

(2018) 10 BOM CK 0031

In the Bombay High Court

Case No : Appeal From Order No.64 Of 2017 Along With Civil Application No.88 Of 2017

Sipra Education Society's Spring Orchid School Thr.Mrs.
Seema Rankhambe(Founder And Owner)

APPELLANT

Vs

Pradnya Niketan Education Society's,The Orchid School
Thr.Mr. Nandkumar Malku Patil

RESPONDENT

Date of Decision : 17-10-2018

Acts Referred:

Trade Marks Act, 1999 — Section 28

Citation : (2018) 10 BOM CK 0031

Hon'ble Judges : Dr. Shalini Phansalkar-Joshi, J

Bench : Single Bench

Advocate : Surel S. Shah, Swaroop Karade, Shivam Nimbalkar, B.N. Poojari,
Deepak R. Makhija, Rahul Poojari, Srishti Pujari,

Final Decision : Disposed Off

Judgement

1. Heard Mr. Shah, learned counsel for the Appellant, and Mr. Poojari, learned counsel for the Respondent.

2. This Appeal is directed against the order dated 9th January, 2017, passed by the District Judge-19, Pune on the application for temporary injunction filed at 'Exhibit-5' in Civil Suit No.14 of 2014.

3. The said application was preferred by the Respondent herein, restraining the Appellant, during the pendency of the Suit, from using the trade name

â??Spring Orchidâ?, which is similar to the name of the Respondent-School â??The Orchid Schoolâ?. The Trial Court has allowed the said

application and by its impugned order, restrained the Appellant from passing off identical services of â??Spring Orchid Schoolâ? as those of the

Respondent, by adopting and/or using the service mark â??Spring Orchidâ? or by

adopting and/or using the word 'Orchid' to form any other deceptively similar or identical mark to the service mark 'The Orchid School' of the Respondent in respect of the identical services relating to education and training.

4. Brief facts of the Appeal are to the effect that, Respondent is a Trust running the Educational Institution called 'The Orchid School' at Baner, Pune. The said school is affiliated to Central Board of Secondary Education. It is an English medium, co-educational and inclusive school, currently operating from Junior K.G. to Standard XI, with 35 students per class; each class is having three 'Divisions' maximum per level. The number of the students is, thus, around 1,200, with total staff of 144. The school has acquired its own reputation since it is established in the year 2004. The school has registered its service mark as 'The Orchid School' by filing an application dated 5th June 2006, containing the 'user details' of the said mark as from 11th November 2004. The said application is falling in 'Class-5', pertaining to 'education and training'.

5. The grievance of the Respondent-School is that, the Appellant herein has made application on 7th October 2008, giving the 'user detail' as from 27th November 2007 for registration of its mark in the name of 'Spring Orchid'. It is the contention of the Respondent that, the word 'Orchid' is the key and predominant word of the Respondent's earlier and prior used service mark, which has been adopted by the Appellant in its subsequently adopted service mark of 'Spring Orchid'. According to Respondent, the word 'Orchid' is phonetically, visually and structurally similar in both the marks and, therefore, it is definitely likely to cause and is causing confusion in the minds of the common consumers, who are the minor students and their parents.

6. It is the case of the Respondent that, in the adoption of the subsequent service mark, the Appellant has committed an intentional misrepresentation to the Trade Mark Authorities upon the goodwill acquired by the Respondent's service mark. As a result thereof, the students and their parents are likely to fall into an error that the identical services adopted by the Appellant, are those of the Respondent. The service mark adopted by the Appellant is similar or deceptively similar or resembling service mark in relation to the services imparted by both the schools, that of training and education. The

consumers for both the services are common, namely, the students and their parents. Hence, the students and their parents are availing the Appellant's

identical services under the mistaken belief that such services are being provided by the Respondent.

7. It is submitted that, adoption and use of the deceptively similar mark by the Appellant is malafide, without justification, unfair and solely motivated to mislead the students and their parents. Hence, under the 'Classical Trinity Rule', that of goodwill, misrepresentation and damages, the Respondent is

entitled to get the relief of temporary injunction, restraining the Appellant from using the word 'Orchid' in the name of their school.

