

(2001) 07 DEL CK 0090

In the Delhi High Court

Case No : IA. 83/99 in Suit No. 21 of 1999

Shri Vikas Makhija, trading as M/s. Swarn Enterprises

APPELLANT

Vs

M/s. The Bengal Phenyle and Allied Products(P)

RESPONDENT

Date of Decision : 10-07-2001

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 10(2), 12(3), 30, 30(1), 33

Citation : (2001) 93 DLT 817

Hon'ble Judges : A.K. Sikri, J

Bench : Single Bench

Advocate : Mr. S.K. Bansal, for the Appellant; Mr. Shailen Bhatia, for the Respondent

Final Decision : Dismissed

Judgement

A.K. Sikri, J.—Along with Suit for perpetual injunction restraining the defendants from infringing the trade mark and copyright of the plaintiff and from passing of the goods by the defendant as that of the plaintiff, present application is filed for ad-interim injunction. The trade mark in question is "TIGER (label)" which the plaintiff claims to be using for goods like deodarant, Phenyle, black cleanser, etc. It is a registered trade mark under the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as the Act, for short). The particulars of registration are as under:-

T.M.No. Dated Class J.No. Trade Mark 408367 23-07-83 5 1067 (S) TIGER BRAND (label) 531814 20-06-90 5 1153 TIGER

2. The case of the plaintiff is that the plaintiff has been using this label for marketing his product since the year 1966. The colour scheme, general get up, lay out, entire collection of words, writing style of plaintiff's product is unique and artistic. The said work is quite distinctive and attractive and the same is liked by the customers. The plaintiff is the sole and exclusive owner and claims copyright in the same. The plaintiff has given wide publicity to its trade mark

"TIGER (label)" and has acquired substantial market for its product. The product has gained unique reputation and goodwill in public. It is alleged in the plaint that taking advantage of the reputation and good-will of the plaintiff in these products and defendant has also started manufacturing and marketing deodarant, Phenyle, etc. that is the same product under the identical and/or deceptively similar trade mark "TIGER" which amounts to infringement of plaintiff's registered trade mark "TIGER". The defendant even filed a Suit against the plaintiff and its dealers in Meerut bearing Suit No.3 of 1998 and obtained ex-parte injunction order dated 7th August, 1998 from the Court of District Judge, Meerut. However, after contesting the Court vacated the injunction Order vide Order dated 23rd December, 1998.

3. Summons in the Suit and notice of this application were served upon the defendant, who appeared and filed written statement in the Suit as well as reply to this application.

4. It is the case of defendant that late husband of Smt. Savitri Devi had started the business of manufacturing and marketing all kinds of disinfectant fluid products including Phenyle in the year 1963-64. At that time, Shri Ramesh Chand was doing business in the name of the firm - M/s. Rashtriya Chemical Manufacturing Company. In the year 1964, Shri Ramesh Chand had conceived and adopted a trade mark TIGER BRAND for the afore-mentioned goods. In the years 1964-67, Shri Ramesh Chand had manufactured and marketed all kinds of disinfectant Fluid Products including Phenyle under the trade mark TIGER BRAND. The defendant has filed copies of documents in support of this submission.

5. It is also stated that M/s.K.B. Industries obtained registration of the trade mark "TIGER" by playing fraud and further that the Suit is barred by limitation and suffers from delays, acquiescence and laches. Territorial jurisdiction of this Court to deal with the Suit is also denied. It is stated that the Suit has been filed to harass the defendant.

6. In support of the aforesaid pleas, the learned counsel for the defendant relied upon the documents particularly from page nos.33-37 (of the defendant's documents) to show the prior user. It may be mentioned at this stage itself that in the Suit filed by the defendant in the Court of District Judge, Meerut the defendant had claimed that its firm was working since 1967. The defendant has filed an application in the said case for amendment claiming the user of the trade mark since 1964. However, whether the defendant is using this trade mark since 1964 or 1967 would not be of much consequence is so far as decision on present application is concerned and as discussed in detail at the appropriate stage. These documents further demonstrate that the defendant's use of the trade mark in question was within the knowledge of M/s.K.B. Industries, predecessor in interest of the plaintiff and the original owner of the trade mark, who has assigned said trade mark to the plaintiff. In fact the document filed by the defendant on record further show that both the defendant and M/s.K.B. Industries

