
(2015) 02 MAD CK 0458
In the Madras High Court
Case No : Writ Petition No. 22691 of 2013

Kamat Hotels (India) Ltd.

APPELLANT

Vs

Intellectual Property Appellate Board and Others

RESPONDENT

Date of Decision : 11-02-2015

Acts Referred:

Trade Marks Act, 1999 — Section 11(1), 11(3), 13, 18(1), 18(4)

Citation : (2015) 63 PTC 105

Hon'ble Judges : Sanjay Kishan Kaul, C.J;M. Sathyanarayanan, J

Bench : Division Bench

Advocate : P.S. Raman, Senior Counsel for Sathish Parasaran and Madhan Babu, for the Appellant

Final Decision : Allowed

Judgement

1. The writ petitioner, namely M/s. Kamat Hotels (India) Ltd., Mumbai, prayed for quashment of the common order dated 18.06.2013 made in OA/74 & 75/2009/TM/CH in TM 1291696 and 1291697 in the above said Original Applications, passed by the Intellectual Property Appellate Board [in short IPAB] - first respondent herein, in and by which the appeals were allowed and the trademarks were directed to be received for registration. The second respondent in the above said appeals has filed this writ petition, challenging the legality of the above said common order dated 18.06.2013.

Background Facts:

1.1. The third respondent, namely M/s. Royal Orchid Hotels Limited filed applications on 22.06.2004 before the second respondent, namely the Registrar of Trade Marks, Chennai-18, praying for registration of the trademark, namely Royal Orchid and it also effected publication in the journal of TM 1291696 and 1291697 on 15.06.2005. M/s. Kamat Hotels (India) Ltd./writ petitioner herein filed notices of opposition to the applications for registration of the trademark or a Collective mark or a Certification mark in Form TM-5 under the Trade Marks

Act, 1999 in respect of Application No. 1291696 in Class 42 in the journal, indicating their intention to oppose registration of the trademark Royal Orchid in the above said applications.

1.2. It is the stand of the writ petitioner that even since about 1.1.1997, they have been continuously using the trademark Orchid in respect of their services such as Hotels, bars, restaurants, catering, providing food and drinks and temporary accommodation and they also make and sell wide variety of beverages including alcoholic and non-alcoholic drinks and the turnover out of the said services and goods has been to the tune of several Crores of rupees and on account of the fact that they have been doing wide publicity to make their said trademark Orchid and the said services and goods bearing the said trademark has become immensely popular. The writ petitioner would further contend that they have made applications for registration of the trademark Orchid in several classes and some of the applications are under opposition and proceedings are pending. Thus, it is the stand of the writ petitioner that they have acquired the proprietary right in the trademark Orchid in relation to the services and goods and are entitled to its exclusive use.

1.3. According to the writ petitioner, the word Orchid used by the third respondent is identical with their trademark Orchid and the third respondent has merely added the descriptive word Royal to the trademark dissimilar to their trademark and in fact it is deceptively similar to the trademark Orchid. Thus, the use of the impugned trademark by the third respondent is bound to cause confusion and deception and it is bound to pass off the services of the writ petitioner and for the third respondent's services and goods and there is every likelihood of confusion on the part of the public and it would also result in unfair advantage in favor of the third respondent and detrimental to the distinctive character and repute of the writ petitioner trademark and it is also mala fide and dishonest.

1.4. It is also contended by the writ petitioner that though the third respondent claims that it is using the impugned trade mark since 03.11.1999, it is not so, as the writ petitioner did not come across any service rendered by the third respondent by using the impugned trademark and in any event, such an use is dishonest and deliberate with a view to trade upon the writ petitioner's reputation and goodwill. Therefore, the writ petitioner, in their notices of opposition, prayed for dismissal of the applications for registration of the trademark Royal Orchid and refusal of the said trademark. The writ petitioner, along with their notices of opposition, had enclosed the documents to substantiate their claim.

1.5. The third respondent had filed its counter statements in Form TM-6 contending among other things that it is the prior conceiver and adopter of the mark Orchid, which it has been using for the last 20 years i.e., at least from the year 1997. The third respondent Hotel namely, M/s. Royal Orchid Hotels Ltd., was established in the year 1986 as Universal Resorts Limited and they are engaged

in the business of management and marketing of Hotels, Restaurants, Bard, Banquet Halls, Holiday Resorts, Villas and allied services under the mark, namely Orchid and Royal Orchid and has generated a considerable goodwill and reputation and they are having exclusive right in the trademark Royal Orchid and it was also recognized by the second respondent, which had already granted registration of the said trademark in their favour. The third respondent has denied that the writ petitioner is the prior user and adopter of the trademark Orchid and contended that it is the registered proprietor of the mark Royal Orchid and the writ petitioner is yet to have any registration in its favour. The third respondent also took a stand that it is the prior adopter and user of the mark Orchid and Royal Orchid and also registered proprietor of the mark Royal Orchid.

1.6. The sum and substance of the counter statements of the third respondent is that it has been using the mark Orchid for the last 20 years and the mark Royal Orchid since at least 1997, prior to the alleged use by the writ petitioner and their mark is prima facie distinctive and is exclusively associated with them and no one else.

