
(1993) 04 DEL CK 0026

In the Delhi High Court

Case No : Interim Application No. 8730 of 1992 and Suit No. 2113 of 1992

Vijay Foam and Company

APPELLANT

Vs

V.K. Bajaj and Company

RESPONDENT

Date of Decision : 30-04-1993

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1

Citation : (1997) 2 ARBLR 397 : (1993) 51 DLT 403 : (1993) 26 DRJ 511

Hon'ble Judges : Dalveer Bhandari, J

Bench : Single Bench

Advocate : V.P. Ghiraya, C.M. Lal and S.S. Rana, for the Appellant;

Judgement

Dalveer Bhandari, J.

1) The plaintiff filed a suit for perpetual injunction against the defendant praying that the defendant be restrained from using the trade mark Royall TOUCH/Royall or any other Trade Mark as may be identical with or deceptively similar with Royall:

(2) It is averred in the plaint that since 1961, the plaintiff has been carrying on well established business as manufacturers and merchants of brassieres and panties. The plaintiff has been: using the Trade Mark "Royall" for the purposes of marketing their product in the market. The aforesaid Trade Mark "Royall" of the plaintiff is registered under no. 325263 as dated 20thMay, 1977. The aforesaid Trade Mark was advertised in the Trade Marks Journal no.730 dated 1st November, 1979 at page 941.

(3) The plaintiff got its Trade Mark "Royall" renewed from time to time and the same still remains valid on the records of the Trade Marks Registry. Therefore, the plaintiff has got an exclusive right to use the said Trade Mark.

(4) The Trade Mark of the plaintiff has acquired good reputation in Delhi, particularly in the Sadar Bazar and adjoining Commercial areas of Delhi. The

products of the plaintiff under the Trade Mark "Royall" connotes and denotes the goods and merchandise of the plaintiff and none else. The Trade Mark has acquired unique reputation in the minds of purchasing public at large and trade, so much so, that people have come to identify, recognise and associate the Trade Mark "Royall" with the plaintiffs goods. It is averred in the plaint that the plaintiffs sales run in several lakhs of rupees.

(5) Defendant M/s V. K. Bajaj & Co. is also engaged in the business of manufacturing and marketing of "Brassieres and Panties" and other cognate and allied goods, which are meant for the same purpose under identical and deceptively similar Trade Mark "Royall TOUCH/Royall"

(6) It is submitted by the plaintiff that the use of Trade Mark "Royall TOUCH/Royall" by the defendant is bound to cause suspicion/deception amongst the purchasing public and trade, which will undoubtedly be misled into thinking that defendant's goods bearing the Trade Mark "Royall TOUCH/Royall" also originate from plaintiffs source and goods and business of the defendant is connected with the plaintiff in one Or the other manner and the defendant must be a sister concern.

(7) The adoption and use of Trade Mark "Royall TOUCH/Royall" by the defendant in respect of brassieres, panties and other cognate and allied goods is mala fide and fraudulent, actuated solely with a view to earn easy and illegal profits for itself, encashing upon the vast reputation and goodwill of the plaintiff by deceiving the purchasing public and trade into thinking that the defendant's goods and business are same as that of the plaintiff.

(8) It is averred in the plaint that the cause of action of the present suit arose in the month of February, 1992 when the plaintiff came to know about the illegal trade activities of the defendant. The plaintiff filed this suit on 27th May, 1992 before this court. The suit was registered by this court on 15th July, 1992. The defendant appeared and sought time to file the written statement and reply to the interim application. The defendant Along with the written statement has also filed counter-claim under the provisions of Order 8 Rule 6A of the CPC (CPC Amendment Act, 1976).

