(2010) 12 DEL CK 0226

In the Delhi High Court

Case No : IAs 9913 and 14288 of 2009 in CS (OS) No. 1422 of 2009

Eveready Industries India Ltd. — APPELLANT

Vs

Sanajay Chadha and Another — RESPONDENT

Date of Decision : 22-12-2010

Acts Referred:
Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2
Trade Marks Act, 1999 — Section 124(5), 30(1), 45(1)

Citation : (2011) 1 AD 428 : (2011) 179 DLT 355 : (2011) 45 PTC 22

Hon'ble Judges : V.K. Jain, J

Bench : Single Bench

Advocate : Sandeep Sethi, Ajay Bhargava, Amit Verma and Surinder Singh, for the Appellant; S.K. Bansal and Pankaj Kumar, for the Respondent

Final Decision : Disposed Off

Judgement

V.K. Jain, J.—This is a suit for permanent injunction, grant of damages and delivery up of infringing material. The plaintiff was incorporated under the name Ever Ready Company (India) Ltd. on June 20, 1934 under the Companies Act, 1913. The name of the plaintiff-company was changed from time to time and was last changed to Eveready Industries India Limited on April 24, 1995. The plaintiff-company is engaged mainly in the business of manufacturing and trading of dry cell batteries, re-chargeable batteries, flash lights, compact fluorescent lamps, general service lamps, insect repellants and packet tea. The plaintiff-company has 46% share in dry cell batteries and 80% in flash lights in the organized sector. The carbon zinc batteries manufactured by the plaintiff are sold under the mark EVEREADY since 1905 when its predecessor-in-title National Carbon Company (India) Limited came into existence. The plaintiff is the registered owner of the trademark EVEREADY and EVEREADY (device) and it is using the aforesaid trademark in respect of cell batteries, re-chargeable batteries, flash lights, compact fluorescent lamps, general service lamps, insect repellants and packet tea. The trademark EVEREADY also forms a prominent and dominant feature of its corporate name Eveready Industries (India) Limited. This is also the case of the plaintiff that its trademarks EVEREADY and EVEREADY (device) have acquired a unique reputation in the mind of purchasing public and trade on account of quality of the products which are sold under the marks. The trademark EVEREADY is registered in favour of the plaintiff-company in respect of various classes mentioned in para 10 of the plaint. The plaintiff claims advertisement expenditure of Rs 3795.29 lacs, 4317.03 lacs and 3858.88 lacs in the years 2005-06, 2006-07, 2007-08 respectively.

2. It is alleged in para 13 of the plaint that in or about 1st September, 2008, it first came to the knowledge of the plaintiff that the Defendant was using the mark EVEREADY and EVEREADY (device) in relation to hand tools, etc. when Defendant No. 2 opposed the registration of plaintiff''s trademark in class 8 vide opposition No. CAL-723369, claiming to be registered proprietor of registered trademarks No. 439233 and 539621 both in class 8. Defendant No. 1 is the owner of Defendant No. 2 and claims assignment of the mark EVEREADY and EVEREADY (device) from her. The plaintiff has filed rectification applications before Intellectual Property Appellate Board (IPAB), Chennai with respect to the trademarks registered in the name of Defendant No. 2.

3. The case of the plaintiff is that adoption of the impugned trademark by Defendants is in violation of its proprietary rights with respect to the trademark EVEREADY and EVEREADY (device) and the Defendants are guilty of passing off their products as those of the plaintiff. It is alleged that misrepresentation to the consumers is bound to cause confusion or deception in their mind and dilute the distinctive character of plaintiff''s trademark. It is further alleged that the Defendants have copied all essential and dominant features of EVEREADY (device) and are using the same get up, lay out, combination and arrangement of features, which could not have been co-incidental and is a deliberate act on their part, to take advantage of the impeccable quality of the goods of the plaintiff.

4. Vide IA No. 9913/2009 the plaintiff has sought interim injunction against use of the mark EVEREADY as well as EVEREADY (device) or any other mark/trade style identical or deceptively similar to the trademark and device of the plaintiff. They have also sought injunction against reproduction of any of the essential features, i.e., get up, writing styles, arrangement of features and size of the art work of the plaintiff in EVEREADY (device) in any manner on the packaging, brochures, letterheads, bills, etc. of the Defendants.

5. The suit has been contested and the application opposed by the Defendants. They have taken a preliminary objection that the plaintiff has suppressed material facts and played a fraud on the Court. It is alleged that when the plaintiff applied for registration of the trademark EVEREADY in class 8, the Registrar of trademarks issued cross-notice dated 04th April, 2003 to the Defendants informing them of the application filed by the plaintiff for registration in class 8. The factum of issue of cross-notice has been suppressed in the plaint in order to obtain ex parte injunction against the Defendants. It is also alleged

that the plaintiff itself excluded screw drivers, cutting pliers, while seeking registration vide application No. 641191, thereby recognizing the rights of the Defendants with respect to the trademark EVEREADY in respect of screw drivers, cutting pliers, etc. The plea taken by the Defendant, therefore, is that the plaintiff is guilty also of delay, latches and acquiescence, as no step was taken by it since the year 2003, despite coming to know of rights of Defendants with respect to the aforesaid trademark in relation to hand tools.

