
(2003) 04 MAD CK 0020

In the Madras High Court

Case No : O.A. No. 231 of 2003 in O.P. No. 135 of 2003

Three-N-Products (P) Ltd.

APPELLANT

Vs

Jocil Ltd. and Another

RESPONDENT

Date of Decision : 30-04-2003

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2
Trade and Merchandise Marks Act, 1958 — Section 44, 46, 71, 72, 73

Citation : (2003) 27 PTC 47

Hon'ble Judges : M. Chockalingam, J

Bench : Single Bench

Final Decision : Allowed

Judgement

M. Chockalingam, J.—This application is brought forth seeking for ad-interim injunction restraining the 3rd respondent from registering the

2nd respondent, their agents, representatives, servants, assigns and men as subsequent proprietor of the trademark ""AYUSH"" under No.

472037B in Class 3 pending disposal of the above O.P.

2. Both sides are heard. Affidavit in support of the application and the counter affidavit filed by the second respondent are perused.

3. The applicant herein filed the said O.P. seeking for cancellation of the registration of the trademark ""AYUSH"" under Registration No. 472037B

dated 11th May 1987 on the Registrar of Trademarks, Chennai standing in the name of the 1st respondent. It is alleged by the applicant that the

applicant is the registered proprietor of the trademark ""AYUR"" in various classes ; that the applicant is the owner of the artistic work titled

AYUR""; that the applicant has given wide publicity to its trademark "AYUR" through various advertising medias including television, radio,

newspapers, magazines, periodicals, etc.; that the trademark ""AYUR"" has acquired vast reputation and goodwill; that because of the 2nd respondent's acts of infringement in passing off its own goods under phonetically like sounding trademark ""AYUSH"", the applicant was constrained to file O.S. No. 2 of 2003 on the file of the learned District Judge, Ernakulam against the 2nd respondent, wherein the learned District Judge has passed appropriate orders protecting the rights of the applicant; that in the said proceedings, the 2nd respondent had filed a counter statement stating that it had acquired the rights to the trademark ""AYUSH"" under a deed of assignment dated 15.5.2002 executed in its favour by the 1st respondent; that the trademark 472037B was also due for renewal on 11.6.2001; that despite notice from the Registrar of Trademark, the 1st respondent had not chosen to apply for renewal of the mark; that as on 15.5.2002, the mark had ceased to exist on the records of the Registrar of Trademarks; that the said deed of assignment between the respondents 1 and 2 is invalid; that the third respondent without considering the untenability of the application made by the 2nd respondent and without application of mind has allowed the Registration of trademark No. 472037B in class 3 in favour of the 2nd respondent; that the second respondent has managed to register the impugned trademark ""AYUSH"" by suppressing particulars relevant and by committing fraud; that the application of the 2nd respondent for registering itself as the subsequent proprietor of the impugned trademark should not be allowed without the applicant being given an opportunity of being heard, and hence, the respondents should be restrained by way of interim injunction as asked for.

4. The second respondent in its counter affidavit has averred that the applicant has no locus standi; that the two trademarks "Ayush" and "Ayur" are held to be different and distinct as there is no structural, visual and phonetic similarity and both marks co-exist and validly on register for past many years; that there is no cause of action for initiating the present O.P. as well as the application; that the interim injunction sought for is tantamount to restraining the Registrar of Trademarks from performing his statutory duties imposed by Section 44 of the Trade and Merchandise Act, 1958; that the applicant cannot seek a relief in the nature of final relief by way of ad-interim order; that the applicant by the instant application

would seek a relief militating against the statutory presumption of validity, which is impermissible and ex facie untenable; that all material cause of action pertaining to the assignment has taken place beyond the territorial limits of this Court; that the registration stands correctly on the register and for sufficient reasons of bona fide use as per Section 46; that in the said O.S. No. 2/2003, the learned District Judge, Ernakulam was pleased to modify the order of injunction on 25.1.2003; that against the said order, the applicant filed an appeal in CMA No. 21/2003, wherein the applicant has heavily relied on the ex parte injunction issued by this Court; that the above conduct of the applicant would show that the applicant is treating the Court proceedings as a game just for his personal gains; that the applicant has been seriously indulging in blocking the trademark under all conceivable clauses; that pending the said civil proceedings, the applicant has approached this Court and obtained an ex parte order of injunction by practicing suppressio varii and suggestio falsi; that the original registration was done by the first respondent, and the applicant has failed to point out any wrong in the same that the allegation of collusion is baseless and not supported by any material; that the transfer of the trademark from the first respondent to the second respondent has already been taken place upon the execution of the deed of assignment dated 15.5.2002 and payment of consideration, and hence, the application may be dismissed with exemplary costs,

5. Heard the learned Senior Counsel for the applicant and the learned Counsel for the second respondent.

6. Admittedly, the applicant company adopted the trademark "AYUR" in respect of cosmetic products on and from 1st April 1984. The applicant

has also given particulars of the various pending applications under the Trade & Merchandise Marks Act, 1958 for registration of the trademark

"AYUR". It is also averred that the applicant's various artistic works of "AYUR" are also registered under the provisions of the Copyright Act,

and thus, the applicant on account of the continuous, open and extensive use of the trademark "AYUR", the said trademark has become

household name, and with the huge publicity, the same has acquired vast reputation and goodwill in the public at large. The case of the applicant in

short is that while so, the second respondent has caused infringement by passing off its own goods under phonetically like sounding trademark

"AYUSH", and hence, the respondents 1 and 2 should be restrained from infringing the trademark "AYUR" of the applicant or from using business/trademark "AYUSH".

