

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

% Reserved on: 18th October, 2019
Decided on: 21st January, 2020

+ **CS(COMM) 519/2019**

IMAGINE MARKETING PVT. LTD. Plaintiff

Represented by: Mr.Sudhir Chandra,
Sr.Advocate with Mr.Manish
Biala and Mr.Devesh Ratan,
Advocates.

versus

EXOTIC MILE Defendant

Represented by: Mr.Parag Tripathi and Mr.C.M.
Lall, Sr. Advocates with
Mr.Ankur Sangal, Ms.Pragya
Mishra and Mr.Shiva Tokas,
Advocates.

CORAM:
HON'BLE MS. JUSTICE MUKTA GUPTA

I.A. 13041/2019 (under Order XXXIX Rule 1 and 2 CPC-by plaintiff)

I.A. 14039/2019 (under Order XXXIX Rule 4 CPC-by defendant)

1. By the present suit the plaintiff inter-alia seeks a decree of permanent injunction restraining the defendants, its officers, agents, subsidiaries, etc. from selling, exporting, importing, offering for sale, distributing, advertising or in any manner dealing in goods and/or services under the mark BOULT or

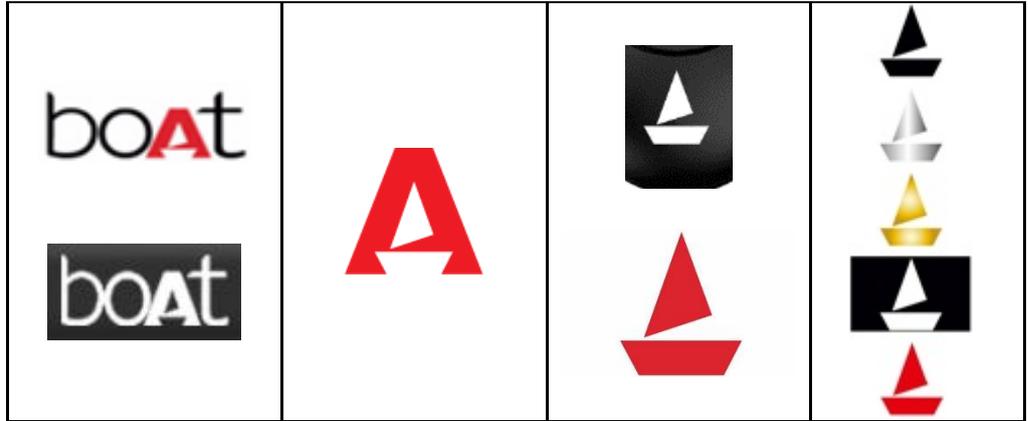
 or  or  or any other mark, or trade name, deceptively similar to the Plaintiff's registered trademarks BOAT/boAt,  and , which amounts to infringement of the plaintiff's

trademark and copyright, passing of the goods of the defendant's as that of the plaintiff's, rendition of accounts, delivery up, damages and cost.

2. Case of the plaintiff is that the plaintiff is a company incorporated under the Companies Act in the year 2013 having its registered office at Mumbai and in a short span of time plaintiff has become a market leader in electronic gadgets such as earphones, headphones, speakers, sound bars, travel chargers and premium rugged cables, which are marketed, sold and distributed under its flagship trademark  (boAt), which was originally coined and adopted by the Directors of the plaintiff i.e. Aman Gupta and Sameer Mehta in the year 2014. The reason for adoption of the word "boat" as its brand name 'boAt' is the philosophy of the founders of the plaintiff that "*when you take a boat, you leave everything behind, you plug into a new zone*". The plaintiff thus also adopted the tagline '*Plug into Nirvana*'. The word 'nirvana' is often used to denote bliss, ecstasy, peace, tranquility and oblivion and with the aim to provide such an experience to its customers, the plaintiff invested considerable time and money in research and development so that the sound quality of its products could give an unmatched experience to its customers. The plaintiff is also the owner of the copyright in the mark/logo  and alphabet 'A' in 'boAt' i.e.



which is a well thought of artistic work, displaying a boat within the letter 'A'. The depiction of the plaintiff's various logos and its parts are as under:



3. The plaintiff is also registered owner of the trademarks boAts, with the stylized 'A', boAt along with the word 'nirvana' in class 9, 11 and 35. As part of its efforts to promote and advertise its products under the *boAt trademark*, plaintiff has entered into contracts with various celebrities as its brand ambassadors and is also the licensing partner to various sporting events.