6. On merits, it is alleged by the Defendants that the mark/label EVEREADY was adopted by Defendant No. 2 in the year 1985, while carrying business under the name of M/s Everest Tool Industries. By virtue of assignment dated 06th January, 2009, Defendant No. 2 assigned her rights in the aforesaid trademark in favour of Defendant No. 1 along with its goodwill and reputation and Defendant No. 1, thereby became owner and proprietor of the aforesaid trademark. It is also claimed that the Defendants have widely advertised the trademark/label used by them and have spent considerable money for this purpose. It is also alleged that the products of the Defendants are sold at shops where the product of the plaintiff are not sold and, therefore, there is no scope of the goods of the Defendant being passing off as the goods of the plaintiff.

7. The salient feature of this case, as they emerge from the pleadings of the parties and the documents filed by them, are that (i) Defendant No. 2 Mrs Kamlesh Chadha was registered proprietor of the trademark EVEREADY and EVEREADY (device) in respect of screw drivers and cutting pliers since the year 1985-86; (ii) the plaintiff-company is neither the registered proprietor of the trademark EVEREADY and/or EVEREADY (device) in respect of screw drivers and cutting pliers nor is it engaged in manufacture and/or sale of such products; (iii) the Defendants are using the trademark EVEREADY since 1985-86 though there has been no sale by them in the years 1986-87 to 1990-1991, 1994-95, 1996-97, 1997-98 and 2000-01 to 2004-05.

8. The first question which comes up for consideration is as to whether the plaintiff has concealed any material fact and thereby has not come to the Court with clean hands. In para 13 of the plaint, the plaintiff specifically alleged that it was in or about 1st September, 2008, it first came to know that the Defendant was using the mark EVEREADY and EVEREADY (Device) in relation to handsets, when Defendant No. 2 opposed its application No. CAL-723369 for registration of the mark EVEREADY in class 8.

9. A perusal of the certificate of Registration No. 439233 issued by Trade Mark Registry shows that the mark EVEREADY was registered in the name of Defendant No. 2 Ms Kamlesh Chadha in respect of screw drivers and cutting pliers w.e.f. 19th June, 1985. It further shows that Ms Kamlesh Chadha was stated to be trading under the name and style of Everest Tools Industries, D-58, Bhajan Pura, Delhi. It further shows that the application of Ms Kamlesh Chadha was duly advertised before it was accepted. Certificate of Registration No. 539621, issued by Trade Mark Registry, shows that the device EVEREADY was

also registered in the name of Ms Kamlesh Chadha w.e.f 08th November, 1990 in respect of hand tools and her application for this purpose was duly advertised before the registration was granted. A perusal of the record of Trade Mark Registry, copy of which has been placed on record by the Defendant, would show that when the plaintiff, through its attorneys, Mr D.P. Ahuja and Co. applied to the Registrar of Trademarks for registration of the trademark EVEREADY in the name of Union Carbide India Ltd., vide application No. 641191, the application was examined by the trademark registry and vide examination report No. 31312 dated 11th November, 1999, it was pointed out that the mark EVEREADY was already registered in the name of Ms. Kamlesh Chadha, D-58, Bhajanpura, Delhi with respect to screw drivers and cutting pliers in Class 8 vide registration No. 439833 and in respect of hand tools vide registration No. 539621. A copy of the examination report dated 11th November, 1999 was forwarded to Mr. D.P. Ahuja and Co., Patent and Trademark Attorneys which the plaintiff had appointed for submitting trademark application 641191 for registration of the mark EVEREADY in Class 8, as is evident from the letter sent by Mr. D.P. Ahuja and Co. to the Registrar of Trademarks on 25th March, 2000. It was stated in the letter that the applicant (the plaintiff, which at that time was known as Union Carbide India Ltd.) agreed to amend the goods in respect of which registration was sought by it by excluding screw driver and cutting pliers.

10. This is not the case of the plaintiff that Mr. D.P. Ahuja and Co. had not been authorized by it to submit application No. 641191. The Defendants have placed on record, a copy of the general power of authority given by the plaintiff to Mr. D.P. Ahuja and Co. in this regard. The Defendants have also placed on record a copy of the application whereby Union Carbide India Ltd had sought registration of the trademark EVEREADY and EVEREADY (device) under Class 8, on 26th September, 1994. Therefore, it can hardly be disputed that by 25th March, 2000, the plaintiff company, through Mr. D.P. Ahuja and Co., Patent and Trademark Attorneys was aware of registration of the trademark EVEREADY in the name of Ms. Kamlesh Chadha in respect of screw driver and cutting pliers. The plaintiff, therefore, ought to have disclosed to this Court, while filing this suit, that by 25th March, 2000 they had come to know that the trademark EVEREADY had been registered in the name of Ms. Kamlesh Chadha with respect to screw driver and cutting pliers. Instead of disclosing this information, the plaintiff chose to make a false statement in the plaint by claiming that it had come to know for the first time on or about 1st September, 2008 that the Defendant was using the mark EVEREADY and EVEREADY (device) in relation to hand tools etc. when Defendant No. 2 opposed registration of their trademark in Class 8 vide opposition No. CAL-723369 claiming to be registered proprietor of the registered trademark No. 439233 and 539621. It was contended by learned Counsel for the plaintiff that mere knowledge of registration of the aforesaid trademark in the name of Ms. Kamlesh Chadha in Class 8 does not imply that the plaintiff was also aware of the use of the aforesaid mark by her and, therefore, it was not necessary for the plaintiff to disclose this fact in the plaint. I, however, find no

