



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

% Judgement delivered on: 15.07.2024

+ **RFA(OS)(IPD) 2/2023 & CM APPL. 23440-41/2023**

LOREAL INDIA PVT LTD Appellant

versus

RAJESH KUMAR TANEJA TRADING AS
INNOVATIVE DERMA CARE AND ANR Respondents

Advocates who appeared in this case

For the Appellant : Mr. Shравan Kumar Bansal and Mr. Ajay
Amitabh Suman, Advocates.

For the Respondent : Mr. Pramod Kumar Singh, and Ms. Priya
Nagpal, Advocate for R1.
Mr. Shoumendu Mukherji, Sr Panel Counsel
and Ms. Megha Sharma, Ms. Akanksha
Gupta, Advocates for UOI.
Mr. Harish Vaidyanathan Shankar, CGSC,
Mr. Srish Kumar Mishra, Mr. Alexander
Mathai Paikaday, Mr. Lakshay Gunawat and
Mr. Krishnan V, Advocates for R2.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MS. JUSTICE TARA VITASTA GANJU

JUDGMENT

VIBHU BAKHRU, J.

1. The appellant has filed the present intra court appeal impugning the judgment dated 23.03.2023 (hereafter *the impugned judgment*) passed by the



learned Single Judge, whereby the appellant's petition [being C.O.(COMM.IPD-TM) 497/2022 captioned *Loreal India Pvt. Ltd. v. Rajesh Kumar Taneja Trading as Innovative Derma Care & Anr.*], was rejected.

2. The appellant had filed the above captioned petition under Section 47/57/125 of the Trademarks Act, 1999 (hereafter *the Act*), *inter alia*, seeking cancellation of the trademark, 'CLARIWASH' (hereafter *the impugned trademark*) registered under No.1950938 in Class 03 in the name of respondent no.1, from the Register of Trademarks. The said petition was initially filed before the Intellectual Property Appellate Board (IPAB) but subsequently stood transferred to this Court.

THE CONTEXT

3. The appellant is a wholly owned subsidiary of M/s L'Oreal and is, *inter alia*, engaged in the business of manufacturing, distribution, and sale of a wide range of hair care, skin care, toiletries, beauty products and other allied products.

4. Respondent no.1 is the registered proprietor of the impugned trademark.

5. The appellant claims that its predecessor, Cheryl's Cosmeceuticals Private Limited (hereafter *CCPL*) adopted CLARI formative trademark in the year 2009 and the impugned trademark in the year 2010. CCPL (the appellant's predecessor) applied for obtaining the registration of the trademark CLARI-FI under Application No.1915889 in Class 03. The registration of the said trademark was granted on 03.02.2010, and the



Registration Certificate was issued on 28.03.2011.

6. CCPL also applied for registration of various other CLARI formative trademarks, and registration of following CLARI formative trademarks were granted:

S. No.	MARK/LABEL	APPLN No	CLASS	STATUS	USER
1.	CLARI-FI	1915889	03	Registered	01/04/2009
2.	CLARIMOIST	1954921	05	Registered	10/09/2009
3.	CLARI-FI	1915895	05	Registered	01/04/2009
4.	Claripore	2201349	03	Registered	01/09/2011
5.	ClariNzyme	2201350	03	Registered	01/09/2011
6.	ClarifiAcne	2111219	03	Registered	01/01/2011
7.	ClarifiNzyme	2111213	03	Registered	01/01/2011
8.	Claril-lyzme	2201357	05	Registered	01/09/2011
9.	ClarifiAcne	2111220	05	Registered	01/01/2011
10.	ClarifiNzyme	2111214	05	Registered	01/01/2011

7. The applications filed by CCPL for registration of the 'CLARI' formative trademarks which are currently pending are set out below: -

1.	CLARI GLOW	2386147	03	Pending	01/08/2012
2.	CLARI PORE	2201356	05	Pending	01/09/2011

8. By a Deed of Assignment and Asset Transfer Agreement dated 19.09.2013 (hereafter *the Transfer Agreement*), CCPL was acquired by the



appellant and, the reputation and goodwill pertaining to various ‘CLARI’ formative marks was also transferred to the appellant.

