to find that one portion of a composite mark has no trademark significance, leading to a direct comparison between only that which remains." [Emphasis Supplied]*

21. The view of the author makes it scintillatingly clear, beyond pale of doubt, that the principle of ‘*anti dissection*’ does not impose an absolute embargo upon the consideration of the constituent elements of a composite mark. The said elements may be viewed as a *preliminary step* on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus, the principle of ‘*anti-dissection*’ and identification of ‘*dominant mark*’ are not antithetical to one another and if viewed in a holistic perspective, the said principles rather compliment each other.

22. We may refer to the decision of the United States Court of Appeals for the Federal Circuit reported as 380 F.3d 1340 *Re Chatam Int’l, Inc.*, wherein the Court enunciated the interplay between the principle of ‘*anti dissection*’ and identification of ‘*dominant mark*’. The Court, while ascertaining whether the mark ‘JOSE GASPAR GOLD’ was similar to the registered mark ‘GASPAR’S ALE’, held that ‘GASPAR’ was clearly the dominant element in the two marks and resembled the relevant mark enough to cause a likelihood of confusion, to cause a mistake or to

deceive. Relevant would it be to note that the defendant in the said case urged that the approach of splitting of the marks was in violation of the anti-dissection rule. The said contention was repelled by the Court and it was pertinently observed that there was no violation of anti-dissection rule because the *marks were any way examined in entirety, and each individual term in the marks were given more or less weightage depending on the overall impression it appeared to create.* The Court was of the view that both marks convey the commercial impression that a name, GASPAR, is the source of related alcoholic beverages, tequila or ale. In other words, the commercial significance of ALE in the registered mark ‘GASPAR’S ALE’ and JOSE and GOLD in appellant’s mark ‘JOSE’S GASPAR GOLD’ assumed less significance in the opinion of the Court.

23. It is also settled that while a trademark is supposed to be looked at in entirety, yet the *consideration of a trademark as a whole does not condone infringement where less than the entire trademark is appropriated.* It is therefore not improper to identify elements or features of the marks that are more or less important for purpose of analysis in cases of composite marks.

24. In this regard we may fortify our conclusion by take note of the decision reported as 405 F.Supp. 530 (1975) Eaton Allen Corp. v. Paco Impressions Corp. The facts of the said case reveal that the plaintiff manufactured coated paper under the registered trademark ‘Super-Ko-Rec-Type’. The defendant manufactured and advertised a similar product under the mark ‘Super Type’ and ‘Super Type-7’.The defendant contended that the only similarity between the said marks was use of the words ‘Super’ and ‘Type’, terms which were neither significant parts of the plaintiff’s registered trademark nor protectable as a matter of law. The

court held that the consideration of a trademark as a whole does not preclude infringement where less than the entire trademark is appropriated.

25. Therefore, the submission of the appellant-defendant predicated upon the principle of 'anti-dissection' that action for infringement would not lie since use of the word 'D'DAAZS' does not result in complete appropriation of the respondent-plaintiff's mark 'HAAGEN DAZS', which is to be viewed as an indivisible whole, is liable to be rejected.

26. Dominant features are significant because they attract attention and consumers are more likely to remember and rely on them for purposes of identification of the product. Usually, the dominant portion of a mark is that which has the greater strength or carries more weight. Descriptive or generic components, having little or no source identifying significance, are generally less significant in the analysis. However, words that are arbitrary and distinct possess greater strength and are thus accorded greater protection.[174 F. Supp. 2d 718, 725 (M.D. Tenn. 2001) Autozone, Inc. v. Tandy Corporation]

27. It would be pertinent to recollect that in the present case, the mark of the respondent-plaintiff-'HAAGEN DAZS', is a unique combination of Danish-sounding words, which have no recognised meaning whatsoever in any language or etymology. Evidently, the owner of the mark coined these arbitrary words in order to make its brand name sound original or unique.

28. This Court, in its judgment reported as 2010 (44) PTC 293(Del) Kirorimal Kashiram Marketing and Agencies Pvt. Ltd. v. Shree Sita Chawal Udyog Mill recognised the principle that arbitrarily chosen expressions carry greater protection. The plaintiff prayed for an injunction restraining the defendant from using the trademark 'Golden Deer', which was claimed to be deceptively similar to 'Double Deer', the

registered trademark of the plaintiff. The Court held that the expression 'Deer' was arbitrarily adopted by the appellant with respect to its product rice. A deer has no connection or co-relation with the product namely rice. Such arbitrary adoption of a word/mark with respect to a product, with which it has no co-relation, is entitled to a very high degree of protection.

