
(2014) 03 DEL CK 0305
In the Delhi High Court
Case No : FAO (OS) 123 of 2014

Neo Milk Products Private Limited

APPELLANT

Vs

Neo Foods Private Limited

RESPONDENT

Date of Decision : 21-03-2014

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 4
Trade Marks Act, 1999 — Section 17 28 29 29(4) 34

Citation : (2014) 209 DLT 362 : (2014) 59 PTC 178

Hon'ble Judges : Badar Durrez Ahmed, Acting C.J.; Siddharth Mridul, J

Bench : Division Bench

Advocate : Aarth Venkat, for the Appellant; Rajiv Nayar and Mr. Ajay Bhargava, Rahul S. Sahai, Ankur Sangal and Mr. Saurabh Seth, for the Respondent

Final Decision : Dismissed

Judgement

Siddharth Mridul, J

1. This appeal is directed against the judgment dated 03.01.2014 delivered by a learned Single Judge of this Court in IA Nos. 17169/2013 (under Order 39 Rule 1 and 2 CPC) and 17849/2013 (under Order 39 Rule 4 CPC) in CS (OS) 2064/2013. The question that arose for consideration in these applications was whether the interim injunction granted by the Court in favour of the respondent/plaintiff by its order dated 28.10.2013 should continue during the pendency of the suit or, as contended by the appellant/defendant, be vacated.

2. The respondent/plaintiff had filed IA No. 17169/2013 seeking interim relief. An order was passed restraining the appellant/defendant from using the trademark "NEO" or any other mark similar to the respondent/plaintiff's trademark in connection with goods, labels, advertising material, cartons, packing material, letter heads, stationary etc. used by the appellant/defendant or on its website or as a domain name containing such mark.

3. The learned Single Judge by virtue of the impugned order dated 03.01.2014

disposed of both the said applications. The interim injunction granted in favour of the respondent/plaintiff was made absolute during the pendency of the suit and the application filed by the appellant/defendant was dismissed.

4. The learned Single Judge has observed in the impugned order that the respondent/plaintiff being the registered Proprietor of the trademark (device) NEO under class 29 from 09.10.2007 has an exclusive right to use the registered trademark NEO in relation to goods for which it holds registration. It was observed in the following terms:

13. The Court proceeds to examine the above submissions. Admittedly, the plaintiff continues to be the registered proprietor of the trademark (device) NEO under Class 29. It is not known whether the Defendant has filed any application for rectification or cancellation of the said mark. The plaintiff's user is from the date indicated in the registration certificate i.e. 9th October 2007 and the registration is valid up to 9th October 2017. u/s 28 read with Section 29, the plaintiff certainly has an exclusive right to use the registered trademark NEO (device).

14. Although it was submitted during the course of arguments by Mr. Sandeep Sethi, learned Senior counsel appearing for the Defendant, on the basis of Section 17 of the TM Act, that the plaintiff cannot have any exclusive right over the word NEO, there is no such submission in the written note of arguments submitted by the Defendant at the conclusion of the arguments. In any event, in terms of the law explained by the Supreme Court in Ramdev Food Products Pvt. Ltd. Vs. Arvindbhai Rambhai Patel and Others, the word NEO being a prominent feature of the registered trademark of the plaintiff, the plaintiff cannot be precluded the right to exclusive use of the said word in relation to the goods for which it holds registration. Secondly, the condition and limitation is only that the plaintiff cannot claim an exclusive right over the device of leaf.

5. The learned Single Judge has observed that the respondent/plaintiff has satisfied the ingredients of Section 29(4) of the Trademarks Act, 1999 demonstrating that it has a reputation in India and that its products are available in Delhi as well. In this regard, the averments made in the plaint as well as several invoices evincing sales of the respondent/plaintiff's goods in Delhi as also the certificate of the Chartered Accountant showing promotional expenses incurred by the respondent/plaintiff in this behalf from 2007 onwards have been taken into consideration.

6. As regards the element of "distinctiveness", the Learned Single Judge was of the view that the impugned mark NEO milk and milk products is identical to the prominent feature of the registered mark NEO. The use by the appellant/defendant of the mark NEO for its milk products is likely to dilute the distinctive character of the plaintiff/respondent's registered mark.

