

(2015) 11 DEL CK 0157
In the Delhi High Court
Case No : CS (OS) 1240/ 2004

Hamdard National Foundation (India) and Others	APPELLANT
Vs	
Abdul Jalil and Others	RESPONDENT

Date of Decision : 16-11-2015

Acts Referred:

Copyright Act, 1957 — Section 2(c)
Trade Marks Act, 1999 — Section 12(3), 29

Citation : (2015) 11 DEL CK 0157

Hon'ble Judges : Manmohan Singh, J.

Bench : Single Bench

Advocate : Achuthan Sreekumar, Advocate, for the Appellant

Judgement

Manmohan Singh, J.—The plaintiffs have filed the suit for permanent injunction, restraining infringement of trademark, copyright, passing off, rendition of accounts of profits, delivery up, etc. against the defendants.

2. Evidence by way of affidavit of Mr. Javed Akhtar, PW-1 has been tendered as PW-1/A. PW-1 is the Deputy Manager, Legal of Hamdard Dawakhana (Wakf) also trading as Hamdard (Wakf) Laboratories, the plaintiff No. 2 in the present suit and is also the Constituted Attorney of plaintiff Nos. 1 and 2. He has access to the books and records of the plaintiffs and is fully conversant with all spheres of its business activities.

3. Photocopies of the Power of Attorney in favour of PW-1 have been exhibited as Ex. PW-1/3. The original Power of Attorney has not been filed, as it is required in numerous proceedings all over the country. He identifies his signatures on the plaint and verification.

4. It has come on record that plaintiff No. 1 is a charitable institution registered under the Societies Act (XXI of 1860), having its registered office at 2A/3 Asaf Ali Road, New Delhi. A copy of the registration along with Memorandum of Association of plaintiff No. 1 has been exhibited as Ex. PW-1/4. Plaintiff No. 2 is a

wakf registered under the Wakfs Act, 1954 with its registered office at Hamdard Marg, Delhi-110006. A copy of the Wakf Deed of the plaintiff No. 2 has been exhibited as Ex. PW-1/5.

5. The plaintiffs belong to the well-renowned, reputed and much acclaimed Hamdard Group which traces its glorious and illustrious history to as far back in 1906, when Hakeem Hafiz Abdul Majeed, a well-known Unani practitioner set up a small Unani clinic under the name HAMDARD DAWAKHANA.

6. In 1948, the company Hamdard Dawakhana was converted from a commercial enterprise into a charitable trust, Hamdard Dawakhana (Wakf). Since then, along with the development of Unani medicine and therapeutics, the concepts of service and charity have been the prime motivations that have spurred on the organization to higher levels of diversification and growth.

7. Plaintiff No. 2 is not merely a Dawakhana but is also a multi- purpose medical and social institution that is dedicated to the cause of scientific investigation and social service.

8. Plaintiff No. 1 was created in 1964 to disburse the profits of Hamdard Dawakhana (Wakf) and for tackling the nation's health and educational problems and promoting social and cultural activities that went on to contribute towards the creation of several educational and cultural institutions, including the world renowned Jamia Hamdard University at Hamdard Nagar, New Delhi. An original brochure of the plaintiffs entitled "A story of faith, hope and charity" has been exhibited as Ex. PW-1/6.

9. Plaintiff No. 1 is the proprietor of the trademark HAMDARD. The trademark HAMDARD has been conspicuously and pervasively used in respect of the entire range of the goods and services offered by the Hamdard Group, as a result of which the trademark HAMDARD has come about to be recognized as the house mark of the Hamdard Group. Plaintiff No. 1 is also the proprietor of the family of marks comprising of the word/mark HAMDARD including HAMDARD & Eye Device, HAMDARD BALM, HAMDARD MANJAN, HAMDARD HAJIAN, HAMDARD MARHAM, HAMDARD GRIPE WATER and various other marks.

