

Annexure-A



Delhi Registry –Cum-Bench

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ORA/97/2009/TM/DEL

ORA/98/2009/TM/DEL

TUESDAY, THIS THE 22ND DAY OF SEPTEMBER, 2020

HON'BLE SHRI JUSTICE MANMOHAN SINGH
HON'BLE MS. LAKSHMIDEVI SOMANATH

CHAIRMAN
TECHNICAL MEMBER (TRADEMARKS)

1. **M/S. EVEREADY INDUSTRIES INDIA LIMITED,**
HAVING ITS REGISTERED OFFICE AT, 1,
MIDDLETON STREET, KOLKATA-700 071

...APPLICANT/APPELLANT

(Represented by: Mr. Ajay Sahni & Ms. Sucheta Roy)

Versus

1. **MRS. KAMLESH CHADHA**
TRADING AS M/S. EVEREST TOOLS
INDUSTRIES, AT D-58, BHAJANPURA,
DELHI - 110 095

...RESPONDENT's

(Represented by –Mr. Saurabh Kirpal, Mr. Sudershan K Bansal & Mr. Ajay Amitabh Suman)

ORDER

HON'BLE SHRI JUSTICE MANMOHAN SINGH, CHAIRMAN

1. By this order, we propose to decide the above-mentioned two rectifications petitions filed by Eveready Industries India Limited against the registered trademark no.439233 (word per se) and 539621 (logo mark) in Class-8.
2. These matters are pending since 2009. The applicant's suit being C.S.(OS) 1422/2009 is also pending against the respondents. In view of urgency explained to us, the above-mentioned petitions are taken up for hearing through video-conferencing.

3. The following are the brief facts taken from the pleadings of the parties and the written submissions filed by the parties. The applicant submits as under:

- a) The Applicant (Eveready Industries India Limited) was incorporated on 20 June 1934, and is one of the most reputed FMCG Companies, engaged in the business of manufacturing and trading in dry cell batteries (carbon zinc batteries, alkaline and rechargeable batteries), flashlights, compact fluorescent lamps (CFLs), general service lamps, packet tea and insect repellants. All the products of the Applicant are manufactured and sold under the brand name and the trade mark “EVEREADY”. The Applicant has been using the mark EVEREADY since **28 October 1942**, and is the registered proprietor and the owner of the trade mark 'EVEREADY' registered under various classes as per the Schedule of the Trade Marks Act, 1999 (“Act”) and all the registration certificates are duly renewed and valid and subsisting till date.
- b) The trade mark EVEREADY also forms the prominent and dominant feature of the corporate name of the Applicant Company i.e., EVEREADY INDUSTRIES INDIA LIMITED and thus reinforcing the distinctiveness of the trade mark of the Applicant. The trade mark EVEREADY and EVEREADY (DEVICE) has been used by the Applicant exclusively, extensive and uninterruptedly in India and across the world.
- c) The Applicant by prior adoption, extensive usage of the trade mark “EVEREADY”, has attained immense goodwill and reputation and therefore has attained the status of well-known trademark as defined in section 2(1)(zg) of the Act and is exclusively associated with the Applicant and none else.

4. As per pleadings of the applicant, the case set up against the respondents a

under:-

- a) In the year 1985, the Respondents had fraudulently registered an identical trade mark 'EVEREADY' under no. 439233 and in the year 1990 the Respondents malafidely registered the identical artistic logo /trademark  under No.539621 in respect of the goods viz., hand tools, screw drivers, cutting pliers, etc. claiming a false user since 1985 not supported by any documentary evidence and which registrations are apparently on the face of it violative of the provisions of Section 9, Section 11 and Section 18 of the Act and are liable to be removed from the Register.
- b) The business of the Respondents have been dishonest right from the inception on a fraudulent basis in as much as the very adoption of the trade name EVEREST TOOLS in respect of hand tools, etc. was as a result of copying the name of the leader in the hand tool industry being Hindustan Everest Tools Ltd. whose trademark EVEREST for hand tools stand registered under TM Application No. 352193 since 07 August 1979.
- c) The alleged assignment deed dated 06 January 2009 between Smt. Kamlesh Chadha and Sh. Sanjay Chadha vide which the aforementioned impugned registered trademarks of the Respondents have been assigned is on the face of it invalid as it violates the express statutory provisions of the Trade Marks Act, 1999. The alleged deed of assignment is further not a valid document as the earlier firm M/s. Everest Tools Industries was not even in existence in the year 2009 when the alleged assignment deed was signed and the said trademark on account of non-use had already been abandoned.
- d) The renewal application filed in the year 2000 in respect of the aforementioned

impugned registered trademark is also invalid and beyond the provisions of law and the said trademarks could not be renewed without following the due procedure of law and consequently the said impugned registered trademark ought to be considered as lapsed.

