

\$~J-1

* IN THE HIGH COURT OF DELHI AT NEW DELHI

Judgement reserved on **17.12.2020**
Judgement pronounced on **19.03.2021**

I.A. No. 4762/2020 and I.A. No. 6664/2020
in
+ **CS (COMM) No. 193/2020**

AUDIOPLUS

.....Plaintiff

Through: Mr. Saif Khan with Mr. Shobhit Agrawal
and Mr. Deepank Singhal, Advocates.

versus

MANOJ NAGAR

.....Defendant

Through: Mr. Uday Bedi, Mr. Shiva Tokas with
Mr. Jaitegan Singh Khurana, Advocates.

CORAM:

HON'BLE MR. JUSTICE RAJIV SHAKDHER

RAJIV SHAKDHER, J.:

TABLE OF CONTENTS

Preface: -.....	2
Background facts: -.....	2
Submissions on behalf of the plaintiff: -	12
Submissions on behalf of the defendant: -	17
Analysis and Reasons: -.....	19
Conclusion: -.....	33

Preface: -

1. These are two interlocutory applications filed on behalf of the plaintiff and the defendant. The interlocutory application filed on behalf of the plaintiff is I.A. No. 4762/2020. This application is preferred under the provisions of Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 [in short “CPC”] Upon an *ex-parte ad interim* injunction being granted in favour of the plaintiff on 24.06.2020, the defendant, moved his application i.e. I.A. No. 6664/2020 under the provisions of Order XXXIX Rule 4 read with Section 151 of the CPC for the vacation of the interim order dated 24.06.2020.

2. A perusal of the record, which includes the pleadings and the documents, would show that the instant litigation has erupted between the plaintiff and the defendant [hereafter collectively referred to as “parties”] in the backdrop of the following facts and circumstances.

Background facts: -

3. The instant suit has been filed against the defendant for issuance of a decree of permanent injunction against him and to restrain him from infringing the plaintiff’s trademarks and/or passing off his goods as if they originate from the plaintiff. The other reliefs such as a decree for: declaration; delivery of goods bearing the impugned mark; rendition of accounts; and damages have also been claimed against the defendant.

4. The plaintiff avers that it is a part of the “AHUJA GROUP” which has been carrying on the business of manufacturing, dealing in, and selling audio

equipment and instruments as also apparatus for transmission and/or reproduction of sound and images, since 1940.

4.1. The plaintiff also avers that it secured rights in the mark STUDIOMASTER under the assignment deed dated 27.05.2008 executed in its favour by its sister concern M/s Prosound Products. It is claimed that the said assignment deed is, presently, on the record of the trademark registry.

4.2. The plaintiff claims that M/s Prosound Products, which was exclusively engaged in manufacturing audio equipment, under the mark STUDIOMASTER for exporting it to a United Kingdom [UK] based entity ran into trouble once the said entity did not honour its commitments. Left with a huge stock of goods, and with the added burden of saving the jobs of the employees, the plaintiff claims that it made efforts to take the business forward and establish sales of audio equipment, under the brand STUDIOMASTER, *albeit*, in the domestic market i.e. in India.

4.3. According to the plaintiff, it applied for registration of the device mark *Studiomaster* in India on 07.06.1999; which, eventually, was granted in due course. Besides this, the plaintiff claims to have acquired trademark registrations for the following formative marks in Class 9.

Trade Mark Application No.	Trade Mark Type	Trade Mark Image	Date of Application	Date of Certificate	Conditions [If any]

859763	DEVICE		07.06.1999	03.07.2006	N/A
1196832	DEVICE		06.05.2003	23.07.2005	Registration of this Trade Mark shall give no right to the exclusive use of the WORD PROFESSIONAL.
1204619	DEVICE		06.06.2003	17.10.2005	N/A
1873360	DEVICE		14.10.2009	03.09.2013	N/A
2443199	DEVICE		17.12.2012	14.09.2016	N/A

4.4. It may be relevant to note that insofar as the device mark



is concerned, as indicated in the tabular chart above, the trademark registry has entered a disclaimer to the following effect.

“Registration of this Trade Mark shall give no right to the exclusive use of the WORD PROFESSIONAL.”

4.5. This apart, the plaintiff also takes the stand that the trademark STUDIOMASTER is registered with the Indian Customs under Customs (Intellectual Property Rights Enforcement) Rules 2017. It is further claimed by the plaintiff that it has not only obtained copyright registration of its device mark STUDIOMASTER PROFESSIONAL in China but has also had the said device mark lodged with the Custom Authorities in China.