10. Besides being the trademark/ house mark of the Hamdard Group, the word HAMDARD also forms an integral and conspicuous part of the trade name of the plaintiffs. A copy of the product brochure of the plaintiffs, showing usage of the trademark/trade name HAMDARD has been exhibited as Ex.PW-1/7.

11. Plaintiff No. 1 has through a Deed of Agreement, which is fully valid and subsisting, permitted plaintiff No. 2 to use various trademarks comprising of the word/mark HAMDARD. Copy of the Deed of Agreement has been exhibited as Ex. PW-1/8.

12. Presently, plaintiff No. 2 is using the trademark/ house mark HAMDARD in relation to a wide range of products including inter-alia Unani and ayurvedic medicines, syrups and non-alcoholic sweetened beverages being manufactured

for the mass market. Some of the well-known products being manufactured and marketed by the plaintiffs under the trademark/ house mark HAMDARD include Rooh Afza, Sualin, Safi, Cinkara, Naunehal, Pachnol, Roghan Badam Shirin, Joshina, Hamdard Gripe Water. Original product packaging showing usage of the trademarks HAMDARD and HAMDARD & Eye Device have been exhibited as Ex. PW-1/9.

13. The plaintiffs adopted the trademark HAMDARD & Eye Device in the year 1958 and altered it in the year 1968 in the manner and form as depicted hereunder;

14. Since October 1958, the trademark HAMDARD & Eye Device in its original or the altered form has been pervasively used by the plaintiffs in relation to the entire range of products including inter alia pharmaceutical and medicinal preparations, infants and invalid foods, medicated plasters and disinfectants, forestry products, perfumery, toilet preparations (non-medicated), depilatory preparations, cosmetics and hair oils (non-medicated), preparations made principally from cereals and sugar for food for human consumption, honey, yeast for food, vinegar and spices (other than poultry spices), books, periodicals, magazines (publications), bulletins and printed literature.

15. Consequently, the trademark HAMDARD & Eye Device has also come about to be recognized as the house mark of the plaintiffs' products. Original copies of sale invoices showing usage of the mark HAMDARD & Eye Device from 1988 has been exhibited as Ex. PW- 1/10.

16. By virtue of bonafide and prior adoption of the trademark/ house mark/ trade name HAMDARD and HAMDARD & Eye Device, as also due to the long, continuous and extensive use thereof, plaintiff No. 1 is the proprietor of the said trademarks. It is deposed that by virtue of the plaintiffs long, continuous and extensive use, the word HAMDARD has acquired the secondary significance as being the source identifier of the plaintiffs' goods and services. It is claimed that under these circumstances, the plaintiffs are entitled under the common law to the sole, exclusive and undisturbed use of the trademarks HAMDARD and HAMDARD & Eye Device as well as the right to prevent the misuse of the said trademarks by any other person, whether as a trademark or as a corporate name/ trading style.

17. In addition to the common law rights that subsist in favour of the plaintiffs, the plaintiffs are also the registered proprietor of the trademarks/ house marks HAMDARD and HAMDARD & Eye Device as per the provisions of the Trade Marks Act, 1999. The details of the various registrations for the aforesaid trademarks subsisting in favour of the plaintiffs have been mentioned here as under:

18. Certificates for use in legal proceeding for the trademark HAMDARD under Nos. 15442, 127448, 171667, 241957, 248186, 279777 in Class 03; 2995, 2996, 2999, 15456, 131495, 171668, 249978 in Class 05; 188106 in Class 16; 127446 in Class 29; 127445 in Class 30; 188100 in Class 31; and 127444,

188101 in Class 32 have been exhibited as Ex. PW-1/11 to Ex. PW-1/29 respectively.

19. As a result of the continuous and extensive use by the plaintiffs of the trademarks HAMDARD and HAMDARD & Eye Device in relation to the diverse range of products, spread over almost hundred years, the said trademarks have acquired immense reputation and goodwill. The impeccable reputation and goodwill acquired by the trademark HAMDARD is reflected in the annual sales figures of various products sold by the plaintiffs under the trademark HAMDARD, the details of which have been mentioned herein below:-

Copies of annual accounts of the plaintiffs for the year 1979-80 and 2006-07, showing the financial performance have been exhibited as Ex. PW-1/30 and Ex. PW-1/31 respectively.