merit in this contention. Once a person obtains registration of a trademark with respect to some goods, the presumption is that he would use that trademark, if not from the date on which the registration is sought, at least soon after obtaining the registration in his favour. Once the plaintiff had come to know of registration of the trademark EVEREADY in the name of Ms. Kamlesh Chadha and her address also was available to him having been given on the examination report prepared by the Trademark Registry, it ought to have made enquiry and made survey, in case it wanted to confirm the user of the trademark by Ms. Kamlesh Chadha, to ascertain whether the mark was actually being used by her or not. This is not the case of the plaintiff that it had made enquiry on coming to know of registration of the mark EVEREADY in the name of Ms. Kamlesh Chadha and had come to know that mark was not used by her for manufacturing and/or selling the products for which the registration was obtained by her. Had the plaintiff undertaken such enquiry/survey, it would have come to know that this mark was actually being used by Ms. Kamlesh Chadha since the sale of the Defendants is statd to be Rs. 6,94,610/- in the year 1999-2000.

In Shri Gopal Engg. and Chemical Works Vs. M/s. POMX Laboratory, , there was unexplained delay of 14 months in seeking injunction. The explanation given by the plaintiff for the delay was that it could not lay hands on the impugned goods of the Defendant bearing the impugned trademark despite best efforts. It was also claimed that the Defendant had stopped using the impugned trademark. The explanation was, however, rejected by this Court noticing that no details of the efforts made by the plaintiff had been given. This Court was, therefore, of the view that delay in bringing proceedings by itself was sufficient to deny interim relief to the plaintiff.

11. It, therefore, appears to me that the plaintiff company was aware latest by March, 2000 that Ms. Kamlesh Chadha was using the trademark EVEREADY with respect to screw drivers and cutting pliers. The plaintiff has, therefore, made a false statement when it claimed in para 13 of the plaint that it was on or about 1st September, 2008 that it first came to know of the Defendants using the mark EVEREADY, EVEREADY (device) in relation to hand tools. The relief of injunction being a discretionary equitable relief, the person invoking this equitable jurisdiction of the Court must come to the Court with clean hands and disclose all material facts and information which he has in his possession with respect to subject matter of the suit being filed by him. If a party does not come to the Court with clean hands and withholds material information having bearing on the merit of the case, the Court would be justified in refusing to lend a helping hand to such a person and would also be justified in withdrawing the interim relief, if already, granted by it to such a person.

12. In S.P. Chengalvaraya Naidu (dead) by L.Rs. Vs. Jagannath (dead) by L.Rs. and others, , the Supreme Court observed that a person coming to the Court must come with clean hands and the one whose case is based on falsehood has no right to approach the Court.

In Udai Chand Vs. Shankar Lal and Others, , the Supreme Court was of the view that the Court would be justified in revoking the leave to appeal if the same was obtained by making mis-statement of a material fact which was of decisive importance in the case. It was further held that a party who approaches the Court invoking the exercise of its overriding discretions must come with clean hands and if it appears on his part any attempt to over reach or mislead the Court by false or untrue statements or by withholding true information which would have a bearing on the question of exercise of discretion, the Court would be justified in refusing to exercise the discretion or, if the discretion has been exercised, in revoking the leave to appeal granted even at the time of hearing of the appeal.

In M/sGujarat Bottling Co. Ltd. and Ors. v. Coca Cola Company and Ors. 1995 SC 2372, the Supreme Court, inter-alia, observed as under

50. ...Under Order 39 of the Code of Civil procedure, jurisdiction of the Court to interfere with an order of interlocutory or temporary injunction is purely equitable and, therefore, the Court, on being approached, will, apart from other considerations, also look to the conduct of the party invoking the jurisdiction of the Court, and may refuse to interfere unless his conduct was free from blame. Since the relief is wholly equitable in nature, the party invoking the jurisdiction of the Court has to show that he himself was not at fault and that he himself was not responsible for bringing about the state of things complained of and that he was not unfair or inequitable in his dealings with the party against whom he was seeking relief. His conduct should be fair and honest. These considerations will arise not only in respect of the person who seeks an order of injunction under Order 39 Rule 1 or Rule 2 of the Code of Civil Procedure, but also in respect of the party approaching the Court for vacating the ad interim or temporary injunction order already granted in the pending suit or proceedings.

13. A perusal of the letter dated 25th March, 2000 written by Mr. D.P. Ahuja and Co. to the Registrar of Trademarks would show that on receipt of official examination report No. 31312 dated 11th November, 1999 with respect to registration of the trademark EVEREADY in the name of Ms. Kamlesh Chadha vide registration Nos. 439233 and 53962, the plaintiff company agreed to amend its application so as to delete screw driver and cutting pliers included in Class 8. Since the plaintiff was seeking registration of the trademark EVEREADY in Class 8, it ought to have, immediately on coming to know of registration in the name of Ms. Kamlesh Chadha, issued a notice to her asking her to stop using the aforesaid trademark applied for cancellation of the registration granted to her and should also have come to the Court seeking injunction against use of the trademark EVEREADY and EVEREADY (device) by her.

