

(2010) 04 DEL CK 0365

In the Delhi High Court

Case No : IA No. 12561 of 2009 and IA No. 13358 of 2009 in CS (OS) No. 1839 of 2009

Three-N-Products Pvt. Ltd.

APPELLANT

Vs

Holistic Health Care Pvt. Ltd.

RESPONDENT

Date of Decision : 06-04-2010

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 4
Trade Marks Act, 1999 — Section 21(1)

Citation : (2010) 43 PTC 311

Hon'ble Judges : Rajiv Shakdher, J

Bench : Single Bench

Advocate : Sudhir Chandra, Gopal Trivedi, Sonal Madan and Chetan Chadha, for the Appellant; Ravi Gupta Vikramajit Banerjee and Sumit Attri, for the Respondent

Judgement

Rajiv Shakdher, J.

IA No. 12561/2009 (Order 39 Rule 1 & 2 CPC by pltf.) & IA No. 13358/2009 (Order 39 Rule 4 of CPC by Deft.)

1. By this order, I propose to dispose of the captioned interlocutory applications (hereinafter referred to singularly as "IA" and collectively as "IAs"). IA No. 12561/2009 has been filed by the plaintiff under the provisions of Order 39 Rule 1 & 2 of the Code of Civil Procedure, 1908 (hereinafter referred to as the "CPC") and IA No. 13358/2009 has been filed by the defendant under the provisions of Order 39 Rule 4 of the CPC for seeking vacation of the order dated 25.09.2009.

2. First let me articulate the plaintiffs case.

2.1 The plaintiff was initially constituted as a partnership firm which was reorganized into a private limited company w.e.f. 01.01.1993. The plaintiff claims that it is engaged in the manufacture and marketing of bleaching preparations, soaps, cosmetics, lotions, essential oils, cream, scouring, kumkum, nail polish

and other beauty care products. It is also claimed by the plaintiff that it is in the business of providing services related to health and beauty care for the past several years. The plaintiff also claims that it provides treatment for neuro-muscular disorders, hemiplegia, chronic, rheumatic disorders, neurological disorders etc. and for rejuvenation etc. It is averred that the plaintiff is running an institute under the name "AANB" which is an acronym for "Ayur Academy of Natural Beauty".

2.2 It is further averred that the plaintiff is a registered proprietor of trade mark "AYUR" in classes, 3, 5, 16, 21, 29, 30, 31, 32, 33, 34, 41 and 42. It is averred that the plaintiffs mark "AYUR" has a global reputation which has been bonafidely adopted by it since 1984. It is claimed that since then the plaintiff has been using this trade mark "AYUR" openly, extensively and exclusively in relation to its businesses.

2.3 It is specifically averred that the plaintiff is providing services under class 42 of Fourth Schedule of the Trade Marks Act, 1999 (hereinafter referred to as the "Trade Marks Act") which includes amongst other services, beautician services, massage services, health farm, beauty spa, beauty treatment, manicuring, provision of sauna facilities, solarium facilities, consultancy services, nutrition and beauty care and cosmetic care services.

2.4 It is also averred that the products of the plaintiff falls in various classes including the ones that fall in classes 3 and 5 which are directly related to the services provided by the plaintiff. The plaintiff has further averred that the defendant had sought registration of its trade mark "AYURCARE" in classes 5 and 42 vide two separate applications being No. 1398930 and 1398929 of even date, i.e., 14.11.2005, respectively. These applications were advertised in the trade mark journal bearing Nos. 1373 (Regular) and 1374(Regular) on 01.08.2007 and 16.08.2007. The plaintiff, on coming across the said advertisements of the defendant's mark, filed a notice of opposition in accordance with the provisions of Section 21(1) of the Trade Marks Act.

2.5 It is, in connection with the above, averred by the plaintiff (in paragraph 19 of the plaint) that the defendant in respect of its application under class 5 for registration of its mark "AYURCARE" withdrew the same. For this purpose the plaintiff has relied upon the letter dated 18.01.2008 issued by the defendant's attorneys Daswani & Daswani. It is also averred that the defendant abandoned its other applications filed for registration of its mark "AYURCARE" under class 42. To be noted, this aspect of the matter has been vociferously disputed by the defendant. I have dealt with this aspect in the latter part of my judgment.

