

(2021) 08 DEL CK 0094

In the Delhi High Court

Case No : Civil Suit (COMM) No. 207 Of 2021

Zed Lifestyle Pvt Ltd

APPELLANT

Vs

Hardik Mukeshbhai Pansheriya & Ors

RESPONDENT

Date of Decision : 16-08-2021

Acts Referred:

Code Of Civil Procedure, 1908 — Order 7 Rule 10, Order 7 Rule 11

Trademarks Act, 1999 — Section 28(1), 28(3), 29, 29(1), 29(2), 29(4), 124(1), 124(5)

Citation : (2021) 08 DEL CK 0094

Hon'ble Judges : C.Hari Shankar, J

Bench : Single Bench

Advocate : Sanjiv sindhwani, Anuradha Salhotra, Sumit Wadhwa, Ankit Rastogi, Saugaat Khurana, Aditi Menon, Sneha Jain, Surabhi Pande

Final Decision : Allowed

Judgement

C. Hari Shankar, J

IA 5970/2021 (Order XXXIX Rules 1 and 2 CPC) in CS(COMM) 207/2021

1. Defendant Nos. 1 and 2, who ought to be the main contesting defendants in this matter, have repeatedly remained absent.

2. By order dated 4th May, 2021, I had injuncted Defendant Nos. 1 and 2 from using the impugned "BEARDO" mark on goods in respect of

which they did not hold valid and subsisting registrations and in respect of which, on the other hand, valid registrations were held by the plaintiff. The

plaintiff holds valid registrations of the word mark "BEARDO" as well as the device mark, in conjunction with the picture of a bearded gentleman

who bears an uncanny resemblance to Herge's Captain Haddock. The plaintiff holds 18 registrations for the said device mark and word mark in

as many as eight Classes, which have been enlisted in a tabular fashion in para 8

of the plaintiff. Among these is the registration of the work mark

“BEARDO”, in Class 3 in respect of “Bleaching preparations and other substances for laundry use, cleaning, polishing, scouring and abrasive

preparations, beard wash, beard balm, beard and hair pomade, beard & hair colour, mustache, beard & hair wax & cream, oils, shampoos and

conditioners, face scrubs, mask & clay hair scrubs, mask & clay, beard & hair & face spa oils, scrubs, cream, lotions, SPF creams, skin care and body

care items, after shave and pre shave lotions and preparations, body gel and shower gels, beard oil, face wash, shampoo, soaps, perfumery, essential

oils, cosmetics preferably hair oil, lotion, cream, gel for beard, and dentifrices”.

3. As noted hereinabove, there is no response by the defendants to the present application, despite notice having been issued as far back as on 4th

May, 2021.

4. Mr. Sindhvani has pressed for extending the interim relief granted to the plaintiff also to cover goods in respect of which Defendant Nos. 1 and 2

hold valid registrations. To support this prayer, Mr. Sindhvani submits that the registration granted to Defendant No. 1 in respect of mark

“BEARDO”, even in respect of Classes 7 and 11, is invalid and that rectification application, preferred by the plaintiff to strike off the said marks

from the register of trademarks, are presently pending before the Registry of Trademarks. In such circumstances, he submits, relying on the judgment

of a Division Bench of this Court in *Raj Kumar Prasad v. Abbott Healthcare Pvt. Ltd.* 2014 (60) PTC 51 (DEL), that an action for infringement can

lie even against such registered trademark.

5. A reading of the decision in *Raj Kumar Prasad*¹ bears out the submission of Mr. Sindhvani. This Court has, in the said decision, counterbalanced

Section 28(3) of the Trademarks Act, 1999 (“the Act”, in short), which Section 28(1) and Section 124(1) and (5) thereof, to hold that, where

invalidity of the impugned mark of the defendants is pleaded by the plaintiff, the mere fact that the impugned mark happens to be registered cannot

inhibit the Court from injuncting its further use. Incidentally, in *Raj Kumar Prasad*¹, as well as the present case, the plaintiff has instituted proceedings

before the Registry of Trademarks, seeking rectification of the register to remove the impugned marks of the defendants therefrom. For ready

reference, paras 1, 7, 15 and 18 of the report in *Raj Kumar Prasad*¹ may be

reproduced, thus:

1. The question: Whether the registered proprietor of a trademark can sue another registered proprietor of a trademark alleging deceptive similarity

keeps on arising in this Court. The consistent view taken by learned Single Judges is that such a suit would be maintainable and thus by way of an

interim injunction the defendant can be restrained from marketing goods under the offending trademark. The question has arisen once again in the suit

filed by Abbott Healthcare Pvt. Ltd. and the antagonists are Raj Kumar Prasad and Alicon Pharmaceuticals Pvt. Ltd.

7. The issue concerning grant of interim injunction pending determination of the suit was debated around three points. Whether prima facie Courts at

Delhi lacked territorial jurisdiction. Secondly on the assignment agreements being drawn on stamp papers of adequate stamp value and lastly on the

effect of Raj Kumar Bansal having obtained registration of the trademark 'AMAFORTEN' for pharmaceutical products having similar

formation as that of Abbott.