(9) In the written statement, the averments incorporated in the plaint have been denied. It is mentioned that the Trade Mark advertised in Journal no.730 dated 1st November, 1979 on page 941 does not belong to Vijay Foam & Co. The said advertisement shows that applicant proprietors to be "Lakshmi Dass, Satpal and Raghubir Chander trading as Vijay Foam & Co.". Since the filing of the application on 28th May, 1977, Lakshmi Dass has died and the said firm stands dissolved. The trade mark in question could not belong to a dissolved firm nor could the suit be filed by such a firm. It was denied that the plaintiff is the registered proprietor of trade mark registration no.325263. It is denied that the Trade Mark registration no.325263 is valid or subsisting or in full force. The said registration has not been renewed after 20th May, 1991.

(10) In reply to para 4 of the written statement, it has been mentioned that Trade Mark Royall is common to the trade and is being used by number of parties marketing brassieres. It is also registered or applied for in the name of number of parties. It is further submitted that Trade Mark Royall is not distinctive of the plaintiffs goods. The defendant in the written statement also stated that there is no likelihood of confusion or deception between the Trade Mark Royall and Royall Touch when compared as a whole. Even otherwise, as fairly used, the two Trade Marks have not caused nor are likely to cause any confusion.

(11) It is further submitted by the defendant that the plaintiff has known since August 1988 of the defendant's business but took no steps to prevent the defendants from using the Trade Mark Royall Touch.

(12) The defendants by virtue of the provisions of Order 8 Rule 6A, CPC has filed a counterclaim for rectification of Registration no.325463 in class 25. Mr. Rana, learned counsel for the defendant sought rectification of the register u/s 56 and Section 32 (b) and (c) of the Trade & Merchandise Marks Act, 1958. According to him, the registration of fends against the provisions of Section 11 of the Act on the date of commencement of rectification proceedings and that the trade mark is not distinctive of the goods of the registered proprietor on the date of the commencement of the rectification proceedings which in the present case would be the date on which the defendant's counter claim was filed. Learned counsel has drawn the attention to Section 56 and 107 of the Trade and Merchandise Marks Act, 1958 to demonstrate that High Court has jurisdiction to rectify the register of trade mark.

(13) The main submission of the Learned counsel for the defendant has been that the Trade Mark Royall is in use by several parties for the same and similar goods and has, Therefore, become public Jurisdiction or in other words, common to the trade. He has submitted that the defendant has also filed particulars of several registrations and pending applications in class 25, the essential feature of which is word Royall, particulars of which are:-

NO. T.M. REGN.NO. Proprietor user Goods Since 1. Royall 284422 Royall Products 1965 Collars (Shirts) & Interlining material (insertions) for collars. 2. Royall 334432B Royall Knitwear 1.3.77 Nylon shorts, briefs, shirts & children wear 3. Royall 335308B Interco Prop. Boots and shoes Imperial 4. Royall 351422 Warner Knit Prop. Hosiery including Sallow tape banyans, knitted, under wear, jatti's undergarments, brassieres, petty coats,readymade garments socks for wear 5. Royall 458399 Sita Trade 1.7.1986 Readymade Garments and hosiery 6. Royal 437329B Navratna 4.10.1984 hosiery including Touch Mills banyans, knitted underwears, jatti's brassieres, under garments, etc. 7. Royall 358244 Ajanta 1.4.1977 Readymade Garments Touch Mills and hosiery 8. Royall 410807 Deshbandhu 1942 Vests, genji, drawers, Tex hose, slippers, etc.

(14) Learned counsel has submitted that Section 28 of the Trade & Merchandise Marks Act, 1958 confers a right only on the registered proprietor of the trade

mark and nobody else. The plaintiff in the present case has not established his proprietorship to the trade mark Royall. Mr. Rana, learned counsel for the defendant submitted that the plaintiff has deliberately avoided filing the certified copy of the registration on which he is relying. The certificate of registration filed by the plaintiff cannot be taken into consideration in legal proceedings and Learned counsel has invited the attention of the court to Rule 65 which is reproduced hereunder:-

".....(2) The certificate of registration referred to in sub-rule (1) shall not be used in legal proceedings or for obtaining registrations abroad."