2.6 In view of the above the plaintiff has averred that it did not pursue the matter any further; however, in the third week of August, 2009 the plaintiff came across brochures and pamphlets issued by the defendant with respect to free consultation camps, which the defendant was supposed to hold at an Ayurvedic Wellness Center going by the name of "AYURCARE" situate at B-368, 1st Floor,

Meera Bagh, Paschim Vihar, Delhi- 110063. It is averred that the defendant's adoption of deceptively similar trade mark, i.e., "AYURCARE" is malafide. It is stated that the infringement of the plaintiff's trade mark has been carried out by the defendant with the sole purpose of encashing the reputation and goodwill of the plaintiff. It is averred that the plaintiff's registered mark "AYUR" is distinctive of the goods manufactured and sold, as also services offered by the plaintiff. It is thus the case of the plaintiff that not only has the defendant infringed the registered trade mark of the plaintiff, but also has committed tort of passing off its goods and services as those manufactured and rendered by the plaintiff only to make wrongful gains at the expense of the plaintiff. It is further averred that the defendant's trade mark "AYURCARE" is visually, phonetically and structurally similar to the plaintiff's registered trade mark "AYUR", and hence would cause confusion in the minds of unwary customers as to the origin and source of the goods and services offered by the plaintiff.

Defendant's case

3. The defendant claims that it is involved in providing traditional and traditional inspired healthcare services. The said business, the defendant claims, is carried out under the name and style of "AYURCARE" under the tag line "Ayurcare: The Ayurvedic Wellness Centre".

3.1 It is the stand of the defendant that it first started its business in the city of Hyderabad in 2005; followed by a center in the city of Bangalore, in 2007. The defendant contends that at the aforementioned wellness centers it offers various types of therapies and other health care spa services as also services for wellness of body and spirit through both traditional as also modern Indian and International techniques. It is contended that the defendant's centers are popular with the public at large and, have thus been extensively covered by the press. The consequent publicity, that the defendant has received, is evident from the press coverage it has received since 2006. It is contended that even though there has been extensive use of the word mark "AYURCARE" by the defendant since 2006 no action was taken by the plaintiff and consequently the objection, if any, stands waived in respect of the use of the word "AYUR" (as part of its mark "AYURCARE") by the defendant. This is without prejudice to the defendant's right that the plaintiff did not have a legal right in the word "AYUR".

3.2 The defendant has specifically clarified the fact that even though it had filed an application for registration of its mark "AYURCARE" in both classes 5 and 42 of the Fourth Schedule of the Trade Marks Act it had only abandoned its application under class 5 after it was opposed by the plaintiff because of the joint venture business, which the defendant had conceived of which, did not bear fruit. It is specifically denied that the defendant had abandoned its application filed under class 42 as alleged or at all.

3.3 It is contended that the defendant's application for registration of its trade mark filed under class 42 is pending adjudication. It is not disputed, however,

that even the application filed under class 42 by the defendant has been opposed by the plaintiff.

3.4 It is further contended that the plaintiff has never been in the business of providing traditional massage therapies or services which is a business which falls under class 42 of Fourth Schedule of the Trade Marks Act. It is contended that the plaintiff, if at all, is providing such services under the name and style of "AANB Rejuvenation" and not "AYUR". Even though the receipts filed by the plaintiff in respect of the said business are in the name of "Ayur Academy of Natural Beauty" the business is not conducted under the said name. The receipts filed are also for the period of 2006 onwards, which are written in hand, and hence demonstrate that the plaintiff has had a negligible business in this sector. The plaintiff's business in class 42 is restricted to beauty care which is outside the purview of the services offered by the defendant. The word "AYUR" has been adopted by a large number of manufacturers and traders in the market. A large number of registered trade marks have "AYUR" as part of their trade mark, and such goods, are freely available in the market. Therefore, the plaintiff cannot lay an exclusive claim over the word mark "AYUR". The word mark "AYUR" is a generic Hindi word which lacks distinctiveness. On the other hand, the defendant's mark "AYURCARE" is a coined and invented term. The defendant has denied that the word "AYUR" is either distinctive or has become synonymous with the plaintiff in connection with goods and services offered by the plaintiff. It is also denied that the plaintiff enjoys any goodwill and reputation especially in relation to therapeutic services or that the defendant's mark "AYURCARE" is deceptively similar to the trade mark of the plaintiff.

