IN THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment delivered on:03.09.2024

\+ **FAO (COMM) 41/2024 & CM No.12834/2024**

AMBA SHAKTI STEELS LTD. ..... Appellant

Versus

SEQUENCE FERRO PRIVATE LIMITED ..... Respondent

Advocates who appeared in this case:

For the Appellant : Mr. S.K. Bansal and Mr. Pankaj Kumar, Advocates.

For the Respondent : Mr Suhail Dutt, Senior Advocate with Mr. Prakhar Sharma, Ms. Sageeta Gulati and Mr. Swapnil Choudhary, Advocates.

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HON'BLE MR JUSTICE VIBHU BAKHRU
HON'BLE MS JUSTICE TARA VITASTA GANJU

JUDGMENT

VIBHU BAKHRU, J

1. Amba Shakti Steels Limited – a company incorporated under the Companies Act, 1956 – has filed the present appeal impugning an order dated 18.01.2024 (hereafter *the impugned order*) rendered by the learned Commercial Court, whereby the appellant's application under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (hereafter *the CPC*) filed in CS (Comm) 738/2023 captioned *Amba Shakti Steels Limited v. Sequence Ferro Private Limited*, was dismissed.

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2. The appellant (plaintiff in the suit – hereafter also referred to as *the plaintiff*) has filed the aforementioned suit [CS (Comm) 738/2023], *inter alia*, alleging infringement of its registered trademark, infringement of its copyright, and passing off. The appellant, *inter alia*, seeks a decree of permanent injunction restraining the respondent (arrayed as defendant in the suit) from using the mark/label AMMAJI/ 

or any other trademark deceptively similar to the appellant's trademark/ label AMBA/ 

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in relation to their business of Steel Bars, ingots, and allied and cognate goods.

FACTUAL CONTEXT

3. The appellant (incorporated as K.P. Steel Products Private Limited in the year 1989) is engaged in the business of manufacturing and dealing in metals of ferrous and non-ferrous alloys including Steel Bars, Billets, Angles and Channels, and Sponge Iron.

4. The appellant states that it adopted the trademarks AMBA and AMBA SHAKTI as word marks, and 

and 

as artistic device/logo in the year 1993. It has since adopted various other trademarks/ labels including

, , , , and .

5. The appellant states that it is the registered proprietor of the trademark AMBA under Trademark Registration Nos. 1194269, 1262572, 1558068, 1420362, 1420363 and 1466074 in Class 06, and 1558182 in Class 37 registered under the Trade Marks Act, 1999 (hereafter *the TM Act*). The appellant applied for the registration of the trademark 'AMBA SHAKTI TMT' (registered under trademark application no. 1194269) for H.S.D. Bar under Class 06, on 24.04.2003 and claimed user since the year 1993. The appellant applied for registration of the trademark 'AMBA' under trademark application no. 779492 for H.S.D. Bar in Class 06 on 25.11.1997, however, the status of the application shows that the same was abandoned.

6. The appellant also states that its copyright of the label  is registered under the Copyright Act, 1957 bearing registration number A-79545/2007.

7. The appellant claims that AMBA group of companies, which have plants across the county, also use the appellant's trademarks. The manufacturing facilities of the group includes the production plant of Amba Shakti Udyog Limited at Gwalior, Madhya Pradesh; production

plant of Amba Shakti Industries Limited at Sikandrabad, Uttar Pradesh; production plant of Goa Ispat Limited at Madkai, Goa; production plant of Amba Shakti Ispat Limited at Kala Amb, Himachal Pradesh; and production plant of Durga Ispat Limited at Muzaffarnagar, Uttar Pradesh.

8. The appellant also claims to have various national and international accreditations, and is registered with different government departments. The appellant maintains and operates an interactive website with the address <www.ambashakti.com> which also uses the word 'AMBA'.

9. The appellant claims that on account of its honest prior adoption and continuous use, its goods under the trademark have garnered immense goodwill. The appellant has also disclosed its turnover for the last five years commencing from 2018 to the year 2023. It states that during the financial year 2018-19, its turnover was ₹386.51 crores and during the financial year 2022-23, its turnover was ₹358.58 crores.