4. The success and popularity of the plaintiff and its product is determinable by the very fact that the plaintiff's turnover has risen from ₹5.5 crores in the first year i.e. FY 2014-15 to more than ₹200 crores in the FY 2018-19, and has already crossed ₹330 crores for the FY 2019-20. The plaintiff's product also have a strong online presence and is one of the top three best selling products on the Amazon.

5. According to the plaintiff the defendant is believed to be a proprietorship concern of Shri Vinod Kumar Gupta. The plaintiff first learnt about the unlawful activities of the defendant and confusion being caused in the market in February 2019 when the plaintiff received an email from Myntra regarding a customer complaint of the defendant's product. Thereafter, the plaintiff has been regularly receiving complaints by emails

from various customers and distributors regarding sub-standard quality of defendant's products which have been reported to the plaintiff as plaintiff's products, clearly evidencing that the customers are getting confused between the plaintiff's and defendant's products. The defendant is selling cheap and low quality product under the brand name BOULT, which is deceptively similar to the plaintiff's trademark BOAT, on the same platform on which the plaintiff is selling its products i.e. Amazon and Myntra. On further search conducted plaintiff came to know that the sole proprietor of the defendant Shri Vinod Kumar Gupta is the father of Shri Varun Gupta, who had initially approached the plaintiff in the year 2017 to become a distributor of the plaintiff's products. At that stage Mr. Varun Gupta had represented to the plaintiff that he worked with an entity called *Brand Barters*. The plaintiff had initially authorized Mr. Varun Gupta to be reseller of the plaintiff's products, and he had sold some products of the plaintiff through a website called www.shopclues.com while he was working with *Brand Barters*. However, due to lack of professionalism and repeated demands of Mr. Varun Gupta the plaintiff ended the business relationship with him.

6. The plaintiff claims that defendant has dishonestly adopted the trademark BOULT which is phonetically and deceptively similar to that of the plaintiff's mark BOAT, with the same opening and closing syllables with the intention to create confusion in the market and amongst the consumers. Furthermore, the defendant has adopted the logo/mark



which is deceptively similar to the plaintiff's registered trademark

. Despite the fact that the defendant's brand name BOULT does not have the letter 'A', its logo is in the form of 'A' which is a slavish imitation and copying of the plaintiff's registered trademark , without any plausible explanation. The defendant has merely re-adjusted the elements and parts of the plaintiff's aforementioned trademark, which can be seen below:



7. By adopting and using the elements of the plaintiff's registered trademark **boat** and , the defendant is trying to piggyback on the plaintiff's goodwill and popularity. While pressing the plaintiff's product on e-commerce platforms the defendant's product is also shown which leads to further confusion in the minds of the general public at large. The defendant is also advertising its product under the impugned mark and offering for sale through its website <http://boultaudio.com>. The plaintiff thus claims that the defendant is using a deceptively similar trademark for identical products without authority or license of the plaintiff, thus riding on the goodwill and reputation of the plaintiff and its trademark thereby infringing the plaintiff's trademark and copyright as also passing off its own products as that of the plaintiff's, indulging in unfair trade practice and unfair competition.

8. The defendant has also adopted the tagline i.e. 'UNPLUG YOURSELF' which is deceptively similar to the plaintiff's tagline 'PLUG INTO NIRVANA'. The defendant is also copying the names of the plaintiff's product for instance, defendant's product named as '*Boult BassBud*' is deceptively similar to that of plaintiff's product '*boAt BassHeads*'.