Submissions of Counsels

4. In support of its case Mr Sudhir Chandra, learned senior Counsel appearing for the plaintiff, apart from reiterating the submissions made in the plaint, laid stress and sought to clear the controversy surrounding the averment made in the plaint with regard to the alleged abandonment by the defendant of its application under class 42. It was submitted that in January, 2005 the defendant had applied for registration of the mark Dhanwantri Ayur Clinic The Super Speciality Ayur Vedic Therapy Centre vide application No. 1335151. The said application was filed in class 42. The application was published in the journal 1336 (Regular) dated 15.11.2005. To this application an opposition was filed by the plaintiff on 06.07.2006 vide opposition No. MAS 229516. The defendant chose not to file any counter statement to the opposition. The application was clearly abandoned as is demonstrable from the order of the Deputy Registrar dated 20.02.2008.

4.1 There was another application filed by the defendant being application No. 1398929 dated 14.11.2005 for registration of its mark "AYURCARE" under class 42. This application was published in the trade mark journal as 1374 (Regular) dated 16.08.2007. This journal was made available to the public on 30.10.2007. As is evident, on a perusal of the said application the defendant had indicated that it "proposed" to use the mark.

4.2 It was submitted that there was a third application filed by the defendant being No. 1398930 dated 14.11.2005 for registration of its mark "AYURCARE" in class 5. This application was published in journal 1373 (Regular) dated 01.08.2007. The journal was made public on 25.10.2007. The defendant had claimed user from the date of the application, i.e., 14.11.2005. The plaintiff filed its opposition to the said application vide its opposition bearing No. MAS-713888 dated 15.12.2007. This application the defendant withdrew after an opposition was filed by the plaintiff.

4.3. It was submitted that in view of the defendant having withdrawn its application under class 5 there was, therefore, no user by the defendant of the applied mark in class 5; similarly the abandonment of the defendant of its application No. 1335151 in class 42 for registration of its mark Dhanwantri Ayur Clinic The Super Speciality Ayur Vedic Therapy Centre, after the counterstatement had been filed by the plaintiff would show that it recognized the right of the plaintiff. The learned Counsel submitted that the reason given by the defendant for abandoning its application; which was, the failure of the joint venture was clearly an after thought. It was abandonment of this application in class 42 which led to the inadvertent averment in paragraph 19 of the plaint. 4.4 Mr Chandra submitted that the plaintiff has adopted the mark "AYUR" since 1984. The plaintiff has using the mark extensively for its goods and services. While "AYUR" was used by the plaintiff in respect of its goods under classes 3 and 5 it was extended to services under class 42 in the year 1985. The registration in respect of it was obtained vide certificate bearing No. 1244815 dated 22.10.2003 after services were brought within the ambit of the Trade Marks Act.

4.5 It was further contended that this Court in the judgment entitled Three-N-Products Pvt. Ltd. v. Yaswant and Ors. 2002 (24) PTC 518 (Delhi) has recognized the plaintiff's right in the mark "AYUR". The defendant, on the other hand, has been using the name Dhanwantri Vaidyashala at least till 14.11.2005 since it applied for the mark "AYURCARE" only on 14.11.2005 under classes 5 and 42 of the Fourth Schedule of the Trade Marks Act. In these circumstances, Mr Chandra claimed that it has not only a good prima facie case but the balance of convenience also lie in favour of the plaintiff.

4.6 As regards delay it was contended that delay is no defence in a case of infringement. Reliance in this regard was placed on Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others, . In any event, it was submitted that, there is no delay in filing the suit. The defendant's adoption of the plaintiff mark is dishonest. The learned senior Counsel relied upon the following judgments:

Ayurherbs Pharmaceuticals Private Limited Vs. Three-N-Products Private Limited, ; Laxmikant V. Patel Vs. Chetanbhat Shah and Another, ; Ambalal Sarabhai Enterprises v. Sarabhai Pharmaceuticals and Ors. 1982 PTC 214 ; and Avis International Limited v. Avi Footwear Industries and Anr. AIR 1991 Delhi 22.