10. The appellant claims that it has been continuously promoting its trademarks and labels through extensive advertisements, promotions and marketing research. It claims that it had invested significant amount of money, effort and skill in promoting its trademarks.

11. The appellant claims that it is the first manufacturer of Integrated Steel Concast Plant in north India. It has also received approvals from various state organizations such as the Indian Railway, NHAI, NTPC, MES and PGCIL.

12. The appellant alleges that the respondent – which is also engaged in the business of Steel Bars, ingots, and allied and cognate goods – has adopted the trademark/label 

with *mala fide* intention to pass off its goods and take unfair advantage of the appellant's goodwill. The respondent has also applied for registration of trademark (under registration number 5707610) on 03.12.2022 in Class 06 in respect of goods including TMT Bar, common metals and their alloys; metal building materials, transportable buildings of metal, materials of metal for railway tracks, non-electric cables and wires of common metal, ironmongery, small items of metal hardware, pipes and tubes of metal, safes, goods of common metal not included in other classes, and ores.

13. The respondent claims that it commenced its business of manufacturing TMT bars (Thermo-Mechanically Treated steel bars) and other products and adopted its trademark /label 

with effect from 02.12.2022[1]. The respondent has also filed a Chartered Accountant's Certificate dated 14.11.2023 certifying that the respondent had sold goods of an aggregate sale value of ₹42,43,87,746.47 during the six month's period commencing from May, 2023 to October, 2023.

[1] As apparent from the application for registration of the said trademark in Class 06 filed on 03.12.2022.

14. The respondent has also filed copies of invoices for its products. The earliest invoice is dated 17.05.2023.

RIVAL CONTENTIONS AND THE IMPUGNED ORDER

15. As noted above, the appellant had filed an application for interim relief restraining the respondent from using the trade mark AMMAJI TMT 550 or any other mark which is deceptively similar to its registered trademarks. The appellant's case is premised on its claim that it has significant goodwill in the market in respect of products sold under its trademarks. The appellant alleges that the respondent has dishonestly adopted its trademark to derive unfair advantage of the appellant's goodwill. Additionally, it claims that the respondent's trademark bears distinct similarity with the appellant's trademark and a person of imperfect recollection is likely to be misled into believing the respondent's goods as those of the appellant's.

16. The respondent resisted the appellant's claims on several grounds which are briefly noted below.

16.1 First, it claimed that the trademarks are not similar. The respondent claimed that as per Hindu mythology 'Amba' is the name of a goddess which is an incarnation of Goddess Parvati. And, 'Ammaji' is a respectful way of addressing mothers and grandmothers.

16.2 Second, the respondent alleged that the appellant had not approached this Court with clean hands. Whereas the appellant had claimed that it became aware of the respondent's trademark in

September, 2023, the appellant's sister concern, M/s Amba Shakti Udyog Limited, had caused a legal notice dated 29.05.2023 to be issued to the respondent, *inter alia,* calling the respondent to withdraw its application[2] for registration of its trademark, and cease and desist from using the said label or any other mark deceptively similar to the trademarks 'AMBA / AMBA SHAKTI TMT / AMBA SHAKTI SD TMT 500'. The respondent claims that since the appellant has suppressed the fact of issuance of a legal notice to the respondent, the appellant is not entitled to any discretionary reliefs.

16.3 Third, it was contended that there were several third parties that were using the name 'AMBA' in their trademarks or business names and therefore, the appellant could not claim any monopoly right in respect of the trademark 'AMBA' or any other similar formative marks/names.

16.4 Fourth, the respondent contended that the product (TMT Bars) – which is its main product – are high value items and thus, its customers are vigilant regarding the products purchased by them. Therefore, there is no likelihood of confusion in the minds of the customers.

16.5 Lastly, the respondent contended that the suit was liable to be dismissed for non-joinder of parties as M/s Amba Shakti Udyog Limited had not been impleaded as a party. It is contended that the said company had also asserted rights in respect of the trademarks and had opposed the respondent's application for registration of its trademark.

[2] Trademark Registration Application No.5707610

Thus, it was necessary for the said company to also be arrayed as a party to the suit. The respondent also contended that the claims made by M/s Amba Shakti Udyog Limited were conflicting with those of the appellant.