8. Therefore, Respondent has, by its legal notice dated 26th December 2012, called upon the Appellant to forthwith discontinue the use of the

deceptively similar mark, as it was causing disrepute to the service mark of the Respondent. In its reply to the notice, dated 26th February 2013,

Appellant refused to stop the user of the said deceptively similar mark. Hence, the Respondent is constrained to file this Suit for damages and for

restraining the Appellant from the user of the said service mark. Along with the Suit, the Respondent has also filed this application for temporary injunction.

9. This Suit and application for temporary injunction came to be resisted by the Appellant herein with its written statement and say to 'Exhibit-5', by

contending, inter alia, that, the very foundation of the Suit is defective and no case of infringement or passing off action is made out. It was submitted

that, education is not any goods or service. It is a charitable activity and hence, no question of Respondent suffering any financial loss as such arises

on account of the Appellant's use of similar or deceptively similar name. Further, it was submitted that, the school of the Respondent follows C.B.S.E.

Pattern with English as a medium of instructions; whereas, the Appellant follows the S.S.C. Curriculum. Thus, the services rendered by both the

schools are totally different and hence, there is no question of any confusion being caused in the minds of the students or their parents.

10. Further, it was submitted that, on the own showing of the Respondent, its trade mark is registered from 7th October 2008; whereas, the school of

the Appellant has started from 1st December 2007. Thus, as since prior to the trade mark of the Respondent was registered, the Appellant is running

the school, it has to be held that, Respondent has acquiesced and consented to the Appellant for using the word "Orchid" for last eight years

and had not complained at all during all this period. Therefore, now Respondent is estopped from raising any grievance in that behalf. At any rate, it

was submitted that, the Suit of the Respondent suffers from delay and laches. Therefore, Respondent cannot be entitled to the equitable relief of

injunction at the interim stage.

11. An attempt was also made to contend that, before registration of the trade mark, Appellant had carried out necessary research at the Office of the

Registrar of Intellectual Properties and at that time, no objection was raised by the Respondent-Trust.

12. Lastly, it was submitted that, the word "Orchid" is the name of the flower. It cannot be specific, but the same is generic in nature. Therefore,

Respondent cannot restrain Appellant from using the generic word.

13. It was denied that the name of the Respondent's school as "The Orchid School" and the name of the Appellant as "Spring Orchid

School" is, in any way, similar either phonetically, visually or structurally; both are totally different and hence, from that aspect also, there was no

question of the Appellant committing any misrepresentation, much less, with malafide intention while using their name or thereby creating any

confusion or causing any loss, financial or otherwise, to the Respondent. Appellant, therefore, prayed for dismissal of the application filed by the

Respondent.

14. The Trial Court was, after considering the submissions advanced at bar by learned counsel for both the parties, pleased to allow the said

application, mainly on the ground that the trade mark of the Respondent was registered prior to the trade mark of the Appellant and as both Appellant

and Respondent are dealing in the same field of imparting education, in view of the similarity in the names to a great extent, it was sufficient to mislead

or cause confusion in the minds of the parents and students. Therefore, it was necessary to restrain the Appellant from using the name "Spring

Orchid" for their school.

15. This order of the Trial Court is challenged in this Appeal by learned counsel for the Appellant by submitting that, the Trial Court has not at all given

sufficient and valid reasons, nor even distinguished the citations, which were

relied upon by learned counsel for both the parties and by giving cursory findings, it has granted such order of interim injunction, which is causing great loss and hardship to the Appellant, as it is restrained from using this particular name, which has acquired a goodwill and reputation, that too, at the interim stage. It is urged that, the word 'Orchid' can never be called as specific in nature, as it is generic and hence, the Trial Court should not have restrained the Appellant from using the said word; especially when the word 'Orchid' in the name of the Appellant is preceded with the word 'Spring' and the students and parents are definitely conscious, aware and knowledgeable to distinguish between the two names; that of 'The Orchid School' and 'Spring Orchid School'. Moreover, both the schools are offering different curriculum.