4.6. The plaintiff has emphasized the fact that it has expended substantial sums of money to promote the sale of its goods i.e. audio equipment and ancillary products under its device marks. A reference to the sales figures and the professional expenses incurred by the plaintiff spanning between 2007-2008 have been set out in the plaint. A perusal of the figures concerning turnover shows that the sales revenue is said to have increased from Rs. 48,02,01,022/- in 2007-2008 to Rs. 131,97,01,805/- in 2018-2019. Furthermore, commensurate with the increase in sales, for the same period, the plaintiff claims its promotional expenses increased from Rs. 31,59,542/- in 2007-2008 to Rs. 45,01,784/- in 2018-2019.

5. The plaintiff claims that it obtained knowledge of the impugned device



mark Studiomin Professional Power Amplifier Booster only in April 2020 when it undertook the exercise of reviewing the trademark journals. It is claimed that its review revealed that the defendant had advertised his application bearing no. 4351530 in the trademark journal no. 1933 dated 23.12.2019.

5.1. The plaintiff claims that upon becoming aware of the impugned mark, it lodged a notice of opposition dated 22.04.2020 with the trademark registry. Apparently, up until now, the trademark registry has not rendered a decision on the notice of opposition lodged by the plaintiff.

5.2. It is also averred by the plaintiff that while the aforesaid exercise was on, it discovered that the defendant had filed an application bearing no. 4164067 on



02.05.2019 for registration of its mark. The said device mark, even according to the plaintiff, was registered by the trademark registry on 21.05.2020, *albeit*, with the following disclaimer.

“Conditions REGISTRATION OF THIS TRADE MARK SHALL GIVE NO RIGHT TO THE EXCLUSIVE USE OF THE SAME.

Restrictions THIS IS CONDITION OF REGISTRATION THAT BOTH/ALL LABELS SHALL BE USED TOGETHER”

6. It is in these circumstances that the plaintiff was impelled to approach this Court for various final and interlocutory reliefs by way of the instant suit action.

6.1. As alluded to hereinabove, on 24.06.2020, an *ex parte ad interim* injunction was granted *qua* the defendant, his affiliates, employees and agents

against the use of the impugned device marks   and/



or any other mark which was deceptively similar to the plaintiff's registered device marks, as alluded to in the tabular chart, in paragraph 4.3 above.

6.2. The defendant has, as indicated above, moved an application for vacating the interim order dated 24.06.2020, in which, broadly, the following stand has been taken.

- i. That the defendant is a registered proprietor of the device mark



and, hence, no action for infringement will lie against him.

- ii. That the plaintiff's device marks are descriptive and, hence, being invalid, in law, it ought not to be protected. It is merely a combination of two dictionary words. While the first part of the device mark is descriptive of the nature of the goods, the second part is laudatory, since it adverts to the quality of the goods. Given this position, the device mark, as indicated above, is liable to be declared invalid.
- iii. The plaintiff is dishonestly attempting to create a monopoly *qua* its otherwise descriptive device marks.
- iv. The plaintiff is guilty of concealment, suppression and misrepresentation and hence is not entitled to equitable relief.

v. The assignment deed dated 27.05.2008 executed between the plaintiff and M/s Prosound Products was insufficiently stamped and hence no reliance could be placed on the same.

vi. The instant suit was not properly valued.

vii. Although the defendant does not have an exclusive right in the device




mark, the plaintiff can take no advantage of the same as it has chosen neither to challenge the registration obtained *qua* the said device mark or subject it to rectification proceedings.

viii. The plaintiff has been aware since 14.09.2019 of the existence of the impugned device marks. Therefore, the assertion made by the plaintiff that it became aware of the impugned device marks only in April 2020, is false. In this context, reference is made to a transcript concerning a conversation which was held between the defendant and a person located in the State of Uttar Pradesh to whom the defendant claims he sold his goods.


ix. The plaintiff has falsely projected in paragraph 21 of the plaint that it had registration in the wordmark STUDIOMASTER as against a device mark bearing the same words.

- x. The plaintiff has indulged in approbation and reprobation inasmuch as




while having its device mark  registered, it attempted to meet the objection raised by the trademark registry that the aforementioned device mark was deceptively similar to the device mark STUDIOMASTER by taking the stand that when viewed holistically, it was “distinct and dissimilar” from the cited mark – by failing to apply the same measure to the impugned device marks. The plaintiff could not have, given this stand vis-à-vis its device




mark , claimed that the impugned marks are deceptively similar to the said mark and other formative marks of the parent device mark STUDIOMASTER.

- xi. The plaintiff had applied for the registration of device mark




 on 06.05.2003 which was changed to



 on 04.06.2003 after an objection was raised by the trademark registry on the use of the word PROFESSIONAL.