14. It was contended by senior counsel for the plaintiff that while seeking registration under Class 8, the plaintiff could not have obtained cancellation of the registration already granted in the name of Ms. Kamlesh Chadha and, therefore, nothing really turns on the decision of the plaintiff company to exclude

the products in respect of which the trademark was registered in the name of Ms. Kamlesh Chadha, from the application made by it for registration under Class 8. The argument, to my view, does not advance the case of the plaintiff in any manner. What is important is that despite coming to know of registration of the trademark EVEREADY in favour of Ms. Kamlesh Chadha, the plaintiff neither sought cancellation of that registration nor did it approach Civil Court seeking injunction against use of that trademark by her. It also failed to issue a cease and desist notice to him, which indicates acquiescence or at least make out a case of estoppels, against the plaintiff. It appears to me that the plaintiff-company thought that since it was not delaying in these hand tools, it need not bother about use of the trade mark EVEREADY by Defendant No. 2, who was its registered proprietor in respect of specified hand tools.

15. The information about registration of the trademark EVEREADY in the name of Ms. Kamlesh Chadha came to the knowledge of plaintiff company by March, 2000. This suit, however, has been filed on 3rd August, 2009 though the affidavit in support of the plaint has been sworn on 23rd May, 2009. The Defendants claim sale of Rs. 8,48,700/-, Rs. 13,14,819/- and Rs. 31,58,181/- in the years 2006-07, 2007-08 and 2008-09 respectively as against sale of Rs. 3,56,988/- in the year 2005-06, under the trademark EVEREADY and EVEREADY (device). By not seeking cancellation of registration in favour of Ms. Kamlesh Chadha and not coming to Civil Court seeking injunction against use of the trademarks EVEREADY and EVEREADY (device) by her, the plaintiff allowed here to build and promote her brand and increase her sale manifold between 2005-06 to 2008-09. Had the plaintiff objected to use of the trademarks EVEREADY and EVEREADY (device) by Ms. Kamlesh Chadha, in the year 1999-2000 when it first came to know of the registration in her favour, she might possibly have adopted another trademark and might not have made any expenditure on building and promoting trademark EVEREADY with respect to the goods in which the Defendants are dealing. The Defendants could in the period of about 9 years have not only adopted a new trademark but could also have achieved considerable sale using that mark. If the use of the trademark EVEREADY by the Defendants is stopped now, that would result in the Defendants having to adopt a new trademark for selling their products and they would need considerable time and have to incur consideration expenditure in promoting the new trademark which they may have to adopt. Total inaction on the part of the plaintiff for more than 9 years amounts to not only latches but also condoning the use of the trademark EVEREADY by the Defendants and acquiescing in the use of said trademark by them in respect of screw drivers and cutting pliers.

16. Another consideration which weighs with the Court in declining interim relief to the plaintiffs in respect of pliers and screw drivers in the facts and circumstances of this case, is that the Defendants are manufacturing and selling these products using the trademark EVEREADY since 1985-86, whereas the plaintiff neither manufactures nor deals in these products, they are sold through different trade channels and the persons buying the products of the Defendants

are altogether different from the persons buying the products of the plaintiff. There is no reasonable possibility of a customer looking for hard tools buying the products of the Defendants on the assumption that they are manufactured by the plaintiff. As a necessary corollary to this, there is no reasonable possibility of the image of the plaintiff company getting adversely affected, in case the hand tools manufactured and sold by the Defendants are not found to be of a superior quality. The mark EVEREADY is identified with the plaintiff company for the products manufactured and/or sold by it. But, it cannot be said that the mark is so closely identified with the plaintiff company so as to become synonymous with it and any product sold under this brand will be assumed to be a product of the plaintiff-company even if it has never dealt in such products.

17. In Canon Kabushiki Kaisha Vs. B. Mahajan and Others, , this Court was of the view that in a passing of action, similarity in the kind of goods and line of trade is an important consideration and what has to be assessed is whether there is likelihood of confusion. It was further observed that if there is dissimilarity in the kind of goods/services, the possibility of confusion or deception would normally be less.

In Mahendra and Mahendra Paper Mills Ltd. v. Mahendra and Mahendra Ltd. 2002 (24) PTC 121 (SC), the Supreme Court, inter-alia, observed as under

The court also, in restraining a Defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the Defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the Defendant is yet to commence his enterprise, are attracted.

In The Fairdeal Corporation (Pvt.) Ltd. v. Vijay Pharmaceuticals, 1985 PTC 80, the stand taken by the plaintiff before this Court was that he had come to know about the offending activities of the Defendants on purchase of the product with offending mark in Delhi on 25th September, 1984. The Defendant, however, placed on record a copy of the notice dated 14th July, 1982 sent by the advocate of the plaintiff to the Defendant referring therein to an earlier notice of February 12, 1981 sent by him on behalf of the plaintiff. The Defendant had replied to the notice on 4th September, 1982. It was noticed by this Court that from the reply sent by the Defendant, the plaintiff was aware since 1981 that the Defendant was selling its produced under the impugned name. This Court was of the view that despite being aware of the use of the offending mark, the plaintiff had kept quite all these years and by his conduct he had led the Defendant to believe that Defendant could market its product. The Court, therefore, was of the view that the balance of convenience was in favour of the Defendant, who had continuously been selling its product. It was further observed that the conduct of the plaintiff also came into question for making false averments in the plaint as well as in the application. The application of the plaintiff for grant of injunction was dismissed and the interim order granted to him was vacated by this Court.