16. It is submitted that, the Suit of the Respondent also suffers from the delay, laches and acquiescence, considering that since the year 2007, i.e. much prior to the registration of the Respondent's trade name, Appellant is using the said name and the notice is issued only in the year 2012, the Suit is filed in the year 2014 and the impugned order of injunction is passed in 2017. Thus, it is submitted that, at this stage, instead of restraining the Appellant from using the said name for its school, which is its identity, if any prima facie case is made out by the Respondent, then Appellant may be permitted to use this name with a 'Disclaimer' that their school had no connection with the Respondent School.

17. Learned counsel for the Respondent has, however, strongly supported the impugned order passed by the Trial Court by submitting that, this is not merely a passing off action, but it is a case of infringement of the trademark of the Respondent, which is registered prior to the trademark of the Appellant. It is submitted that, considering the similarity between the names of the two schools and both are providing services in the same field of education, there is definitely confusion in the minds of the students and parents. The Trial Court was, therefore, justified in granting the relief of interim injunction. According to learned counsel for the Respondent, even the offer made by the Appellant that, Appellant will issue the 'Disclaimer', cannot be of use, as no one will notice such 'Disclaimer'. According to learned counsel for the Respondent, therefore, within the limited scope of the jurisdiction of this Court against the discretionary order of temporary injunction

passed by the Trial Court, this Court should restrain itself from interfering with the same.

18. It is undisputed that, Respondent's trade mark with the name of 'The Orchid School', is already registered in the year 2007 itself in pursuance of its application filed in the year 2006, giving the details of its user since the year 2004. Whereas, the Appellant's application for registration of its name as 'Spring Orchid School', is made in the year 2008, giving the user details from 27th November 2007. Hence, registration and user of the Respondent is much prior to the registration and user of the Appellant. The key word 'Orchid' is common in both the names and both are dealing in the same field of imparting education and training to the school going children.

19. The necessary question, therefore, required to be considered is, 'whether the Appellant's trade mark name 'Spring Orchid School' is deceptively similar to the Respondent's name or registered trade mark of 'The Orchid School'.' On the basis of the answer of this question only, the next question will arise as to 'whether the word 'Orchid' is a generic or specific word?'

20. As both Respondent and Appellant are offering the same services in 'Class-5' category, of training and education, that too, to the school students, keeping this fact in mind, the similarity between the two rival names is required to be considered. As the nature of the services imparted by both the schools is the same, there is possibility of it enhancing the likelihood of confusion in the minds of the parents and the students. Hence, one has also to consider whether the resemblances between the two names is visually, phonetically and structurally so similar that there are chances of deception or confusion.

21. In this respect, as observed by the Hon'ble Apex Court in the case of Cadila Health Care Limited Vs. Cadila Pharmaceuticals Ltd., (2001) 5 SCC

73, the case has to be considered on the touch-stone of factors such as, whether the nature of the goods, in respect of which competing trade marks are used is similar; whether the class of purchasers, who are likely to buy the goods bearing the trade marks is also similar, coupled with the fact whether the mode of purchasing the goods is also similar.

22. If the present case is tested on the touch-stone of these factors, then it can be seen that the use of the word 'Orchid' in the names of both

the schools is the same. Even if in the name of the Appellant-School, the word 'Orchid' is preceded with the word 'Spring', considering that

both are rendering the services in the same field of education and training of the students from Class 'Jr. KG to XI', there is every possibility of

the students or the parents being confused or misled in assuming that the Appellant's school 'Spring Orchid' is the Branch of Respondent's

'The Orchid School'. The reason for the same is that, the Respondent's 'The Orchid School' is following the 'C.B.S.E. Pattern'; whereas,

the Appellant School is following the 'S.S.C. Curriculum' and, therefore, the possibility of the students and parents being misled that the Respondent's

'The Orchid School' is giving one pattern of education; whereas, its Branch i.e. the Appellant's 'Spring Orchid School' is giving another

pattern of education, cannot be ruled out. The use of the word 'Orchid' in the names of both the schools is not only strikingly similar, but it is the

same word being used by both the schools and the word 'Orchid School' being the registered trade mark of the Respondent, there is some

substance in the contention raised by learned counsel for the Respondent that, it is necessary to restrain the Appellant from using the word

'Orchid'. Otherwise, the goodwill and reputation, which is earned by the Respondent since its prior use of the said trade mark, is likely to be

exploited by the Appellant.