9. Learned counsel for the plaintiff relies upon the following decisions: *Amba Lal Sarabhai Enterprises Ltd. Vs. Sara Pharmaceuticals & Ors.* 1982 (2) PTC 214 (Del); *K.R. Chinna Krishna Chettiar Vs. Shri Ambal & Co., Madras & Anr.* 1969 (2) SCC 131; *Encore Electricals Ltd. Vs. Anchor Electronics and Electricals Ltd.* 2007 (35) PTC 714 (Bom); *Midas Hygiene Industries Pvt. Ltd. Vs. Sudhir Bhatia* (2004) 3 SCC 90; *N.R. Dongre & Ors. Vs. Whirlpool Corporation & Anr.* AIR 1995 Delhi 300 (DB); *Cadbury India Ltd. & Anr. Vs. Neeraj Food Products* 2007 (35) PTC 95 (Del); *Hindustan Pencils Pvt. Ltd. Vs. M/s. India Stationery Products* AIR 1990 DELHI 19 and *Consitex S.A. Vs. Kamini Jain & Ors.* 2011 (47) PTC 337 (Del).

10. When the suit came up before this Court on 25th September, 2019 this Court in IA 13041/2019 under Order XXXIX Rule 1&2 CPC granted an ad-interim ex-parte stay in favour of the plaintiff and against the defendant in terms of prayer (i) of the application. The defendant thereafter filed an application being IA 1043/2019 under Order XXXIX Rule 4 CPC. Hence the two applications have been heard together.

11. In the application defendant has admitted that it is a proprietorship firm engaged in the business of audio gadgets specializing in headphones and speakers and have started its operation in the year 2017. The defendant

claims that now defendant is one of the largest Indian owned brand which is delivering the highest quality of service to the end consumer. The defendant coined and adopted its trademark/ trade name **BOULT**, BOULT and BOULT AUDIO in the year 2017. The defendant also applied for the registration of its trademark **BOULT** in the year 2017 and the same has been duly registered in favour of the defendant in class 9. In order to further brand its product, the defendant also designed and created its artistic

logo . The defendant has clearly mentioned its trade name 'BOULT AUDIO' in its logo and has created it in the following manner:



12. The defendant has also applied for registration of its logo



on 18th October, 2018 and the said application is pending before the Registrar of Trade Marks. The defendant's products regularly features in the top 10 audio gadgets on various e-commerce platforms and over 1,00,000 customers have given a very high rating to the defendant's products. The defendant have also invested considerable amount of INR 5.13 crores on advertising and trade promotion and to promote its brand recognition. The defendant has also promoted its product through various online advertisements by hiring various Bollywood Stars as its brand ambassadors. The defendant's turnover in the year 2017-18 was

₹2,96,19,290/-; in the year 2018-19 was ₹18,27,02,465/- and in this year itself has been ₹66,59,39,394/-. Thus the defendant has become one of the biggest competitors of the plaintiff's in the market and due to this reason plaintiff has filed the present baseless suit to eliminate the competition in the market. The plaintiff concealed from this Court that the defendant's trademark  is a registered trademark under class 9 since 23rd May, 2017 and the defendant being a registered trademark holder, no suit for infringement would lie against the defendant. There is no similarity between the two marks.

13. The plaintiff has further concealed that the plaintiff does not use the trademark  as a standalone trademark and it is only used as a part of its trademark . The trademark of the plaintiff, if any, that is used in a standalone manner is actually , which is completely different from the plaintiff's logo  and the defendant's logo . Further the tagline of the plaintiff and defendant are also not similar, the only common word being 'PLUG' which is common to trade.

14. The defendant has not copied the products of the plaintiff but has created original designs using 3D modeling and rendering, and uses superior and exquisite materials like Zinc, Aluminum, Wood, Protein leather in its headphones and the defendant's designs nowhere copy or are inspired from the plaintiff's products. The fact that the plaintiff came to know about the defendant's business in February 2019 is also incorrect for the reason plaintiff and defendant's products are regularly listed side by side on various

online market places since the year 2017. The plaintiff has misrepresented that the defendant's son Varun Gupta was a distributor of the plaintiff's product. In fact Mr. Varun Gupta through his firm called Brand Hawkers was only a consultant for a distributor of the plaintiff's products called 'Green Sparrow Tech'. There being no similarity in the two marks nor any misrepresentation nor malafides, the interim injunction be vacated.