1.7. The second respondent, namely the Registrar of Trade Marks, Chennai, on consideration of the materials placed before it in the form of documentary evidence, observed that the only registrable feature in the impugned mark is the word Orchid which is identical to the writ petitioner's trademark. The second respondent recorded a finding that on a perusal of the documents, the third respondent did not make out any use of the impugned mark either from the year 1992 or 1993 or April 1997 i.e., the date of incorporation of their company under the name Royal Orchid Hotels Limited, or even from the year 1999, which is the claim made in the application and the pleadings and the evidence adduced by the third respondent have been inconsistent. The second respondent also perused the contents of the documents filed as Annexures and recorded a finding that the registration of the impugned mark is prohibitive of the provisions of Section 9(2) r/w. Section 11(1) of the Trade Marks Act, 1999 for the use of the impugned mark and is likely to cause confusion and deception.

1.8. The second respondent, on going through the documents, filed on behalf of the writ petitioner/opponents, has recorded a finding that the writ petitioner is the first to adopt and use the trademark Orchid and further that the said trademark is very well known and highly distinctive of the petitioner's business and further, such reputation and goodwill extends beyond the services offered by the writ petitioner and held that the registration of the impugned trademark is prohibitive of Section 11(3) of the Trade Marks Act, 1999.

1.9. The second respondent further recorded a finding that the impugned mark has been dishonestly adopted by the third respondent subsequent to knowledge of the petitioner's use and registration of the mark Orchid and they would have known of the prior vested right of the said trademark Orchid and that they also do not oppose the application in Class 42, when it came to be published in the

trademark journal. The second respondent concluded that the writ petitioner's mark is being used extensively and continuously, right from the year 1997 in relation to hotel business and it will be difficult to digest the fact that the subsequent adoption of the impugned mark by the third respondent is 100% honest and it appears to be dishonest and mala fide.

1.10. The second respondent, citing the above said reasons, held that the third respondent is not the proprietor of the impugned mark and the registration of the same is prohibitive of Section 18(1) of the Trade Marks Act, 1999 and therefore, allowed the opposition to the applications filed under Class 42 by the third respondent, vide separate orders dated 29.06.2009.

1.11. The third respondent, aggrieved by the orders dated 29.06.2009 passed by the second respondent, filed appeals under Section 91/92 of the Trade Marks Act, 1999, contending among other things that the second respondent has committed grave error in dissecting the impugned mark Royal Orchid into the words Royal and Orchid and held that the mark Royal is per se not registrable under Section 9(1)(a) of the Trade Marks Act, 1999 and the word Orchid is identical to the petitioner's mark and in any event, ought to have taken into consideration the mark as a whole. The documents in the form of letters of appreciation received from various customers discloses the fact that the third respondent herein has adopted the mark Orchid ever since from the year 1992 and that the fresh Certificate of Incorporation consequence to the change of name to M/s. Royal Orchid Hotels Ltd., has also proved the use of mark at least since 10.04.1997 and it amounts to honest and concurrent use. It is further contended that registrations for the marks Royal Orchid and Royal Orchid Hotels Limited in Class 16 were obtained by the third respondent in the year 2001 and the writ petitioner has not taken any steps to oppose the registration of the said mark, which would also prove the proprietorship of the third respondent in respect of the impugned mark and intention to use the same in relation to hotel/hospitality industry. It is also contended that numerous third parties had applied for registration of the word Orchid and the said word is only used as part of Company name and in fact the search of the Registrar of Companies records would also disclose that over 360 different corporate names bearing the word Orchid as part thereof. Lastly, it is stated that the writ petitioners herein filed a Suit for infringement of trademark against the third respondent before the High Court of Bombay in Suit No. 2224 of 2008 and the same is pending and the second respondent has wrongly exercised the discretion under Section 18(4) and hence, prayed for setting aside the order dated 29.06.2009 with consequential reliefs.

1.12. The writ petitioner, who is arrayed as respondent in the above said appeals, has also filed his counter statement reiterating the stand taken in their notices of opposition and reiterated that they have acquired a valuable common law rights in the trademark Orchid/The Orchid by virtue of continuous use and wide publicity since at least January 1997 and also got registration and consequently,

the said mark has acquired a distinct connotation and has come to be exclusively associated with the petitioner's services and its merchandise in the minds of the purchasing public and in the trade. The writ petitioner, in the counter statements, has denied the fact that the third respondent has conceived or adopted a distinctive trademark Orchid in respect of its banquet hall in Hotel Royal Orchid Harsha, which was then known as Hotel Harsha, in Bangalore and the said banquet hall was earlier known as Chamundi and it was later renamed after renovation as Orchid Room and the so called Orchid/Orchid Room was never in existence nor it was used by the third respondent either in the year 1992 or even thereafter as owner thereof and even as per the own admission of the third respondent, it has acquired rights in the Hotel Harsha through a lease deed in the year 2001 and therefore, the writ petitioner is the prior user of the mark Orchid and prayed for dismissal of the appeals.