have been making a government supplies and names of both the firms find mention in the yearly rate contract arrangement for the supply of these disinfectant fluids. They were in communication with each other also. Therefore, prima facie, it appears to be a case of acquiescence by the plaintiff and/or his predecessor in interest to the use of same trade mark by the defendant and Therefore, as per the provision of Section 30(1)(b) of the Act, the act of the defendant in using this trade mark prima facie would not constitute infringement. It is well known that acquiescence is one of the defenses available u/s 30(1)(b) in an infringement action. If the plaintiff stood by knowingly and allowed the defendant to build up an important trade in now estopped from bringing an action against the defendant from putting an end to it. If the acquiescence amounts to consent, it will be a complete defense. (Ref: Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd.,).

7. To the same effect is the judgment of the Supreme Court in Amritdhara Pharmacy Vs. Satyadeo Gupta, . The following observations of this judgment support the case of the defendant:-

"We now go to the second question, that of acquiescence. Here again we are in agreement with the Registrar of Trade Marks, who in a paragraph of his order quoted earlier in this judgment has summarised the facts and circumstances on which the plea of acquiescence was based. The matter has been put thus in Halsbury's Laws of England, Vol.32 (second edition) pages 656-657, paragraph 966.

"If a trader allows another person who is acting in good faith to build up a reputation under a trade name or mark to which he has rights, he may lose his right to complain, and may even be debarred from himself using such name or mark. But even long user by another, if fraudulent, does not affect the plaintiff's right to a final injunction; on the other hand prompt warning or action before the defendant has build up any goodwill may materially assist the plaintiff's case."

We do not think that there was any fraudulent user by the respondent of his trade name "Lakshmandhara". The name was first used in 1923 in a small way in Uttar Pradesh. Later it was more extensively used and in the same journals the two trade marks were published. The finding of the Registrar is that the appellant and its agents were well aware of the advertisements of the respondent and the appellant stood by and allowed the respondent to develop his business till it grew from a small beginning in 1923 to an annual turnover of Rs.43,000/- in 1949. These circumstances establish the plea of acquiescence and bring the case within sub-section (2) of S.10 and in view of the admission made on behalf of the respondent that his goods were sold mainly in Uttar Pradesh, the Registrar was right in imposing the limitation which he imposed.

8. This Court also in the case of Shri Gopal Engg. and Chemical Works Vs. M/s. POMX Laboratory, took the same view.

9. Faced with the aforesaid factual position relating to the long user by the

defendant and the acquiescence of the plaintiff and/or his predecessor in allowing the defendant to use the trade mark even after the registration of his trade mark in favor of M/s.K.B. Industries initially and assignment thereof in favor of the plaintiff, the learned counsel for the plaintiff argued that long or even prior user by itself was no defense available to the defendant because of the reason that the plaintiff was the holder of registered trade mark. Reliance was placed upon the case of American Home Products Corporation Vs. Mac Laboratories Pvt. Ltd. and Another, . It was submitted that the registered trade mark owner the plaintiff had right to injunct the defendant from using the same trade mark. It was submitted that the plaintiff's right were to be protected during the pendency of the proceedings particularly when it was a case of triple identity namely, same trade mark relating to same goods an both the plaintiff and the defendant operating in the same territory. Reliance was also placed on the case of Lalsons Machines Pvt. Ltd. versus Sachar Electric and Machine Store reported in 1986 PTC 41. It was also submitted that even if there was some delay that would not take away the exclusive right of the plaintiff in the registered trade mark as held in the case of Shri Swaran Singh trading as Appliances Emporium versus M/s. Usha Industries (India) and another reported in 1986 PTC 287. It was incumbent upon the defendant, in such a case, to prove his reputation in the goods in question and only then the defendant could seek protection u/s 30(1)(b) or Section 33 of the Act. Referring to law laid down by the Supreme Court in the case of London Rubber Co. Ltd. Vs. Durex Products, it was submitted that concurrent user was only relevant for damages and plaintiff should be granted injunction.