15. Learned counsel for the defendant relies upon the following decisions: F.Hoffmann-La Roche & Co.Ltd. Vs. Geoffrey Manner & Co. Pvt. Ltd. 1969 (2) SCC 716; Hindustan Sanitaryware and Industries Ltd. Vs. Champion Ceramic 2011 (45) PTC 260 (Del); Schering Corporation & Ors. Vs. Alkem Laboratories Ltd. 2010 (42) PTC 772 (Del); Palm Grove Beach Hotels Pvt. Ltd. Vs. Royal Palms (India) Pvt. Ltd. 2016 SCC Online Bom 2178; Khoday Distilleries Limited Vs. Scotch Whisky Association & Ors. AIR 2008 SC 2737; Power Control Appliances & Ors. Vs. Sumeet Machines Pvt. Ltd. & Ors. (1994) 2 SCC 448; Allied Blenders & Distillers P. Ltd. Vs. Paul P. John & Ors. 2008 (38) PTC 568 (Del); Kalindi Medicure Pvt. Ltd. Vs. Intas Pharmaceutical Ltd. & Anr. (2006) 33 PTC 477; Ajendraprasadji Narendraprasadji Pandey Vs. Swami Narayandasji & Ors. (2005) 10 SCC 11; Palm Grove Beach Hotels Pvt. Ltd. Vs. Royal Palms (India) Pvt. Ltd. 2016 SCC Online Bom 2178; Balsara Hygiene Products Ltd. Vs. Aksaar Enterprises 1997 (17) PTC 266 (Bom); Micolube India Ltd. Vs. Maggon Auto Centre & Anr. (2008) 150 DLT 458; Ritesh Properties & Industries Ltd. Vs. Youtube LLC & Ors. CS(OS) 518/2019 DHC; Ram Krishan and Sons Charitable Trust Ltd. Vs. IILM Business School 209 (107) DRJ 248; S.P. Chengalvaraya Naidu Vs. Jagannath & Ors. (1994) 1 SCC and S. Syed Mohideen Vs. P. Sulochana Bai (2016) 2 SCC 683.

16. Learned counsel for the defendant has strenuously claimed that since the defendant is selling its product under the trademark BOULT since the year 2017, plaintiff is not entitled to any injunction in view of the delay. This contention of the defendant is liable to be rejected for the twin reason that firstly in a case of dishonest adoption mere delay in bringing the action is not sufficient to defeat the claim of grant of injunction, as also, the delay if any by the plaintiff in bringing the action for injunction does not amount to acquiescence by the plaintiff. In (2004) 3 SCC 90 Midas Hygiene Industries (P) Ltd. Vs. Sudhir Bhatia & Ors. Supreme Court held as under that mere delay in bringing the action is not sufficient to defeat the grant of injunction:

“5. The law on the subject is well settled. In cases of infringement either of trade mark or of copyright, normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the mark was itself dishonest.”

17. In AIR 1990 DELHI 19 M/s. Hindustan Pencils Pvt. Ltd. Vs. M/s. India Stationery Products Co. & Anr. it was held:

“39. It had been submitted that there was an inordinate delay on the part of the plaintiffs in filing the present suit. I have already held that inordinate delay would not defeat an action for the grant of a temporary injunction especially where the use by the defendant of the mark was fraudulent. In any case, in my opinion, the delay in the present case cannot be regarded as inordinate. Assuming for the sake of argument that, as contended by the defendants, the plaintiffs came to know about the use by the defendants of the infringing mark in March, 1982, it is not as if the plaintiffs slept over their rights for a number of years. It is to be seen that the plaintiffs' principal place of business is 'in Bombay while the defendant is a small

businessman carrying on its business in Sadar Bazar, Delhi. The plaintiffs, in 1985, did file an application for cancellation of the registration of copyright of the defendant. This amounted to first step being taken by it. The plaintiffs waited and within 3 years thereafter filed the present suit. The defendant must have known that it was adopting a mark which belongs to some one else. Any infringer who uses or adopts some one else's mark must be aware of the consequences which may follow. The defendants ran the risk in using a mark which belonged to some one else. It continued its business un-interruptedly for a number of years before any action was taken by the plaintiffs against it. Any growth after notice is at the risk and peril of the defendant. The defendant certainly had notice of application of the plaintiff having been filed against it in the year 1985 for cancellation of registration of the copyright. The defendant should have been warned, at that stage, that the plaintiffs not likely to accept the user of its mark by the defendant. If the defendant continued to do business by using the impugned mark, it did so at its own peril. The continued user cannot be set up as a defense under these circumstances.”