9. The appellant claims that pursuant to the Transfer Agreement, CCPL continued to manufacture the products under the CLARI formative marks till the year 2016. However, thereafter, the appellant entered into an agreement with Vardhaman Skincare Pvt. Ltd. for manufacturing the products, which included the products under the CLARI formative marks.

10. Respondent no.1 applied for registration of the impugned trademark in Class 03 on 16.04.2010 claiming usage of the impugned trademark since 16.11.2009.

11. On 03.01.2012, respondent no.2 (Registrar of Trademarks) issued an examination report stating that respondent no.1’s application for registration of the impugned trademark was open to objections under Section 11 of the Act because of same/similar trademarks (already on record of the Registrar in respect of similar goods/services). The said examination report enclosed search report dated 19.11.2010 (hereafter *the search report*).

12. The search report enclosed with the examination report referred to two allegedly conflicting marks and indicated that respondent no.2 had erroneously conducted a search in respect of the trademark CHARIWASH. Respondent no.1’s application for registration of the impugned trademark was duly advertised. Concededly, the search report is erroneous insofar as it referred to trademark CHARIWASH and not CLARIWASH.

13. Thereafter, respondent no.1’s mark CLARIWASH was duly



published in the Trademark Journal on 16.01.2012. The same correctly referred to the impugned trademark as CLARIWASH and reflected that the same was being used by respondent no.1 since 16.11.2009 in respect of the toilet and cosmetics preparations falling in Class 03 of NICE classification.

14. Thereafter, on 18.05.2012, respondent no.2 issued the Registration Certificate in respect of respondent no.1's application for registration of the impugned trademark *albeit* incorrectly noting the same as CHARIWASH instead of CLARIWASH.

15. Respondent no.1, on 14.06.2012, filed an application for rectification/correction of the Registered Trademark to be read as CLARIWASH and not CHARIWASH. The application was allowed by respondent no.2 and the corrected registration certificate was issued in favour of respondent no.1 for the mark CLARIWASH.

16. The appellant filed an application seeking cancellation of the impugned trademark before the Intellectual Property Appellate Board (hereafter *the IPAB*) which was subsequently transferred to this Court and was numbered as C.O.(COMM.IPD-TM) 497/2022. The learned Single Judge rejected the application of the appellant by the impugned judgment.

17. The appellant sought cancellation of the impugned trademark registered in favour of respondent no.1, *inter alia*, claiming that its predecessor, CCPL, had honestly adopted CLARI formative marks and had expanded the usage and adoption of those marks from time to time. It also adopted the mark CLARIWASH sometime in the year 2010-11. The appellant also claimed that CCPL was a prior user of the CLARI Portfolio



marks / label. Additionally, the appellant also set out its sales figures indicating the number of units of the products sold from the year 2012 till the filing of the said application in the year 2018.

18. The appellant sought cancellation of the impugned trademark on various grounds including that the registration had been granted on the basis of the faulty examination report. It submitted that if a search was conducted for CLARIWASH, it would have revealed that the appellant's mark CLARI-FI under Class 03/05 and CLARIMOIST under Class 05 were on record as the first two letters of the impugned trademark and the said marks - that is, CL – are the same. Secondly, that the appellant/CCPL is a prior user of the CLARI formative/portfolio marks. The appellant also claimed that the impugned trademark was deceptively similar to the CLARI formative trademarks used by the appellant/ its predecessor, thus, the same could not be registered in favour of respondent no.1.

19. In addition, the appellant also claimed that the impugned trademark was remaining on the Register without sufficient cause and thus, was required to undergo fresh examination.

IMPUGNED JUDGMENT

20. The learned Single Judge dismissed the application for removal of the impugned trademark from the Register of Trademarks. The learned Single Judge held that respondent no.1 could not be faulted for an error committed by the Registrar of the Trademarks in issuing the faulty examination report. The learned Single Judge also found that there was no similarity between the impugned trademark and CLARI-FI so as to result in likelihood of any



confusion. The learned Single Judge referred to the decision of *Corn Products Refining Co. v. Shangrila Food Products Ltd.: AIR 1960 SC 142*, whereby the Supreme Court, following the anti-dissection rule, had held that competing trademarks have to be examined as a whole and cannot be dissected for the purpose of considering whether the competing marks are similar. The learned Single Judge also did not accept the contention that the entire family of the appellant had a right in respect of the words that includes the term CLARI.