- xii. The impugned device mark  is different and distinct from the device marks of the plaintiff. Not only is this impugned device mark, as indicated above, registered but is also written in red colour and bears a rectangular frame which is not found in the device marks of the plaintiff. Besides this, the mark is accompanied by the letters 'MN' which is nothing but the shortened version of the defendant's name. Besides this, the said device mark is accompanied by the following words written in blue colour "professional power amplifier booster". Also, the font used in the defendant's device mark is different from that of the plaintiff without any special emphasis on the letter 'O' or 'S'. Lastly, the words included in the impugned device mark of the defendant is different from that of the plaintiff's device mark.
- xiii. The dominant feature of the plaintiff's device marks is the word "STUDIO" which is common to trade *qua* goods falling in class 9. There are at least 31 registrations issued *qua* which information is available on the following website www.ipindiaonline.gov.in maintained by the trademark registry.
- xiv. The word STUDIO is, thus, not only common to the trade but, as alluded to above, is also descriptive of the plaintiff's goods since the audio equipment manufactured and sold by the plaintiff is largely used in music studios.

xv. The plaintiff in its press release has referred to its goods as ‘studio systems’. The Oxford dictionary defines the word STUDIO as “a room where radio or television programmes are recorded and broadcast from, or where music is recorded”. The plaintiff’s goods are used for sound recordings and, hence, its device marks are descriptive of the goods manufactured and sold by it.

xvi. The device marks

The logo for 'Studiomaster PROFESSIONAL' features the word 'Studiomaster' in a large, bold, serif font. A stylized circular graphic, resembling a film reel or a camera lens, is positioned behind the letter 'i'. Below 'Studiomaster', the word 'PROFESSIONAL' is written in a smaller, all-caps, sans-serif font.The logo for 'Studiomaster INDUSTRIAL' features the word 'Studiomaster' in a large, bold, serif font. A stylized circular graphic, resembling a film reel or a camera lens, is positioned behind the letter 'i'. Below 'Studiomaster', the word 'INDUSTRIAL' is written in a smaller, all-caps, sans-serif font.

were adopted only in 2004 and therefore, contrary to the claim of the plaintiff, have not established such goodwill or reputation in the market to be declared as ‘well-known marks’. The documents filed by the plaintiff demonstrate that the device mark *Studiomaster* is not being extensively used by the plaintiff contrary to what is portrayed before the Court. The sales revenue and the promotion expenses said to have been incurred by the plaintiff do not explain the impact that each such device mark of the plaintiff has had on its reputation and goodwill. Furthermore, these figures do not establish as to what contribution was made by each of the device marks owned by the plaintiff.

Submissions on behalf of the plaintiff: -

7. The arguments on behalf of the plaintiff were advanced by Mr. Saif Khan while submissions on behalf of the defendant were made by Mr. Uday Bedi. The arguments advanced by the counsels were largely in line with the averments made in the pleadings filed on behalf of the parties.

8. Mr. Khan's submissions are, broadly, paraphrased as follows.

- i. The instant action has been filed both, for infringement as well as for passing off *qua* plaintiff's trademark STUDIOMASTER and formative marks to injunct the defendant from adopting and using the



and



which are

deceptively and conceptually similar to the plaintiff's marks.

- ii. The plaintiff and its predecessor-in-interests have been manufacturing and selling audio and sound recording equipment with the trademark STUDIOMASTER for more than two decades. The trademark STUDIOMASTER has been used on a standalone basis as well as in logo and device form over the years in the course of its business.
- iii. The trademark STUDIOMASTER enjoys immense goodwill and reputation which is reflected in the plaintiff's turnover achieved over the years. The investment made in promoting the brand name

STUDIOMASTER is evident if one were to only peruse the financial figures concerning the promotional expenses.

- iv. The defendant's first adoption of the impugned mark



is as recent as 02.05.2019. There is not an iota of material placed on record, let alone evidence, in support of sales made and advertising expenses incurred for promotion of the impugned marks.

- v. The allegation that the plaintiff had concealed the fact that it had abandoned its earlier application no. 503296 for registration of the work mark STUDIOMASTER cannot shore up the case of the defendant. The fact that reference was not made to this application would neither confer any advantage on the plaintiff nor would it have prejudiced the case of the defendant. Importantly, due to oversight, the application although, not prosecuted to its logical end, was not rejected. The more pertinent aspect is that the plaintiff continued to make commercial use of the word mark STUDIOMASTER, *albeit*, without a registration. There was, in fact, no abandonment of the mark, as alleged, or at all.
- vi. There is no averment in the plaint that the plaintiff has a registration in the work mark STUDIOMASTER *per se*. That being said, the plaintiff has common law right in the mark STUDIOMASTER on account of use of the same continuously as is evident from a perusal of the invoices and the press clippings placed on record.