5. It is submitted on behalf of applicant that the Respondents have filed a false affidavit dated 12 January 2009 in opposition No.CAL-723369 to Application No. 641191 dated 26 September 1994 in as much as (a) para 7 of the affidavit wrongly states that the predecessor in title was using only one trademark EVEREADY and hence all sales relates to the said trademark, whereas the truth of the matter is that the documents filed by the Respondents themselves in the present case clearly point out that there were several other trademarks under which the Respondents were selling their hand tools and (b) it is wrongly stated in para 8 of the affidavit that the Respondents have been using the trademark EVEREADY for hand tools since the year 1979-80. In fact, the Respondents have deliberately suppressed from this Hon'ble Tribunal that they were using the trademark 'AMUL' in respect of hand tools since 01 January 2008 and in fact the Respondents are also as of 11 November

2017 registered proprietor of the trademark . (Document 5 of the Convenience Compilation)

5.1 The said impugned trademarks of the Respondents are liable to be cancelled on their own admission made in para 13 and 27C of the counter statement wherein it has been submitted by the Respondents that the trademark EVEREADY has become common to trade.

5.2 In fact, the Applicant in 2009 filed a civil suit **Eveready Industries India**

Limited vs. Mr Sanjay Chadha & Anr bearing no. CS(OS) 1422 of 2009 (now CS(COMM) 901 of 2018) before the Hon'ble High Court of Delhi (“**Delhi Suit**”). As per the terms of the interim order passed in the Delhi Suit, the Respondents were restrained from using the Applicant's label mark “**EVEREADY**” and also restrained the use of the word mark “EVEREADY” for all goods apart from screw drivers and pliers. The evidence in the matter is complete and the same is now pending for final arguments.

5.3 In rejoinder, the applicant has challenged the assignment. Para 1. (a) and (b) of reply to preliminary submissions are reproduced below:-

- (a) *Respondent No. 2 proprietor of Eveready Tools Emporium claim to have stepped into the shoes of Respondent No. 1 by virtue of Deed of Assignment dated 8th January, 2009. The assignment deed effective from 1st April, 2005 which gives retrospective effect to the assignment for the past 4 years is not permissible under the Act. Hence the assignment deed is null and void and the affidavit of Mr. Sanjay Chadha in the opposition proceedings and the assignment deed as aforesaid is null and void on this ground only.*
- (b) *The Assignment Deed dated 6th January, 2009 being invalid for giving retrospective effect by the joint request of the Respondent No.1 and the Respondent No.2 is null and void. Due to the above reasons, Respondent No. 2 is not the assignee of the trademark registration Nos. 539621 and 439233 for EVEREADY in Class 8. Therefore, any document filed as evidence which is in the name of Respondent No. 2 or Eveready Tools Emporium are not be admitted and accepted as the same may be null and void in the eyes of law. It is also therefore clear that Respondent No.1 and Respondent No.2 are acting in connivance in each other. In view of the above, it is submitted that Respondent No.2 is not a subsequent proprietor of the registered trademark 539621.*

6. As per pleadings and written submission, the case of the respondents is as under:

- i) In the year 1985, the Respondents honestly and bonafidely adopted the trademark EVEREADY Label manufacturing and marketing of hand tools and has been continuously been the same (except for the period injunction order was in operation in suit bearing CS(OS) No.1422 of 2009).

- ii) The Respondents are the honest adopter and bonafide user of trademark EVEREADY in relation to hand tools since the year 1985. Prior to adopting the trademark EVEREADY in relation to goods falling in class 08, the respondent took search report from the trade mark registry on 02.06.1983. (*Exhibit-X at Page 229-230 filed along with counter statement filed in ORA/97/09/TM/DEL*). The Respondent has discharged the onus of being honest adopter. The Respondents are entitled to protection being honest adopter and concurrent user.
- iii) The Respondents have been using the subject matter trademark since the year 1985. Invoices dated *14.04.1998 (Page 148), 15.04.1998 (Page 150), 24.06.1998 (Page 155), 07.09.1998 (Page 167), 26.03.1999 (Page 188), 04.07.2005 (Page 189), 01.02.2006 (Page 192), 12.10.2006 (Page 203), 07.07.2007 (Page 210), 14.09.2007 (Page 213), 02.02.2008 (Page 215), 07.03.2009 (Page 220)*. The Respondents are entitled to the registration being honest adopter and concurrent user.
- iv) The applicant has suppressed the factum of earlier knowledge of Respondents registrations at least since 2000. When the Petitioner, through its attorneys, Mr. D.P. Ahuja and Co. applied to the Registrar of Trademarks for registration of the trademark EVEREADY vide application No.641191, the application was examined by the trademark registry and vide examination report No.31312 dated 11th November, 1999, it was pointed out that the mark EVEREADY was already registered in the name of Respondents with respect to screw drivers and cutting pliers in Class 8 vide registration No.439833 and in respect of hand tools vide registration under no. 539621. As the Petitioner is guilty of suppression of its' knowledge of Respondents' registrations since the year 2000, the petitioner is not entitled for any of the relief as prayed for.