21. The learned Single Judge noted that under the Transfer Agreement the appellant had taken over approximately 170 (One hundred and seventy) trademarks from CCPL and only 12 (Twelve) out of those 170 (One hundred and seventy) trademarks included the letters / word CLARI as a part of the trademarks. The learned Single Judge also did not, *prima facie*, accept that the appellant was a prior user of the impugned trademark as the first invoice placed by the appellant is dated 05.12.2013, which was later than the date of the invoice dated 12.05.2010 placed by respondent no.1.

SUBMISSIONS

22. Mr. Bansal, learned counsel appearing for the appellant assailed the impugned judgment principally on two grounds. First, he submitted that the learned Single Judge has erred in not appreciating that the erroneous examination of respondent no.1's application for registration of the trademark, vitiated the registration of the impugned trademark granted in its favour. He contended that respondent no.1's application was required to be restored before the Registrar for consideration afresh.



23. He relied upon the decision of the IPAB in *Prajapati Constructions Limited v. Manoj Ramanand Prajapad & Anr.: 2018 SCC OnLine IPAB 313; Jahangir Biri Factory Pvt. Ltd. v. Mohd. Dildar Hossain (Proprietor) & Anr.: 2018 (76) PTC 479 (IPAB)*; and *Vans Inc. USA, Through Rishi Bansal v. Fateh Chand Bhansali, M/s. Pawan Trading Co. & Anr.: 2020 SCC OnLine IPAB 44* in support of his contention.

24. Secondly, he submitted that the learned Single Judge erred in holding that the CLARI formative marks of the appellant including CLARI-FI were not deceptively similar to the impugned trademark. However, in the alternate, he also submitted that the learned Single Judge ought not have examined the question of similarity of the trademarks as the said question is required to be examined by respondent no.2 in the first instance.

REASONS AND CONCLUSION

25. The first and foremost question to be examined is whether the registration of the impugned trademark in favour of respondent no.1 is vitiated on the ground of the faulty examination report. There is no dispute that there was an error in the examination report in as much the search report accompanying it indicates that the search for marks similar to the mark CHARIWASH was conducted instead of search for the mark similar to the impugned trademark.

26. In terms of Rule 33 of the Trademarks Rules, 2017 (hereafter *the Rules*) the Registrar is required to cause the application to be examined as per the provisions of the Act. The same would entail a search of the record of the Register to be conducted for the purpose of ascertaining whether there



are on record any identical or deceptively similar trademarks in respect of the same goods or services.

27. The Rule 33 of the Rules is set out below: -

‘33. Examination, Objection to acceptance, hearing--

(1) The Registrar shall cause the application to be examined as per provisions of the Act, wherein a search shall also be conducted amongst the earlier trademarks, registered or applied for registration, for the purpose of ascertaining whether there are on record in respect of the same goods or services or similar goods or services any trademark identical with or deceptively similar to the trademark applied for. The Registrar may cause the re-examination of the application including re-search of earlier trademarks at any time before the acceptance of the application but shall not be bound to do so.

(2) If, on consideration of the application for registration of a trademark and any evidence of use or of distinctiveness or of any other matter which the applicant may or may be required to furnish, the Registrar has any objection to the acceptance of the application or proposes to accept it subject to such conditions, amendments, modifications or limitations as he may think fit to impose under sub-section (4) of section 18, the Registrar shall communicate such objection or proposal in writing to the applicant in the form of an examination report.

(3) If, on consideration of the application for registration of a trademark and any evidence of use or of distinctiveness or of any other matter which the applicant may or may be required to furnish, the Registrar accepts the application for registration absolutely, he shall communicate such acceptance to the applicant and cause the application to be advertised as accepted under sub-section (1) of section 20.

(4) If, within one month from the date of receipt of the examination report, the applicant fails to respond to the



communication, the Registrar may treat the application as abandoned.

(5) In case the response to the examination report is received within the aforesaid time, the same shall be duly considered and if the Registrar accepts the application for registration, he shall communicate such acceptance to the applicant and cause the application to be advertised as accepted under sub-section (1) of section 20.