7. Rejecting the claim of the appellant/defendant u/s 34 Trademarks Act, the Learned Single Judge has observed that the appellant/defendant has been unable

to show prior use of the mark NEO for milk and milk products. The application for registration of mark NEO for milk products was made on 24th December" 2012 wherein the user date is mentioned as 01.05.2012 and not sometime in 2007 as claimed by the appellant/defendant. Relevant portion of the impugned order is reproduced below:

15. In support of its claim of prior use of NEO in relation to milk products, the Defendant has produced invoices pertaining to Neo Anurena Tristar Food Products Private Limited showing sales of milk, sweet curd etc. for the year 2007 onwards. However, these invoices do not by themselves indicate whether these products were sold under the trade mark "NEO". This would have to be established by the Defendant by leading evidence at the trial. The documents on record, including the reports of the LCs, show that the Defendant has been selling, and continues to sell, milk products under different names including "Namah Ghee" and "Tri-Star Damdar Dahi". Thirdly, the change of the company's name from Neo Anurena Tristar Food Products Private Limited to Neo Milk Products Pvt. Ltd. admittedly took place in August 2012. The change brings it closer to the plaintiff's name. It will be a matter for evidence whether the use of NEO for the Defendant's milk products took place only around the same time. Fourthly, no application was made by the Defendant for registration of its mark NEO for milk products till 24th December 2012. The user date mentioned in the said application is "1.5.2012". If indeed the Defendant it was using NEO for its milk products from 2007 onwards it is not understood why it has not claimed use since then. The Defendant cannot be said to have made out a case at this stage for availing the defence u/s 34 of the TM Act.

8. The main argument canvassed before us in this appeal is that the plaintiff/respondent having been granted registration for the trademark NEO (device) only in respect of "pickles, gherkins, pickle jalapenos, preserved onions, preserved tomatoes, preserved mushrooms, reserved garden herds, seasoned pickled, canned and preserved vegetables and fruits" cannot claim the exclusive right to use the mark in respect of milk and milk products especially in view of the fact that the appellant/defendant has been using the mark NEO as a prior user. The plaintiff/respondent had filed an application for registration of mark NEO with respect to milk and milk based products only on 10.10.2013.

9. Since both parties have claimed their respective rights u/s 29(4) and Section 34 Trademarks Act, the same are reproduced below:

29. Infringement of registered trade marks.-

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which-

a) is identical with or similar to the registered trade mark, and

b) is used in relation to goods or services which are not similar to those for which

the trade mark is registered, and

c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

34. Saving for vested rights.-

Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior-

a) to the use of the first-mentioned trade mark in relation to those goods or services be the proprietor or a predecessor in title of his, or

b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his.

Whichever is the earlier, and the Registrar shall not refuse (on such use being proved), to register the second mentioned trade mark by reason only of the registration of the first mentioned trade mark.

10. In terms of the requirement of having a reputation in India of the registered trademark, the plaintiff/respondent has been able to prima facie show that it has been in business in India, in Delhi and therefore, has an exclusive right to use the registered trademark NEO (device) in accordance with Section 29. Further, the argument regarding cognate and allied goods in common trade channels is logical inasmuch as an average consumer is likely to get an impression that the appellant/defendant's NEO milk & milk products originate from the respondent/plaintiff.

11. Coming to the aspect of the defence available to the appellant/defendant u/s 34, the same would be available if the person is shown to be in continuous use of a trademark identical or nearly resembling a registered trademark from a date prior to the use of the registered trademark by the proprietor or registered user thereof. It is to be seen that the appellant/defendant had neither filed its written statement in the suit nor a reply to the respondent/plaintiff's application IA No. 17169/2013. The appellant/defendant has therefore, not put forth any substance to prima facie satisfy the Court that it was a prior user of the mark NEO for its products. The respondent's/plaintiff's averments being uncontroverted, the appellant/defendant has not been able to establish prima facie, prior continuous use in the instant case.

12. The question of withdrawal of injunctory relief has to be considered in the backdrop of Wander Ltd. and Another Vs. Antox India P. Ltd., where it has been held by the Supreme Court that it would be improper for the Appellate Court to

reverse the verdict only because it prefers an alternate view. Interference would be justified only where the exercise of discretion is palpably perverse.

13. In view of the foregoing discussion, the impugned order dismissing the application of the appellant/defendant under Order 39 Rule 4 of the CPC, in our view, does not suffer from any error, infirmity, perversity or illegality so as to warrant interference by this court in appeal. Consequently, the appeal is dismissed. The parties are left to bear their own costs. By way of abundant caution, it is clarified that the opinion expressed in this order is a prima facie view and shall not be treated as a final opinion on the merits of the case.