15. It is no doubt true that a reading of sub-Section 1 of Section 28 of the Trademarks Act, 1999 would evidence a legal right vested in the

registered proprietor of a trademark to exclusively use the same in relation to the goods or services in respect of which the trademark is

registered and to obtain relief in respect of infringement of the trademark. It is also true that a mere reading of sub-Section 3 of Section 28

of the Trademarks Act, 1999 would evidence a mutually exclusive right in two or more registered proprietors of trademarks which are

identical with or nearly resemble each other to use the trademarks; none being in a position to sue the other, and each being empowered to

sue other persons.

18. Sub-Section 1 of Section 124 of the Trademarks Act, 1999 would guide us that it contemplates a suit for infringement of a trademark on

the allegation of invalidity of registration of the defendant's mark and even includes a case where a defendant pleads invalidity in the

registration of the plaintiff's trademark. In such a situation the legislative intent clearly disclosed is, as per sub-Section 5 of Section

124, to stay the suit, to enable either party to take recourse to rectification proceedings before the Registrar of Trademarks, but after

considering what interlocutory order needs to be passed. Sub-Section 5 reads : The stay of a suit for the infringement of a trade mark under

this section shall not preclude the court from making any interlocutory order (including any order granting an injunction directing account

to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit.

(Emphasis supplied)

6. Specifically on the aspect of infringement, Mr. Sindhwani places reliance on Section 29(4) of the Act, which reads as under:

29. Infringement of registered trade marks

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses

in the course of trade, a mark which

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is

detrimental to, the distinctive character or repute of the registered trade mark.

7. A bare reading of Section 29(4) of the Act reveals itself to be in the nature of an exception to Section 29(1) and (2) of the Act. Section 29(4) of the

Act also brings, within the ambit of 'infringement', cases in which the rival marks are used on dissimilar goods, subject to the cumulative

satisfaction of the following criteria:

(i) The two marks must be identical or similar.

(ii) The plaintiff's mark must have a reputation in India.

(iii) The defendant's mark must take unfair advantage of, or be detrimental to, the distinctive character or repute of the plaintiff's mark.

(iv) The use of the defendant's mark in such a fashion must be "without due cause".

8. The application of these criteria came in for searching scrutiny by a Division Bench of this Court in *Ford Motor Company v. C.R Borman*²,

authored by Vikramajit Sen, J. (as he then was). Paras 15 and 16 of the said decision may be reproduced, to advantage, thus:

15. Finally, we must consider the impact of Section 29 of the Act. On a reading of paragraph 12 of the impugned Order, it appears to

us that one of the reasons which had weighed on the learned Single Judge was that Section 29(4) would, inter alia, apply only in cases

where the Defendants had taken unfair advantage of the Plaintiffs' reputation. If a Plaintiff fails to plead that the Defendants have

taken unfair advantage of the Plaintiffs' reputation, the consequence will be that no cause of action would have arisen for the

invocation of Section 29(4). In such an event, the Plaint would have to be rejected under Order 7 Rule 11 and not returned to the Plaintiffs

under Order 7 Rule 10. However, as already dealt with above, a reading of Paragraphs 32 to 34 of the Plaint leave no possibility for

doubting that the Plaintiffs had in terms, inter alia, pleaded that the Defendants had taken unfair advantage of the Plaintiffs'

reputation. A holistic reading of the Plaint would show that a case has been stated justifying the invocation of Section 29(4). It is quite

another matter whether this case would eventually be proved through evidence by the Plaintiffs. However, since the necessary pleadings are

available in the Plaint, it is not possible to apply the rigours of either Order 7 Rule 11 for rejecting the Plaint or of Order 7 Rule 10 for

returning the Plaint.

16. The learned Single Judge has interpreted Section 29(4) in a manner that would afford protection to a Plaintiff only in respect of the

Class in respect of which registration of the trademark has been carried out. The learned Single Judge has opined that the primary

objective of the Act is to restrict protection to trademarks in respect of the Class under which it has been applied and registered. The view

of the learned Single Judge is that the intendment of the Act could not be for a blanket protection to be made available to a trademark in

respect of the entire gamut of Classes. What should not be lost sight of is the fact that Section 29(4) is palpably an exception to the scheme

of the Act and applies only to those trademarks which have earned a reputation in India. If it is, prima facie, clear or it is proved through

evidence that the concerned trademark enjoys and commands a reputation in India, the Plaintiffs do not have to prove deception on the

part of the Defendants or likelihood of the customer being misled because of the use of the challenged trademark. Once the Plaintiffs have

made out a case that the offending trademark is identical with or similar to its registered trademark, relief would be available even if the

purveyed goods are not similar and/or fall in the same category or class. On a careful comparison of Section 29(4) with other provisions of

that Section as well as the Act, this legal position commends itself to us. It is impermissible to ignore all these features of Section 29(4) only

because they may be seen as running counter to other provisions of the Act. This is the very purpose of inserting an exception. It would be

advantageous to reproduce the sentence from â??Parliamentary Discussion on the Trade Marks Act, 1999â?? which reads thus â?