1.13. The Intellectual Property Appellate Board [IPAB], in the common order dated 18.06.2013, after taking note of the facts and the decisions relied on by the appellant and the respondent therein, held that there was a banquet hall in Hotel Harsha, which was called Orchid Room and moreover in the business magazine of the Hotel Industry in the year 2008, history of the development of the Royal Orchid Hotels finds place and it would also show that the land on which Hotel was opened, was bought in the year 1999 and by the year 2001, the Hotel had opened and the Royal Orchid Hotels group was born. IPAB also recorded a finding that as per Fresh Certificates of Incorporation, wherein change of name was effected, dated 10.01.1997, in and by which Universal Resorts Limited had changed its name into Royal Orchid Hotels Limited and it was pursuant to a Special Resolution dated 29.03.1997 and it was also approved by the Registrar of Companies, vide letter dated 25.04.1996. IPAB further found that there are documents which speak of the common ownership of Harsha Hotels and Convention Centre and it is clear from the public documents which are maintained under the Companies Act that the Registrar of Companies had given its approval for the name change even in the year 1996. IPAB held that adoption of the name cannot be said to be mala fide, since the adoption of Royal Orchid Hotels Limited was the proposed name and it had taken place even before the respondents alleged date of adoption.

1.14. As regards deceptive similarity is concerned, IPAB recorded a finding that the third respondent/appellant does not have exclusive right to the word Orchid or the word Royal and it seeks registration of the words Royal Orchid and Royal Orchid Hotels as a whole. IPAB has also taken into consideration the applications filed by the respondent in the above said appeals in ORA Nos. 216 and 217/2008 for rectification of the marks Royal Orchid, which was dismissed on 04.10.2011, wherein all the issues raised by the third respondent were raised and considered. In para 22 of the order, IPAB has recorded a finding that the writ petitioner/respondent therein, who claims user only from January 1997, cannot plead that the appellant/third respondent herein was imitating their name and further, given a finding that when the mark is considered in its entirety, the word Royal Orchid

Hotels Private Limited and the word Orchid cannot be confused and the label of the writ petitioner is Orchid label with the depiction of flower and the class of customers is of high income group and therefore, there cannot be any likelihood of confusion, especially where the mark relates to services. IPAB, by assigning the above reasons, had allowed both the appeals, vide common order dated 18.06.2013 and aggrieved by the said order, the second respondent in the said appeal, has filed this writ petition for setting aside the said order.

Submissions:

2. Mr. P.S. Raman, learned Senior Counsel, assisted by Mr. Sathish Parasaran and Mr. Madhan Babu, learned counsel appearing for the writ petitioner made the following submissions:

(i) The writ petitioner has adopted the trademark Orchid/The Orchid in December 2005 when it began its advertisement campaign and engaged an agency for that purpose.

(ii) The writ petitioner started using the said mark in January 1997 when they commenced their commercial operations in their hotel and also obtained registration for the trademark The Orchid under Nos. 741543 and 741544 in respect of the goods contained in Classes 29 and 30 as early as on 30.05.1997.

(iii) The writ petitioner also released an advertisement with regard to formal inauguration of their hotel under the name and style The Orchid in Times of India News daily dated 23.06.1997 and also obtained registration of its trademark The Orchid in respect of hotel services included in Class 42 on 19.05.2004.

(iv) The third respondent herein was incorporated on 03.01.1986 under the name and style of Universal Resorts Limited and it did not use and adopt the mark Orchid for its banquet hall in the Hotel Harsha in the year 1990 and it was owned and operated by another company called Hotel Stay Longer Pvt. Ltd. Hotel Harsha was subsequently purchased by Balajee Hotels and Real Estates Pvt. Ltd., and the third respondent has entered into an lease deed with the original owner, namely Stay Longer Pvt. Ltd., and no supporting material has been produced with regard to the assignment of the intellectual property associated with the said Hotel.

(v) In any event, the use of banquet hall and cutlery in the Orchid Room at Hotel Harsha was only from the year 1990 to 1993 and no evidence of continuous, uninterrupted use from 1993 to 1996 has been adduced and even otherwise, the use of mark in a hall in the hotel cannot constitute use vis-a-vis the hotel itself.

(vi) Admittedly the third respondent had changed its name to Royal Orchid Hotels Ltd., only on 10.04.1997 and prior to that date, the writ petitioner had adopted and used the mark and therefore, it is the prior user.

(vii) The trademark Orchid used by the petitioner and the same used by the third respondent are deceptively similar and it would definitely create confusion in the

mind of the customers/consumers.

(viii) The dismissal of the writ petition filed by the petitioner challenging the order of IPAB, challenging the dismissal of the rectification application under Class 16 cannot have any bearing, as in Special Leave Petitions filed against the said order, the Hon'ble Supreme Court of India made observations that the result of the said case would not in any event affect the said present proceedings.

(ix) The third respondent has applied for registration of trademark Royal Orchid only on 15.06.2005 and much prior to that the writ petitioner had obtained registration in respect of the goods contained in Class 29 and 30 on 30.05.1997 and the hotel services for Class 42 on 19.05.1995.