23. The submission of learned counsel for the Appellant that, the added word 'Spring' to the word 'Orchid' is sufficient to indicate that the

trade origin is different from that of the Respondent's and to distinguish that both these schools are different. This submission, however, cannot be

accepted. The use of the key word 'Orchid' being exactly the same in both the names, the added word 'Spring' does not distract from

deceptive similarity of the two marks. As per the settled law, the test while determining similarity is, one of 'the possibility' and not 'probability

of confusion'. Moreover, while comparing the mark, the Court does not go into either the etymological meaning of the rival words or marks, as only a

microscopic minority of consumers would be expected to know the real difference between the two schools named as 'Spring Orchid' and

'Orchid' only.

24. As stated above, as both the schools are imparting different patterns of

education, there is all the more possibility for the parents and the students to understand that, the Appellant-School is a Branch of the Respondent-School. As held in the Judgment of the Cadila Health Care Limited Vs. Cadila Pharmaceuticals Ltd. (Supra), while examining such cases of passing off action, one of the important test, which has to be applied, is 'whether the misrepresentation made is of such a nature as is likely to cause an ordinary consumer to confuse one product for another due to similarity of marks and other surrounding circumstances?' What is likely to cause confusion would vary from case to case. The minor difference between the two names would not enable a person of average intelligence to distinguish between the two names.

25. The submission of learned counsel for the Appellant is that, the word 'Orchid' is a generic word and not specific. To substantiate this

contention, the reliance is placed on the Judgment of the Hon'ble Apex Court in the case of Skyline Education Institute (India) Private Limited Vs.

S.L. Vaswani and Another, (2010) 2 SCC 142, wherein also, the dispute was between the two Educational Institutions in respect of the use of the

word 'Skyline' as a part of their trading name in relation to their activities in the field of education. The similar argument was advanced that the word

'Skyline' is a general word and is being used by as many as 32 companies operating in Delhi and 117 companies operating all over the country and

world-wide and there are thousands of Institutions, Companies, Firms etc., which were using that word as part of their trade name. In that scenario, it

was held that,

'The word 'Skyline', being neither an invented, nor a specific word, has to be considered as generic word; more particularly, when thousands

of persons and Institutions were using the same as a part of their trading name in relation to their activities and hence prior use of the name

'Skyline' by the Plaintiff in that case would not confer upon it an exclusive right to use that name, to the exclusion of others, and pendency of the

applications for registration under the said trade name was inconsequential.'

26. However, in my considered opinion, the ratio of this Judgment cannot be applied to the facts of this case, as in that case, the word 'Skyline'

was not got registered by the Plaintiff as a 'trade mark'. Hence, it was held that, the mere use of the word 'Skyline', which is in that context a

generic word and being not registered under the Trade Marks Act, 1999, the Defendant cannot be restrained from using the said word.

27. Here in the case, however, it is not a simplicitor case of passing off action, but it is the case of infringement of the trade mark. There may be one

or two schools, as stated by the Appellant, being registered using the same name of 'The Orchid', but as the Respondent's trade name of

'The Orchid School' is already a registered trade mark and the Appellant School is being run in more or less the same locality, in the same city, it

becomes necessary to restrain the Appellant from committing the breach of that trade mark. 'Orchid' may be a name of the flower, but when it

is used in the context of the school and the registration of the Respondent's school is allowed in that name, then it follows that, by adding the word

'Spring' to its own name, the Appellant is trying to create confusion in the minds of the parents and students that their school is just a Branch of

Respondent's 'The Orchid School'. There is absolutely no merit in the contention that, the word 'Orchid' is used in respect of the 'Hotel

Boulevard' and other trades also; because, in those different trades, there is no question of the word 'Orchid' misleading or confusing the

consumers, as they are operating in different fields. But, so far as the Appellant is concerned, as it is also imparting the education and training for the

same class of students from, more or less, the same locality, the use of the word 'Orchid' in the name of their school is likely to confuse the

students and the parents that the Appellant-school may be the Branch of the Respondent-School.