5. The learned senior Counsel for the defendant Mr Ravi Chopra, while reiterating the stand of the defendant taken in the pleadings stressed upon the following:

(i) that the interim order was obtained by the plaintiff by misleading the court with regard to the fact that the defendant had abandoned its application under class 42 whereas, the defendant's application was pending adjudication. For this purpose reliance is placed on the written statement made in paragraph 14 of its application under Order 39 Rule 4 of the CPC;

(ii) he further stressed the fact that the plaintiffs registration in class 42 is limited to "beauty care" and hence, would not extend to the therapies and other cognate services offered by the defendant; and

(iii) lastly, that the defendant had applied on 13.10.2009 for cancellation of plaintiff's trade mark under class 42 and the same is pending adjudication.

5.1 In support of its case the defendant placed reliance on the following judgments:

Warner Bros. Entertainment Inc and Anr. v. Harinder Kohli 2008 X AD (D) 508; Om Prakash Gupta v. Praveen Kumar 2001 VII AD (D) 1137; Udai Chand Vs. Shankar Lal and Others, ; Uniply Industries Ltd. Vs. Unicorn Plywood Pvt. Ltd. and Others, and M/S S. M. Dyechem Ltd. Vs. M/S Cadbury (India) Ltd., .

Reasons

6. I have considered the case set up by both parties in their pleadings as well as heard the submission of counsels in support of their respective cases. The plaintiff has undoubtedly obtained registration with respect to the word mark "AYUR" in the following classes: under classes 3, 5, 10, 13, 14, 15, 16, 18, 20, 21, 29, 30, 31, 32, 33, 41 and 42 in India. It has also obtained registration in classes 3, 5, 16, 21, 29, 30, 33 and 42 in Britain and Northern Ireland; under classes 9, 24 and 25 in Bhutan; under classes 5, 16, 21, 30 and 33 in Nepal; under classes 3, 5, 16, 21, 29, 30, 33 and 44 in New Zealand; in classes 3, 5, 16, 21, 29, 30 and 44 in Australia; under classes 3, 5, 16 and 30 in U.A.E.; under classes 3, 5, 16, 21, 29, 30, 33 and 42 in U.K.; in classes 3, 5, 33, and 42 in South Africa; in classes 25, 35 and 41 in Benelux; in classes 3, 16, 29, 30, 31, 41 and 44 in Malaysia; and under class 5 in Pakistan. The plaintiff has also provided his sales revenue figures for the year 1984-85 in which it grossed a turnover of Rs. 1.27 lacs. This has, in the year ending 2006-07, increased to Rs. 48.06 crores. Similarly, the plaintiff has indicated that its advertisement spend has increased for Rs. 4,980/- in 1984-85 to Rs. 42.30 lacs for the year ending 2006-07. Similarly, the plaintiff has also filed copies of magazine entitled "Pearl Beauty" which relates back to July-September, 2003 to demonstrate that it has been offering beauty and health care services which includes personality development, panchkarma (Ayurvedic Therapeutic Treatments), Meditation & Stress Management, Health & Fitness (Yoga, Aerobics & Dance Classes), Abstract Body Art, Acupressure and Su-Jok, Spiritual and Wholistic Healing, Personal

Grooming, Cosmetology and Aesthetic Skin Diploma under "Ayur Academy of Natural Beauty". This title is used alongside the acronym AANB. The plaintiff has also filed invoices of treatments given and fee charged by its division AANB rejuvenation. In my view, the plaintiff has been able to, at least prima facie, establish that the trade mark "AYUR" is well known and associated with the goods and services offered by it. The submission of the defendant that the plaintiff's registration in class 42 is limited to beauty care is not quite accurate. While the academy run by the plaintiff AANB (as indicated above a term which is a shortened version of "Ayur Academy of Natural Beauty") offers courses for both beauty and health care, its division under the name AANB Rejuvenation seems to render services even for health care. The submission of the plaintiff in this regard is, according to me, untenable. A bare perusal of the registration certificate would show that the plaintiff has obtained registration in class 42 for the following services:

Beautician Services, Massage Services, Health Farm, Beauty Spa, Beauty Treatment, Manicuring, Provision of Sauna Facilities, Provision of Solarium Facilities, Consultancy Services in the field of Herbal Remedies, Nutrition and Beauty Care, Cosmetic Research Services included in class 42.