(6) If the response to the examination report is not satisfactory or where the applicant has requested for hearing, the registrar shall provide an opportunity of hearing to the applicant and the same shall be conducted as per rule 115.

(7) In case the applicant fails to appear at the scheduled date of hearing and no reply to the office objection has been submitted by the applicant, the Registrar may treat the application as abandoned.

(8) Where the applicant has submitted in reply to the examination report within the aforesaid period or has appeared in the hearing and made his submissions, the Registrar shall pass an appropriate order.'

28. In the present case, the Registrar had conducted the search in terms of Rule 33(1) of the Rules amongst the earlier trademarks, which were registered or in respect of which the applications were pending, for the purpose of ascertaining whether any identical or deceptively similar trademarks are on record.

29. The opening sentence of Rule 33(1) of the Rules indicates that the said search is required to be conducted for the purposes of examination as per the provisions of the Act. The examination of the application for registration would entail the Registrar to ascertain whether the registration is



required to be refused in terms of Section 9 of the Act or for any other grounds under Section 11 of the Act.

30. In the present case, there is no cavil that the impugned trademark was a registerable trademark and there were no grounds to refuse the registration under Section 9 of the Act. The controversy is limited to considering whether the Registrar had correctly examined the question that whether there were any grounds to refuse the registration of the impugned trademark because of its identity with the earlier trademark in respect of similar goods or services, which would result in likelihood of any confusion on the part of the public including on account of association with an earlier trademark on record (whether registered or pending registration). It is apparent that there was an error in conducting search in as much as the search report indicates that the search was conducted in respect of the mark CHARIWASH instead of CLARIWASH. It is reasonable to assume that the search was confined to the trademark similar to CHARIWASH and not CLARIWASH.

31. Although it cannot be disputed that there was a procedural error in conducting the examination, we are unable to accept that the registration of the impugned trademark in favour of respondent no.1 is required to be cancelled for the said reason.

32. As noted above, the principal purpose of conducting the search is to ascertain whether there were any identical or deceptively similar trademarks in respect of the same goods or services. The registration of the trademark, which is identical or deceptively similar to the trademarks on record in



respect of the similar goods or services may be refused as it would result in confusion in the minds of public. Thus, unless, *prima facie* it is established that the impugned trademark is identical or deceptively similar to the trademark in respect of similar or identical goods which were on record, at the material time, the registration of the impugned trademark cannot be faulted. Clearly, it would not be apposite to cancel the registration of the trademark, in respect of which there are no grounds for refusing registration under the Act, merely because of some error in the procedure adopted by the Registrar at the material time. It is important to bear in mind that the object of the examination is to ensure the compliance of the provisions of the Act. Thus, no interference with the registration of the trademark would be warranted, unless it is *prima facie* established that the registration of the trademark falls foul of the provisions of the Act.

33. It is also material to note that respondent no.1's application for registration of the impugned trademark was duly advertised in the Trademark Journal. The appellant or its predecessor had full opportunity to oppose the registration of the impugned trademark at the material time. However, they had taken no steps to do so.

34. In the present case, the appellant claims that the impugned trademark is similar to its trademarks that include the word CLARI. It is necessary to note that at the material time, the appellant's predecessor CCPL was using two marks which included the word CLARI. The same being CLARI-FI and CLARIMOIST. CCPL had claimed to be the user of the said marks since 01.04.2009 and 10.09.2009 respectively. Plainly, the impugned trademark CLARIWASH is not deceptively similar to the aforesaid trademarks.



35. Respondent no.1 applied for the registration of the trademark in Class 03 on 16.04.2010 claiming user from 16.11.2009. At the material time, there was no family of CLARI formative trademarks in use by the appellant's predecessor – CCPL. The applications filed by CCPL in respect of other trademarks including the word CLARI indicate their use from the year 2011 and thereafter. Thus, CCPL had adopted CLARI formative marks subsequent to the application filed by respondent no.1 for registration of the impugned trademark.

36. According to the appellant, if a search was conducted in respect of the impugned trademark, other trademark with letters CL would come up for consideration by the Registrar. Assuming the same to be correct, only one of the trademarks used by CCPL would feature in the search result, the same being CLARI-FI – as the application for registration of the said mark was moved prior to respondent no.1's application for registration of the impugned trademark. The appellant's predecessor had applied for registration of CLARIMOIST on 23.04.2010, which was subsequent to respondent no.1's application for registration of the impugned trademark.