17. The learned Commercial Court had noted the rival contentions and rejected the interim order on essentially two grounds. First it found that the artworks of the labels were different and second, that the appellant had not taken any steps to restrain other companies from using similar marks or adopting names that include the word AMBA.

REASONS AND CONCLUSION

18. The appellant has assailed the impugned order reiterating its claim that the trade mark 

adopted and used by the respondent is deceptively similar to the appellant's trademarks and the respondent has dishonestly adopted the same to take unfair advantage of the appellant's goodwill. The learned counsel appearing for the appellant also contended that the learned Commercial Court had not considered that the appellant had established a strong *prima facie* case. The learned Commercial Court's conclusion that the balance of convenience was in favour of the respondent is also erroneous.

19. The learned senior counsel appearing for the respondent countered the aforesaid submissions. He reiterated some of the respondent's submissions as noted in the impugned order.

20. At the outset, it is material to note that although the learned Commercial Court had noted the contentions advanced by the parties, it had not returned any *prima facie* findings in respect of most of the contentions. The learned Commercial Court's decision rested principally on two *prima facie* findings. First, that the rival marks were not similar. And second, that the appellant had not taken any steps to restrain other parties who were using trademarks/names similar to that of the appellant's trademarks.

21. Insofar as dissimilarity of the marks is concerned, the learned Commercial Court had held as under:

> **"35.** The artwork of the defendant shows that both the artwork are different as in the artwork of the plaintiff there is a building and two circles are around the building and another trademark Amba Shakti there is a building and Shakti TMT 500 is written beneath the word **Amba**. Whereas the artwork of defendant is **Ammaji** and a steel bar is shown in the artwork of the defendant and there are words TMT 550. I am of the view that defendant artwork is not similar to that of the plaintiff and artwork of both the **Ammaji 550** and **Amba Shakti** are different."

22. It is apparent from the above that the learned Commercial Court had proceeded to examine the trademarks by juxtaposing the same and noting the difference in the said marks. The question whether a registered trademark is infringed is required to be considered by examining the overall commercial impression of the two marks from a standpoint of a person of average intelligence and imperfect recollection.

23. According to the respondent, the word 'AMBA' conjures up the image of the Hindu Goddess Amba. The respondent had referred to the etymology of the words used in the trademarks AMBA and AMMAJI and contended that the idea conveyed by the word 'AMBA', as per Hindu mythology, is of an incarnation of Goddess Parvati. It was submitted that that Goddess Amba is depicted as a fierce Goddess holding weapons and riding a lion. However, the idea conveyed by the word 'AMMAJI' is that of a mother or grandmother. It was further submitted that as per Hindu mythology, Goddess Amba was created from the combined energy of several different deities including Brahma, Vishnu and Mahesh as against that, the word 'Ammaji' conveyed the idea of an elderly lady. However, the learned Commercial Court did not address the issue whether the trademarks 'AMBA' and 'AMMAJI' left a similar commercial impression in the mind of a person with average intelligence and imperfect recollection.

24. Undeniably, the words AMBA and AMMAJI have certain phonetic similarities. The meaning of the words is also not different. Although in north India, the word AMBA is referred to a goddess, its literal meaning in Hindi language is 'a mother'. Rekhta dictionary defines the word 'Amba' as '*janani, mata'*. Freely translated the same means 'birth giver' and 'mother'. The word 'JI' is added as a suffix to any name as a mark of respect.

25. It is also noted that trade label 

bears a distinct similarity with the appellant's trademark 

.The first thing that strikes one is the structure of the label. The words AMBA and AMMA are written above the other words in both the labels. Further, both AMBA and AMMAJI are in red colour. The opening letter 'A' of AMBA and AMMA also has an added affixed feature. Whereas the said feature is of a building within two spherical circles in the case of the appellant's trademark, it is the depiction of a sun in the respondent's label. The words 'SHAKTI TMT' are written in blue colour below the word AMBA in the appellant's brand. Similarly, the term 'TMT' is also written in blue colour in the respondent's label. Both the labels carry numerals, whereas the appellant's label includes the numeral 500 below the word AMBA, the respondent's label includes the numeral 550 on the bottom right corner of the label. The numeral 550 in the respondent's mark is somewhat similarly positioned as the numeral 500 in the appellant's mark – on the bottom right side of the label.