28. The next submission advanced by learned counsel for the Appellant is that, the Appellant has made the application for registration of its trade mark

on 7th October 2008, giving the 'user detail' from 27th November 2007 and, therefore, there is a delay of 7 years in filing of the present Suit, as it is

filed in the year 2014, which delay is sufficient to dis-entitle the Respondent from getting the relief of temporary injunction. However, as held by the

Hon'ble Apex Court in the case of Midas Hygiene Industries P. Ltd. & Anr. Vs. Sudhir Bhatia & Ors., 2004 (28) PTC 121 (SC),

'In the case of infringement, either of the trade mark or of the copyright, normally, an injunction must follow. Mere delay in bringing action is not

sufficient to defeat grant of injunction in such cases.'

29. This legal position is considered and approved by the Division Bench of this Court also in the case of Cadila Pharmaceuticals Limited Vs. Sami

Khatib of Mumbai and Anr., 2011 (3) Bom.C.R. 587, by holding that, "the delay is required to be distinguished from acquiescence", as the

acquiescence necessarily implies the encouragement on the part of the other parties or abstainment from ascertaining the legal right. Otherwise, delay per se would not defeat an application for interlocutory injunction.

30. As held in the said Judgment, once the Respondent's marks were registered, it has to be held that the Appellant was aware of the same as a

matter of fact. Even if Appellant was not aware, the reported decisions of this Court indicate that the Appellant, not having made itself aware of the

fact as to whether the same mark is a subject-matter of registration and belongs to another person, cannot be heard to complain for the use of the

mark. As the case then is of its negligence, in as much as, Appellant has not taken the elementary precaution of making itself aware by looking at the

public record of the Registrar as to whether the mark in question is the property of another.

31. At the most, delay or inordinate delay or laches on the part of the Respondent may defeat its claim for damages or rendition of accounts, but the

relief of injunction therefor cannot be refused. This is so, because it is the interests of general public, which is the third party in such cases, which are

required to be kept in mind. In such situation, if the temporary injunction is not granted, the prejudice is going to be caused to the general public, like

the parents and students, who are going to be confused by the use of the word "Orchid" in the name of the Appellant School and assuming it to be

the Branch of Respondent's school, which it is not. Therefore, as held in the Judgment of Cadila Pharmaceuticals Limited Vs. Sami Khatib of Mumbai

and Anr. (Supra), even assuming that the Appellant's use of its name is honest, it would make little difference to the question of the grant of the

injunction.

32. As held by the Delhi High Court in the case of M/s. Hindustan Pencils Private Limited Vs. M/s. India Stationery Products Company and Another,

AIR 1990 DELHI 19, which is relied upon in this Judgment of Cadila Pharmaceuticals Limited Vs. Sami Khatib of Mumbai and Anr. (Supra) by

this Court,

Even if in such a case, there may be an inordinate delay on the part of the Plaintiff in bringing a Suit for injunction, the application of the Plaintiff

for an injunction cannot be dismissed on the ground that Defendant has been using the mark for a number of years. Where the infringement is proved,

the ground of delay or laches can only be advanced for the purpose of escaping from the liability of payment of damages and not otherwise.

33. The reliance placed by learned counsel for the Appellant on the Judgment of Unichem Laboratories Limited Vs. Ipca Laboratories Ltd. and Anr.,

in O.O.C.J. Notice of Motion No.2224 of 2010 in Suit No.2117 of 2010, decided on 24th January 2011 by the learned Single Judge of this Court

[Coram : S.C. Dharmadhikari, J.], is misplaced, as it pertains to the 'Principles of Acquiescence and Waiver', which were required to be considered

having regard to the conduct of the parties. Here, I have already held that, the element of acquiescence does not come into play; mainly it being an

action for infringement of the trade mark and, secondly, there is no such conduct on the part of the Respondent, which can give rise to the

interference of acquiescence.

