

(1998) 10 DEL CK 0023

In the Delhi High Court

Case No : FAO 26/96 and CM No. 303/96

T.T.K. Prestige Ltd. and Another

APPELLANT

Vs

Har Prasad Gupta and Others

RESPONDENT

Date of Decision : 13-10-1998

Acts Referred:

Citation : (1999) 77 DLT 357 : (1999) RLR 537

Hon'ble Judges : S.N. Kapoor, J

Bench : Single Bench

Advocate : Mr. Dharmendra Tyagi, for the Appellant; Mr. R.N. Prabhakar, for the Respondent

Judgement

S.N. Kapoor, J.—This FAO is directed against an order of dismissal of the application under Order 39 Rules 1 and 2 read with Section 151 CPC for injunction restraining the respondents from using the registered trade mark PRE/STAGE or any other deceptively similar trade mark and from committing infringement of appellants, registered trade mark. "PRESTIGE" during the pendency of the suit.

2.1 First, the facts in brief :

2.2 According to the appellant's case the trade mark "PRESTIGE" was registered under registration No. 141602 in class 21 in respect of non-electric cooking utensils, including pressure cookers on 14th December, 1949. On 12th January, 1957 name of the registered proprietor the trade mark was changed to "The Prestige Group Ltd., Prestige House, 14-18 Holborn London". On 7th March, 1958, appellant No.1 earlier known as T.T. Pvt. Ltd. was appointed as licensee to use the trade mark "PRESTIGE", in relation to pressure cookers manufactured and sold in India. It is stated that the appellant No. 1 has been using the trade mark PRESTIGE in India since 1957. On 4th October, 1985, the registered proprietor assigned the trade mark No.141602 in favor of the appellant No. 2 Prestige Housewares India Ltd., a joint venture floated in 1985 by Prestige Group

(U.K.) and T.T. Pvt. Ltd. (appellant No.1) by a deed of assignment duly recorded by the Registrar of Trade Marks. As such appellant No. 2 is the registered proprietor having exclusive right to use the trade mark PRESTIGE. It is claimed by the appellant that their sales which were Rs.1.33 lacs in the year 1959 had gone up to Rs.1576.11 lacs in the year 1985. Similarly, their cost of advertisement which was just Rs.2,000/- in the year 1959 has gone up to Rs. 115.57 lacs by advertisement through various medias. Thus, appellant No. 2 is the registered proprietor of the trade mark PRESTIGE and owner of the goodwill that vest in the said trade mark.

2.3 In the year 1986, the appellant learnt about the sale of pressure cookers under the trade mark PRE/STAGE. However, the appellant could not trace out the person who was manufacturing the PRE/STAGE pressure cookers. Appellant No. 2 filed criminal complaint u/s 78 and 79 of the Act before the Chief Metropolitan Magistrate, Delhi. Several warrants were issued; raids were conducted and seized pressure cookers bearing the trade mark PRE/STAGE were seized from the premises of the respondent. The respondents stopped manufacturing. Consequently, the infringing goods disappeared from the market. The appellant presumed that pursuant to criminal case, the respondents have discontinued the infringing activities.

2.4 In November, 1989, the appellant came across the advertisement of the respondent's trade mark application No. 443514 in Trade Marks Journal No. 970 dated 1st November, 1989. The appellant filed opposition and objected to the registration. In July, 1990, the appellant learnt that the respondents had started re-selling the pressure cookers under the trade mark PRE/STAGE.

2.5 Ultimately, seeing that the respondents have re-started selling pressure cookers in July 1990, a suit was filed in January, 1991 seeking an injunction as mentioned herein above, along with injunction application.

3. It is claimed by the respondents/defendants that M/s. Gupta Light House is a partnership firm engaged in manufacture and merchandise of gas lanterns, Hurricane lanterns, stoves, blow lamps, pressure cookers and parts thereof since 1972 under trade marks PRE/STAGE and PRESTIGE. Trade mark PRE/STAGE is registered at No. 283753-B in Class 11 of the Fourth Schedule under the Trade and Merchandise Rules (hereinafter referred to as "The Rules" for short) as of 27th October, 1972. The trade mark PRESTIGE is registered at No. 335436-B in Class 11 of the Fourth Schedule of the Rules as of 7th April, 1978 in respect of Hurricane lanterns, stoves, blow lamps and parts thereof. Respondents applied for the registration of trade mark PRE/STAGE in respect of pressure cookers with user from 1972. Hence, the plaintiffs/respondents are prior adopter and user of the trade mark PRE/STAGE and PRESTIGE on 25th September, 1985 vide application No. 443514 in respect of pressure cookers included in Class 21 claiming user of the said trade mark since 1972. On 29th December, 1989 the appellant No. 2 M/s. Prestige Housewares India Pvt. Ltd. filed opposition DEL-6540 on the ground that they were registered proprietor of the trade mark

