

(2017) 05 DEL CK 0138

In the Delhi High Court

Case No : 271 of 2017

MR. SHAMMI NARANG & ANR

APPELLANT

Vs

PINDROP MUSIC APP PRIVATE LIMITED

RESPONDENT

Date of Decision : 22-05-2017

Acts Referred:

[Code of Civil Procedure, 1908](#), [Order 39 Rule 1](#), [Order 39 Rule 2](#), [Order 39 Rule 4](#) -
[Trade Marks Act, 1999](#), [7](#)

Citation : (2017) 05 DEL CK 0138

Hon'ble Judges : Indermeet Kaur

Bench : SINGLE BENCH

Advocate : Giriraj Subramaniam, Simarpal Singh Sawhney, Vaibhav Gaggar, Shiv Johar

Judgement

1. There are two plaintiffs before this Court. Plaintiff No. 1 is the sole proprietor of M/s Studio Pindrop. Plaintiff No. 2 is a limited liability partnership firm. One of its partners is the son of plaintiff No. 1. Plaintiff No. 1 adopted the trademark "PINDROP" in the year 1998 by starting operations in his studio "PINDROP" which is one of first digital recording studios in the country. It applied for registration of his said trademark on 07.08.2014 which has been granted on 23.08.2016. This was in class 41 (entertainment and media solutions). Plaintiff No. 1 is regarded as the "voice of Delhi" and is heard by millions on a daily basis aboard the Delhi Metro as also the other metros of the country. Today the "PINDROP" organizations i.e. proprietor of plaintiff No. 1 as also plaintiff No. 2 have secured a place of its own in terms of its creative and technical services. The recording studio of "PINDROP" was the first ever digital recording station. Dubbing work of various popular films has been carried out at the studio of the plaintiff. The plaintiff has received national and international recognition having carved out a niche for itself in this market of film making, audio and music productions. The word "PINDROP" is associated with the products/services /

brand identity of the plaintiff.

2. The plaintiff is aggrieved by the defendant's adoption of the registered trademark/trade name of the plaintiff "PINDROP"; the defendant is operating a mobile application by the name of "Pindrop Music" and also has a domain name. After due diligence, it was revealed that the website of the defendant company was incorporated on 18.02.2015; in March, 2017, the plaintiff came across this mobile application of the defendant "Pindrop Music". Further inquiries revealed that this is a music application which is based upon the moods of an individual. Wherein services are provided to individuals. The adoption by the defendant of this trade name/trademark of which the plaintiff has a registration is wholly illegal; it is encashing upon the goodwill and reputation of the plaintiff. The present suit has accordingly been filed seeking infringement of copyright, passing off as also damages.

3. On 17.04.2017, an ex-parte interim injunction had been granted in favour of the plaintiff and till the next date, the defendant/its officers/agents were restrained from advertising, promoting in any many using the mark "PINDROP" with respect to e-commerce services, online sale platforms and or any other allied and cognate services which would in any manner infringe upon the plaintiff's trade mark "PINDROP".

4. On 09.05.2017 (after service upon the defendant), an application under Order XXXIX Rule 4 of the Coe had been filed; the defendant has prayed that the ex-parte interim injunction granted on 17.04.2017 be set aside. The averments contained in the application have been perused. No separate reply has been filed to the application under Order XXXIX Rules 1 & 2 of the Code. It is stated that the averments made in this application be treated as the defence of the defendant.

5. In this application, the primary contention of the defendant is that he also has a registered trademark "Pindrop Music" which registration he has obtained in class 42. This registration had been granted in his favour on 13.02.2017 on his application dated 27.01.2016, this has a retrospective effect. It is pointed out that the publication of the trademark of the defendant "Pindrop Music" had been effected on 09.09.2016; this was a deemed notice to the public. No opposition had been filed by the plaintiff to the application filed by the defendant seeking registration of the said trademark/name. The plaintiff was well aware of the fact that the defendant has a registration in his name but this has been deliberately concealed from this Court while obtaining the ex-parte order on 17.04.2017. The plaintiff is guilty of suppression of facts and on this count alone, the ex-parte order is liable to be set aside. Further averments made in the application disclose that the services of the defendants are distinct and different from the services of the plaintiff; whereas the defendant has been registered in class 42 (mobile and computer software) and as the trade name of the defendant itself suggests ("Pindrop Music") is an online music delivery of services to its customers; services provided by the plaintiff are from a stationary spot i.e. from a studio;