(15) Learned counsel has also submitted that by virtue of the provisions of Section 44(2) of the Act, no document or instrument should be admitted as evidence by the Hon"ble Court in proof of title to the trade mark by assignment or transmission in respect of which no entry has been made in , Register of Trade Marks.

(16) Mr. Rana, learned counsel for the defendant submits that the certificate of registration filed by the plaintiff cannot be taken into consideration because of bar of Rule 65 which is reproduced hereunder:-

".....(2)the certificate of registration referred to in sub-ruled) shall not be used in legal proceedings or for obtaining registrations abroad."

(17) Section 125 of the Trade and Merchandise Marks Act, 1958 provides for obtaining certified copies of the entries made in the register. The plaintiff has deliberately not invoked the provisions of this section to withhold and hide certain important facts from the Court. The photo copy of the certificate filed in court does not show what is written on the reverse of the certificate. On the reverse of the original, it is clearly stated that the certificate cannot be produced in legal proceedings.

(18) It is mentioned in the replication that the Trade Mark Royall advertised in the Trade, Marks Journal, shows the proprietor to be Shri Lakhmi Dass, Satpal and Raghbir Chander trading as Vijay Foam & Co. These contents are wrong and denied. It is reasserted that the plaintiffs have been using the Trade Mark Royall since the year 1961 and aforesaid Trade Mark Royall of the plaintiff is registered under No.325263 as dated 20.5.77 in respect of brassieres and the said Trade Mark of the plaintiff is valid, subsisting and effective and the plaintiff, has got exclusive right to use the said Trade Mark under the provisions of the Trade and Merchandise Marks Act, 1958. In the replication, it is mentioned that the defendants Trade Mark Royall Touch was never registered in favor of Navratna Mills of Tirupur on the day when the assignment deed was executed in favor of the defendant M/s Navratna MILLS. It is evident from the advertisement of Trade Mark Royall Touch in the Trade Marks Journal no: 1006 dated 1.5.1991 that the Trade Mark Royall Touch under no.43732913 was not registered on the date of assignment deed and merely filing of application for registration and/or acceptance of application for advertisement in the Trade Mark Journal and/or

advertisement in the Trade Mark Journal does not confer any statutory rights over the Trade Mark till the registration certificate is issued. It is further submitted that the deed of assignment not signed by all the Navratna Mills of Tirupur is infructuous and invalid under the law in force.

(19) It is re-asserted in the replication that the plaintiff for the first time came to know of the wrongful activity of the defendant in the month of February, 1992, thereupon a notice to cease and desist forthwith from the use of Trade Mark Royall Touch was issued by Atul Trade Mark Company by letter dated 15.2.1992. It is categorically mentioned in the replication that the Trade Mark Royall Touch/Royall by the defendant is ill-motivated, dishonest and fraudulent. The Trade Mark Royall Touch/Royall used by the defendant is bound to cause confusion and deception among the purchasing public and amounts to infringement of registered trade mark and passing off goods and business of the plaintiff.

(20) The plaintiff submitted that the counter claim of the defendant against the plaintiff is not maintainable and is liable to be dismissed in limine as the same has not been filed in accordance with the provisions of the Civil Procedure Code. The counterclaim has not been properly valued for the purpose of court fee and jurisdiction and court fees have also not been paid. Any of the reliefs in accordance with the provisions of law.

(21) The rival contention of the plaintiff and the defendant have to be adjudicated and decided in the light of the settled position of law which has been crystallized in the number of judgments.

(22) Learned counsel for the plaintiff submitted that he has a strong prima facie case in his favor and the balance of convenience, is also clearly in his favor, Therefore, in the facts and circumstances of this case and in the interest of justice, this court should restrain the defendants from manufacturing, selling or advertising the defendants' products under the Trade Mark Royall or Royall Touch. Learned counsel has placed reliance on large number of judgments in which courts have granted injunctions to the plaintiff therein."