PRESTIGE registered No. 141602 in Class 21 dated 14th December, 1949 in respect of non-electric cookers and kitchen utensils none being of precious metal or coated therewith which mark was originally registered in the name of Prestige Group (U.K.), England. Subsequently, a deed of assignment dated 4th October, 1985 was also filed claiming exclusive right with regard to said trade mark all over India. It is claimed that the respondent company being proprietor of the trade mark PRE/STAGE in respect of pressure cookers with user from 1972. Hence, the plaintiffs/respondents are prior adopter and user of the trade mark PRE/STAGE and PRESTIGE having vested right in his favor in terms of Section 33 of the Trade and Merchandise Marks Act, 1958 (hereinafter called "the Act" for short). It is claimed that the trade mark PRESTIGE registered No. 141602 dated 14th December, 1949 is void in law. In any case, the appellant No. 2 being the subsequent proprietor of the trade mark PRESTIGE registration No.141602 but the appellant No.2 has never used the trade mark in respect of goods rather has illegally authorised without proof and record M/s. T.T.K. Pvt. Ltd. to use the said trade mark in respect of the goods. The appellants could not produce even a single document showing manufacture and sale of pressure cookers under the trade mark Prestige. No confusion or deception either phonetically, visually, structurally had ever occurred and the idea represented therein is also not similar between the trade marks.

4. According to the appellant, the learned Additional District Judge dismissed the application seeking ad interim injunction without considering the deceptive similarity of the competitive trade marks.

5. Feeling aggrieved, the present appeal has been filed.

6. I have heard learned counsel for the parties and gone through the record. This case relates to infringement of trade mark. It is an undeniable fact that the respondents have got trade mark PRE/STAGE registered with effect from 27th October, 1972 in respect of gas lanterns, stoves, blow lamps and parts thereof and trade mark PRESTIGE with effect from 7th April 1970 in respect of "hurricane lanterns, stoves, blow lamps and parts thereof." It is also evident that it is only on 25th September, 1985 the respondents applied for registration of trade mark "PRE/STAGE" in respect of pressure cookers included in class 21 claiming user of the said trade mark since 1972.

7. Insofar as the question of registration of proprietorship of trade mark "PRESTIGE" is concerned, according to the appellant's case, the appellant No. 2 is the registered proprietor of trade mark PRESTIGE and appellant No.1 is a licensee and thereby having an exclusive right to use of the trade mark PRESTIGE for pressure cookers in India. It is submitted that though the appellant's trade mark was registered in 1949, it is in use since 1957; hence defense of Section 33 was not available to the respondents. In this connection, it is also contended that in terms of Section 2(1)(q), the term "registered, proprietor" in relation to trade mark means the person for the time being entered in the register as proprietor of the trade mark. Section 28 confers exclusive right

to the use of registered trade mark on the registered proprietor. In terms of Section 31, the original registration of the trade mark and all subsequent assignments and transmissions of the trade mark shall be prima facie evidence of the validity thereof. Consequently, the registration of the appellants and subsequent assignments are prima facie valid and cannot be questioned in the present proceedings for, according to Section 32 the trade mark registration is conclusive valid after seven years. Accordingly, the learned trial court could not have ignored these aspects while deciding the application. The infringing trade mark is deceptively similar and the respondent's claim to have used the trade mark since 1972. This itself is after 23 years from the date of registration and after five years of the actual use.

8. There is no dispute that trade mark "PRESTIGE" No.141602 dated 14th December, 1949 was registered since 14th December, 1949 and the claim that appellant No.2 is the registered proprietor of the trade mark cannot be legally questioned so long it is not cancelled. This registration is in relation to Class-21 in respect of non-electric cooking and kitchen utensils which include pressure cookers. The said trade mark has been renewed from time to time.