The learned counsel appearing for the writ petitioner has also drawn the attention of this Court to the following judgments:

(i) Sumat Prasad Jain Vs. Sheojanam Prasad (Dead) and Others and State of Bihar, AIR 1972 SC 2488 : (1972) CriLJ 1707 : (1973) 1 SCC 56 : (1973) SCC(Cri) 186 : (1973) 1 SCR 1050 : (1973) 5 UJ 302

(ii) K.R. Chinnikrishna Chetty trading as Ragha and Company Vs. K. Venkatesa Mudaliar and K. Krishnamurthy Mudaliar trading as Ambal and Company and Another, (1973) 2 MLJ 98

(iii) Judgment dated 23.07.2010 made in O.S.A. Nos. 456 of 2009 and 8 of 2010 [SNJ Distilleries Ltd., and another v. M/s. Imperial Spirits Private Ltd.]

(iv) Kamat Hotels (India) Limited Vs. Royal Orchid Hotels Limited, The Deputy Registrar of Trade Marks and The Intellectual Property Appellate Board, (2014) 1 LW 849 : (2014) 2 MLJ 588

(v) Order dated 01.09.2014 made in SLP(c) Nos. 8902 and 8903 of 2014.

3. Per contra, Mr. Bharath, learned counsel appearing for the third respondent/appellant before the IPAB would contend that the third respondent was incorporated on 03.01.1986 as Universal Resorts Limited and in the year 1990, conceived, adopted and commenced use of the mark Orchid in respect of its banquet hall in Hotel Royal Orchid Harsha, known as Hotel Harsha and in or about the year 1992, the third respondent has adopted the mark Orchid in relation to cutlery goods regarding their hotel business and also adopted the said mark in relation to outdoor catering services in the year 1993. The newsletter Open House has been published by Harsha Hotel would also substantiate such adoption of trademark Orchid in respect of the outdoor catering services in the year 1993. It is further submitted by the learned counsel appearing for the third respondent that on 10.04.1997, the name of the third respondent was changed to Royal Orchid Hotels Limited from Universal Resorts Limited and prior to the said change, it made a search for the availability for the name Royal Orchid and it was confirmed by the Registrar of Companies in its letter dated 25.04.1996 and the above said events would substantiate the case of the third respondent

that prior to the commencement of the writ petitioner Hotel, the third respondent has used the name at much prior point of time. It is the further submission of the learned counsel appearing for the third respondent that the third respondent at present operates 18 business and leisure hotels including 5 Star hotels under the mark of Royal Orchid across 11 cities in India and is also listed in the Stock Exchange and generating much business revenue. The learned counsel appearing for the third respondent also submitted that the writ petitioner is very well aware of the using of mark, namely Orchid by the third respondent ever since the year 1990 and now it object to the same and thereby acquiesced the use of the mark by them.

4. The learned counsel appearing for the third respondent has also drawn the attention of this Court to the judgment reported in *Kamat Hotels (India) Limited Vs. Royal Orchid Hotels Limited*, The Deputy Registrar of Trade Marks and The Intellectual Property Appellate Board, (2014) 1 LW 849 : (2014) 2 MLJ 588 , between the same parties, wherein the writ petitioner made a challenge to the order passed by IPAB in dismissing the rectification application filed for removal of trademark Royal Orchid and Royal Orchid Hotels Limited and submitted that very same points put forth in this writ petition were urged before the Division Bench of this Court and it was considered in detail and in para 28 of the judgment, it was held that the documents filed on behalf of the first respondent/third respondent therein have clearly established that the third respondent has been using the trademark Royal Orchid since 1990 onwards and in para 21 of the judgment recorded a finding that the name Royal Orchid registered in the name of the third respondent herein does not in any way cause confusion and ultimately, the writ petitions were dismissed by a common order dated 07.02.2014. The writ petitioner, challenging the legality of the said judgment, filed S.L.P. (C) No. 8902 to 8903 of 2014 before the Hon'ble Supreme Court of India and the Hon'ble Supreme Court of India, vide order dated 01.09.2014 expressed its disinclination to interfere with the order passed by the Division Bench of this Court in the above said writ petitions and dismissed the Special Leave Petitions and taking note of the observations made in para 31 of the order passed in the writ petitions, made it clear that the observations made therein would not have any bearing on the appeals pending before the Appellate Board or any decision taken therein and the said observations will be applicable even to any other civil suit pending between the parties.