37. The appellant's challenge to the registration of the impugned trademark on the ground of a faulty search report is required to be considered on the basis of the appellant's trademark, which would feature in the said report on the said date. As stated above, only two trademark applications of CCPL were on record of the Registrar as on the date of the search report – CLARI-FI and CLARIMOIST. As noted above, respondent no.1's usage of the impugned trade mark is *prima facie* prior to CCPL's adoption of the trade mark CLARIMOIST. The trademark CLARI-FI is



clearly not similar to the impugned trademark. It is settled law that the trademarks have to be viewed as a whole and it would not be permissible to compare the competing trademarks by dissecting parts of the trademarks and comparing them. It may, in certain circumstances, be apposite to compare the dominant part of the competing trademarks if it results in an overall commercial impression of the two competing trademarks being similar. However, in the present case, the overall commercial impression of the impugned trademark is not similar to the trademark CLARI-FI. Thus, respondent no.1's application for registration of the trademark cannot be refused on the ground of the applications filed by CCPL for registration of its trademark CLARI-FI and CLARIMOIST. The impugned trade mark is also not deceptively similar to CLARIMOIST.

38. The reliance placed by the appellant on the decisions of IPAB does not further the appellant's case. In *Prajapati Constructions Limited v. Manoj Ramanand Prajapad & Anr.* (*supra*), the proprietor of registered label 'Prajapati', registered under Class 37 in respect of building construction and supervision services, filed an application for cancellation of the registration of a trademark 'Shivam Prajapati' label in favour of the respondent. It was the respondent's defence that word Prajapati was of a community/caste and all the members belonging to said community or caste were free to adopt the common surname in respect of their respective business, trade and profession. The learned IPAB found that if the said contention is accepted, the impugned registration would be contrary to Section 9 of the Act. The learned IPAB also found that the two competing labels 'Prajapati' and 'Shivam Prajapati' were *prima facie* deceptively



similar.

39. The learned IPAB found that despite the marks being *prima facie* similar, the applicant's trademark 'Prajapati' label, was not cited in the examiner's report. In the aforesaid facts, the learned IPAB *prima facie* held that the registration of the 'Shivam Prajapati' label was liable to be cancelled.

40. The later decisions of the learned IPAB in *Jahangir Biri Factory Pvt. Ltd. v. Mohd. Dildar Hossain (Proprietor) & Anr. (supra)* and *Vans Inc. USA, Through Rishi Bansal v. Fateh Chand Bhansali, M/s. Pawan Trading Co. & Anr. (supra)* followed the earlier decision in *Prajapati Constructions Limited v. Manoj Ramanand Prajapad & Anr. (supra)*. In the said cases as well, the learned IPAB came to the conclusion that registration of the trademarks, which were subject matter of the challenge were deceptively similar to the trademarks already on record.

41. It is also material to note that the above decisions were interim orders passed by the learned IPAB. In none of the said decisions the question whether the registration of the trademark was liable to be cancelled solely on account of any procedural error, was finally adjudicated.

42. The learned Single Judge had rightly accepted the contention that said decisions would not be dispositive of the question whether the registration of the impugned trademark was liable to be cancelled as the same were interim orders. However, we find that the said decisions are in any case, not be applicable considering that in said cases, the IPAB had, *prima facie*, concluded that competing marks were similar but the same was not



considered by the Registrar.

43. There is no dispute that if the registration of the trademark is contrary to the provisions of the Act, the same would be liable to be cancelled. However, in the present case, we are unable to accept that respondent no.1's application for registration of the impugned mark was required to be rejected.

44. It is relevant to note that respondent no.1's application for registration of the impugned trademark was filed over almost 14 years ago. It would be manifestly unfair if respondent no.1's application is directed to be reconsidered on account of procedural error, which may be of a little consequence.

45. In the peculiar facts of the present case, we find no grounds to interfere with the impugned judgment. The appeal is, accordingly, dismissed. Pending applications also stand disposed of.

VIBHU BAKHRU, J

TARA VITASTA GANJU, J

JULY 15, 2024

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