

(2006) 08 DEL CK 0004

In the Delhi High Court

Case No : I.A. No. 8627 of 2006 in CS (OS) No. 1405 of 2006

Creative Travels (P) Ltd.

APPELLANT

Vs

Creative Tours and Travels (P) Ltd.

RESPONDENT

Date of Decision : 01-08-2006

Acts Referred:

Citation : (2007) CriLJ 2624 : (2006) 91 DRJ 224

Hon'ble Judges : H.R. Malhotra, J

Bench : Single Bench

Advocate : Sandeep Sethi and Awan Upadhayay, for the Appellant; Rajeev Nayyar and Amit Mahajan, for the Respondent

Judgement

H.R. Malhotra, J.—By this order, the two applications one filed by the plaintiff under Order 39 Rule 1 & 2 of the CPC and another filed by the defendants under order 39 Rule 4 CPC shall stand disposed of.

2. The plaintiff filed the suit seeking permanent injunction and rendition of account against the defendants from using the trading style as 'Creative' it being registered in favor of the plaintiff with the Registrar of trade marks and also the plaintiff being the prior user of this mark in relation to Tours & Travels and allied business since 1977. The suit, accompanied the application under Order 39 Rule 1 and 2 CPC seeking ex-parte ad-interim injunction against the defendants.

3. This Court finding a prima-facie case in favor of the plaintiff granted ex-parte ad-interim injunction restraining the defendants from using the trade name 'creative' whether in full or a part or in other trade name which might be identical, deceptively similar to 'Creative' till further orders.

4. On coming to know of such injunction order against the defendants, they promptly moved an application under order 39 Rule 4 CPC seeking vacation of injunction on the grounds inter-alia that defendants have been carrying on the business since the year 1979 and their annual turn over had touched Rs 100

crores in the past years and that the plaintiff knowing fully well that the defendants have been carrying on their Tours & Travels business under the trade name 'Creative' since 1979 did not choose to take action against them for so many years, thereby accusing the defendants to carry on their business.

5. What else is pleaded in the application is that the plaintiff obtained ex-parte ad-interim injunction by making false representation and by concealing material facts from the Court giving false impression to the court that the defendants had recently hit upon the Trade name of the plaintiff whereas actually the defendants have been in the business since 1979 and to the knowledge of the plaintiff. Learned senior counsel appearing for the defendants urged so on the strength of membership of directory of 2002 where name of the plaintiff's company appears as well as that of the defendant's company. In fact, this membership directory contains the names of the companies - firms who are into this business and circulated to all such business houses. It is thus the case of the defendants that the plaintiffs knew at least from the year 2002 that the defendants were carrying on the business under the name and style of 'Creative' Tours & Travels (India) Pvt. Ltd. and yet ignored to take action against the defendants for obvious reasons that the defendants have been doing fairly well in their business and their annual turnover was much more than that of the plaintiff. It was further urged by the senior counsel for the defendants that restraining the defendants from carrying on their business particularly when they are into business since 1979 would amount to denial of justice to them and in this way, the plaintiff would be taking advantage of their own wrongs. It is further the case of the defendants that the plaintiffs have been doing their business activities in Delhi where as the defendants have been carrying their business in Mumbai and for that reason also there is no occasion for any confusion amongst the customers of the plaintiffs and that of the defendants as both the parties have been carrying on their business at two different places. The defendants prays for vacation of the injunction also on the ground that the plaintiff deliberately created jurisdiction of this Court despite no cause of action either in whole or in part having accrued in Delhi as the defendants had never carried on their business activities in Delhi nor gave any advertisements in any of the newspapers in Delhi but the plaintiff falsely stated in its plaint for the purposes of creating jurisdiction that the defendants had been inviting its customers in Delhi from all over India and was publishing the advertisements in daily newspaper which has its circulation and leadership in Delhi. Such statement, according to the defendants was untrue to the knowledge of the plaintiff nor the plaintiff was able to support these part of averments with any documentary proof. The learned senior defendant's counsel vehemently denied publishing its advertisement ever in Delhi newspaper. For these reasons it was contended that the plaintiff while approaching this Court did not come with clean hands, suppressed facts and also misstated the facts Therefore, he is not entitled to ad interim relief.

6. On the other hand, the learned Senior counsel for the plaintiff while refuting the arguments raised by the counsel for the defendants urged that plaintiff right

to use the mark 'Creative' was superior than that of the defendants as the plaintiffs were not only the prior user but also they have registered their marks 'Creative' under the Trade and Merchandise Marks Act and Therefore, the plaintiffs have statutory protection to use this trade mark and none else and the defendants had no right to encroach upon the statutory right of the plaintiff.