9. According to Section 2(1)(q) of the Act, a "registered proprietor" in relation to a trade mark means the person for the time being entered in the register as proprietor of the trade mark. And as has already been mentioned, appellant No.2 is its registered proprietor. Section 28 of the Act confers following rights:

"28. Rights conferred by registration. (1) Subject to the other provision of this Act, the registration of a trade mark in Part A or Part B of the register shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations in which the registration is subject.

(3) Where two or more persons are registered proprietor of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective right are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."

10. It is evident that the registered proprietor of the trade mark has the exclusive right to use the trade mark in relation to the goods in respect of which trade mark is registered and to obtain relief in respect of infringement of the

trade mark.

11. In view of the case of the respondent at the time of registration of the trade mark in the year 1949, the respondent firm was not in existence before 1972. Supposing the respondent started using the trade name "PRESTIGE", it amounted to infringement. Section 29 virtually clarified the scope of infringements. It reads as under:

"29. Infringement of trade marks. (1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or a registered user thereof using by way of permitted use, uses in the course of a trade mark which is identical with, or deceptively similar to, in trade mark, in relation to any goods in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) In an action for infringement of a trade mark registered in Part B of the register an injunction or other relief shall not be granted to the plaintiff if the defendant establishes to the satisfaction of the court that the use of the mark of which the plaintiff complains is not likely to deceive or cause confusion or to be taken as indicating a connection in the course of the trade between the goods in respect of which the trade mark is registered and some person having the right, either as registered proprietor or as registered user, to use the trade

12. It is apparent that when the respondent started using the trade mark "PRESTIGE" in relation to goods other than goods of Class-21 then he could not have used the trade mark, for the word, "PRESTIGE" is identical with and PRESTAGE is deceptively similar to the trade mark in relation to any goods in which the trade mark PRESTIGE stands registered in the name of appellant No.2. This trade mark registration is conclusively valid after 7 years since the appellant's registration is conclusively valid after having been registered in 1949 since 1956. It may be mentioned that according to Section 33 of the Act:

"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 marks 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 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."

13. In order to defeat right to registered proprietor the use of impugned trade

mark by the respondents should be prior to the use of the registered trade mark as well as the date of registration either by the proprietor or predecessor in interest or to the date of registration of trade mark PRESTIGE in respect of the goods confined to Class-21. Here in this case, the respondents had no right, title or interest in the trade mark in relation to goods under Class-21 and could not get any right, title or interest in the trade name in relation to particular goods of class 21 specially the pressure cooker. The question which is required to be considered is, Therefore, whether u/s 33 of the Act, respondents would have any right to use the trade mark in respect of the goods under Class-21. It may be mentioned that so far as challenging the validity of the trade mark is concerned, it could be done only u/s 111 of the Act on certain specified grounds. It does not appear in this case that any steps have been taken by the respondents u/s 111(1). No such rectification proceedings have been filed by the respondents and as such, the question of validity or invalidity of the appellant's trade mark could not have been gone into.

14. Insofar as protection u/s 12(3) of the Act is concerned, Section 12(3) also provides the concurrent user provided the trade mark related to the same goods or description of goods. Here in this case, it is apparent that the respondent was earlier manufacturer of the goods of Class-11 and not Class-21. Class-11 and Class-21 read as under:

"11. Installations for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.

21. Small domestic utensils and containers (not of precious metal nor coated therewith); combs and sponges; brushes (other than paint brushes); brush making material; instruments and material for cleaning purposes; steelwool; glassware, porcelain and earthenware not included in other classes."

15. Supposing gas lanterns, stoves and blow lamps were being manufactured by the respondents, they were not manufacturing any pressure cookers in 1949. Pressure cooker is totally different item. In terms of Section 12(3) of the Act, since the respondents were not manufacturing pressure cookers they had no vested right which could be protected u/s 12(3), for the trade name was not used by the respondents before registration of the trade name "PRESTIGE" in respect of pressure cookers in favor of the appellants. The registration of trade mark "PRESTIGE" in respect of Hurricane lanterns, stoves, blow lamps and parts thereof in 1978 is also of no help to the respondents in the light of the above discussion.