20. It is claimed that the plaintiffs have over a hundred year association with the trademark/ trade name/ house mark HAMDARD and have also expended vast amounts of resources in the form of money, time and effort in promoting and advertising the trademarks HAMDARD and HAMDARD & Eye Device. The trademarks HAMDARD and HAMDARD & Eye Device have acquired a distinct identity and personality associable solely with the plaintiffs. Copies of advertisement receipts as received from various advertising agencies pertaining to advertisements placed by the plaintiffs have been exhibited as Ex. PW-1/32.

21. Copies of advertisements of various products of the plaintiffs under the trademark HAMDARD have been exhibited as Ex. PW-1/33. Copies of articles and news-reports as published in relation to the plaintiffs have been exhibited as Ex. PW-1/34.

22. It is averred that due to prior and bonafide adoption, long, continuous, extensive and exclusive use, promotion and publicity in relation to a vast range of goods and services, accrual of most impeccable reputation and goodwill, the trademark/house mark HAMDARD and HAMDARD & Eye Device have come about to acquire the status of well-known and famous trademarks.

23. It is averred that the use by any third party in relation to any product would inevitably lead to passing off and also infringement of the plaintiffs' registered trademarks as per the provisions of the Trade Marks Act, 1999. Moreover, it would also lead to dilution by erosion of the distinctive and exclusivity enjoyed by the plaintiffs' trademark/ house mark/ trade name HAMDARD.

24. In March 1992, the plaintiffs came across the defendants' advertisement in the monthly Magazine Al-Tauyah, under the trade name and mark HAMDARD, in relation to basmati rice. Original copy of March 1992 issue of Al-Tauyah Magazine containing the defendants' advertisement has been exhibited as Ex. PW-1/35.

25. It is alleged that the said advertisement contained the word HAMDARD along with the Eye Device that are the registered trademarks of the plaintiffs. A cease

and desist letter was issued to the defendants on 20th March, 1992 calling upon them to forthwith cease from using the trademark HAMDARD and also withdraw all products from the market bearing the said trademarks. Copy of the cease and desist letter has been exhibited as Ex. P- 1.

26. The plaintiffs in October 2000, came across an advertisement of the defendants' trademark application for registration of the trademark HAMDARD BRAND DEHRADOONI BASMATI RICE and Device under No. 517277 dated 22nd September, 1989 in Class 30, which was advertised before acceptance in the Trade Marks Journal No. 1232 at page no. 2640 in respect of "Rice for sale in India and also for export."

27. The said application was filed on "Proposed to be used" basis. A copy of the relevant extract of the Journal notification of the defendants' application No. 517277 in Class 30 has been filed and is exhibited as Ex. PW-1/36. The plaintiffs accordingly, in January 2001 filed a Notice of Opposition against the defendants' application for registration of the trademark HAMDARD BRAND DEHRADOONI BASMATI RICE & Device. A copy of the Notice of Opposition has been exhibited as Ex. PW-1/37.

28. The Assistant Registrar of Trade Marks vide its order dated 23rd July, 2004 had allowed the opposition of the plaintiffs and refused registration to the defendants' application for the trademark HAMDARD BRAND DEHRADOONI BASMATI RICE & Device.

29. The operative part of the said order has been reproduced herein below:

"Having heard the arguments and going through the evidence filed by both applicants and opponents I have come to the conclusion that the mark HAMDARD is not invented word but has adopted secondary meaning by virtue of its long and extensive use and also extensive advertisement. The mark has acquired lots of reputation. The applicants adopted the mark not only as a word mark but also the enclosure eye Design with HAMDARD in its center. Though the opponents are not direct dealing in the sale of rice but the use of the word HAMDARD in the same style does create confusion and general public associate the name HAMDARD especially in Eye Design with the opponents. In the circumstances the applicants are not entitled for the benefit of the acquiescence as the very adoption of the mark is not honest. If the adoption is dishonest howsoever long is the user section 12(3) of the Trade Marks Act cannot be invoked. Therefore, the opposition succeeds and the application is refused registration."