7. I have heard Learned Senior counsel for both the parties. I have also looked into the plaint and the supporting documents filed by the plaintiff and similarly the documents filed by the defendants along with the application under order 39 Rule 4 of CPC .

8. True, both parties are giants in their respective business. It is not that the defendants have recently come in the market. Although the defendants claim to be in this business since 1979 and their turnover is about Rs. 100 crores as on date whereas plaintiffs turnover is Rs. 48 crores for the year 2005 - 2006. Both the parties have spent huge amount in promoting their business. The question arises for consideration as to whether the defendants should be restrained from carrying on their business with the Trade Mark 'Creative' it being an exclusive Mark of the plaintiff being prior user as also the registered proprietor of this Trade Mark. Had the plaintiff taken prompt action against the defendants, the defendants would have been restrained from adopting this Trade Mark but now since they are into this business for quite long and also seem to have built up their reputation as is indicated from their sales figures, would it be justified to bring the business of the defendant to a grinding halt particularly when they are not operating from Delhi but from Bombay Though learned Counsel appearing for the plaintiff placed reliance on numerous judgments to the effect that delay in taking action against the errant party should not be a ground for refusal of injunction but no Court has ever said that delay of 25 years is condonable . Judgments cited by learned Counsel for the plaintiff are reported in 1986 PT 287, 1989 PTC 61, 1995 PTC 150. In the instant case the defendants were allowed to grow and grow in their business for more than 25 years and when their turnover reached Rs. 100 Crores, the plaintiff now by filing the instant suit and injunction application desires this Court to stop their business. If this Court agrees with the plaintiff, it would amount to Civil death of the defendants and their business would be razed to ground which shall be against can none of justice and equity.

9. Latches have important bearing while deciding intellectual property matters. Persons whose right is being intruded by the competitors must keep vigil and must not sleep over their right. Law needs to be put into motion as and when invasion somebody's legitimate rights are invaded otherwise it will be taken that he has given consent to the other party to carry on such business. In the instant case, the defendant claims to be using this trades name 'creative' since 1979. They have filed their Income Tax Returns right from the year 1981-82 thus indicating that they have been continuously using the word 'Creative'. They have also filed membership directory 2002 of TAAI containing the names of the persons who are into this business. It is expected that the plaintiffs must have

come across this directory and must be in the knowledge that the defendants were also carrying on the business with the trade mark 'Creative' yet they choose not to take any action against the defendants till 2006. Therefore, prima-facie the plaintiff is guilty of laches. Now, abruptly ordering the closure of the business of the defendants will create greater hardship on the defendants as it would give a big jerk and bring turmoil to their business which they have been able to grow gradually and gradually.

10. Even otherwise though the Trade Mark 'Creative' is registered in the name of the plaintiff but learned Counsel for the defendants while taking help from the internet, filed list of Travel agencies world wide to show that the mark 'Creative' is being used by many other traveling agencies in Singapore, Cyprus, Australia, Czech Republic, USA(Create Tours & Transportation) , USA (Pacifico Creative Service, Inc.), Syria, Brazil, Austria, Germany, Italy, Korea, Mexico, Holland, United Kingdom, Thailand, Spain, Switzerland, Taiwan(R.O.C.), Malta and emphasised that the mark is descriptive in nature and also being openly used by various Tours & Travels agencies, the plaintiff cannot claim exclusive right over this trade mark. Though this is an impressive argument but Court cannot loose sight of the fact that registration of this mark exist in favor of the plaintiff. If at all the defendant was keen to term this mark as descriptive mark and not distinctive, he could take an appropriate action before the Board for cancellation of this trade mark. This Court is with the plaintiff as far as the registration of Trade Mark and its prior user is concerned but what is coming in the mind of the Court is that the defendants too have been using this mark for quite long time and have built up their reputation by doing huge business to the tune of Rs100 Crores for the year 2005-06., Therefore, they cannot be stopped from doing their business under this mark particularly looking to the goodwill for a number of years. They have been into this business without any disruption either from anyone or from the plaintiff. It would be the defendants who will suffer irreparable loss and injuries, if they are injected from carrying on their business with this mark. If prior user favors the plaintiff, long user favors the defendants. For all these reasons the injunction order passed by this Court on July 14,2006, is liable to be vacated. Ordered as such. This results in dismissing the application of the plaintiff and allowing the application of the defendant.