The applicant was aware of Respondent's registration since the year 2000. However the applicant kept sitting almost for 9 years silently and suddenly after the gap of 9 years, the applicant filed the instant petition. ***The Petition is barred by virtue of inordinate , delay, latches and acquiescence on the part of the Petitioner.***

- v) In view of afore mentioned objection raised by the Registrar of Trademarks, the applicant vide its letter dated 25.03.2000 (agreed to amend the goods in respect of which registration was sought by it by excluding screw driver and cutting pliers. Hence the applicant was very much admitted the right of Respondents in the subject matters registrations by getting its goods amended by excluding Respondents' goods i.e. excluding screw driver and cutting pliers. In view of afore mentioned admission made by the applicant, the present petitions are liable to be rejected.
- vi) Even in the suit proceeding bearing CS(OS) No.1422 of 2009, pending between the parties, the Respondent claims that the Applicant was refused injunction by the learned single judge in this matter since they knew that the Respondent was on the Register of Trade Marks, and they filed for amendment of the description of goods through Form TM-16, all of which amounts to acquiescence, further the applicant has admitted the proprietary rights of the Respondents in its subject matter product, during the cross examination. The Relevant portion of the admission made by the Petitioner in the cross examination dated 17.01.2018 is reproduced as under:

Q. Is it correct that you have admitted in the Trademark Office that the Respondents (Respondent herein) is the user and owner of the trademark Eveready in relation to screw drivers and pliers?

A. It is correct.

vii) Even otherwise, it is submitted that the applicant has not filed even a single bill/invoice in support of user of the impugned Trade Mark EVEREADY in relation to hand tools viz: screw drivers, cutting pliers etc. The impugned Trade Mark application of the Petitioner under No. 641191 in Class 08 was filed as proposed to be used. The fact remains that the applicant has no user at all of the impugned Trade Mark in relation to goods of the Respondents i.e. hand tools , viz: screw drivers, cutting pliers etc. By way of present Petition, the applicant is trying to create monopoly in vacuum, which amounts to monopolistic trade practices. The same is not permissible in law.

The applicant has no user in relation to the goods of the Respondents. The applicant is trying to create the monopoly in vacuum. Even otherwise, it is submitted that the goods of the Respondents (i.e. hand tools) are quite different and distinct from that of the applicant (i.e. batteries). Both the goods in question are filing in different class. Both the goods are sold at different shops. Even otherwise, the people at large recognize the said goods and business of the Respondents with goods of the Respondents only. There is no any question of any confusion and deception in the market vis-à-vis use of the Respondents. Hence the instant petitions are liable to be rejected.

viii) The applicant was unable to prove on records the documents showing user of its impugned trademark EVEREADY showing goodwill and reputation, during the trial proceeding in the suit proceeding bearing CS(OS) No.1422 of

2009, pending between the parties before the Hon'ble High Court of Delhi. The same is apparent from bare perusal of evidence by way of affidavit of applicant and cross examination conducted by Respondents in the aforementioned Suit.

- ix) The applicant was already aware of the said rights and user of the said Trade Mark and registrations of Respondents in relation to its said goods since the year 2000. The applicant has continuously acquiesced for continuous period of more than 5 years of the user of the Respondents. Hence the applicant is estopped from assailing the trade marks registrations of the Respondents. Even otherwise, the Respondents cannot be estopped from using the said Trade Mark **EVEREADY** in relation to its said goods (i.e. hand tools) , as the Respondents are honest adoption and continuous user of the said Trade Mark in relation to said goods. The Respondents are the registered proprietor of the said Trade Mark/Label in relation to hand tools for considerable period of time. There exist special circumstances in favour of the Respondents. As the applicant itself is guilty of approaching this Board, the same is not entitled to any of the relief as prayed for.
- x) The Applicant has not raised any challenge to the Assignment Deed produced by the Respondent. Page 10 Paragraph 14 of the Rectification Petition speaks that “the Applicants came to know about the presence of the impugned registered trademark, in the name of Kamlesh Chadha, the Respondent herein ...”. This is a palpably false statement, because since 1999 onwards, the Applicant was aware that Ms. Kamlesh Chadha has got this trade mark registered.
- xi) The Applicant has not produced evidence to support its claim of a well known trade mark. They have further not established any usage for hand tools.