34. In the facts of the present case, it also cannot be said that, there is any delay, much less lapse or acquiescence, on the part of the Respondent in

bringing such action. Respondent has issued the notice in the year 2012 itself and immediately thereafter, has also filed the Suit. If there is delay on the

part of the Court taking up the matter, Respondent cannot suffer for the same.

35. In view thereof, when the Appellant's school name is found to be so similar to the extent of considering it as an imitation of the name of the

Respondent, then no further evidence is required to establish that Respondent's rights are violated. Moreover, in an action for infringement in respect

of the trade marks, which are registered, as held by the

Hon'ble Apex Court in the case of Durga Dutt Sharma Vs. Navaratna Pharmaceuticals Laboratories, AIR 1965 SC 980, for such an action to

succeed, the Plaintiff has to merely show that the essential features of the trade mark have been adopted by the Defendant. This is so, because in

such an action, the Plaintiff exercises or invokes his statutory rights granted under Section 28 of the Trade Marks Act, which gives him the exclusive

right to use the said mark. Therefore, mere failure to sue or mere passage of time, because of the pending proceedings in the Court, when there is

some positive act of infringement, is, in general, not enough to give a defence. A Defendant, who infringes anything of the Plaintiff's mark, can hardly complain, if he is later sued upon it.

Therefore, delay by itself cannot be a sufficient defence to an action for interim injunction, which is one of the ground, on which the relief of interim injunction is resisted in this case.

36. In that view of the matter, when the Trial Court has, after considering the material placed before it showing the infringement of the trade name of the Respondent, restrained the Appellant from using the same by an order of interim injunction, no fault can be found in the impugned order passed by the Trial Court.

37. Though, according to learned counsel for the Appellant, the Judgment of the Trial Court is cryptic, in my considered opinion, the Judgment of the

Trial Court containsÂ sufficient reasons, though it may not be as elaborate as one may expect. On that count, no fault can be found therewith, as the

Trial Court has considered the submissions advanced and the conditions required to grant such interim relief and has passed the impugned order. In

Appeal from such discretionary order, when it is found that the view taken by the Trial Court is not only the possible, but the legal view, no

interference can be justified in the said view at the hands of the Appellate Court, in view of the well settled legal position laid down in the Judgment of

Wander Limited Vs. Antox India (P) Limited, 1990 Supp. SCC 727. As held in the said authority, in such Appeals, the Appellate Court will not

interfere with the exercise of discretion of the Court of first instance and substitute its own discretion, except where the discretion has been shown to

have been exercised improperly or capriciously or perversely or where the Court had ignored the settled principles of law, regulating grant or refusal

of interlocutory application. Hence, the Appellate Court would, normally, not be justified in interfering with the exercise of the discretion under Appeal,

even if had it considered the matter at the trial stage, it would have come to a contrary conclusion. Here in the case, the Trial Court has exercised this

discretion properly, having regard to the infringement of the trade mark and hence, in Appeal from the said order, this Court cannot interfere

therewith.

38. As regards the submission of learned counsel for the Appellant, that, during

pendency of the Suit, Appellant is ready to issue the 'Disclaimer', that Appellant-School is not having any concern with the Respondent-School, this submission also cannot be accepted, having regard to the fact that this is a statutory right of the Respondent to protect its trade name. Moreover, the 'Disclaimer' at times issued is also not the solution, as it may not be sufficient to arrest the confusion or misunderstanding in the minds of the students and the parents, having regard to the use of the word 'Orchid' and 'Disclaimer' may not be given prominently.

39. As a result, the Appeal holds no merits; hence, stands dismissed.

40. In view of the dismissal of the Appeal, Civil Application No.88 of 2017 does not survive and the same stands disposed off as infructuous.