vii. The fact that the plaintiff has obtained the registration in the device mark *Studiomaster* which is a stylised version of the mark STUDIOMASTER will confer statutory rights in favour of the plaintiff under the Trade Marks Act, 1999 [in short “the Act”]. The word STUDIOMASTER formed an important feature of the aforementioned device mark. The plaintiff has, thus, a right in the word STUDIOMASTER both, on a standalone basis, as well as a part of the device mark.

viii. The allegation of the defendant that the plaintiff knew about the impugned mark since 14.09.2019 is false and this is demonstrable if one were to cross-reference paragraph 16 of the written statement with paragraph 7 of the application [I.A. No. 6664/2020] filed by the defendant under Order XXXIX Rule 4 of the CPC. Pertinently, although in the written statement, the defendant avers that the plaintiff acquired




knowledge of the impugned mark on 14.09.2019, in the application, it is stated that the plaintiff acquired knowledge sometime in the month of July-August 2019. Furthermore, nothing has been placed on record to link the phone call received on 14.09.2019 by the defendant to the plaintiff.

ix. The trademark STUDIOMASTER is neither common to the trade nor is it descriptive as contended by the defendant. The trademark is inherently

distinctive as it is an arbitrary combination of the words STUDIO and MASTER. The trademark STUDIOMASTER does not describe the products-in-issue i.e. audio and sound recording equipment. The trade mark registry does not have an identical mark on its register. There is also, to the knowledge of the plaintiff, no third party, except the defendant, making or attempting to make, commercial use of a mark, which is, identical or deceptively similar to the plaintiff's mark. Assuming without admitting that the mark is descriptive, the same can be protected if it is otherwise well-known. It does not lie in the mouth of the defendant to assert that the plaintiff's mark STUDIOMASTER is descriptive when the marks *qua* which he is claiming protection include the word STUDIO.

- x. There is a conceptual similarity between the plaintiff's mark

STUDIOMASTER and the impugned marks  and



. The plaintiff has never claimed a right to exclusively use the word STUDIO on a standalone basis. It is important to emphasise: what is common to the register maintained by the trademark registry is not, necessarily, common to the trade. Besides this, as stated above, there is not a single instance cited by the defendant

which would demonstrate that the plaintiff's mark STUDIOMASTER is common either to the register or to the trade.

- xi. The impugned marks being used in the same trade channel are deceptively similar to the plaintiff's marks, on account of not only conceptual similarity but also its look and get-up. The deceptive similarity of the impugned marks is not only on account of the use of the prefix STUDIO but also in the use of the suffix MAN/MIN. The suffix MAN/MIN rides close to the suffix used in the plaintiff's mark, which is, MASTER. Coupled with this, the stylisation of the impugned marks establishes the charge of deceptive similarity.

9. In support of his submissions, Mr. Khan relied upon the following judgements.

- a) *Shree Nath Heritage Liquor Pvt. Ltd. and Ors. vs. Allied Blender & Distillers Pvt. Ltd.*, MANU/DE/1933/2015
- b) *BCH Electric Limited vs. Eaton Corporation and Ors.*, MANU/DE/1416/2016.
- c) *Sunil Mittal and Ors. vs. Darzi on Call*, MANU/DE/1028/2017.
- d) *Automatic Electric Limited vs. R.K. Dgawan and Ors.*, MANU/DE/0461/1999.

Submissions on behalf of the defendant: -

10. On the other hand, the submissions made by Mr. Bedi, as expected, raised converse arguments.

- i. The plaintiff had abandoned its trademark STUDIOMASTER. The plaintiff, admittedly, has not been using the trademark STUDIOMASTER since 2003. In this behalf, reliance was placed on paragraph 3 of the plaintiff's additional affidavit dated 02.09.2020. Given this position, the plaintiff cannot claim exclusive ownership over the trademark STUDIOMASTER.
- ii. The word STUDIO is common to the trade and the register. That being so, the plaintiff cannot claim a monopoly over the same. If this is allowed, an unfair monopoly will be created in favour of the plaintiff. In support of this plea, reliance was placed on the 31 registrations made in Class 9 which comprised the word STUDIO. Furthermore, to buttress the plea that the word STUDIO was descriptive of the nature of the goods, reference was made to the plaintiff's pamphlets wherein its goods were described as "Studio systems".
- iii. The plaintiff's and the defendant's marks were dissimilar. In this context, reference was made to paragraph 50 of the written statement wherein the 7 differences obtaining in the plaintiff's and the defendant's marks are set out.