A certified copy of the order dated 23rd July, 2004 passed by the Assistant Registrar of Trade Marks has been exhibited as Ex. P- 2.

30. As rightly held by the Tribunal, defendants' adoption and use of the trade name and marks HAMDARD and HAMDARD & Eye Device is clearly dishonest and malafide. Having failed to adduce any plausible explanation for the adoption of the said marks, it is a correct finding that the defendants adopted the mark with

an ulterior motive to misappropriate and trade upon the plaintiffs' reputation and goodwill in the said trademarks and to pass off their goods and business as that of the plaintiffs.

31. Such an intention of the defendants was bad as they have not only adopted the plaintiffs' registered trademark/house mark HAMDARD but have also copied the Eye Device that has been designed, created and used by the plaintiffs for the past several decades.

32. The use of the word/mark HAMDARD by the defendants is bound to confuse the purchasing public who would be misled to believe that the defendants' goods originate from the plaintiffs or have some connection, association, endorsement or approval with or by the plaintiffs and also confirm with the same high level of quality and customer satisfaction as the plaintiffs' products.

33. The defendants are guilty of misrepresentation as regards the trade origin and quality of their products that amounts to passing off. Further, it is stated that the unauthorized use of an identical trade name and marks by the defendants amounts to an infringement of the plaintiffs' registered trademarks as detailed hereinabove under the provisions of Section 29 of the Trade Marks Act, 1999.

34. From a mere look at the impugned composite mark, it is evident that the defendants have blatantly copied the plaintiffs' Eye Device, which is an artistic work within the meaning of Section 2(c) of The Copyright Act 1957. Plaintiff No. 1 is the owner of the copyright in the said Eye Device. The defendants' reproduction of the said artistic work HAMDARD & Eye Device amounts to an infringement of the plaintiffs' copyright in the said artistic work.

35. The illegal trade activities of the defendants are bound to cause incalculable harm and injury to the business, goodwill and reputation of the plaintiffs. All profits earned by the defendants in pursuance of its illegal activities are the plaintiffs' losses and amount to unjust enrichment to the defendants.

36. The defendants' own admission in its written statement, is that its annual sales under the trademark HAMDARD and HAMDARD & Eye Device is more than Rs. 2 crores.

37. The average percentage of net profit of sales, on such goods by the industry standards is 10% to 20%. Therefore, even assuming lower end of the range for the purpose of calculation of damages in this case, the profits accruing to the defendants on net sales for the last three years (2001-2004) alleged to be approximately Rs. 6 crores (Rs. 2 crores x 3 years), are around Rs. 60 lakhs. It is therefore submitted that even on the basis of the aforesaid simple calculation, which does not take into account the damage to the reputation and goodwill of the plaintiffs, on account of use of identical trademarks HAMDARD and HAMDARD & Eye Device by the defendants, plaintiffs' Company is entitled to damages of around Rs. 60 lakhs although the suit is presently valued for purposes of damages at Rs. 5,00,000.

38. The defendant's sale figures were not audited or certified by a chartered accountant and hence lack credibility. I am taking these on the face value for the purpose of calculation of the approximate sum of the profits of the defendants under the impugned trademark which are directly the losses of the plaintiffs. Under these circumstances, the suit of the plaintiffs is decreed in terms of prayer clause 28 (a) to (d) of the plaint. Counsel for the plaintiffs has agreed to give up the prayer of damages and rendition of accounts. The same are accordingly rejected.

39. The plaintiffs are only entitled for costs.

40. Decree be drawn accordingly.

41. The suit and pending applications are disposed of.