5. It is the submission of the learned counsel appearing for the third respondent that apart from the materials placed in the writ petitions in W.P. Nos. 26544 and 26545 of 2011, no other tenable material has been placed before this Court to take a different view and therefore, the findings rendered in the said judgment would apply in full force to the present case also. It is also the submission of the learned counsel appearing for the third respondent that the writ petitioner filed Suit No. 2224 of 2008, on the file of the Original Side of the Bombay High Court against the third respondent for infringement and passing off and pending disposal of the Suit, moved an application for ad-interim injunction and an

interim order was passed injunction the third respondent from using the mark Royal Orchid and the existing hotels were allowed to continue to use the impugned mark and no order regarding passing off was passed, as against the said order. The writ petitioner as well as the third respondent filed appeals in A. Nos. 373 and 319 of 2011 respectively before the Division Bench of Bombay High Court and interim order was partially modified and the third respondent herein is permitted to use the impugned mark in respect of hotel to be opened in Vadodara, Gujarat State and the appeal is pending. The writ petitioner also filed a Special Leave Petition before the Hon''ble Supreme Court, challenging the order dated 06.05.2014 passed by the Division Bench of Bombay High Court and it was dismissed as withdrawn on 18.07.2014 and the said orders would also have bearing on the merits of this writ petition. It is the submission of the learned counsel appearing for the third respondent that the writ petitioner had opened the hotel for public on 27.04.1997, which is subsequent to the name change of the third respondent on 10.04.1997 and hence, the question of dishonest adoption does not arise at all and the customers coming to the hotels run by the writ petitioner and the third respondent are highly educated and they cannot be confused or deceived and there is no possibility of them being misled and hence, prayed for dismissal of the writ petition with costs. The learned counsel appearing for the third respondent, in support of his contentions, placed reliance upon the judgments in Usha International Ltd. v. Usha Television [1987 PTC 240-A] and Goenka Institute of Education and Research Vs. Anjani Kumar Goenka and Another, AIR 2009 Delhi 139 : (2009) 6 ILR Delhi 415 : (2009) 40 PTC 393 .

6. This Court paid it's best attention to the rival submissions and also perused the materials available on record in the form of typed set of documents and the decisions relied on by the respective learned counsel appearing for the parties and the written submissions.

FINDINGS

7. At page 686 of the typed set of documents filed by the writ petitioner, the writ petitioner vide letter dated 28.12.1995 addressed to the Chief Executive Officer, AIMS communication, appointing them as advertising agency for the year 1996-1997 and also requested them to create a design/label for the new hotel venture namely The Orchid. On 02.02.1996, the said advertising agency sent a response to the writ petitioner enclosing the logo and sought approval of the writ petitioner and in their further communication dated 03.01.1996 available at page 690 of the typed set of documents, the advertising agency informed the writ petitioner that they will be ready with The Orchid logo by mid January 1996. The documents available at pages 693 to 695 of the petitioner's typed set of documents would disclose that the Certificate of Registration of trademark Nos. 741543, 741544 and 1285001 were issued on 30.05.1997 and 19.05.2004 respectively in Clause Nos. 29, 30 and 42 are in respect of the providing following goods a ad services:

No. 741543 : Meat, fish, poultry and game, meat extracts, preserved, dried and

cooked fruits and vegetables, jellies, jam, eggs, milk and other diary products, edible oils and fats, preserves, pickels, being goods included in Class 29.

No. 741544 : Coffee, Cocoa, Sugar, Rice, Tapioca, Sago, Coffee Substitutes, Flour and Preparations made from cereals, bread, biscuits, cakes, pastry and confectionary, ices, honey, treacle, yeast, banking, powder, salt, mustard, pepper, vinegar, sauces, spices, ice included in Class 30.

No. 1285001 : Hotels, bar and restaurants, catering, holiday camp services, hotel reservation, providing of food and drinks and temporary accommodation included in Class 42.

In the bottom portion of the said Certificates issued by the Trademark Registry of the Government of India, the logo namely [THE ORCHID - An Ecotel Hotel] had also been incorporated. At page 684 of the typed set of documents, an advertisement was released on Times of India news daily dated 23.06.1997 stating that Orchid is opening a hotel in Mumbai zone and the logo [THE ORCHID An Ecotel Hotel] is also published in the said advertisement.

8. As against these documents, the third respondent has produced documents which are available at Pages 335 to 339, wherein M/s. Harsha Hotel & Convention Centre, had issued pamphlets introducing Orchids and also Cutlery engraved in the said word and at page 331, a newsletter was also published by M/s. Harsha Hotel and Convention Centre, informing the public that Orchids is a outdoor catering agency and it is a new baby born to the Harsha family with a silver spoon in its mouth and named after the exotic flowers famed for their rarity, delicacy and fragrance. Attention of this Court was also drawn to Page 347 of the typed set of documents, wherein the Fresh Certificate of Incorporation, consequent on change of name was issued by the Registrar of Companies, Karnataka, Bangalore, wherein name Universal Resorts Limited was changed to Royal Orchid Hotels Limited on 10.04.1997. At page 471, the details relating to the business of the third respondent was released and it would also disclose the fact that the use of mark Orchid/Orchids was from 1990 onwards and the Royal Orchid Hotels are from 25.04.1996 and the said hotel was opened to the public on 27.09.1997 and even prior to that, the third respondent mark was advertised on 14.10.1995 and having acquiesced and kept quiet, at the distant point of time, it is not open to the writ petitioner to contend that it is the prior user. Insofar as the submission made by the learned Senior Counsel appearing for the writ petitioner as to the deceptive similarity and dishonest adoption is concerned, the writ petitioner's hotel opened on 27.09.1997 and it is admittedly subsequent to the name change of the third respondent on 10.07.1997 and therefore, the question of dishonest adoption does not arise at all and the documents relied on by the writ petitioner are only internal communication between them and the advertising agency and it will not come to the aid of the petitioner to oppose the claim of the third respondent.