the nature of the work of the plaintiff is even otherwise distinct; the plaintiff himself has stated that he is a digital/audio studio whereas the services of the defendant are based on providing music to a customer depending upon the mood variability and requests so made which are downloaded through a mobile application which is an online service. The directors of the defendant company had developed the concept of this music based application since the year 2014 and this website was launched in January, 2015. The name "Pindrop Music" has been developed by the defendant after much deliberations and careful thought; it has been proposed on the basis of an innovative technique whereby a user could refer songs by dropping pins on a map and gain knowledge of the trending music being heard around them. It has an innovative method of providing music in a personalized manner. This mobile application came into existence in the month of October, 2015. The defendant has more than 14 lacs different users making it one of the leading startup ventures in the technology domain. The plaintiff cannot have any monopoly on the word "Pindrop". The exparte injunction granted in favour of the plaintiff is causing an irreparable harm to the defendant. Balance of convenience is in his favour; no prima face case having been made out by the plaintiff, the injunction is liable to be dis-continued.

6. In rejoinder, learned counsel for the plaintiff points out that on a search having been made by the plaintiff, it was noted that all big time and popular music applications (Gaana, Saavn and WYNK music) are not only registered in class 42 but also in class 41; since the defendant is registered in class 42 alone (which defines computed software services and scientific services), it is not open to the defendant to get into the business of music. To enter this arena i.e. the music domain, the plaintiff necessarily has to seek registration in class 41 as well. The defendant does not have a registration in class 41. He deserves to be dis-continued with this service. On the question of suppression, it is pointed out that the plaintiff had to make a search only in his particular class i.e. class 41 (plaintiff's registration) and on such a search, there was no information revealed of the defendant's registration who is registered in separate class i.e. class 42. The plaintiff is not guilty of any suppression.

7. On behalf of the plaintiff, arguments have been addressed by counsel Mr.Giriraj Subramaniam. Learned counsel for the plaintiff in support of his submissions has placed reliance upon 2008 (102) DRJ 503 Ran Steels Vs. Ran India Steels Ltd. as also another judgment of a Bench of this Court reported as A. Kumar Milk Foods Pvt. Ltd. Vs. Vikas Tyagi & Anr in CS (OS) No.1627/2011 decided on 04.09.2013. Submission being that under Section 29 (2) (a) of the Trademarks Act, the defendant is guilty of infringement of the trademark of the plaintiff as while riding upon the reputation and goodwill of the plaintiff, he is offering similar goods and services for which the plaintiff already has a registration in class 41; admittedly the defendant has no registration under the said category. It is pointed out that in both the judgments (supra), the scope of Section 28 of the said Act had also been considered and the Court had noted that the question of infringement would not arise where the registered marks are

used in different class or goods/services by their respective proprietors but this is clearly not so in the instant case. It is pointed out that whereas the plaintiff is offering services in class 41 under "music and media solutions", the defendant without having a registration in class 41 is using a music mobile application having the same registered trade name of the plaintiff ("PINDROP") and trading in the same goods/services is attempting to pass off his services/goods as that of the plaintiff. Learned counsel for the plaintiff has placed reliance upon Example 2 as mentioned in the judgment of A Kumar Milk Foods Pvt. Ltd (supra). It is pointed out that his case would squarely fit into the said illustration.