- iv. It is settled law that the marks have to be seen as a whole and not placed side by side as is outlined in the plaint and in the order dated 24.06.2020. The standard to be applied is how an average person of imperfect recollection would view the competing marks.
- v. The mark STUDIOMASTER may have been on the trademark register but has not been in use since 2003. Strictures need to be passed against the trademark registry as to how the mark is being renewed without proof of usage. The use of the word PROFESSIONAL along with the word STUDIOMASTER cannot confer any proprietary right in the plaintiff in the word PROFESSIONAL as has been indicated by the trademark registry at the time of registration – it is, however, important to emphasize that the plaintiff had to use the word INDUSTRIAL with the word STUDIOMASTER because the objection was taken in the first instance by the trademark registry qua the use of the word PROFESSIONAL.

11. Mr. Bedi, in support of his submissions, relied upon the following judgements.

- a) ***JR Kapoor vs. Micronix India***, 1994 Supp (3) SCC 215
- b) ***Indo Pharma Pharmaceuticals Works Ltd vs. Citadel Fine Pharmaceuticals Ltd.***, (1998) 2 LW 646
- c) ***Valvoline Cummins Ltd. vs. Apar Industries Ltd.***, 2013 SCC Online Del 4738

- d) *AstraZeneca UK Ltd v. Orchid Chemicals & Pharmaceuticals Ltd.*, (2007) ILR I DELHI 874
- e) *Marico Ltd v. Agro Tech Foods Ltd*, (2010) 174 DLT 279 (DB)
- f) *Eatman Foods India Pvt. Ltd. v. Savorit Ltd.*, 2013 SCC Online Mad 2138
- g) *F. Hoffman La Roche v. Geoffrey Manner & Co*, (1969) 2 SCC 716
- h) *Novelty Emporium vs. Novelty Creation Private Limited*, 2001 SCC OnLine Del 1262.

Analysis and Reasons: -

12. Before I proceed to sift the wheat from the chaff, insofar as facts and circumstances of this particular case are concerned, it may be helpful to set down certain broad principles concerning the test to be applied in a situation which obtains in the present matter.

- i. Likelihood of confusion [which is probable and not simply possible] is a standard that is applied both in infringement actions and in passing off. [See: McCarthy on Trademarks and Unfair Competition, 4th Edition, cited with approval in *Shree Nath Heritage Liquor Pvt. Ltd. vs. Allied Blender & Distillers Pvt. Ltd.*, 2015 SCC OnLine Del 10164].

- ii. The priority of use needs to be considered¹.
- iii. A passing off action can lie even against the proprietor of a registered mark. [See: *R. Thorne & Sons Ltd. v. Pimms Ltd.* (1909) 26 R.P.C. 221] Registration of a mark confers certain statutory rights but certainly does not degrade or dilute common law rights which may inhere in a mark because of its commercial use merely because the marks are not registered.
 - a) *R. Thorne* was a case where the plaintiff brought an action of passing off based on a mark “Thorne’s Whisky” against the defendant for selling the same product under a registered trademark consisting of the label “Glen Thorne”. The Court after considering the material on record granted an injunction against the defendant who was a proprietor of a registered trademark even though there was additional material printed on the label such as the name of the proprietor etcetera on the ground that the defendant’s mark was misleading. Although this case had been decided after evidence being placed before the Court. the principle set forth hereinabove emerges clearly from this judgement.
- iv. In a passing off action, the plaintiff is required to establish that the misrepresentation made by the defendant in the course of the trade via

¹ [See: McCarthy on Trademarks and Unfair Competition, 4th Edition, cited with approval in *Shree Nath Heritage Liquor Pvt. Ltd. v. Allied Blender & Distillers Pvt. Ltd.*, 2015 SCC OnLine Del 10164]

the impugned marks is calculated to injure or damage its goodwill, which could be actual or a foreseeable consequence of the defendant's actions. The misrepresentation need not be fraudulent. The tort of passing off i.e. deception/misrepresentation is agnostic to the intent of the defendant. [See: *Reckitt & Colman Products Ltd. vs. Borden Inc.*, (1990) 1 All E.R. 873; cited with approval in *RB Health (US) LLC and Ors. vs. Dabur India Ltd.*, 276 (2021) DLT 64].

13. Thus, bearing in mind, the aforesaid, broad, principles, let me delve into the factual aspects which have emerged in the instant case.

14. What has emerged upon perusal of the record and after considering the submissions made by the counsels is that the dispute between the parties veers around the following facts and circumstances.