9. The questions arise for consideration in this writ petition are:

1. Who is the prior user of the word Orchid/Royal Orchid?

2. Whether the trademark Orchid of the writ petitioner and the trademark Royal Orchid of the third respondent are deceptively similar and the adoption of the said trademark by the third respondent is dishonest?

10. In *Sumat Prasad Jain Vs. Sheojanam Prasad (Dead) and Others and State of Bihar*, AIR 1972 SC 2488 : (1972) CriLJ 1707 : (1973) 1 SCC 56 : (1973) SCC(Cri) 186 : (1973) 1 SCR 1050 : (1973) 5 UJ 302 , the distinction between trademark and property mark under the Trade and Merchandise Act, 1958 came up for consideration before the Hon"ble Supreme Court of India. The Hon"ble Supreme Court of India, in para 9 of the said judgment, observed that a trademark means a mark used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use that mark and its function is to give an indication to the purchaser or a possible purchaser as to the manufacture or quality of the goods, to give an indication to his eye of the trade source from which the goods come, or the trade hands through which they pass on their way to the marker. The trademark denotes the manufacture or quality of the goods to which it is attached and it concerns the goods themselves.

11. In *Usha Intercontinental Ltd. & Others v. Usha Television Ltd.*, [1987 PTC 240-A] , the facts of the case would disclose that the plaintiffs and the defendants in the Suit No. 607/1985 claimed to have adopted the trademark USHA in relation to the televisions and pending disposal of the said Suit, the plaintiffs filed an application in I.A. No. 1997/85 for interim injunction. A learned Single Judge of the Delhi High Court has taken into consideration the said proposition that as between two parties who proposed to use a particular trade mark, the person who designs the mark will get the preference over the other and in a case of one party proposing to use the mark as against the actual user, the later will take precedence and in between the two parties claiming actual user as against the prior user the party who is prior in time will have the advantage over the other and even in regard to the prior registration of the trademark as against the prior user, the action of the latter will prevail.

12. This Court, keeping in mind the above said decision, has carefully scanned the materials placed before it and also the order passed by the second respondent, which was set aside by the first respondent/IPAB.

Question No. 1

13. The third respondent filed applications before the second respondent in No. 1291696 and 1291697 for registration of the mark "Royal Orchid" and "Royal Orchid Hotels Limited" respectively on 22.06.2004. The contents of the said applications would disclose that M/s. Royal Orchid Hotels Limited, Bangalore had first adopted the mark "Orchid" on or before about January 1997 in relation to its banquet hall at Hotel Harsha and the said hall was earlier called Chamundi and was renamed as "Orchid" after renovation and it was also published in the

company's newsletter published in January 1992 and it also adopted the mark "Orchid" in respect of outdoor catering and has also obtained fresh Certificate of Incorporation, consequent to the change of name on 10.04.1997.

14. The newsletter Open House relied on by the third respondent as well as the engagement of an advertising agency by the writ petitioner have been pressed into service as to the adoption of the trademark "Orchid/Orchids/Royal Orchids". It is the submission of the learned Senior Counsel appearing for the writ petitioner as well as the learned counsel appearing for the third respondent that the documents relied on by the respective parties have been generated on their own volition and therefore, those documents cannot be relied upon to arrive at a finding as to the prior user.

15. At pages 693 to 695 of the petitioner's typed set of documents are the certificates dated 30.05.1997 and 19.05.2004 respectively issued by the trademark Registry of the Government of India in favor of the writ petitioner and those certificate are issued in Class 29, 30 and 42 respectively. The Certificates bearing No. 655558 in Class No. 42 under No. 1285001 dated 19.05.2004 is in respect of hotels, bars and restaurants, catering, holiday camp services, hotel reservation, providing of food and drinks and temporary accommodation included in Class 42. The said certificate was signed on 17.09.2007 by the Registrar of Trade Mark and it also contains the logo "THE ORCHID an Ecotel Hotel". Page 611 of the petitioner's typed set of document pertains to issue of equity shares by Royal Orchid Hotels Limited and at inner page 2 of Page 612 of the petitioner's typed set of documents, it is stated that the Hotel Royal Orchid is the flagship hotel owned by M/s. Royal Orchid Hotels Limited and was set up in the year 2001 on the land leased out from Karnataka State Tourism Development Corporation. In inner page 3 of the said proceedings, it is stated that Royal Orchid Harsha was the first hospitality venture and in the year 2001, Royal Orchid Harsha came into their fold when the property was leased. In the same page, it is further stated that the said Company has entered into a Lease Deed dated 15.08.2005 with Hotel Stay Longer Private Limited and Baljees Hotels and Real Estates Private Limited in respect of Royal Orchid Harsha, located at No. 11, Venkataswamy Naidu Road, Shivajinagar, Bangalore and the lease period was for a period of 11 months renewable at the option of the lessee as per mutual agreement. The Hotel Royal Orchid Harsha has four banquet halls and one of the banquet hall is named as Orchid.