26. It is important to note that the products of the parties are identical. Their main product is TMT bars, which is used for steel reinforcement in civil construction.

27. In ***Re E.I. du Pont de Nemours & Co.***[3], the United States Supreme Court had set out the following factors to be considered for ascertaining whether there is likelihood of confusion:

> "1. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation, and commercial impression.
> 2. The similarity or dissimilarity and nature of the goods . . . described in an application or registration or in connection with which a prior mark is in use.
> 3. The similarity or dissimilarity of established, likely-to-continue trade channels.
> 4. The conditions under which and buyers to whom sales are made, i.e. "impulse" vs. careful, sophisticated purchasing.
> 5. The fame of the prior mark.
> 6. The number and nature of similar marks in use on similar goods.
> 7. The nature and extent of any actual confusion.
> 8. The length of time during and the conditions under which there has been concurrent use without evidence of actual confusion.
> 9. The variety of goods on which a mark is or is not used.
> 10. The market interface between the applicant and the owner of a prior mark.
> 11. The extent to which applicant has a right to exclude others from use of its mark on its goods.
> 12. The extent of potential confusion.
> 13. Any other established fact probative of the effect of use."

[3]476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

28. It is relevant to note that in the present case the goods and the trade channels used are similar. It is also material to note that the respondent has adopted the mark recently. Thus, it is evident from the above that there are several other factors as referred to in ***Re E.I. du Pont de Nemours & Co.***[3] which support the appellant's claim of likelihood of confusion.

29. The commercial impression of a trademark is required to be determined by examining the marks as a whole and not by comparing separate elements of the competing marks. This principle was stated by the United States Supreme Court in ***Estate of P.D. Beckwith v. Commissioner of Patents***[4], in the following words:-

> "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….."

30. It is relevant to refer to the following passage from the text in McCarthy on Trademarks and Unfair Competition[5]:

> "…. 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

[4] 64 L.Ed. 705.
[5] 4 McCarthy on Trademarks and Unfair Competition, §23.40 (5th ed., 2023) (pp. 277)

> confusion, not the impression created from a meticulous comparison as expressed in carefully weighed analysis in legal briefs."

31. It is apparent from the impugned order that the learned Commercial Court has not considered the question of the overall commercial impression of the competing marks. The learned Commercial Court has largely confined itself to comparing the elements of the two competing labels separately. This is not the correct approach for determining whether the overall commercial impression of the competing marks is similar.

32. There is striking similarity between the marks which *prima facie* projects the same commercial impression. Undeniably, there is phonetic similarity between the competing marks. The literal meaning of the words 'AMBA' and 'AMMA' are the same. They are synonyms. The suffix 'JI' is added to names as a mark of respect and does not alter the meaning of the words. More importantly, the commercial impression of the competing mark cannot be stated to be different.

33. It is also important to note that the goods (TMT Bars) are identical and where the goods are identical, it is necessary that the trademarks be dissimilar. It is relevant to refer the following text from McCarthy on Trademarks and Unfair Competition[6], which sets out the aforesaid principle in the following words:

[6] 4 McCarthy on Trademarks and Unfair Competition, §23.20.50 (5th ed., 2023) (pp. 193)

> "The degree of similarity of the marks needed to prove likely confusion will vary with the difference in the goods and services of the parties. Where the goods and services are directly competitive, the degree of similarity required to prove a likelihood of confusion is less than in the case of dissimilar products."