29. Furthermore, we would be failing to notice that there exists a high degree of phonetic similarity between the mark of respondent-plaintiff 'DAZS' and mark of the appellant-defendant 'D'DAAZS'.

30. Phonetic similarity constitutes an important index of whether a mark bears a deceptive or misleading similarity to another.

31. The Supreme Court in its decision reported as AIR 2001 SC 1952 Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. observed that it was not correct in law to hold that the principle of phonetic similarity has to be jettisoned when the manner in which competing words are written is different.

32. It has been held by the Supreme Court in the decision reported as AIR 1970 SC 146 K.R. Chinna Krishna Chettiar v. Sri. Ambal & Co. & Anr. that resemblance between the two marks must be considered with reference to the ear as well as the eye.

33. In Stiefel Laboratories's case (*supra*), it was pertinently observed:-

*"43...Rules of Comparison was explained by Justice Parker in the following words: You must take the two words. You must judge of them, both by their look & by their sound. You must consider the goods to which they are to be applied. You must consider the nature & kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trademarks is used in a normal way as a trademark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be confusion-that is to say, not*

*necessarily that one man will be injured & the other will gain illicit benefit, but that there will be confusion in the mind of the public which will lead to confusion in the goods-then you may refuse the registration, or rather you must refuse the registration in that case.” [Emphasis Supplied]*

34. A Division Bench of this Court in the decision reported as (40) PTC 417 (Del.) (DB) Amar Singh Chawal Wala v. Shree Vardhman Rice & Genl. Mills recognised the relevance of phonetic similarity between the constituent elements comprised in the competing marks. The plaintiff was engaged in selling rice under the registered trademarks 'Golden Qilla' and 'Lal Qilla'. The defendant, who was also selling the same product, was operating under the trademark 'Hara Qilla', against which the plaintiff sought injunction. The Court held that the essential feature of the mark is the word 'QILLA', whether it is spelt as QILLA or KILLA, or even written in a different style or colour combination. It was further observed that for a customer who would seek to purchase the QILLA brand rice, both the names would sound phonetically similar. The Court held that since the trademark QILLA was being utilised for the same commodity i.e. rice, there existed every possibility of there being confusion created in the mind of the purchaser of rice that the product being sold by the defendant was in fact a product that had emanated from or had been manufactured by the plaintiff.

35. The appellant - defendant has strenuously urged that the element 'HAAGEN' alone forms the dominant/essential part of the respondent-plaintiff's registered trademark 'HAAGEN DAZS' and not 'DAZS'. We may however note that the attention of this Court was not drawn to any material that would lend credence to the said submission advanced at the bar. There is nothing on record to support the conclusion that the word



‘HAAGEN’ has enjoyed greater prominence or primacy vis-à-vis the other elements of the mark in the eyes of the consumers at large or the manufacturer himself and can thus be treated as the dominant element of the respondent-plaintiff’s registered trademark. Prima facie, it appears that both the elements constituting the mark of the respondent-plaintiff [‘HAAGEN’ and ‘DAZS’] are equally dominant and are liable to be accorded sufficient protection under the legal framework. The submission is thus liable to be rejected.

36. We may highlight that even on earlier occasions judicial forums seisin of such disputes have held both the elements occurring in a composite trademark to be dominant. At this juncture, it would be apposite to refer to the judgment dated November 23, 2010 passed by the Court of Justice of the European Union (8<sup>th</sup> Chamber) in Case NoC-204/10P *Enercon v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*

37. The factual contours of the said case may be succinctly noted in order to appreciate the findings arrived at by the Court. The respondent board had denied the registration of appellant’s mark ‘ENERCON’ on the opposition made by the proprietor of the registered trademark ‘TRANSFORMERS ENERCON’. The appellant challenged the said rejection on the ground that word ‘ENERCON’ was not a dominant part of the registered trademark and therefore negated any likelihood of confusion. The Court rejected the plea of the appellant and observed that *both the elements of the opposer’s registered trademark i.e. ‘transformers’ and ‘enercon’ were equally distinctive and dominant.* The Court added that assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; on the contrary, the comparison must be

made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be *dominated by one or more of its components*.