10. Before dealing with these arguments, some more facts as appear from the documents filed by the parties, may be noted. As already mentioned above, the documents filed by the defendant prima facie show not long user but acquiescence of the plaintiff/his predecessor in interest by allowing the defendant to use the same trade mark in relation to these goods. These documents further show extensive supplies made by the defendant of the same goods in the same trade name for last more than 35 years (Ref. documents at pages 77-82, 102 and 103 in the documents file). These documents also show that both the plaintiff and the defendant co-exist in the same market with knowledge of each other. In such a situation, prima facie it would be difficult to accept the contention of the plaintiff. It is difficult to swallow the argument of the plaintiff that the defendant has not acquired reputation in respect of these goods, in view of these documents. The arguments of the plaintiff's counsel are Therefore totally off the mark. Provisions of Section 33 of the Act would also come to the aid of the defendant in such a situation. Section 33 reads as under:-

Section 33 - Saving for vested rights.

"Nothing in this Act shall entitle the proprietor or a registered user of a 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 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 by 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 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".

11. This Section confers absolute protection or immunity on a defendant who is able to prove or establish continuous user prior to the date of registration of the trade mark of the plaintiff who is seeking an Order of injunction or restrain against him. It is not the actual previous use which is protected from interference or restrain but all use (Ref. Indo-pharma Pharmaceutical Works Private Limited versus Pharmaceutical Company of India reported in 1977 BLR 73. Admittedly the plaintiff got the trade mark registered in the year 1982 and the defendant has been using this trade mark much before this registration. Similarly, in the case of Abdul Sattar Mohmed Hussein Vs. Badrinarayan Bansilal and Others, , prior user of the defendant was protected. In the light of the aforesaid facts telling their own story and weighing heavily in favor of the defendant, various judgments cited by the plaintiff have no application. Nodoubt when a person gets his trade mark registered, he acquires valuable right by reason of such registration and registration of his trade mark gives him exclusive right to the use of the trade mark in connection with the goods in respect of which it is registered. If there is any invasion of this right by any other person using this mark which is the same or deceptively similar to his trade mark he can protect his trade mark by an action of infringement in which he can obtain injunction, damages or account of profits made by the other person. However, this right of the owner of the registered trade mark is subject to other provisions contained in the Act. In the present case, the defendant has been able to establish his right to use this trade mark, notwithstanding the registration thereof in the name of the plaintiff, in view of the provision of Sections 30 and 33 read with Section 12(3) of the Act. It would be totally inequitable to injunct the defendant at this stage from using the trade mark "TIGER" when the defendant has been using the same since 1964 or in any case since 1967 and that too, to the knowledge of the plaintiff and/or his predecessor.

12. It may be stated that it is also the case of the defendant that the trade mark "TIGER BRAND" used by the defendant is different from the trade mark "TIGER (label)". It is not necessary to go into this aspect at this stage. The Order passed by the District Judge, Meerut also does not come to aid of the plaintiff at this stage inasmuch a that was a case where the defendant wanted to injunct the plaintiff from using the trade mark "TIGER" which prayer of the defendant was

declined. It does follow there from that the defendant has no right to use the trade mark. In the case before the District Judge, Meerut, question from using the trade mark in question. Here the question is whether such a restraint is to be put on the defendant or not. This is to be examined on totally different considerations and that is the exercise done in preceding paragraphs of this Order. Moreover, a perusal of the Order dated 23rd December, 1998 passed by the District Judge, Meerut would show that the main reason for denying the injunction to the defendant was that both the defendant and M/s.K.B. Industries were registered since 1983 for supply of TIGER brand Phenyle to various departments. Following observations from the order need to be quoted :-

"The perusal of the record and documents filed by the parties clearly shows that both sides have been openly using trade mark "Tiger" Brand for trading in Phenyle without objection from any one. They were however, not doing so to the exclusion of each other. Thus the plaintiff cannot claim that trading by the defendants in Phenyle under the trade mark "Tiger Brand" would lead to any misrepresentation, cause wrong impression in the mind of the purchaser that it was product of the plaintiff. The plaintiff in the circumstances mentioned above, cannot claim that they have been the exclusive user of Tiger Brand trade mark and have thus acquired name and good will."

13. This very reasoning now comes in the way of the plaintiff herein. Therefore, this Order would be of no use to the plaintiff.

14. For these reasons, the application filed by the plaintiff is rejected. It is further made clear that what is stated in this Order is only tentative view and shall not tantamount to any expression on merits.

15. The application is accordingly dismissed.