16. The application submitted by the third respondent in Form TM-5 for registration of the trademark in Class 42 in respect of providing food and drink, temporary accommodation etc., relating to Royal Orchid Hotels Limited are available at Pages 1 and 2 of the third respondent typed set and those applications are dated 22.06.2004 and the contents of the same would disclose that the said mark "Royal Orchid" has been continuously used since 03.11.1999. It is to be pointed out at this juncture that Royal Orchid Hotels Limited came to be incorporated on 10.04.1997 and commenced its business in the year 2001.

17. As already pointed out above, the petitioner has obtained registration of the trademark "Orchid" on 19.05.2004 for hotel and allied services which is available at Page 695 of the typed set of documents and it is dated 19.05.2004. It is also the case of the third respondent that the first respondent got an assignment by means of assignment dated 11.03.2001 and there are three parties to the said documents, Baljee Hotels and Real Estates Private Limited and Royal Orchid Hotels Limited (third respondent) and Hotel Stay Longer Private Limited and the property assigned under the said deed are the trademark "Orchid" and "Orchids".

18. Miscellaneous Petitions were filed to take the said document on record, but the said applications were withdrawn and closed. It is the claim of the third respondent that it entered into an agreement of lease with Hotel Stay Longer Private Limited and Baljee Hotels and Real Estates Limited in respect of banquet hall for hotel Royal Orchid Harsha. As already pointed out, the said assignment is not placed on record as the miscellaneous petitions filed was withdrawn and the said petition was closed. The Registration Certificates available at Pages 693 to 695 (referred above) in the earlier paragraphs would also disclose that the trademark with logo. "The Orchid" was used right from 30.05.1997 and even for the sake of arguments that the case of the third respondent is accepted as regards use of banquet hall and cutlery in the banquet hall in Hotel Harsha between the years 1990 to 1993, no material has been placed to show that they continue to use the said mark by way of prior use after 1993. No doubt, orders passed in W.P. Nos. 26544 and 26545 of 2011 [(2014) 1 LW 849] were between the same parties and while dealing with the applications for rectification for removal of trademarks, the Division Bench of this Court had also dealt with the materials placed now and challenge was made to the said order before the Hon"ble Supreme Court, which, while dismissing the Special Leave Petition, made it clear that whatever observations made in the said judgment would not have any bearing on the appeals pending before the IPAB and the present writ petition arose on account of allowing of the said appeals by IPAB. Therefore, the findings rendered in the said judgment would have no bearing on this writ petition and so also the appeals before the Division Bench of the Bombay High Court, as the above said order of the Hon"ble Supreme Court of India also made it clear that the observations will be applicable even to any other civil suit pending between the parties.

19. The prospectus which is available at Page 611 of the typed set of documents would also disclose that the hotel "Royal Orchid" was owned and set up in the year 2001 and Royal Orchid Harsha came into the fold of Royal Orchid Hotels in the year 2001 and the lease deed dated 15.09.2005 was also entered into between hotel Stay Longer Private Limited and Baljees Hotels and Real Estates Private Limited in respect of Royal Orchid Harsha and the said lease was for a period of 11 months renewable at the option of the lessee for such term as may be mutually agreed upon by the parties and in any event, the contents of the said document would disclose that the user of the mark at the best is from the year 2001.

20. Therefore, Question No. 1 is answered in favor of the writ petitioner.

Question No. 2

21. In *K.R. Chinnikrishna Chetty trading as Ragha and Company Vs. K. Venkatesa Mudaliar and K. Krishnamurthy Mudaliar trading as Ambal and Company and Another*, (1973) 2 MLJ 98 , which arose out of the proceedings under the Trade and Merchandise Marks Act, 1958, wherein the question arose for consideration before the First Bench of this Court was whether the appellant name "Radha's Sri Andal" is deceptively similar to the mark "Sri Andal" and in para 14 of the said judgment, it has been held as follows:

"14. Though at one stage we considered that the addition of the word "Radha" to the legend "Sri Andal" makes all the difference, after our attention was drawn to the three cases referred to above, viz., (1) relating to the Vick Vaporub, where the objection to the registration of the respondents' Vaporub which infringed the appellants' registered mark was sought to be got over by adding a word "karosote" to the respondents' legend, and (2) where the objection to the registration of the respondents' trade mark "Rustam" was sought to be met by the addition of the word "India" to the objected legend and (3) where the word "Bulova" was sought to be added to the legend "Accutron" which legend was held to infringe the respondents' trade mark "Accurist", we are persuaded to come to the opposite conclusion that the addition of the word "Radha" to the legend "Sri Andal" will not make the slightest difference and that the view of the learned Judge is correct. The appellants' snuff sold under the trade name "Sri Andal" the registration of which was objected to by the respondents, has been in the mark finally upheld. The question for consideration now will be whether by the addition of the word "Radha" to objected legend makes a vital difference. As observed by Stamp J. in 1969 RPC 102 AT P. 109, "Where imperfect recollection is relevant what has to be considered is now far the additional word is significant to prevent imperfect recollection and the resultant confusion." We are of opinion that the combination of the two words "Radha's Sri Andal" is likely to be taken by snuff users as the snuff manufactured and marketed by the appellant originally as "Sri Andal". The appellants' learned counsel sought to distinguish the above three cases on the ground that in the aforesaid decision the new word sought to be added was only the name of the country of manufacture while in the present case, the addition of the word "Radha" to the legend "Sri Ambal." We are unable to accept the ground of distinction made by the learned counsel. We are of opinion that there is a tangible danger that substantial number of persons will confuse the appellants' "Radha's Sri Andal" mark applied for with the respondents' legend "Sri Ambal snuff"."