(23) Learned counsel also placed reliance on Kedar Nath Vs. Monga Perfumery and Flour Mills Delhi-6, . In this case, the court has held that, "Once the Court is satisfied that the impugned carton or mark of the defendant is a colourable imitation or is substantially similar so as to cause confusion in the mind of the purchaser then there is sufficient justification for restraining the defendant from continuing to make use of that label or mark. The court in this judgment placed reliance on Mohamed Minhajuddin Vs. Ahmed Khan, .

(24) LEARNED.COUNSEL further cited the case Pidilite Industries Pvt. Ltd. Vs. Mittees Corporation and Another, . In this case, the court has observed that, "At the stage of granting injunction in a suit against infringement of trade mark the court has to form only prima facie opinion on the question whether the two marks and containers are deceptively similar or not and is it likely to cause deception or not to an average customer.

(25) Learned counsel has also placed reliance on Century Traders Vs. Roshan Lal Duggar Co., . The Division Bench of this Court in the said judgment has held that "in an action for passing off, in order to succeed in getting an interim injunction the plaintiff has to establish user of the mark prior in point of time than the impugned user by the defendants. The registration of the mark or similar mark prior in point of time to user by the plaintiff is irrelevant in an action for passing off and the mere presence of the mark in the register maintained by the trade mark registry does not prove its user by the persons in whose names the mark is registered and is irrelevant for the purposes of"deciding the application for interim injunction unless evidence has been led or is available of user of their registered trade mark. Learned counsel also referred to and relied upon B.K. Engineering Co. Vs. Ubhi Enterprises (Registered) and Another, . In this case, the Division Bench of this court while granting the plaintiff temporary injunction observed that Competition must remain free. This is the life blood of free enterprise system. Yet it is essential that "trading must not only be honest but must not even unintentionally be unfair." If it is shown that a product or a business of a trader has acquired a distinctive character the law will restrain a competitor from using. that other"s name. A line must be drawn somewhere between honest and dishonest trading, between fair and unfair competition."

(26) Learned counsel for the plaintiff submitted that since T.M. 24 has already been filed with the: Trade Marks Registry for necessary changes in Register of Trade Mark in respect of plaintiffs registered Trade Mark. It was further submitted that as soon as T.M. 24 is filed for change the Register of Trade Mark and/or transferred the registered Trade Mark in favor of all the three partners and is pending in the office of Trade Marks Registry, it would not debar to protect the violation of its trade mark at the hands of unscrupulous persons by filing an action in Court of Law for injunction., and, Therefore, defendant could not be allowed to make use of the Trade Mark Royall TOUCH/ RoyallL. In support of his contentions. Learned counsel placed reliance on T.I. Muhammad Zumoon Sahib Vs. Fathimunnissa alias Bibijan and Others, , Hindustan Lever Ltd. v. Bombay Soda Factory, Air 1964, Mys 174, and M/s. Modi Threads Limited Vs. M/s. Som Soot Gola Factory and another, .

(27) Learned counsel has also relied on the Judgment of this court delivered by D.K. Jain, J. in M/s Coolways India vs. M/s Prince Air Con/Refrigeration, I.A.NO. 8489/92 in Suit no.2057/92. In this said case, the Court restrained the defendant by an interim injunction from selling or offering for sale or otherwise dealing in air conditioners with mark "PRINCE AIRCON" or any similar mark till the final decision of the suit.

(28) Learned counsel for the plaintiff has drawn my attention to the order passed on July 30, 1990 in I.A.4534/89 in Suit No.1635/89 by D.P.Wadhwa, J., the operative portion whereof is reproduced as under:-

"I am of the opinion that one can certainly be misled from the trade mark of the defendant that the goods manufactured by the defendant are those of the

plaintiff. In support of his submission Mr. Ghiraiya has referred to a Division Bench decision of this court in Century Traders Vs. Roshan Lal Duggar Co., where also the contentions were somewhat similar to that of the present application and an interim injunction was granted in that case on the ground of passing off action. In these circumstances, I am of the opinion that interim injunction has to be granted restraining the defendant from passing off their goods as that of the plaintiff by using of the trade mark Crocodile as afore-mentioned. I order accordingly. The application stands disposed of."