7. The defendant has claimed that it has been in the business of offering traditional health services under the impugned mark "Ayurcare" under the tag line "Ayurcare: The Ayurvedic Wellness Centre" only from 2005. It has admitted that the first centre was opened in 2005 in the city of Hyderabad, while the second centre was opened in Bangalore in 2007. As against this the plaintiff's registration in class 42 relates back to 05.12.2003. The plaintiff has thus made prior use of the mark "AYUR". In these circumstances, I am of the opinion that the plaintiff is entitled to enforce its rights as a registered proprietor of the mark "AYUR". Even if, for the sake of argument, it was assumed that the plaintiff was not in the same line of business as that of defendant, since the plaintiff at least prima facie has been able to establish that its mark is well known and acquired wide reputation not only in India but also in various countries across the globe; the plaintiff ought to in my view be in a position to enforce its statutory rights under the Trade Marks Act, in the circumstances, that the defendant's use of the mark is not only detrimental to the distinctive character and repute of the registered trade mark of the plaintiff but also has been used by the defendant to take unfair advantage.

8. The other submission of the learned Counsel for the defendant that the plaintiff has obtained the injunction by misleading the court seems to have been satisfactorily explained by the plaintiff. It is quite clear that the defendant had abandoned its registration of the mark Dhanwantri Ayur Clinic The Super Speciality Ayur Vedic Therapy Centre filed under class 42 as is evident from the order of the Deputy Registrar dated 20.02.2008. The plaintiff it seems inadvertently referred to defendant's application bearing No. 139829 dated 14.11.2005 filed for registration of its word mark "AYURCARE" in class 42 as the

one having been abandoned. This mistake appears to be unintended. The fact remains that defendant has not only withdrawn its application under class 5 for registration of its mark "AYURCARE" but also, as indicated above, abandoned its application for registration of the mark Dhanwantri Ayur Clinic The Super Speciality Ayur Vedic Therapy Centre filed under class 42. Moreover, the defendant has been an entrant in the business admittedly since 2005, and is said to have acquired exclusive user of the mark "AYURCARE" only in the year 2006; as against this, the plaintiff has been using the mark "AYUR" in relation to its goods and services for a much longer period of time. As indicated above, the plaintiff has expended a vast amount of money towards advertisement and has substantially increased its revenue since its first use of the mark in 1984-85. Therefore, given the large turnover of the plaintiff and the extent of use both in geographical terms as well as in terms of time frame the balance of convenience appears to be in favour of the plaintiff. The defendant, on the other hand, has not made any averment in the written statement or its application under Order 39 Rule 4 of the CPC with regard to its sales revenue or advertisement expense. Taking a holistic view of the matter, I am of the opinion that on a balance the interim order dated 25.09.2009 deserves to be confirmed.

9. The submission of the defendant that the word "AYUR" is common or a descriptive word and hence the plaintiff cannot have monopoly over it is a submission which cannot be countenanced in the facts of the present case at this stage at least. It cannot be said, as absolute proposition of law, that a common or a descriptive word mark cannot attain trade mark significance. Much depends on the distinctiveness that the mark acquires on account of its use by the proprietor. In the instant case at this stage it appears that the plaintiff has been able to demonstrate that the mark "AYUR" has become distinctive of the products and services offered by the plaintiff.

10. The other submission of the learned Counsel for the defendant that injunction should be vacated on the ground of delay in approaching the court is also untenable. The defendant's claim that the plaintiff was aware of the fact that it was using the impugned mark since 2006 is explained, in the facts of this case, by reference to the conduct of the defendant. It is not disputed that the defendant withdrew its application for registration of the mark "AYURCARE" under class 5 which was communicated by the defendant's attorney Daswani & Daswani to the plaintiff vide their letter dated 18.01.2008. It is also not disputed that the defendant had withdrawn its application for registration of its mark Dhanwantri Ayur Clinic The Super Speciality Ayur Vedic Therapy Centre after an opposition was filed by the plaintiff; a fact which came to be recorded in the Deputy Registrar's order dated 20.02.2008. Therefore, there is nothing on record to disbelieve the averment of the plaintiff that they came to know about the defendant's impugned actions only in August, 2009 when they came across of the brochures and pamphlets with respect to the defendant's use of the mark "AYUR" in August 2009. The plaintiff approached the court immediately thereafter, in September, 2009. Therefore, in my view there has not been delay,