22. A Division Bench of the Delhi High Court in the decision in *Goenka Institute of Education and Research Vs. Anjani Kumar Goenka and Another*, AIR 2009 Delhi 139 : (2009) 6 ILR Delhi 415 : (2009) 40 PTC 393 , has considered the disputed word and use of the expression Goenka as a trademark and/or trade name. While dealing with the said issue, number of decisions, was considered.

The judgment in Montari Overseas Limited Vs. Montari Industries Limited, (1997) ILR Delhi 64 was relied on and extracted and the relevant portion of the said judgment, is reproduced hereunder:

"When a defendant does business under a name which is sufficiently close to the name under which the plaintiff is trading and that name has acquired reputation and the public at large is likely to be misled that the defendant's business is the business of the plaintiff, or is a branch or department of the plaintiff, the defendant is liable for an action in passing off. Even if the word "MONTARI" as part of the corporate name of the appellant was derived from the names of the father and father-in-law of the M.D. of the appellant company it would still be liable for an action in passing off as the use of the word "MONTARI" in its corporate name is likely to cause confusion and injure the goodwill and reputation of the respondent, in the sense that this is a reasonable and foreseeable consequence of the appellant's action. We find from the record of the trial court, which contains the Memorandum of Association of six Montari group of companies and annual reports of Montari FAO (OS) No. 118/2009 Page 25 Industries Ltd., that Montari group of industries have large operations and some of them have been in business for a long time. The members of the public are likely to mistakenly infer from the appellant's use of the name which is sufficiently close to the respondent's name that the business of the appellant's company is from the same source, or the two companies are connected together.

It is well settled that an individual can trade under his own name as he is doing no more than making a truthful statement of the fact which he has a legitimate interest in making. But while adopting his name as the trade name for his business he is required to act honestly and bona fide and not with a view to cash upon the goodwill & reputation of another. An individual has the latitude of trading under his own name in recognition of the fact that he does not have choice of name which is given to him. However, in the case of a Corporation the position is different. Unlike an individual who has no say in the matter of his name, a company can give itself a name. Normally a company can not adopt a name which is being used by another previously established company, as such a name would be undesirable in view of the confusion which it may cause or is likely to cause in the minds of the public. Use of a name by a company can be prohibited if it has adopted the name of another company.

It is well settled that no company is entitled to carry on business in a manner so as to generate a belief that it is connected with the business of another company, firm or an individual. The same principle of law which applies to an action for passing off of a trade mark will apply more strongly to the passing off of a trade or corporate name of one for the other. Likelihood of deception of an unwary and ordinary person in the street is the real test and the matter must be considered from the point of view of that person. Copying of a trade name amounts to making a false representation to the public from which they have to be protected. Besides the name of the company acquires reputation and goodwill,

and the company has a right too to protect the same. A competitor cannot usurp the goodwill and reputation of another. One of the pernicious effects of adopting the corporate name of another is that it can injure the reputation & business of that person".

(emphasis supplied)

On the facts of the case, the Division Bench of the Delhi High Court has applied Section 13 of the Trade Marks Act, 1999 and directed the appellant therein to add such information or disclaimer or distinction to avoid confusion. In the considered opinion of the Court, the decision reported in *Montari Overseas Limited Vs. Montari Industries Limited*, (1997) ILR Delhi 64 , applies to the facts of the present case also.

23. Though it is contended by the learned counsel appearing for the third respondent that the customers coming to the hotels run by the writ petitioner and the third respondent belong to high income group and therefore, there is no possibility of being misled, this Court is of the view that it cannot be taken as a general proposition as it depends upon the individual customers, as each individual would have different mind set to a particular factual situation. In the considered opinion of the Court, the second respondent has assigned reasons for upholding the objections raised by the writ petitioner and the findings rendered by the third respondent/IPAB for the reasons set out above, warrant interference.

24. Therefore, Question No. 2 is also answered affirmative in favor of the writ petitioner. In the result, the Writ Petition is allowed and the orders dated 18.06.2013 made in OA/74 and 75/TM/CH, passed by the first respondent/IPAB are set aside and the opposition to the application Nos. 1291696 and 1291697 in Class 42 is allowed and the third respondent is not entitled to registration of the trademark Royal Orchid and Royal Orchid Hotels. It is made clear that observations made/findings rendered will not preclude the parties herein to put their stand in the suit pending on the file of the High Court of Bombay. No costs.