â??The proposed Bill seeks to introduce protection for registration of trade marks for services in addition to goods. It also seeks to extend

protection for well-known trademarks and to do away with the system for registration in Part A and B and to provide for a single

computerised register with a simplified procedure for registration with equal rightsâ?? Well-known trademarks, it is worthy of reiteration,

have been specifically dealt with in Section 29(4) and it would be jurally impermissible to dilute or water down the intendment of the

Legislature.â??

(Emphasis supplied)

9. Inasmuch as the plaintiff holds a valid registration even for the word mark â??BEARDOâ?, the very use of the word â??BEARDOâ? as a mark

by the defendants, satisfies the first of the aforesaid criteria, of the two marks being identical or similar in nature. The fact that the plaintiffâ??s mark

has a reputation in India is also vouchsafed by the pleadings in the plaint and stands recognized by this Court in its order dated 4th May, 2021. The

plaint specifically avers that there is no legitimate cause forthcoming for the

defendants to be using the "BEARDO" mark which, it may be noted, has no etymological meaning and is clearly in the nature of an invented word and, in the absence of any response by the defendants, has to be treated, on demurrer, as correct. Apropos the fourth requirement, of the use of mark by the defendants, resulting in unfair advantage or being detrimental to the distinctive character or repute of the plaintiff's mark, Mr. Sindhwani drawn my attention to paras 18, 30, 31 and 53 of the plaint, which contain the relevant assertions in that regard and may be reproduced thus:

18. Such aforementioned acts are causing the Plaintiff excessive and irreparable damage especially considering the vital role played by the Plaintiff's digital strategy in growing and sustaining its business. The Defendant No. 1 with a malafide intention has deliberately used Plaintiff's trade mark in order to enjoy the brand visibility which Plaintiff has earned over the years by spending enormous amount of effort and money. The brand value created by Plaintiff is being diluted by such acts.

30. A perusal of the Impugned Products received through the purchase made via the Defendant No. 3 revealed that the use of the mark BEARDO was limited to the Impugned Listings and that the mark BEARDO was not affixed on any of the products received. Such use further speaks to the disingenuous nature of Defendant No.1 as it confirms that the Impugned Listings have been intentionally designed to ensure consumers are redirected and led to believe that an association exists with the Plaintiff and to mislead consumers into believing that they are purchasing the Plaintiff's products under the BEARDO mark. The Defendant No. 1 is deliberately attempting to harp upon the years of goodwill and reputation associated with the brand which is created by the Plaintiff.

31. The Defendants No. 1 and 2 are selling and/or offering for sale, products under the BEARDO mark which are either identical to and/or similar and/or allied or cognate to the products of the Plaintiff, under the BEARDO mark and which products have no connection whatsoever with the Plaintiff. This in fact is deceiving the customers of Plaintiff in believing that the products of the said Defendant are

related to the Plaintiff. The said confusion is further corroborated by the use of a deceptively similar logo by the Defendant No. 1 with the device of a bearded man, as explained above.

53. The adoption of the trade mark BEARDO by the Defendant Nos. 1 and 2 is evidently dishonest and with the sole intention of trading

upon and benefitting from the Plaintiff's goodwill in its BEARDO formative marks and the appropriation of which being without due

cause, takes unfair advantage of and is detrimental to the distinctive character and reputation of Plaintiff's registered trade mark

BEARDO formative marks. This is also likely to lead to dilution of the Plaintiff's mark BEARDO by way of tarnishment and cause

adverse damage to the Plaintiff.

(Emphasis supplied)

10. These assertions, too, have gone unrebutted by the defendants and have, therefore, prima facie, to be treated as correct.

11. The criteria envisaged by Section 29(4) of the Act, which require cumulative satisfaction in order for the injunction to issue, restraining the use of a

mark which may not be used for same goods or services in respect of which the plaintiff uses its mark, stand satisfied.

12. As such, Defendant Nos. 1 and 2 are restrained from using the mark BEARDO by itself or in conjunction with any other figure, whether of

a bearded man or otherwise, in respect of any Class or goods, including goods falling in Classes 7 and 11, till further orders.

13. Defendant No. 3, who is also represented by Ms. Neha Jain, is also directed to remove, from its website, all pages which relate to sale of goods by

Defendant Nos. 1 and 2, using the BEARDO mark, irrespective of the Class, category or nature of goods in respect of which the mark is being

used. Inter alia, Defendant No. 3 would be required to take down, from its website, the listings at pages 31 to 136 of the documents with the present

plaint.

14. The application stands allowed accordingly.

IA 9594/2021 (Order XXXIX Rule 2A CPC)

Renotify on 29th September, 2021.