38. Significantly, in the decision reported as 809 F. Supp. 816 *Universal Motor Oils Co. v. Amoco Oil Co.*, it has been held that where the common portion in both the concerned marks is relatively strong or dominant, there is a higher probability of likelihood of confusion.

39. It is also a settled proposition of law that where products are virtually identical, as they are in the present case, '*the degree of similarity in the marks necessary to support a finding of infringement is less than in the case of dissimilar, non-competing products.*' [*Eaton Allen Corp.*(*Supra*)]

40. Before drawing curtains, a word also needs to be spoken about the effect of the difference in price of the two products. The appellant - defendant has vehemently urged that its products are priced at a substantially lower amount than the product of the respondent - plaintiff. It has been submitted that though the products are similar i.e. frozen desserts, however they cater to entirely distinct class/strata of consumers. It is contended that the consumers of the product marketed by the respondent - plaintiff are sophisticated owing their capacity to afford such expensive ice-creams and this would obviate any likelihood of confusion with the appellant - defendant's mark.

41. We do not find merit in this submission. It would be pertinent to note that the product in question i.e. frozen desserts/ice-creams is of such nature that it is consumed by people of all age group and strata, transcending all barriers. Experience suggests that ice-cream is cherished by people belonging to all age-group, especially children. As highlighted previously,

Justice Parker has regarded the '*nature and kind of customer who would be likely to buy the goods*' as a relevant consideration in the celebrated 'Rules of Comparison' propounded by him. It cannot be realistically expected that children; who constitute a substantial chunk of consumers, would be in a position to distinguish between the two products by taking into account niceties such as price difference. Doubtless, in assessing cases of trademark infringement and ascertaining the likelihood of confusion, the effect of difference in price between the two products may perhaps be more profound where products such as- premium alcohol, luxury cars, exclusive perfumes etc. are involved since the prospective consumers in such cases are generally expected to be endowed with a greater sense of maturity and a keen eye against deception.

42. In the decision reported as 208 (2014) DLT 612 *Ireo Pvt. Ltd. v. Genesis Infratech Pvt. Ltd.* this Court repelled the defence of 'price-difference' adduced by the defendant. The plaintiff was engaged in real estate business under the trademark 'IREO SKYON' whereas the defendant who was also dealing in the same line of business was operating under the trademark 'Genesis SKYON'. A suit was filed by the plaintiff against the defendant for infringement of trademark. It was contended on behalf of the defendant that the cost of the property being sold by the plaintiff is much higher than the cost of property being dealt by him and thus there exists no likelihood of confusion. The Court rejected the said contention and held that the defendant had slavishly copied the mark of the plaintiff and cannot be permitted to continue to use a deceptively similar trademark. In order to fortify its conclusion the Court cited with approval the decision reported as 2011 (45) PTC 329 (Del) *Aman Resorts Limited v. Mr. Deepak Narula & Anr.* In the said case the plaintiff was engaged in operating hotels, resorts and luxury villas under the trade name 'AMAN' and had brought a suit for

permanent injunction restraining the defendant from using the mark 'AMAN' in respect of the services offered by him. The defendants argued that the goods and services provided by them were offered at significantly cheaper rates, so there would be no probability of deception of the public. The Court did not accept the said contention and significantly observed:-

*“Where a rival or junior mark prices his goods or services at significantly cheaper rates than the plaintiff, there is likelihood of reputation loss. There is perhaps a ring of truth in the defendant's argument, when it says that its room rates are a fraction of what the plaintiff charges. Yet, the Court cannot be unmindful of the fact that in an Internet driven era, the consumer may be led to the defendant's site. There can be cases of confusion. While that may not happen, with some discerning customers, the possibility cannot be ruled out.”*

43. Reliance may also be placed upon the decision of the Supreme Court reported as (1996) 5 SCC 714 N.R. Dongre & Ors v. Whirlpool Corporation & Anr. The plaintiff, who was the prior user of the mark 'WHIRLPOOL' which enjoyed a trans-border reputation, had instituted a suit for passing off action to restrain the defendant from manufacturing, selling, advertising or in any way using the trade mark 'WHIRLPOOL' or any other trade mark deceptively or confusingly similar to the trade mark of 'WHIRLPOOL' in respect of their goods. The defendants submitted that the washing machines produced by them costs less than 1/3rd the price of the washing machine marketed by the plaintiff; and the full description affixed on the washing machine leaves no room for any confusion in the mind of the buyer. It was held that where a rival, operating in the same trade name as the plaintiff's, prices his goods or services at significantly cheaper rates than the plaintiff, there is likelihood of irreparable injury to the plaintiffs' reputation and goodwill.