34. The second ground on which the learned Commercial Court had rejected the appellant's application is its failure to pursue remedies against other third parties using AMBA and other formative marks. The learned Commercial Court noted that there were other entities which are carrying on their businesses in the name and style of AMBA and other formative names and marks. The learned Commercial Court held that since the appellant had not taken any steps to restrain those entities from using similar marks, the appellant is disentitled to any interim relief. Paragraph nos. 36 and 37 of the impugned order are relevant and are set out below:

> **"36.** It is admitted fact that one of the sister concern of plaintiff i.e. M/s. AMBA SHAKTI UDYOG LIMITED has issued notice dated 29.05.2023 to the defendant and defendant had sent reply to this legal notice. The plaintiff has not mentioned about the factum of sending the legal notice and reply by the defendant in his plaint or in the application in hand. It is also the stand of the defendant that various other companies and entities are in existence who are doing the business in the name and style of Amba and other formatives such as **"AMBA GOLD", "AMBIKA", "AMBAJI INOX LLP", "AMBATUR ROOFINGS", "AMBAR GC SHEETS"** which clearly establishes that there exist numerous third parties which are carrying on their business operations along with the Plaintiff under the **"AMBA"** formative Corporate names and other companies in the similar name are existing such as AMBAR SPECIAL STEEL

PRIVATE LIMITED, AMBAY STEELAGE PRIVATE LIMITED, AMBA METALS PRIVATE LIMITED, AMBALA METAL KRAFT FOUNDATION & AMBALIKA METAL AND CHEMICALS PRIVATE LIMITED.

37. Admittedly, plaintiff has not taken any steps to restrain these companies for using the similar mark **Amba**. In the present case, defendant is using the work **Ammaji** and as per the contention of defendant various other companies in the name of Amba are in existence and plaintiff has not taken any action against those companies. It is also admitted fact that the application of the defendant with the office of Registrar of Trademark is accepted and plaintiff and other companies also filed objection against the registration of trademark **Ammaji**."

35. It is material to note that although the trade names of third parties, as referred to in the impugned order above do include the word AMBA, there are some distinctions. The name 'AMBAR GC SHEETS' *prima facie* appears different. The word AMBAR means 'sky' in Hindi language. Similarly, the word AMBATUR may also not be considered similar. However, even if it is accepted that some of the other entities are using trademarks and have adopted trade names/corporate names, which are similar to that of the appellant's trademark AMBA, it would be necessary to examine whether their products are similar to those of the appellant and whether they use the same trade channels as the appellant.

36. The learned Commercial Court has also not considered whether the goods dealt with by the entities using the word AMBA as a part of their trade name are similar to the goods manufactured or dealt with by the parties in the present appeal.

37. It is not necessary for a registered owner of a trademark to proceed against all entities using similar marks in order to proceed against any one of them. There may be a myriad reasons why a proprietor of a registered trade mark may refrain from proceeding against entities that it considers are using infringing marks. The sales and competition offered by an infringer may not be perceived as significant by the proprietor of a registered trade mark to institute an action. However, it is well-settled that failure of a proprietor of a registered trademark to institute any action against an entity infringing its trademark cannot be a ground to non-suit it from instituting an action against infringement[7] of its trademark or for passing off against another infringer. In ***Nutrica Pusti Healthcare Pvt. Ltd. & Others v. Morepen Laboratories Ltd.***[8]**,** a Division Bench of this Court observed that:

> "**29.** No merit is found also in the contention of the counsel for the appellants/defendants that the respondent/plaintiff is not entitled to injunction for the reason of others using similar marks. The respondent/plaintiff, as a registered proprietor of the trademark is not expected to run after every infringer and to instead of carrying on business in pharmaceuticals, carry on business in litigations; litigations are to be instituted only against those, use by whom of a similar/deceptively similar mark affects the respondent/plaintiff…."

[7] Ref: Pankaj Goel v. Dabur India Ltd.: (2008) 38 PTC 49 (Del.) (DB), Rolex Sa v. Alex Jewellery Pvt. Ltd. & Ors.: 2009 (41) PTC 284 (Del), Dr. Reddy's Laboratories Ltd. v. Reddy Pharmaceuticals Ltd.: (2004) 76 DRJ 616, Nuvoco Vistas Corporation Ltd. v. J.K. Laxmi Cement Ltd. & Anr.: 2019 SCC OnLine Del 8057

[8] 2021 SCC OnLine Del 2631

38. In view of the above, we are unable to accept that the appellant's application for interim injunction is required to be denied for the reasons as stated by the learned Commercial Court in the impugned order.