(29) Learned counsel has placed reliance on judgment of this court (G.C. Jain, J.) reported as Kumar Electric Works vs. Anuj Electronics, 1989 2 ALR 133. The relevant portion thereof runs thus:-

"HELD.-Prima facie the plaintiff's electronic and electric goods were being marketed through the trade mark "OLYMPUS". plaintiff's right to restrain the defendant from using the trade mark prima facie extends to cognate goods. Defendant is selling Tv sets under exactly the same trademark. There is evidence of its use and advertisement by plaintiff, while the Japanese firm had never used it in India and had only applied for registration. In an action for passing off registration of trade mark is irrelevant. Balance of convenience was also in favor of -plaintiff. Injunction allowed."

(30) Learned counsel also relied upon judgment of this court delivered in Amrit Soap Company vs. New Punjab Soap Factory, 1989 2 ALR 242, passed by P.N. Nag, J. The relevant portion of the judgment are set out as under:-

"HELD.-HAVING regard to the colour scheme, get up, lay out, style and arrangement of words, the wrappers used by the defendant are deceptively similar to those of the plaintiff and likely to cause confusion in the course of trade particularly having regard to the class of people, ladies and domestic servants which constitute the buying public in relation to washing soap. The plaintiff has been using the trade mark since 1978 whereas the defendant started using it in 87. The allegation that some other manufacturers are also using the same trade mark is of no consequence as the court is concerned with parties before it only. Injunction granted."

(31) Learned counsel for the plaintiff submitted that there has been no delay in approaching this court and in any event, delay is only one of the factors determining the balance of convenience and certainly cannot be the sole factor either grant or refusal of injunction.

(32) Learned counsel has invited attention of the court to the judgment of this court Swaran Singh Vs. Usha Industries (India) and Another, . In this case, the Division Bench of this Court came to the conclusion that "Since the exclusive right of user of a registered trade mark conferred by the Trade and Merchandise Marks Act, 1958 could not be lost by delay, general principles governing grant of injunctions in other types of cases might not hold good while dealing with cases of infringement of the above statutory right and normally delay in seeking relief

might not non suit the proprietor of the registered trade mark.

(33) Learned counsel has also placed reliance on *Tata Oil Mills Co. Ltd. v. M/s Wipro Ltd. and another*, Air 1986 Del 345. In this case, "delay of three months in filling the suit after the plaintiff came to know of the use of the trade mark "Bubbles" cannot be held to be fatal to the suit. The plaintiff had a statutory exclusive right u/s 28 to the use of his trade mark and to prevent its infringement and a statutory right could not be THISislost by delay. To refuse the injunction on the ground of delay would tantamount to permit a fraud being practiced on unwary customers.

(34) Learned counsel for the plaintiff has also placed reliance on *Hindustan Pencils (P) Ltd. Vs. India Stationery Products Co. and Another*, . In this case, it was observed that "Even though there may. be some doubt as to whether laches or acquiescence can deny the relief of a permanent injunction, it has been consistently held that if the defendant acts fraudulently with the knowledge that he is violating the plaintiff's rights then in that case, even if there is an inordinate delay on the part of the plaintiff in taking action against the defendant, the relief of injunction is not denied. Where there is an honest concurrent user by the defendant then inordinate delay or laches may defeat the claim of damages or rendition of accounts but the relief of injunction should not be refused.

THIS is so because it is the interest of the general public, which is the third party in such cases, which has to be kept in mind. In the case of inordinate delay or laches, as distinguished from the case of an acquiescence, the main prejudice which may be caused to the defendant is that by reason of the plaintiff not acting at an earlier point of time the defendant has been able to establish his business by using the infringing mark."Inordinate delay or laches may be there because the plaintiff may not be aware of the infringement by the defendant or the plaintiff may consider such infringement by the defendant as not being serious enough to hurt the plaintiffs business. Nevertheless, if the Court comes to the conclusion that prejudice is likely to be caused to the general public who maybe misled in to buying the goods .manufactured by the defendant thinking them to be the goods of the plaintiff then an injunction must be issued.