44. It may also be observed that even the ‘sophisticated consumers’ are not immune from confusion under all circumstances and the said fact would not lend a complete defence to infringement.

45. In the decision reported as 365 F.Supp. 707 (1973) Grotrian, Helfferich, Schulz, Th. Steinweg Nachf, a Corporation Vs. Steinway & Sons, it was held as under:

*Plaintiff argues that purchaser will not be confused because of the degree of their sophistication and the price (B & L Sales Associates Vs. H. Daroff & Sons, Inc., supra, 421 F.2d at 354). It is true that deliberate buyers of expensive pianos are not as vulnerable to confusion as to products as hasty buyers of inexpensive merchandise at a newsstand or drug store [Callmann, Unfair Competition Trademarks and Monopolies, (3d ed. 1971)]. The sophistication of buyers, however, does not always assure the absence of confusion [Communications Satellite Corp. Vs. Comcet, Inc., 429 F.2d at 1252]. It is the subliminal confusion apparent in the record as to the relationship, past and present, between the corporate entities and the products that can transcend the competence of even the most sophisticated consumer. Misled into an initial interest, a potential Steinway buyer may satisfy himself that the less expensive Grotrian - Steinweg is at least as good, if not better, than a Steinway. Deception and confusion thus work to appropriate defendant's good will. This confusion, or mistaken beliefs as to the companies' interrelationships, can destroy the value of the trademark which is intended to point to only one company [American Drill Busing Co. v. Rockwell Mfg. Co., 342 F.2d 1922, 52 CCPA 1173 (1965)]. Thus, the mere fact that purchasers may be sophisticated or discriminating is not sufficient to preclude the likelihood of confusion. "Being skilled in their own art does not necessarily preclude their mistaking one trademark for another when the marks are as similar as those here in issue, and cover merchandise in the same general field" [Id]." [Emphasis Supplied]*

46. The said decision has been cited with approval by a Division Bench of this Court in its decision reported as ILR (2012) V Delhi 325 United Biotech Ltd. v. Orchid Chemicals & Pharmaceuticals Ltd. &Ors.

47. Furthermore, we must also bear in mind that products such as the ice-cream are relatively not expensive when pitted against the investments made in articles such as electronic appliances and gadgets, purchase of which is usually a result of conscious and sustained deliberation. Even an adult consumer is not expected to exercise a very high degree of care and caution while exercising his choice in purchasing an ice cream. The United States Court of Appeals for the Sixth Circuit in 468 F.3d 405, 413 (6th Cir. 2006) Gen. Motors Corp. v. Lanard Toys, Inc., and in Frisch's case (supra) has respectively held that purchasers of inexpensive toys and fast food are not likely to exercise a high degree of care.

48. The United States Court of Appeals, Tenth Circuit in its decision reported as 711 F.2d 934 Beer Nuts Inc v. Clover Clubs Food Co. provides valuable insights with regard to the assessment of likelihood of confusion:

"[18] In evaluating similarity, '[i]t is axiomatic in trademark law that 'side-by-side' comparison is not the test." Levi Strauss & Co. v. Blue Bell, Inc., 632 F.2d 817, 822 (9th Cir. 1980); American Home Products Corp. v. Johnson Chemical Co., 589 F.2d 103, 107 (2d Cir. 1978); James Burrough Ltd. v. Sign of Beefeater, Inc., 540 F.2d 266, 275 (7th Cir. 1976); Fotomat Corp., 437 F. Supp. at 1244. The marks "must be compared in the light of what occurs in the marketplace, not in the courtroom." James Burrough Ltd., 540 F.2d at 275. "A prospective purchaser does not ordinarily carry a sample or specimen of the article he knows well enough to call by its trade name, he necessarily depends upon the mental picture of that which symbolizes origin and ownership of the thing desired."Avrick v. Rockmont Envelope Co., 155 F.2d 568, 573 (10th Cir. 1946). Therefore, the court must determine whether the alleged infringing mark will be confusing to the public when

singly presented. *Id.* at 572-73; *American Home Products*, 589 F.2d at 107; *James Burrough Ltd.*, 540 F.2d at 275; *Union Carbide*, 531 F.2d at 382.