of the kind, which would disentitle the plaintiff from seeking protection of this Court. In any event, delay and latches itself cannot come in the way of seeking enforcement of a statutory right conferred on the plaintiff pursuant to registration of its mark "AYUR". see Midas Hygiene (supra) and Bihar Tubes Ltd. v. Garg Ispat Ltd. CS(OS) 1633/2009 dated 26.10.2009.

11. The judgments cited by the defendant in the case of Warner Bros (supra), Om Prakash Gupta (supra) and Udai Chand (supra) are predicated on a deliberate suppression of material facts. As indicated by me above, the plaintiffs assertion with regard to abandonment of the defendant's application under class 42 was unintended. On facts the said judgments are distinguishable.

11.1 The case of Uniply Industries Ltd. (supra) is also distinguishable on facts. In this case the appellant, who was in the business of manufacturing quality plywood, laminates, block boards etc., claimed that it had established its business in 1996 and was selling its goods under the trade marks Uniply, Uniboard and Uniwud. The appellant also claimed before the Court that it has registered office in Tamil Nadu and branches in Kerala, Karnataka and Andhra Pradesh with distributors and agents in Maharashtra, Gujarat, Delhi and Calcutta. The respondent, on the other hand, claimed that it had established a small-scale industry in 1993 in the same field of activity, i.e., manufacture of plywood which was sold under the trade mark Uniply, Uniboard and Unidoor. Both the appellant and the respondent filed suits in the year 1999. While temporary injunction in the case of respondent was declined, an interim order came to be passed in the appellant's case, which was revoked subsequently, on the trial court taking the view that the respondent had been able to establish that it had set up its factory in 1993-94 and, since then have been using the aforementioned marks. It is in these circumstances that the court in paragraph 7 observed that:

7. It is no doubt true that advertisement of goods had been made by the respondents in 1993 itself. Whether that was followed up by goods being dealt with the trade marks in question is not clear as is to be seen by the following discussion:....

11.2 After posing the question the court came to the conclusion that in this case the trial court will have to come to a conclusion with regard to prior user. The court below according to the Supreme Court merely looked at the prima facie case when it was required to consider other aspects of the matter, including the fact that the appellant may have honestly and concurrently used the trade mark. It is, in these circumstances, the Supreme Court declined to grant injunction either in favour or against the appellant.

11.3 In the instant case, as discussed above, the plaintiff has obtained a registration in class 42 which relates back to 05.12.2003. The defendant has admitted use of the mark only since November, 2005 onwards when an application for registration of the mark "AYURCARE" in class 42 was filed. The defendant has admittedly abandoned its earlier registration under class 42 as

noticed above, as also in class 5. Therefore, on facts the case of Uniply Industries Ltd. (supra) is not applicable.

12. It may only be pointed that S.M. Dyechem Ltd. (supra) stands overruled by the judgment of a larger bench in the case of Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. (2001) 2 SCC 73. The learned senior Counsel for the defendant has relied upon the observations made in paragraph 19 to 21 of the judgment. Applying the principle enunciated in the case of S.M. Dyechem Ltd. (supra) bearing in mind that the said observations perhaps remained unaffected by the decision in Cadila Health Care Ltd. (supra) and on a comparative assessment of the plaintiff case with that of the defendant in the instant case, I am not persuaded to hold that the plaintiffs case is weak. On the other hand, in view of the discussions above, I am of the view that the plaintiff has made out a strong prima facie case as also the balance of convenience is entirely in favour of the plaintiff. In the event the interim order dated 25.09.2009 is not confirmed the plaintiffs interest may be jeopardized.

13. Accordingly, in my considered opinion the injunction order dated 25.09.2009 is confirmed. IA No. 12561/2009 of the plaintiff is allowed and that of the defendant being: IA No. 13358/2009, is dismissed. Needless to say any observations made hereinabove will not be held against the defendant at the stage of final adjudication.