8. On behalf of the defendant, arguments have been addressed by Mr. Vaibhav Gagar, Advocate. Learned counsel for the defendant has placed reliance upon judgments reported in 2010 SCC OnLine Del 2554 Shell Brands International Ag & Anr. Vs. Gagan Chanana & Others, (2016) 2 SCC 683 S. Syed Mohideen Vs. P. Sulochana Bai as also (1997) 4 SCC 201 Vishnudas Trading as Vishnudas Kishendas Vs. Vazir Sultan Tobacco Co. Ltd. Hyderabad & Another. It is pointed out that where the plaintiff is patently guilty of suppression of facts by virtue of which he had obtained an ex-parte order, no discretion can be exercised in favour of such a person. Section 28 (3) contemplates a situation where two or more persons are registered proprietors of trademarks which are identical and nearly similar, it gives a concurrent right to both the persons to use their registered marks in their favour in their respective fields. This Section comes to the aid of the defendant. It is additionally pointed out that the guilt of the plaintiff is writ large from the fact that the word "Pindrop" if typed on a Google application, all information about "Pindrop" is revealed which includes the information about the registration of the "Pindrop Music" mobile application of the defendant. To support this stand, learned counsel for the defendant has placed on record a search carried out by him where on typing the word "Pindrop" on the Google application, "Pindrop Music" (trade name of the defendant) appears at serial No.3. This search document has been placed on record. It is pointed out that the alleged "due diligence" carried out by the plaintiff would have revealed all these facts but this was deliberately withheld by the plaintiff.

9. Arguments have been heard. Record has been perused.

10. Plaintiff No. 1 is a registered proprietor of trade name "Pindrop" which registration he has obtained on 28.03.2016 in terms of an application dated 07.11.2014. His registration is in class 41 (Entertainment and Media Solutions). The averments made in the plaint as also in the pending application disclose that plaintiff No. 1 is a recording studio; Shammi Narang is in fact the proprietor of Studio "Pindrop" who has been described as plaintiff No. 1. It provides high quality video and graphics from this studio which is well equipped with the software which make videos and graphics; dubbing work of popular Hindi and English films and other language films are also carried out at this studio. The popularity of plaintiff No. 1 has also been described and which is not disputed. The fact that it has been internationally recognized is also not disputed. It had

launched its website in the year 2011. Para 21 clearly states that the aim of the plaintiff's website was to give an overview of the services offered by the plaintiff which is a service (as noted supra) of audio and video recordings from the studio of plaintiff No.1. In fact plaintiff No. 1 has been described as the first digital studio and has spent huge money in promoting and advertising this service.

11. The status of plaintiff No. 2, as rightly pointed out by the defendant, is only that of a son of plaintiff No. 1; he does not appear to be a necessary party in the present suit as it is not the case of plaintiff No. 1 that trade name which is in the name of plaintiff No. 1 has been assigned, transferred to plaintiff No. 2 or if he has any right over this trade name. The status of plaintiff No. 2 in the present proceedings in fact appears to be in-appropriate to say the least.

12. The contention of the plaintiff is that the defendant company was incorporated on 18.02.2015. He learnt about the activities of the defendant only in March, 2017 when he came across the mobile application "Pindrop Music" of the defendant. Submission is that the present suit has been filed on 10.04.2017 as he was aggrieved by the act of the defendant who was infringing upon the registered mark of the plaintiff. The ex-parte order had been obtained by the plaintiff on 17.04.2017. The averments made in the plaint and the arguments addressed before this Court on 17.04.2017 were completely silent on the registration of the defendant having its registered mark "Pindrop Music" in class 42. Even on a query put to the learned counsel for the plaintiff, his submission is that even after due diligence, he did not come to know about these facts; it was only when the defendant had filed his application under Order XXXIX Rule 4 of the Code that he learnt about the registration of the music application "Pindrop Music" of the defendant.

13. As rightly pointed out by the learned counsel for the defendant, due diligence by the plaintiff would mean a "due diligence" in actual fact and not on paper. Even a layman while typing the word "Pindrop" on a Google application would have learnt about the status of the defendant company which shows that the "Pindrop Music" mobile application of the defendant is a mobile application which is operating and in fact has a registration. All this is revealed by a simple click on the Google application by typing the word "Pindrop". This is also evident from the search report placed on record by the defendant. In fact this submission is not and cannot really be disputed by the plaintiff. The submission of the plaintiff that he is required to carry out his search only in his particular class i.e. class 41 is also a misconceived submission as it is not the class number which has to be typed to obtain this information; the simplicitor typing of the word "Pindrop" reveals all this information which information is to the effect that the defendant has a registered mobile application "Pindrop Music". The plaintiff is thus clearly guilty of suppression of facts. He did not disclose this fact i.e. about the registration of the defendant at the time when he obtained an ex-parte order. Equity does not lie in favour of such a litigant. This become very relevant while deciding the present application.