18. Indubitably, the plaintiff is the prior user of the trademark BOAT for the same category of goods with similar descriptions and had an established market when the defendant's son acted as a consultant for a distributor of the plaintiff's product even as per its own averment. Thus, the defendant was aware of the mark of the plaintiff. There being phonetic similarity between BOAT and BOULT, the defendant's BOULT is deceptively similar to the plaintiff's mark. Supreme Court in the decision reported as 1969 (2) SCC 131 K.R. Chinna Krishna Chettiar Vs. Shri Ambal and Co., Madras & Anr. held that the resemblance between the two marks must be considered with reference to the ear as well as the eye. It was held:

“7. There is no evidence of actual confusion, but that might be due to the fact that the appellant's trade is not of long standing.

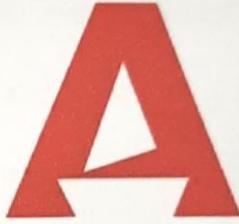
There is no visual resemblance between the two marks, but ocular comparison is not always the decisive test. The resemblance between the two marks must be considered with reference to the ear as well as the eye. There is a close affinity of sound between Ambal and Andal.”

19. In 2007 (35) PTC 714 (Bom.) Encore Electronics Ltd. Vs. Anchor Electronics and Electricals Pvt. Ltd. which decision was followed by this Court in (2011) 47 PTC 337 (Delhi) Consitex S.A. Vs. Kamini Jain & Ors. it was held:

“9. The phonetic similarity between 'Anchor' on the one hand and 'Encore', on the other, is striking. The two marks are phonetically, visually and structurally similar. The overall impression conveyed by a mark as a whole, has to be assessed in evaluating whether the mark of the Defendant is deceptively similar to the mark of the Plaintiff. Phonetic similarity constitutes an important index of whether a mark bears a deceptive or misleading similarity to another. The phonetic structure indicates how the rival marks ring in the ears. Courts in a country such as ours whose culture is enriched by a diversity of languages and scripts have to consider how the rival marks are spelt and pronounced in languages in which they are commonly used. Counsel for the Defendant submits before the Court that while 'Encore' is a word of French origin, 'Anchor' is a word of English usage and the pronunciation of the two words must differ. The submission misses the point. The case before the Court is not about how an Englishman would pronounce 'Anchor' or a Frenchman would pronounce 'Encore'. The Court must consider the usage of words in India, the manner in which a word would be written in Indian languages and last but not least, the similarity of pronunciation if the rival marks were to be pronounced in languages prevalent in the country where the marks are used. The manner in which the 'a' as in 'anchor' is pronounced by an Englishman on Notting Hill may well appear to a discerning traveller to be distinct from a Frenchman's pronunciation of the 'e' in 'encore' on a

fashionable by lane near Champs Elysees. That is no defence to an action in our Courts for passing off: For the ordinary consumer in Ahmedabad and her counterpart in Mumbai's shopping streets, the 'a' in 'anchor' and the 'e' in 'encore' are perilously and deceptively similar. The Court must assess the make up of an Indian consumer and, associated with that, the cultural traits that underlie the spelling and Pronunciation of words. The case of the Plaintiff is that in Gujarati as well as in Hindi, there is not even a subtle distinction between the manner in which 'Anchor' and 'Encore' would be pronounced and we find merit in the submission. The overall impact in terms of phonetical usage is one of striking similarity. The test is not whether a customer who wishes to buy the product of the Plaintiff is likely to end up buying the product of the Defendant. The test is whether the ordinary customer is likely to be led to believe that 'Encore' is associated with the mark and the trading style of the Plaintiff. The phonetical, visual and structural get up of the two words is so strikingly similar as to lead to a likelihood of deception. The question of deception is a matter for the Court to determine, particularly at the interlocutory stage. The judgment of the Learned Single Judge has been criticized on the ground that the Court attempted to break up the words contained in the rival marks. We do not share that perception. What the Learned Single Judge has done in the present case is to compare the two rival marks and to emphasize a striking similarity between the marks with reference to the common features of the rival words. That is a permissible exercise and the judgment of the Learned Single Judge does no more than that."