7. It is pertinent to point out that the first respondent has not filed any counter, but the second respondent has come forward to oppose the

application stating that the first respondent has registered the trademark "AYUSH" in the year 1987 under the category "proposed to be used",

and the same was due for renewal on 11.5.1994, but the first respondent did not choose to renew, and instead, the first respondent has assigned

the same under a deed dated 15.5.2002 in favour of the second respondent for a valid consideration of Rs. 5.00 lacs, and subsequently, the

second respondent has applied in the prescribed manner for the trademark being registered u/s 44 of the Trade and Merchandise Act, 1958 read

with Rules 71 to 78 thereunder. While so, the applicant has brought forth the instant application seeking for interim injunction restraining the 3rd

respondent from registering the 2nd respondent as subsequent proprietor of the trademark "AYUSH".

8. The main contention put forth by the applicant's side is that though the first respondent registered the trademark "AYUSH" on 11.5.1987, the

renewal was due on 11.5.1994; that since no renewal was made in accordance with law, it should be deemed that the said trademark was taken

off from the record of registered trademarks and thus ceased to exist on records on records of the Registrar of Trademarks by reason of the non-

renewal and non-payment of the renewal fee, and as such on the date of the deed of assignment viz. 15.5.2002, there was no property in the

hands of the assignor to assign in favour of the second respondent, and while so, the third respondent without considering the untenability of the

application made by the second respondent and without the application of mind has allowed the registration of the trademark in favour of the

second respondent, and under such circumstances, the third respondent should be restrained from registering the second respondent as the

subsequent proprietor of the trademark "AYUSH". Contrary to the above, what are all contended by the learned Counsel for the second

respondent is that the first respondent was the original owner of the trademark "AYUSH"; that though the same was not renewed in the year

1994, now an application has been filed for the renewal of the same by the second respondent alongwith an application to condone the delay, and

the same is under the consideration of the Registrar; that the removal of the name of the trademark from the Registrar of Trademark is a positive

act to be done by the Registrar and it cannot be deemed to be removed either by the non-renewal or by the non-payment of the prescribed fee,

since it was only a technical requirement, and if the injunction sought for by the applicant is granted, it would tantamount to restraining the Registrar

of Trademarks from performing his statutory duties imposed by Section 44 of the Act; that since the validity of the assignment on 15.5.2002 is the

subject-matter in the main O.P., pending the main question regarding the cancellation of registration, the applicant cannot seek a relief in the nature

of the final relief by way of interim injunction, which would effectively prevent the second respondent from exercising its legal rights as a registered

proprietor.

9. After careful consideration of the rival submissions, the Court is of the considered view that the interim injunction as asked for by the applicant

has got to be granted in its favour.

10. At the outset, it has to be pointed out that the first respondent, who according to the second respondent, is the original owner of the trademark

"AYUSH" which was registered in the year 1987, has not filed its counter either to spell out its case or to deny the averments made in the affidavit

in support of the application for injunction. The second respondent calling themselves as the assignee of the trademark "AYUSH" has contested

the application by stating that a valid assignment was made in its favour on 15.5.2002 in respect of the trademark "AYUSH" and hence its interest

has got to be protected for the present. It is an admitted position that the renewal though was due in the year 1994 was not done. When the

renewal of a trademark becomes due in accordance with the provisions of the Act, even a registered owner of the said trademark, who has not

renewed the same as required by law, cannot make any claim that he continues to be the owner of the said registered trademark. As rightly

contended by the learned Counsel for the applicant, on the day when the assignment was given, no property was available in the hands of the first

respondent to convey in favour of the second respondent. It remains to be stated

that in the instant case, even the renewal application was not filed by the first respondent, but by the second respondent assignee.

11. The contention of the learned Counsel for the second respondent that the balance of convenience would be to allow the status quo to continue

till the disposal of the main O.P. cannot be countenanced. Needless to say that the balance of convenience would differ from case to case

depending upon the facts and circumstances. In the instant case, if the third respondent is permitted to register the name of the second respondent

as the proprietor of the trademark "AYUSH" pending the disposal of the O.P., it would be nothing but inviting the multiplicity of proceedings and

would cause prejudice to the applicant's side. In order to avoid the same, the Court is of the view that interim injunction as asked for has got to be

granted.

12. Accordingly, interim injunction is granted until further orders. This application is allowed. No costs.