- i. The plaintiff has been in the business of manufacture and sale of audio-equipment as a part of the AHUJA GROUP for several decades.
- ii. The plaintiff's sister concern M/s Prosound Products was the owner of the device mark *Studiomaster*. The rights in the said registered (device) mark were assigned to the plaintiff via assignment deed dated 27.05.2008.
- iii. The application for registration of the device mark *Studiomaster* is dated 07.06.1999. There is material on record in the form of press releases and advertisements concerning

various products manufactured and sold which span between May-June 1998 and November-December 2018. Besides this, some invoices have been placed on record, which advert to the trademark STUDIOMASTER. These invoices span between 31.12.2003 and 28.03.2012. The said invoices, apparently, have been generated by the plaintiff's sister concern M/s Prosound Products. Interestingly, there are, on record, three invoices, two of which are dated 01.12.2008, while the third is dated 28.03.2012. The body of these three invoices adverts to the trademark STUDIOMASTER and although the consignor is M/s Prosound Products, the consignee is the plaintiff. There appears to be an overlap, in the use of, the trademark STUDIOMASTER as after the execution of the assignment deed on 27.05.2008, the rights in the said mark were admittedly assigned by M/s Prosound Products in favour of the plaintiff.

- iv. The plaintiff has also placed on record tax invoices which span between 30.04.2008 and 31.07.2018. These invoices are in the name of the plaintiff, though, there is no reference in the body of the invoices to the mark STUDIOMASTER.
- v. The plaintiff has, as indicated above, placed on record a certificate of the chartered accountant to establish *inter alia* the turnover achieved by it between 2007-2008 and 2018-2019 and the expenses incurred on advertising, promotion, and website charges. The certificate is suggestive of the fact that its turnover as noted above increased from Rs. 48,02,01,

022 in 2007-2008 to Rs. 131,97,01,805 while in the same period its advertising and promotion expenses increased from Rs. 31,59,542/- in 2007-2008 to Rs. 45,01,784/- in 2018-2019.

- vi. The plaintiff had filed an application dated 03.01.1989 for seeking registration of the word mark STUDIOMASTER on a “proposed to be used” basis, which was not prosecuted.
- vii. The plaintiff, thereafter, obtained trademark registration for the following formative marks.



- viii. The plaintiff claims to have used the device mark *Studiometer* between 1990 and 2003. Insofar as the formative marks are concerned, the plaintiff avers they were used by M/s Prosound Products between 2003 and 2007-2008 and, thereafter, by the plaintiff.
- ix. The defendant had filed an application for registration of its device mark



on 02.05.2019 qua which no objection was lodged by the plaintiff. The said mark was registered on 21.05.2020.

- x. The defendant's application for registration of his second device mark



- was lodged with the trademark registry on 19.11.2019 and has not, as yet, been approved for issuance of a trademark certificate; the reason, perhaps, being that the plaintiff lodged its notice of opposition qua this application on 22.04.2020.
- xi. The defendant is desirous of being in the same channel of business as the plaintiff [that is if he is not already there] i.e. deal in audio and sound recording equipment.
- xii. The defendant has placed no material on record which would demonstrate any commercial use of the impugned mark. The defendant has by way of additional affidavit 28.11.2020 placed on record copies of registration certificates obtained from various statutory authorities to which I have referred hereinbelow.

15. Therefore, what emerges is that the plaintiff has been in business much longer than the defendant, and has been making commercial use of its device marks, if not earlier, certainly since 2003; firstly, through its predecessor-in-interest, and after May 2008, through the plaintiff [As indicated above, there is one invoice, though of 2012, whereby the plaintiff's predecessor-in-interest i.e. M/s Prosound Products appears to have sold some goods to the plaintiff]. Besides this, there is material on record in the form of press releases and advertisements which span between May-June 1998 and November-December

2018 which advert to the trademark STUDIOMASTER. Although the plaintiff has placed on record invoices even for the period spanning between 30.04.2008 and 31.07.2018, these do not refer to, at least in the body, as in the earlier invoices, to the trademark STUDIOMASTER.

16. On the other hand, the defendant, undoubtedly, has jumped into the fray only in November-December 2019. The application filed by the defendant for



registration of its device mark clearly stated that at that juncture the defendant only “proposed to use” the said mark. As noticed above, insofar as the other device mark of the defendant is concerned



i.e. Studiomin Professional Power Amplifier Booster, he has, concededly, not obtained registration *qua* the same, as yet.

16.1. Although the plaintiff has placed some material on record to show commercial use of its trademark STUDIOMASTER and STUDIOMASTER PROFESSIONAL, in the form of invoices and advertisement material, with some gaps, the defendant has placed next to nothing on record to demonstrate the commercial use of the impugned marks.

17. Therefore, clearly, the plaintiff has the advantage of being the early bird i.e. frontrunner insofar as the use of its trademarks is concerned. Besides this, the plaintiff claims to have invested substantial funds in promoting its device marks; a claim which is supported by a certificate of the chartered accountant.

On the other hand, the written statement of the defendant is completely silent on this aspect of the matter.

17.1. Faced with this situation, the defendant, during the course of the hearing, placed on record, additional documents, by way of an affidavit dated 28.11.2020 to demonstrate that he had been using the impugned trademarks since 22.12.2016.