In Vikas Makhija v. The Bengal Phenyle and Allied Products (P) Ltd. 2001 PTC 612 (Del), it was noticed that the Defendant''s use of the trademark in question was within the knowledge of predecessor in interest of the plaintiff, which was the original owner of the trademark and had assigned it to the plaintiff. It was also noticed that both, the Defendant as well as the predecessor in interest of the plaintiff had been making government supplies and names of both the firms were included in the yearly rate contract arrangement for supply of the product. This Court was of the view that prima-facie it was a case of acquiescence by the plaintiff and or his predecessor in interest to the use of the same trademark by the Defendant and, therefore, in view of the provisions contained in Section 30(1)(b) of the Trademarks Act, prima facie use of the trademark by the Defendant would not constitute infringement.

In Warner Bros. Entertainment Inc. and Another Vs. Harinder Kohli and Others, , this Court observed that if the plaintiffs stood by knowingly and let the Defendants build up their business or venture, then they would be estopped by their acquiescence from claiming equitable relief. It was further observed that acquiescence on the part of the plaintiffs would amount to waiver, if not abandonment of their right. The Court was of the view that if, according to the plaintiffs, the Defendants had dishonestly adopted a title or mark akin to that of plaintiffs, it was imperative upon them to have nipped the evil in the bud by forwarding to the Defendants a legal notice of CEASE AND DESIST. This Court further observed that deliberate suppression of material facts, so far as the grant of equitable relief of injunction is concerned, is fatal. In Wander Ltd. and Anr. v. Antox India (P) Ltd. 1991 PTC 1, the Supreme Court, inter-alia, observed as under:

9. ...The object of the interlocutory injunction, it is stated is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be weighed against the corresponding need of the Defendant to be protected against injury resulting from his having been prevented from exercising his legal rights for which he could not be adequately compensated. The court must weigh one need against another and determine where the "balance of convenience lies". The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie. The court also, in restraining a Defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the Defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to case where the Defendant is yet to commence his enterprise, are attracted.

18. The learned Counsel for the plaintiff, in his written submissions, has referred to the following decisions: Hindustan Pencils (P) Ltd. Vs. India Stationery

Products Co. and Another, , Annul Industries Vs. Shiva Tobacco Company, , Beiersdoft A.G. v. Ajay Sukhwani and Anr. 2009 (38) PTC 109 (Del.), DCM Shriram Consolidated Limited Vs. Shri Laxami Trader and Others, , Rhizome Distilleries P. Ltd. and Others Vs. Pernod Ricard S.A. France and Others, , Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others, , Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd., , Honda Motors Co. Ltd. Vs. Mr. Charanjit Singh and Others, , Mahendra and Mahendra Paper Mills Ltd. Vs. Mahindra and Mahindra Ltd., , Ciba-Geigy Limited and Anr Vs. Surinder Singh and Ors, , Century Traders Vs. Roshan Lal Duggar Co., .

19. In the case of Hindustan Pencils (supra), the plaintiff were the registered proprietors of the trademark ''Nataraj'' with device of ''Nataraj'' in respect of a number of stationery products, including pins and clips. The Defendant in that case had obtained copyright in a label similar to the label of the plaintiff in respect of the pins. The case of the plaintiffs was that they had come to know about copyright registration granted to the Defendants only in the middle of the year 1995, whereas the case of the Defendants was that the plaintiffs were aware of the use of the trademark ''Nataraj'' by them sine the year 1982 when the advertisement of the plaintiffs and Defendants appeared in the magazine. It was contended by the Defendants that there was six years delay on the part of the plaintiffs in filing the suit and, therefore, they were not entitled to injunction. This Court in para 31 of the judgment, inter alia, observed as under

If a party, for no apparent or a valid reason, adopts, with or without modifications, a mark belonging to another, whether registered or not, it will be difficult for that party to avoid an order of injunction because the Court may rightly assume that such adoption of the mark by the party was not an honest one. The Court would be justified in concluding that the Defendant, in such an action, wanted to cash in on the plaintiff''s name and reputation and that was the sole, primary or the real motive of the Defendant adopting such a mark.

Even if. in such a case, there may be an inordinate delay on the part of the plaintiff in bringing a suit for injunction, the application of the plaintiff for an interim injunction cannot be dismissed on the ground that the Defendant has been using the mark for a number of years." However, in para 33 of the judgment, this Court expressed the following view:

As already noted, acquiescence may mean an encouragement by the plaintiff to the Defendant to use the infringing mark. It is as if the plaintiff wants the Defendant to be under the belief that the plaintiff does not regard- the action of the Defendant as being vocative of the plaintiff''s rights. Furthermore, there should be a tacit or an express assent by the plaintiff to the Defendant''s using the mark and in a way encouraging the Defendants to continue with the business. In such a case the infringer acts upon an honest mistaken belief that he is not infringing the trade mark of the plaintiff and if, after a period of time when the infringer has established the business reputation, the plaintiff turns around and brings an action for injunction the Defendant would be entitled to raise the defense of acquiescence. Acquiescence may be a good defense even to the grant of a permanent injunction because the Defendant may legitimately contend that the encouragement of the plaintiff to the Defendant''s use of the mark in effect amounted to the abandonment by the plaintiff of his right in favor of the Defendant and, over a period of time, the general public has accepted the goods of the Defendant resulting in increase of its sale. It may, however, be stated that it will be for the Defendant in such cases to prove acquiescence by the plaintiff. Acquiescence cannot be inferred merely by reason of the fact that the plaintiff has not taken any action against the infringement of its rights.