14. The observations of the Coordinate Bench of this Court in the judgment of Shell Brands Internationa Ag (supra) are relevant and extracted herein as under:- "The plaintiffs cannot, in this Court's opinion, take shelter from the fact that there is no explicit mention of infringement. Under the circumstances, such as the present one, when both the plaintiffs and the defendant are clearly owners of registered trademarks, it would be obvious that the action for an aggrieved party would be only a claim for passing off, under common law. Yet, the aggrieved party, under such circumstances, is under a duty to inform the Court that the defendant is owner of the rival mark, is also registered proprietor, like itself. The plaintiffs have listed out all its registrations but deliberately withheld any mention about the defendant's application which was accepted in 2005 and made effective from 1996 and most importantly, suppressed the fact of their having approached the concerned authorities for rectification. Under the conspectus of these facts and attended circumstances, the charge of suppressing reliefs and material facts and persuading the Court by such devices to obtain an exparte order, made by the defendant, is well-founded."

15. The additional submission of the defendant that the services of the plaintiff and of the defendant are clearly distinct and different is also a parameter which again becomes very relevant. Whereas the work of the plaintiff comprised of providing goods/services to a customer for media and entertainment solutions i.e. to carry out dubbing/recordings in its studio; the services of the defendant are an online service to a purchaser of his application who according to its moods and variations would hear the music that he so desires. The submission of the plaintiff that all other music companies are registered in two separate classes i.e. class 41 and class 42 and class 42 by itself (in which the defendant is registered) would not enable the defendant to carry on online music service is a submission which, at this stage, cannot be gone into and for which purpose this Court is of the view that it will require evidence and trial. The plaintiff is offering delivery services from a stationary platform; services of the defendant are an online delivery service. The distinction between the two services is clear and evident.

16. Examples 1 & 2 as canvassed by the parties (extracted from the judgment of A. Kumar Milk Foods Pvt. Ltd. (supra) are illustrative but not exhaustive. In the instant case both the plaintiff and the defendant admittedly have their separate registered trademarks. The services of the two are different and distinct. The submission of the plaintiff that he alone has a right to enter the music domain name by virtue of his registration in Class 41 and there is an embargo on the defendant to enter the arena of music (by virtue of his registration in Class 42 alone) is, as already noted supra, a matter of trial.

17. Section 28 (3) of the Trademarks Act also deals with such a situation. It reads herein as under: "Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the

register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."

18. Section 28 (3) of the said Act does not permit infringement by one registered proprietor against another unless two conditions are satisfied which are that (a) the two registered marks are identical with or nearly resemble to each other; (2) they are in respect of same class and service. This is clearly not so in the instant case.

19. The defendant even otherwise in the last 1-1/2 years since its incorporation has built up a goodwill and reputation which is evident from the lacs of persons who are using his music application; the fact that the defendant has spent more than Rs.20 lacs on publicity and advertisement expenses qua the figure of Rs.2 lacs expended by the plaintiff (admitted) also cannot be ignored at this stage; the growing business of the defendant cannot be stifled and brought to a standstill.

20. The plaintiff has failed to make out a prima-facie case in his favour. Balance of convenience is in fact in favour of the defendant. Irreparable loss and injury will be suffered by him if this injunction is allowed to continue. The prayer made in the application under Order XXXIX Rule 4 of the Code (I.A. No.5744/2017) is allowed.

21. Both the applications are disposed of in the above terms. CS(COMM) 271/2017

22. Written statement now be filed within three weeks with advance copy to the learned counsel for the plaintiff who may file replication before the next date.

23. List before the Joint Registrar on 28.08.2017.