39. There are other aspects that were required to be considered by the learned Commercial Court in determining whether the appellant was entitled to any interim relief. The appellant and its other related concerns were using the trademark AMBA since past several years. The appellant had claimed that it had adopted the trademarks AMBA and AMBA SHAKTI in the year 1993. Thus, the appellant was using the said marks for the past two decades. On the other hand, the respondent had applied for registration of its trademark AMMAJI on 03.12.2022 claiming use of the same since 02.12.2022. The earliest invoice produced by the respondent in respect of sale of TMT bars is dated 17.05.2023. It is also material to note that the said invoice neither bears the trademark AMMAJI nor refers to the same. Further, the Chartered Accountant's certificate filed by the respondent also indicates respondent's sales turnover for the period commencing from May, 2023. In view of the above, it is reasonable to infer that, *prima facie*, the respondent had adopted the trademark AMMAJI in respect of its goods (TMT Bars) sometime in May, 2023. Admittedly, M/s Amba Shakti Udyog Limited which the appellant claims is one of its sister concerns had issued a notice dated 29.05.2023 calling upon the respondent to cease using the said mark and withdraw its application for registration of the same, and the appellant filed a suit on 20.09.2023.

40. It is apparent from the above, that the appellant is using the marks for the past two decades and the respondent had adopted the mark very recently in respect of TMT bars. And, immediately on becoming aware, the sister concern of the appellant had taken steps for calling upon the respondent to withdraw its application for registration of the competing mark, and cease and desist from using the same.

41. It is also necessary to bear in mind the interest of the customers. The likelihood of confusion in the minds of the consumers on account of similarity in the overall commercial impression of the competing marks is also material factor which is required to be considered. Thus, even in cases where the proprietor of the registered trademark has not acted promptly, the Courts have granted injunction on the principle that the interest of consumers is also required to be protected[9].

42. There is no serious dispute that the appellant's turnover under its registered trademarks is significantly larger than the respondent's turnover. Whereas, the appellant claims that its sales during the financial year 2022-23 was over ₹358.58 crores, the respondent claims its turnover till the institution of the suit was about ₹42 crores.

43. The period for which the parties have used their respective trademarks and the period of usage of the same would also be relevant for considering the question of balance of convenience. Since the turnover of the respondent is a fraction of that of the appellant, the balance of convenience lies in favour of the appellant.

[9] Ref: M/s. Hindustan Pencil Private Limited v. M/s. India Stationary Products Co. & Anr.: 1989 SCC OnLine Del 34

44. It is also relevant to examine the respondent's claim for adopting its trademark AMMAJI. The respondent's corporate name is Sequence Ferro Pvt. Ltd. which has no relation with the trademark adopted by it. The explanation provided by the respondent for adopting its mark AMMAJI also warrants consideration. According to the respondent, the grandmother of the husband of one of the Directors of the respondent had taken over the factory and business after her husband's demise and therefore, the trademark is a mark of their gratitude to her. We find the said explanation somewhat unpersuasive given the similarity in the structure and colour configuration of the competing marks as noted above. This lends credence to the appellant's contention that the respondent being a recent entrant in the business had adopted the trademark for taking an unfair advantage of its goodwill.

45. In the given facts, we are *prima facie* of the view that the appellant is entitled to an interim injunction restraining the respondent from using the trademark AMMAJI or any other marks which are deceptively similar to the appellant's registered trademarks.

46. The appellant has also set up a *prima facie* case of balance of convenience in its favour and would suffer an irreparable loss if the interim injunction is not granted to it.

47. Accordingly, the appeal is allowed and the impugned order dated 18.01.2024 is set aside. The pending application is also disposed of. The respondent is restrained from using the

trademark  or any other marks which are deceptively similar to the appellant's registered trademarks till the disposal of the suit.

48. We clarify that the observations made in this order are solely in the context the appellant's claim for interim relief. Nothing stated in this order ought to be construed as a final expression of opinion on the merits of the case. And, the learned Commercial Court shall finally decide the issues, uninfluenced by the observations made in this order.

49. The parties are left to bear their own costs.

VIBHU BAKHRU, J

TARA VITASTA GANJU, J

SEPTEMBER 03, 2024
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