16. As such, there is no manner of doubt that: firstly, trade mark "PRESTIGE" was registered prior in time in favor of the appellant No.2 and registration in favor of the respondent is in dispute for appeal is pending. It is not a case of a person who did not know the importance of registration of the trade mark and about infringement of the same. If the respondents knew that the appellants are the registered owners of the trade mark "PRESTIGE" in respect of pressure

cookers and the appellants were not using the trade mark as has been sought to be made out though disputed and to a certain extent contrary to the evidence on record, the respondents were supposed to move for cancellation and rectification of the trade mark u/s 111. They did not take any such step. When the criminal action was taken against the respondents, it is not pointed out that they asserted that they were manufacturing pressure cookers and trading since 1972. It is only subsequently they moved an application for registration of the trade mark "PRESTIGE".

17. However, it is also an undisputed fact that despite opposition by the plaintiff/appellant the application of the respondents for registration of the similar trade mark was allowed on 23rd December, 1994. CM (M) No.125/95 was filed wherein vide order dated 13th March, 1995, though the order of the Registrar had not been stayed, there is statement of the counsel for the respondent that the respondent would not take certificate for the time being.

18. Insofar as the date of registration of the trade mark of the plaintiff/appellant is concerned, there is no dispute that the registration of trade mark "PRESTIGE" has taken place with effect from 14th December, 1949 vide registration No. 141602 relating to goods of Class-21 (non-electric and kitchen utensils none being of precious metal or coated therewith). It is not the case of the respondents that they were doing any business before 1972 nor it is their case that they were dealing with non-electric and kitchen utensils in Class-21 prior to 14th December, 1949. Once this fact goes unchallenged, it becomes evident that prima facie case would tilt in favor of the appellant in terms of judgments in *M/s. Avis International Ltd. Vs. M/s. Avi Footwear Industries and another*, AIR 1991 Delhi 22 and *Chaurasia Tobacco Co. Vs. Bhagwan Dass & Others*, 1988 PTC 192. Section 28 of the Act gives the plaintiff exclusive right to use the trade mark to the registered proprietor and a temporary injunction could have been issued.

19. But the matter is not so simple; it has become slightly complicated for rightly or wrongly the Register has registered the trade mark "PRESTIGE" in the name of the defendant/respondent also vide order dated 23rd December, 1994. This has complicated the whole matter. As such, presently there are two parties who have got the registered trade mark "PRESTIGE". Both the trade marks are phonetically similar. In a similar situation in *P.M. Diesels Private Limited Vs. Thukral Mechanical Works*, it was observed that both the plaintiff as well as the defendant otherwise have the same statutory rights as against other persons as they would have if they were the sole proprietors. Section 28(3) of the Act protects the proprietary rights of both the plaintiff/appellant as well as the defendant/respondent. They would be entitled to take action against any one if the trade mark is infringed. But neither the plaintiff nor the defendant is entitled to take action against each other because both of them are registered proprietors of identical trademarks. Therefore, even though the plaintiff/appellant has filed an application in the High Court by filing CM (M) No. 125/95 for deletion of the name of the defendants/respondents from the trade mark register, the

registration of trade mark in the name of the defendants/respondents could still be valid subject to statement made by the counsel for the defendants/respondents or final decision in that matter.

20. Moreover, there are disputes relating to actual user, acquiescence and delay. So far as acquiescence is concerned, I am not inclined to accept that facts indicated acquiescence in view of the criminal action taken, the search made. Similarly, the question of delay is also a disputed question in view of the stand taken by the parties and it could not be decisively stated at this stage that there is delay or no delay. I need not express any opinion about those distinctive features at this stage in the facts and circumstances of this case, for it is a case of infringement and not of passing off.

21. For the foregoing reasons, it appears that in peculiar circumstances of this case, the only way open for this Court is to follow ratio laid down in P.M. Diesels Pvt. Ltd. Vs. Thukral Mechanical Works (supra) by protecting the interest of both the parties and both the parties should be allowed to use their registered trade marks subject to the following conditions:-

(i) that both the parties shall submit quarterly statements of their production as well as sales; and

(ii) that both the parties shall furnish bank guarantees to the tune of Rs. 5,00,000 (Rupees five lakhs) each to compensate opposite side, in case the suit is decided on merits against either of the parties.

(iii) that this order shall not amount to any interference for modification in the undertaking/or statement given by the learned counsel for the respondents or any order that has been passed or may be passed in CM(M) 125/95 pending in between the parties.

(iv) In case of cancellation of registration of the trade mark PRESTIGE in favor of the respondent the respondent shall stand restrained from manufacturing or marketing pressure cookers under the trade name PRESTIGE.

22. FAO 26/96 and CM No. 303/98, both stand disposed of accordingly.