This Court was of the view that an effort was being made by the Defendants to mislead the general public to buy the pins and dips manufactured by them assuming that the same were manufactured by the plaintiffs. It was also noticed that the plaintiffs had in the year 1985 filed an application for cancellation of the registration of the copyright of the Defendant. The facts of this case are altogether different. The products being sold by the plaintiff using the trademark EVEREADY and EVEREADY (device) are altogether different from the products being manufacture and sold by the Defendants using that very name. The Defendants are manufacturing and selling only a few hand tools viz. screwdrivers and pliers. The trade channels for the goods of the Defendants are altogether different from the trade channels for the goods of the plaintiff, which is selling torch, dry cell batteries, etc. The torch and dry cell batteries, etc. are sold by general merchants, whereas hand tools are sold at hardware shops. There is hardly any reasonable possibility of anyone purchasing hand tools under the trademark EVEREADY in the belief that they were manufactured by the plaintiff-company and were a product from its stable. Moreover, the Defendants before this Court are the registered proprietors of the trademark EVEREADY in respect of the specified hand tools, whereas the Defendant in the case of Hindustan Pencils (supra) was holding only copyright in respect of a label.

20. In the case of Ansul Industries (supra), the Appellant M/s Ansul Industries as well as the Respondent M/s Shiva Tobacco were manufacturing and selling the same product, i.e., chewing tobacco, the Appellant under the name ''Udta Panchhi'' and the Respondent under the name ''Panchhi Chhap''. The Respondent was also the registered user of the brand name ''Punchhi Chhap'' under the Trade and Merchandise Marks Act, whereas there was no registration of the trademark ''Udta Panchhi'' in favour of the Appellant. In para 44 of the judgment, this Court referred to certain principles of law in the matter of granting interim injunction in such matters and principle (vi) referred therein read as under:

Where initial adoption by the Defendant itself is vitiated by fraud and/or is dishonest, delay is not a valid ground to allow misuse. If user is at the inception is tainted by fraud and dishonesty, continuous use does not bestow legality.

21. In the case of Beiersdoft A.G.(supra), this Court, inter alia, observed as under:

In the present case it has been held that the initial adoption by the Defendants was dishonest. When there is dishonesty or fraud in the initial adoption of a trade name, plea of laches and delay normally is rejected. If the initial adoption itself is malafide and tainted, it does not become valid and legal with passage of time. The Defendants were also always conscious of their wrong and had continued to use the mark NIVEA on their own peril and risk. In these circumstances, plea of delay, laches and acquiescence cannot be accepted to reject claim for injunction.

22. However, in the case before this Court, not only there is continuous user of the trademark EVEREADY by the Defendants, except during 1986-87 to 1990-1991, 1994-95, 1996-97, 1997-98 and 2000-01 to 2004-05. They are also its registered proprietors, which was not the position in the case of Ansul Industries (supra). More importantly, the plaintiffs before this Court have made a false representation to the Court with respect to the date when they came to know about user of the trademark EVEREADY by the Defendants and, therefore, are disentitled to injunction on this ground alone.

23. In the case of Hamdard (supra), the plaintiffs were the proprietors of the well-known trademark ''Hamdard'' and were holding 37 registration in relation to diverse goods and products, including food products such as soft drinks, concentrate and recipes like Rooh Afza, etc. The Defendant was found using the word mark ''Hamdard'' in relation to processing and marketing rights. The case of the Defendants was that they were using the mark ''Hamdard'' since 1989 and the plaintiffs, who were aware of this, had issued a cease and desist notice to them, but had chosen not to take any action. It was noticed by this Court that the product of the Defendant was also sold in grossery stores or small departmental and utility stores, where the product of the plaintiff was sold. The Defendant in the case of ''Hamdard'' was not holding a registered trademark, whereas the Defendants before this Court are registered proprietors of the trademark EVEREADY with respect to the specified hand tools. Moreover, the products of the Defendants are not sold at the same shops/stores where the products of the plaintiff are sold. These are two important distinguishing features between ''Hamdard'' and this case. Moreover as noted earlier, the plaintiff having not come to this Court with clean hands and having misrepresented with respect to the date on which it came to know about the use of the trademark EVEREADY by the Defendant is not entitled to the discretionary relief of injunction from this Court.

24. In the case of DCM Shriram Consolidated Limited (supra), the case of the Defendants was that the plaintiff had not pleaded that the cease and desist notice has been issued by it more than two years before filing of the suit. It was also pointed out that the cause of action given in the plaint was silent about the date on which the cause of action arose. This Court was of the view that since both the Defendants had claimed registration in their favour and one of them was also claiming copyright, the Defendants in terms of the decision of the Supreme Court in Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna

Pharmaceutical Laboratories, , could expect to escape liability only if they could show that the added matter was sufficient to distinguish their product from that of the plaintiff. It was also noticed that the only added feature in the marks adopted by the Defendants was the prefix "Aggarwal" or "Laxmi which could hardly be said to distinguish the products of the Defendants from that of the plaintiff. It was also noted that the Defendants had adopted not only the essential and identical features of the plaintiff''s trademark SHRIRAM, but had also imitated the logo, the device and the colour combination which were very similar to the logo and device used by the plaintiff. It was also noticed that the line of trade of the plaintiff and the Defendants was the same, i.e., the products used in the building construction industry and the market for their respective products was, therefore, the same. It was observed that the plastic bags containing the Defendant''s products when stacked side by side with the plaintiffs bags in any shop selling such products would make them indistinguishable and even if they are not stacked side by side a purchaser of PoP on viewing the bags of the Defendants products in any shop selling these items, is likely to be deceived into thinking that the Defendants products were that of the plaintiffs. However, in the case before this Court, the products are altogether different and so are the sellers and buyers of these products. As regards the plea of suppression of material facts by the plaintiff by not disclosing issuance of cease and desist notice, it was noticed by this Court that neither of the Defendants had thought it fit to reply to the said notice and, therefore, Defendants could not take advantage of the fact that the plaintiff was aware of the infringement since 2007 when the notice was issued. However, in the case before this Court, the plaintiffs have not only failed to disclose that they had modified their application for registration under Class 8, they have made a false statement as regards the date on which they came to know of user of the trademark EVEREADY by the Defendant. In para 29 of the plaint, it is alleged that the cause of action for the present suit arose on 1st September, 2008 when the plaintiff first time came to know about the trade activity of the plaintiff. This, to my mind, is incorrect since the plaintiff had come to know of registration of the trademark EVEREADY in favour of Defendant No. 2 way back in March, 2000 on receipt of the Examination Report from the Trademark Registry and had the plaintiff made efforts in this regard, it would have come to know that the Defendant had been actually using that trademark for selling certain hand tools. It is not open to the plaintiff not to make any effort to find out actual user of the trademark by Defendant No. 2 even on coming to know of registration in her favour and then say that it was not aware of the use of the trademark.

25. In the case of Rhizome Distilleries P. Ltd.(supra), this Court had declined injunction to the plaintiffs finding no similarity between the trade dress of the parties and noticing significant variance in the price of the brands of the plaintiff and the brands of the Defendant. However, during the course of the judgment, it was observed by this Court that Section 124(5) of Trade Marks Act, 1999 preserved the power of the Court to make any order, including granting an

injunction during the period the suit is stayed by it. This judgment, to my mind, is of no help to the plaintiff since there is no quarrel with the express provision of law in this regard. But, the facts and circumstances of this case, as discussed earlier, disentitle the plaintiff to grant of interim injunction.

26. In the case of Midas Hygiene Industries P. Ltd. (supra), the plaintiff was holding copyright in the packaging containing the words LAXMAN REKHA. The Defendant in that case was found using the name MAGIC LAXMAN REKHA and it was claimed by the Defendant that the name MAGIC LAXMAN REKHA was being used by it since 1992. During the course of the judgment, it was felt by the Supreme Court that in cases of infringement either of trademark or of copyright, normally an injunction must follow and mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. It was further observed that the grant of injunction also becomes necessary if, prima facie, it appears that the adoption of the mark was dishonest. This judgment does not help the plaintiff since delay is not the only ground on which the Defendant is opposing grant of injunction to the plaintiff. Not only there is suppression of material facts, but also there is a mis-statement as regards the date when the plaintiff first came to know about the user of the trademark EVEREADY by the Defendant. Moreover, the products for which the Defendants are using the mark under the name EVEREADY are altogether different from the products being manufactured and sold by the plaintiff under that mark and both the parties are holding registration with respect to the same mark though in different classes.

27. In the case of Power Control Appliances (supra), Supreme Court, inter alia, observed as under:

Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In Harcourt v. White Sr. John Romilly said: "It is important to distinguish mere negligence and acquiescence." Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the Defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in Mouson (J. G.) and Co. v. Boehm". The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the Defendant as was laid down in Rodgers v. Nowill .

Delay simpliciter may be no defence to a suit for infringement of a trade mark, but the decisions to which I have referred to clearly indicate that where a trader allows a rival trader to expend money over a considerable period in the building up of a business with the aid of a mark similar to his own he will not be allowed to stop his rival''s business. If he were permitted to do so great loss would be caused not only to the rival trader but to those who depend on his business for their livelihood. A village may develop into a large town as the result of the building up of a business and most of the inhabitants may be dependent on the business. No hard and fast rule can be laid down for deciding when a person has, as the result of inaction, lost the right of stopping another using his mark. As pointed out in Rowland v. Michell each case must depend on its own circumstances, but obviously a person cannot be allowed to stand by indefinitely without suffering the consequence.

In the case before this Court, not only did the plaintiff modify its application, seeking registration under class 8, it failed to apply for cancellation of the registration granted to Mrs Kamlesh Chadha with respect to certain hand tools and to come to the Civil Court for grant of injunction against use of trademark EVEREADY by the Defendants. Moreover, the Supreme Court itself has referred to the possibility of the right to stop another from using the trademark being lost, in a case of inordinate delay in initiating action against infringer. The plaintiff did not take the trouble of even issuing a cease and desist notice to Mrs Kamlesh Chadha so as to persuade her to stop using the aforesaid mark in relation to goods being manufactured and sold by her. This judgment, therefore, does not help the plaintiff.

28. The judgments of this Court in the case of Century Traders Vs. Roshan Lal Duggar Co., , which otherwise do not apply to the facts of this case, can given no help to the plaintiff considering its conduct in modifying its application for registration in Class 8, coupled with its failure to issue any cease and desist notice to the Defendant, seek cancellation of the registration granted in their favor and coming to the court for grant of injunction against use of the trademark EVEREADY by them, coupled with a false statement with respect to the date on which it came to know about user of the trademark EVEREADY by the Defendants.