(35) Learned co.unsel for the defendant also strengthened his submissions with the help of following reported judgments. In *R.S.K.V. Raghavan trading as R.S. Krishna and Co., Mayuram Vs. G. R. Gopal and Co. and Others*, , it has been observed as under:-

"THEREFORE,even assuming that the appellant's father used the word "Thennamarakkudi" to. show a distinctive character of the medicinal preparation as it has subsequently been used by persons making similar medicinal oil preparations, the expression has become public juris. If the mark has come to be so public and in such universal use that nobody can be deceived by the use of it, or can be induced from the use of it to believe that he is buying the goods of the

original trader, the right to the trade mark must have gone. The proper test to decide whether a mark , which was originally a trade.mark has become public Jurisdiction, is to see whether the use of it by other persons is still calculated to deceive the public."

(36) He has also placed reliance on 1989 Iplr 111 , which is reproduced here under:-

"THE validity of registration of a trade mark registered in part A of the Register can be attacked, if at the commencement of the rectification proceedings the mark has lost its distinctiveness, even though seven years have elapsed after the date of its registration. If Therefore a mark although originally distinctive, has ceased to be so by reasons of events subsequent to registration, the mark is liable to be struck off from Part A of the Register subject to the provisions of Section 35. Distinctive ness may be lost .where there have been several infringements and the proprietor neglects to take prompt action to restrain them. But infringe near Bad the judgment by the same person, though "repeated, will not ordinarily be enough to deprive the mark of its distinctiveness."

(37) Mr. Rana, learned counsel for the defendant has submitted that the word Royall in respect of goods in Class 25 has become public juris. It is Therefore not distinctive of the goods of the plaintiff. In 1990 Iplr 85, it has been held:

"WHEN once a prima facie case has been made by the defendants for rectification of the register, it is well settled that it will be inequitable to grant interim injunction against the said defendants as it would be stopping their trade altogether particularly when the plaintiff can be well compensated by damages if and when the plaintiff succeeds in its action."

(38) Mr. Rana, also submitted that the plaintiffs have known of the defendants" activities since August, 1988 but have chosen to file a Suit only in 1992. The plaintiff is Therefore guilty of delay, acquiescence and latches. The plaintiff has however disputed the correctness of this allegation of the defendant and mentioned that only in February, 1992, the plaintiff has learnt about the defendants" activity and immediately thereafter the plaintiff has filed the suit.

(39) MR.RANA further placed reliance on 1980 (2) CLJ 231, wherein it has been held:-

"THE,plaintiff has prima facie considerably delayed in filing their suit after they came to know of the matter complained of and their application for temporary injunction filed in the trial court does not contain any plausible Explanation of the said delay. Such delay may not necessarily be a ground for refusing relief as prayed for in the plaint. But the said question of delay is germane in considering the balance of convenience and inconvenience."

(40) I have considered the submissions of the plaintiff and the defendants and Various judgments cited at the bar by the learned-counsel appearing for the parties. The balance of convenience when carefully weighed tilts clearly in favor

of the plaintiff. In my opinion, serious prejudice is likely to be caused both to the plaintiff and to the general public who may be misled in buying the goods manufactured by the defendant thinking them to be the goods of the plaintiff.

(41) Therefore, looking to the facts and circumstances Neev of this case in the interest of justice, the plaintiff prima facie is entitled to injunction. The defendant is accordingly restrained from manufacturing, selling, offering for sale, advertising, directly and indirectly dealing in brassieres, panties and other cognate and allied goods under the Trade Mark Royall Touch/Royall and/or any other Trade Mark as may be identical with and/or deceptively similar to the plaintiff s registered Trade Mark Royall.

(42) The parties are directed to bear their own costs. The suit shall be listed for further directions before the Deputy Registrar on 12th July, 1993.