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[20] Also relevant to likelihood of confusion are the means by which the products are marketed. "Converging marketing channels increase the likelihood of confusion." *AMF Inc.*, 599 F.2d at 353. The possibility of confusion is greatest when products reach the public by the same retail outlets. See generally *Exxon Corp. v. Texas Motor Exchange*, 628 F.2d 500, 505-06 (5th Cir. 1980); *Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 589 F.2d 1225, 1229 (3d Cir. 1978). Confusing similarity is most likely when the products themselves are very similar. *Exxon Corp.*, 628 F.2d at 505; see *Fotomat Corp.*, 437 F. Supp. at 1243-44.

[21] Finally, the court must examine the degree of care with which the public will choose the products in the marketplace. "The general impression of the ordinary purchaser, buying under the normally prevalent conditions of the market and giving the attention such purchasers usually give in buying that class of goods, is the touchstone." *McGregor-Doniger*, 599 F.2d at 1137 (quoting 3 R. Callman, *The Law of Unfair Competition, Trademarks and Monopolies* § 81.2, at 577 (3d ed. 1969) (footnote omitted)); see *Squirtco*, 628 F.2d at 1091. Buyers typically exercise little care in the selection of inexpensive items that may be purchased on impulse. Despite a lower degree of similarity, these items are more likely to be confused than expensive items which are chosen carefully. *Sun-Fun Products*, 656 F.2d at 191; *Fotomat Corp.*, 437 F. Supp. at 1244. "[Emphasis Supplied]

49. Since time immemorial the Supreme Court has consistently sounded a note of caution that the competing marks have to be compared keeping in mind an unwary purchaser of average intelligence and imperfect recollection. [AIR 1963 SC 449 *Amritdhara Pharmacy v. Satyadeo Gupta*]

50. Consumers of any product do not deliberately memorize marks. They only retain a general, indefinite, vague, or even hazy impression of a mark and so may be confused upon encountering a similar mark. Consumers may equate a new mark or experience with one that they have long experienced without making an effort to ascertain whether or not they are the same marks. The consideration therefore is whether one mark may trigger a confused recollection of another mark. Thus, if the marks give the same general impression confusion is likely to occur.

51. With a view to further foster our understanding of the concept of similarity and likelihood of confusion arising in trademark jurisprudence, we may profitably take cue from the analogous principle of '*observability*' which is applied in the context of copyright laws.

52. The '*ordinary observer*' test is applied to determine if two works are substantially similar. The Court will look to the response of an '*average lay observer*' to ascertain whether a copyright holder's original expression is identifiable in the allegedly infringing work 274 F.2d 487 (2<sup>nd</sup> Cir. 1960) *Peter Pan Fabrics Inc. v. Martin Weiner Corp.* Since it is employed to determine qualitative and quantitative similarity in visual copyright work, the said test can also be usefully applied in the domain of trademark law as well.

53. The Courts have reiterated that the test for substantial similarity involves viewing the product in question through the eyes of the layman. A layman is not expected to have the same '*hair-splitting*' skills as an expert. A punctilious analysis is not necessary. A layman is presumed to have the cognition and experiences of a reasonable man. Therefore, if a reasonable observer is likely to get confused between the two products then a copyright violation is said to take place.



54. Transposing the said principles in the context of trademark infringement, one may venture to assess similarity and likelihood of confusion between rival marks on the touchstone of the impression gathered by a reasonable observer, who is a layman as opposed to a connoisseur.

55. The contention raised by the appellant - defendant that in view of the marked difference in the style of packaging, a prima facie case of infringement is not made out cannot be countenanced in light of the clear judicial pronouncements rendered by the Supreme Court.

56. The Supreme Court in the decision reported as AIR 1965 SC 980 Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories, pertinently observed:-

*“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 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 make would be immaterial.”[Emphasis Supplied]*

57. A similar view was reiterated by the Supreme Court in the decision reported as AIR 1986 SC 137 American Home Products v. Mac Laboratories.

58. Therefore, in light of the extensive reasons as highlighted above, we are of the considered view that no interference is called for with the impugned order passed by the learned Single Judge. Consequently, the present appeal is dismissed. However, there shall be no order as to costs.

59. We postpone the date of operation of the interim injunction against the appellant for a period of 30 days from the date of the present decision to

enable the appellant to exhaust its existing packaging material and print/manufacture new packaging material.

**(PRADEEP NANDRAJOG)**  
**JUDGE**

**(MUKTA GUPTA)**  
**JUDGE**

**OCTOBER 13, 2014**  
*mamta*