17.2. The documents filed included:

- i. The application dated 22.12.2016 filed by the defendant for registration under Section 7(1)/7(2) of the Central Sales Tax Act, 1956 with the department of trade and taxes, Government of National Capital Territory of Delhi. In this application, it is stated by the defendant that he was carrying on his business under the name STUDIO MAN within the Union Territory of Delhi.
- ii. The provisional certificate of registration dated 22.12.2016 issued by the department of trade and taxes, Government of National Capital Territory of Delhi [GNCTD]. This certificate gave the name of the dealer as STUDIO MAN.
- iii. The GST registration certificate dated 17.07.2018 issued by the Government of India. In this application, the defendant indicated once again that he used the trade name STUDIO MAN. Furthermore, GST Identification Number which has been issued to the defendant also

shows that he has been doing his business under the trade name STUDIO MAN.

17.3. Thus, contrary to the stand taken on behalf of the defendant that it had been using the impugned trade devices



since December 2016, what emerged, was that he had filed and obtained a registration certificate from the GNCTD and the Government of India for the purposes of Central Sales Tax and GST by only claiming that he was using the trade name STUDIO MAN. As indicated above, there is no material on record which would, at this juncture, even *prima facie*, establish that the defendant has been making commercial use of the




impugned device marks and ... Apart from the fact that this case is not set up in the written statement, what is noticed, upon perusal of the copies of the invoices appended and marked as Annexure A-3 (Colly) which are 26 in number [in effect, 25], that the defendant has been using STUDIOMAN in conjunction with the word ELECTRONICS, in the form of a trade- name. Thus, the trade-name mentioned in these 25 invoices is STUDIOMAN ELECTRONICS. These 25 documents are a collection of invoices raised both by and on the defendant as well i.e. consists of suppliers, purchasers, and transporter. The total worth of sales and purchase is Rs. 10,37,847/-.

17.4. Admittedly, the defendant has not secured an exclusive right over this mark which is, otherwise, registered; as is evident from the caveat entered in the registration certificate dated 21.05.2020, bearing number 2433575.

17.5. Pertinently, while there are several marks, apparently, on the trademark registry which bear the prefix or the suffix STUDIO, there is nothing placed on record by the defendant to demonstrate that they are in the same trade channel i.e. in the business of manufacture and sale of sound recording equipment.

17.6. On the other hand, the defendant claims to have entered the business of selling audio equipment, if one were to give credence to the invoices placed on record along with his additional affidavit. I must point out here that in the application bearing number 4351530 dated 19.11.2019, the defendant had, contrary to the stand taken in the additional affidavit dated 28.11.2020, stated

that the registration of the device mark  was sought on a “proposed to be used” basis.

17.7. Thus, in my view, there is a likelihood of confusion being caused in the mind of a consumer who has an imperfect recollection given the fact the stylised version of the impugned marks is deceptively similar to the plaintiff’s marks.

17.8. More pertinently, on balance, based on the material placed on record, at this stage, I am inclined to agree with Mr. Khan that the plaintiff has been

making commercial use of its mark over a longer period and much more extensively as compared to the defendant. Therefore, given the fact that the plaintiff has obtained registrations *qua* the formative marks of the original device mark, *Studiomaster* it should be able to obtain protective orders *qua* other deceptively similar marks such as the impugned marks.

17.9. As noticed above, the standard for ascertaining as to whether or not the impugned marks are likely to cause confusion as to the origin of the goods is the same for an infringement action as well as for a passing off action.

18. I am *prima facie* of the view that the defendant has, since 2016, attempted to slowly but surely, creep close to the plaintiff's device marks by adopting a stylised version of the mark STUDIO MAN. It is well settled that where the plaintiff has made sufficiently long use of a particularly distinctive device mark, a special obligation is cast on the competitor to avoid confusion. [See: *United Biscuits vs. Asda Stores*, (1997) 12 RPC 513 at 531] *Asda Stores* was a case where the plaintiff filed a passing off and a trademark infringement action against the defendant. The plaintiff manufactured and sold chocolate coated sandwich biscuits under the mark 'PENGUIN' while the defendant sold the same product under the mark 'Puffin'. The Court *inter alia* granted an injunction, principally, on the ground that there was a likelihood of deception. The Court enunciated a pertinent principle which is "In aiming to avoid what the law would characterise as deception, the defendant had nevertheless taken

a conscious decision to live dangerously. This was not something which the Court was bound to disregard.”.

18.1. The defendant, as indicated above, on his own showing was going about using the tradename STUDIO MAN. It is only in November-December 2019 that he chose to stylise it by seeking registration of the following mark.