20. A comparison of the marks of the plaintiff and defendant is as under:

DEFENDANT'S TRADE MARKS	PLAINTIFF'S TRADE MARKS
	
<p data-bbox="491 584 699 663">BOULT (word mark)</p>	<p data-bbox="1034 584 1241 663">boAt (word mark)</p>
	
	
	
<p data-bbox="416 1749 778 1827">UNPLUG YOURSELF (TAGLINE)</p>	<p data-bbox="963 1749 1326 1827">PLUG INTO NIRVANA (TAGLINE)</p>

21. The class of users of the product sold by the plaintiff and defendant is all strata's of the society including children as well. The similarity between the two marks has not to be adjudicated by way of a precision but the manner in which the senses perceive a fact and retain it in the memory. BOAT and BOULT being quite phonetically similar, a consumer would not have a correct complete and reflection when he goes to buy the product whether the product is of BOAT or BOULT because of the first two and the last alphabet of the two words being the same. Further, the logo of the two products is also similar in the form of a triangle. The tagline also uses the word PLUG in both so as to cause a deception. As held by this Court in Hindustan Sanitaryware (supra) relied upon by learned counsel for the defendant, a mark has to be looked into as a whole and on looking at it as a whole, if there is a phonetic similarity resulting in every likelihood of deception the plaintiff would be entitled to grant of injunction. Learned counsel for the defendant has also contended that the defendant is into this business since the year 2017 and besides manufacturing goods has invested huge amounts in promotion and advertising. Once the Court comes to the conclusion that the adoption of the mark, logo and tagline by the defendant is dishonest in order to ride on the good-will of the plaintiff's product, then merely because the defendant is using it since 2017 or has invested huge amounts in promotion and advertising would not tilt the balance of convenience in favour of the defendant. In the present case the defendant is not only using trademark, logo and tagline deceptively similar to that of the plaintiff, but is also using deceptively similar name for its product i.e.

“*BoultBassBud*”, and has also adopted a similar get up and colour scheme for its products and packaging.

22. Reliance of learned counsel for the defendant on F. *Hoffmann-La Roche & Co. Ltd. Vs. Geoffrey Manner & Co. Pvt. Ltd.* (*supra*) and *Schering Corporation and Ors. Vs. Alkem Laboratoreis Ltd.* (*supra*) to note that there is no phonetic similarity would not be applicable to the facts of the case, as in the two decisions the Court was dealing with drugs which are sold on a prescription by a Doctor. The product in the present case are earphones, headphones, etc., which are used by the consumers including by online purchase. Merely because Ankit Kothari was in constant touch with the defendant would not be a ground to come to the conclusion that the defendant’s trademark does not cause confusion in the minds of the consumers.

23. As held in (2016) 2 SCC 683 *S. Syed Mohideen Vs. P. Sulochana Bai*, relied upon by learned counsel for the defendant, since the defendant is owner of the registered trademark BOULT, no action for infringement would lie viz-a-viz the said trademark, however an action for passing off the trademark, infringement of the copyright and dilution of the mark would certainly lie against the defendant and the plaintiff would be entitled to an injunction on the said count.

24. Consequently, the applications are disposed of and an interim injunction in respect of infringement of the plaintiff’s registered trademark 3456800, passing off in respect of plaintiff’s registered trademarks 2828749, 2828750, 2828752, 4038057, 3456800 and 3907213, infringement of the copyright of the plaintiff’s marks, dilution of the mark is granted in favour of the plaintiff and against the defendants and the defendants, their agents

are restrained from using the marks  or 

or  and 'UNPLUG YOURSELF' till the disposal of the suit.

**(MUKTA GUPTA)
JUDGE**

**JANUARY 21, 2020
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HIGH COURT OF DELHI



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