29. It would be pertinent to note here that not only has the trademark EVEREADY been registered in favour of the Defendants, its user by them is also prima facie established from the documents produced by them, showing user since 1985-86. It is true that there is no evidence of any sale having been made during the years 2000-01 to 2004-05. That, however, would be of no consequence when the Defendants have been able to show that they have made sales during 1985-1986, 1991-92 to 1995-96, 1998-99, 1999-2000 and from 2005-06 to 2008-09 and their sale increased substantially during the year 2006-08, 2007-08 and 2008-09. Therefore, the judgment of this Court in the case of Century Traders (supra) holding therein that mere registration did not prove user by the persons in whose name the mark was registered unless evidence has been led or was available of user of the registered trademarks does not apply to the facts of this case.

30. It was also contended by the learned Counsel for the plaintiff that Defendant Sanjay Chadha is not the proprietor of the trademark EVEREADY since Assignment Deed, signed in the year 2009, claiming retrospectivity since the year 2005 is not valid in the eyes of law, no business was carried out by the

Defendants during 2000-01, 2004-05 and sales tax registration has already been surrendered by Defendant No. 2 Kamlesh Chadha who is the registered proprietor of the mark EVEREADY in respect of certain hand tools. I, however, find no merit in the contention. Vide Assignment Deed dated 06th January, 2009, the mark EVEREADY as well as EVEREADY (device) Registration No. 439233 and 539621 were assigned by Defendant No. 2 Smt.

Kamlesh Chadha to her son Sanjay Chadha. The plaintiff submitted Form TM-23 and deposited the requisite fee of Rs 6000/- with Registrar of Trade Marks on 06th January, 2009. Even if the assignment operates from 06th January, 2009 when the Assignment Deed was executed, it can hardly be disputed that the rights in the trademark EVEREADY in respect of screw drivers and pliers now vest in him. He has already applied for registration of the assignment in his favor and has, therefore, done whatever he could have to get the assignment registered in his name. If there is delay on the part of the Trademark Registry in registering the assignment, that does not affect his right to use the trademark, assigned to him. u/s 45(1) of the Trade Marks Act, the Defendant No. 1 was required to apply in prescribed manner to the Registrar to register his title with respect to the trademark EVEREADY assigned to him by Defendant No. 2. Section 45(2) provides that except for the purpose of an application before the Registrar under Sub-section (1) or an appeal from an order thereon or an application u/s 57 or an appeal from an order thereon, a document in respect of which no entry has been made in the register in accordance with Sub-section (1) shall not be admitted in evidence in proof of the title to the trademark by assignment or transmission unless the Registrar or Appellate Board or the Court, as the case may be, otherwise directs. Since Defendant No. 1 has fully complied with the requirement of Sub-section (1) of Section 45 and the delay in registration of assignment in favour of Defendant No. 1 is on the part of the Registrar, there is no reason for not admitting the Assignment Deed in evidence.

31. In Astrazeneca UK Ltd. v. Orchid Chemicals and Pharma 2006 (32) PTC 733 (Del.), the Court found that the application of plaintiff No. 1 for registration of trademark was still pending with the Registrar of Trademarks. The registration was sought on the basis of assignment in favour of plaintiff No. 1. This Court was of the view that during the interregnum, the rights emanating from the assignment cannot be denied to the plaintiffs on account of non-registration by the Trademark registry since rights in the trademark came to the plaintiff on the basis of assignment deed and not from registration/recording of name in his favour.

In Cico Technologies Ltd. and Another Vs. Tapcrete Marketing P. Ltd. and Others, and Sun Pharmaceuticals Industries Limited Vs. Cipla Limited, , this Court observed that it would play havoc with the assignment and trading of trademarks, expressly permitted by the Act, if the assignor, who has divested himself of title by executing an assignment deed can nevertheless continue exercising rights over the registered trademark and the person in whom title has been vested by assignment is held not entitled to use the same owing to non-registration. In Collector of C. Ex. Vs. Vikshara Trading and Invest. P. Ltd., , the Supreme Court noticed that there was an assignment in favour of the first Respondent though it had not been registered. The Supreme Court was of the view that mere non-registration of the assignment could not alter the position. In view of the facts and circumstances discussed above, I am of the considered view that the plaintiff is not entitled to grant of ad interim injunction against use of the word mark EVEREADY by the Defendants in respect of the screw drivers and pliers.

Admittedly, the Defendants have already been restrained by IPAB from using EVEREADY (device). Hence, there is no need for the Court to injunct against use of this device by the Defendants. The Defendants, however, will not use the word trademark ''EVEREADY'' except in respect of the screw drivers and pliers. If, however, the registration in favour of the Defendants is cancelled, they will forthwith stop the use of the word mark ''EVEREADY'' even in respect of screw drivers and pliers. The interim order passed by this Court on August 24, 2009 stands modified accordingly. The observation made in this order being tentative and having been necessitated for the purpose of taking a prima facie view, will not affect the decision of the suit in any manner. The applications stand disposed of. The parties are directed to appear before the Joint Registrar for admission/ denial of documents on 14th February, 2011. The matter be listed for framing of issues on 04th April, 2011.