19. Thus, while Mr. Bedi is right that if an injunction is sought against a registered mark, the Courts are, ordinarily, slow in granting relief, this, though, by itself, cannot be an impediment where the Court is *prima facie* satisfied that the plaintiff is the prior user of a mark which is deceptively similar to the impugned mark and the impugned mark has the potentiality of deceiving the consumers, having imperfect recollection, as to the origin of the goods. [See: *Specsavers International Healthcare Ltd., Specsavers BV, Specsavers Optical Group Ltd. and Specsavers Optical Superstores Ltd. vs. Asda Stores Ltd.*, 2012 FSR 19 at 115, 116].

20. Therefore, the distinctions sought to be drawn by Mr. Bedi between the plaintiff's marks and the impugned marks are an exercise in futility. As noticed hereinabove, even while Mr. Bedi sought to draw distinctions between the impugned marks and the plaintiff's marks, he sought to emphasize, which in my view is the correct approach, that the test to be applied is whether a reasonable man, having an imperfect memory, is likely to be confused as

regards the origin of the goods. As noticed above, my sense is, that there is every likelihood of confusion as to the origin of the goods in issue if the stylised version of the impugned marks is allowed to be used by the defendant. The defendant's use of the impugned marks has the potential of injuring the goodwill of the plaintiff.

21. The fact that the defendant has a registered trademark can certainly not come in the way of the plaintiff seeking an injunction based on, if nothing else, in a passing off action if it is otherwise able to demonstrate that the defendant's mark is deceptively similar to its mark which has been in use prior to the defendant's mark. To my mind, it cannot be said that there is no deceptive similarity between the plaintiff's mark and the impugned marks if one were to view the competing marks without dissecting them into two halves contrary to the defendant's contention.

22. I may also indicate that there is not much weight in the argument advanced on behalf of the defendant that the plaintiff had abandoned its earlier attempt to get its word mark STUDIOMASTER registered or that this aspect was not disclosed in the plaint since, in my opinion, this aspect is not material to the case set up by the plaintiff. The plaintiff claims rights based on the registered device marks *qua* which it has obtained rights and on account of their prior use, which spans over nearly a decade or more.

22.1. The argument advanced by Mr. Bedi that the trademark STUDIOMASTER was descriptive and hence being invalid would not enure

any rights in favour of the plaintiff is misconceived. Firstly, the word STUDIO is not descriptive of the product manufactured and sold by the plaintiff. The dictionary meaning of the word STUDIO is a room where an artist, photographer or sculptor works. It also often refers to space/place or facility where the production of movies takes place. STUDIO also means a small flat which is often described as studio apartments. Thus, by itself, the word STUDIO does not describe the goods manufactured and sold by the plaintiff. Furthermore, the word STUDIO has been combined by the plaintiff with another word i.e. MASTER which, as correctly pointed by Mr. Khan, is arbitrary, and unless, it is accompanied by the name of the product, say, for instance, a mixer or an amplifier, it does not by itself give a clue as to what is the product about. Thus, by itself, STUDIOMASTER does not describe the products and goods manufactured and sold by the plaintiff. Likewise, STUDIOMASTER is not descriptive of the product.

23. Therefore, Mr. Bedi's argument that since the word mark is descriptive and, hence, it can be accorded no protection by the Court, in my opinion, is unsustainable. The other submissions, although, not advanced during the hearing, but form part of the written statement i.e. that the assignment deed is insufficiently stamped or, that the suit is overvalued for the purposes of jurisdiction are matters which can only be examined at the stage of the trial. Mr. Bedi, perhaps, bearing this in mind, made no submissions concerning the same at the time when arguments were heard in the captioned applications.

Conclusion: -

24. Thus, for the foregoing reasons, in my view, the best way forward would be to injunct the defendant from using the impugned marks



with the leeway to use the trade name/trademark STUDIO MAN, *albeit*, without any stylisation. In this context, it is pertinent to record that Mr. Khan, on behalf of the plaintiff, made a statement, to the following effect, which is, recorded in the order dated 17.12.2020.

“3. Mr. Khan says that the plaintiff had an objection to only the stylized version of the mark “STUDIOMAN” & “STUDIOMIN” used by the defendant.

4. Mr. Khan emphasizes that in the documents filed with the aforesaid additional affidavit, **the mark used is “STUDIO MAN” with a space between STUDIO and MAN, to which, the plaintiff has no objection.**”

[Emphasis is mine]

25. Accordingly, the order dated 24.06.2020 is partially varied to the extent given hereinabove. The captioned applications are disposed of in the aforementioned terms.

CS (COMM) 193/2020

26. List the matter before the Roster Bench, for directions, on 14.04.2021.

RAJIV SHAKDHER, J

MARCH 19, 2021

Click here to check the corrigendum, if any