7. On many dates, we have heard Mr. Ajay Sahni, Advocate appeared on behalf of applicant. Mr. Sudershan K Bansal appeared and also argued in part on behalf of respondents. The main arguments are addressed by Mr. Saurabh Kirpal. We may mention here that when the matters were already argued by the applicant and Mr. Sudershan K Bansal, suddenly at the midst requested that the hearing be postponed till IPAB starts physical hearing. The said request was rejected mainly on the reason that once the matters are substantially argued by both parties, it is not proper to adjourn the matters for awaiting the end of COVID-19. However, we agreed to give reasonable time to argue the remaining part. Mr. Kirpal has raised number of objections in order to satisfy us that both petitions are liable to be rejected.

8. We have gone through the pleadings, documents and written submissions of the parties. From the same, we are of the view that the following issues are emerged in order to decide the matters:-

- i) Whether the trade-mark of the applicant is a well known mark within the meaning of Section 2(1)(zg) of the Act.
- ii) Effect of acquiescence (if any) on the part of the applicant under Section 33 of the Act.
- iii) Effect of non-grant of injunction in favour of applicant by the Civil Court.
- iv) Concealment (if any) by the applicant and its effect; or any admission in the cross-examination of witness of the applicant.
- v) Whether the adoption of the same mark and logo was honest on the date of filing of application of registration.
- vi) Validity of assignment by the proprietor in favour of his Sanjay Chadha.
- vii) Use of a mark in relation of goods which are not similar.
- viii) Conduct of the assignor and assignee of two marks which are under rectification.
- ix) Concurrent user.

- x) If the answer to Issue No. 1 is affirmative, then whether there is dilution of the Applicant's well known trade mark

9. Well-known mark

- a) Mr Saurabh Kirpal has argued relying on various admissions made by the Applicant in the Trade Mark Registry concerning the amendment of the description of the goods, and giving up certain goods. However, the Applicant's case is simple that the mark EVEREADY is a well known Trade Mark that is being used since 1942 for Batteries and Torches, therefore the aforementioned admissions would not be pertinent. Mr. Saurabh Kirpal has argued that the conditions of well-known trade mark are not satisfied by the applicant. He argued that:
 - b) There is no sufficient evidence.
 - c) There is hardly any goodwill and reputation on the relevant date of year 1985 in order to get the protection on the basis of well-known trade mark.
 - d) Since the applicant has miserably failed to produce the evidence to fulfil the condition, the question of taking the shelter of well-known trade mark does not arise.
 - e) Once the applicant has failed on this issue, as the business activities are different, general law will apply.

The Applicant had the task of establishing before this Forum that its mark is a well-known Trade Mark.

10. Section 2(1)(zg) of the Act reads as under:

2(1)(zg) "well known trade mark", in relation to any goods or services, means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.;

11. The grounds for refusal of registration under Section 11 of the Act are mandatory being Special Act. The same are read as under:-

11. Relative grounds for refusal of registration.—

(1) Save as provided in section 12, a trade mark shall not be registered if, because of—

(a) its identity with an earlier trade mark and similarity of goods or services covered by the trade mark; or

(b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

(2) A trade mark which—

(a) is identical with or similar to an earlier trade mark; and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor,

shall not be registered if or to the extent the earlier trade mark is a well-known trade mark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

(3) A trade mark shall not be registered if, or to the extent that, its use in India is liable to be prevented—

(a) by virtue of any law in particular the law of passing off protecting an unregistered trade mark used in the course of trade; or

(b) by virtue of law of copyright.

(4) Nothing in this section shall prevent the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration, and in such case the Registrar may register the mark under special circumstances under section 12.

Explanation.—For the purposes of this section, earlier trade mark means—

(a) a registered trade mark or an application under section 18 bearing an earlier date of filing or an international registration referred to in section 36E or convention application referred to in section 154 which has a date of application earlier than that of the trade mark in question, taking account, where appropriate, of the priorities claimed in respect of the trade marks;]

(b) a trade mark which, on the date of the application for registration of the trade mark in question, or where appropriate, of the priority claimed in respect of the application, was entitled to protection as a well-known trade mark.

(5) A trade mark shall not be refused registration on the grounds specified in sub-sections (2) and (3), unless objection on any one or more of those grounds is raised in opposition proceedings by the proprietor of the earlier trade mark.

(6) The Registrar shall, while determining whether a trade mark is a well-known trade mark, take into account any fact which he considers relevant for determining a trade mark as a well-known trade mark including—

- (i) the knowledge or recognition of that trade mark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trade mark;*
- (ii) (ii) the duration, extent and geographical area of any use of that trade mark;*
- (iii) the duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trade mark applies;*
- (iv) (iv) the duration and geographical area of any registration of or any application for registration of that trade mark under this Act to the extent that they reflect the use or recognition of the trade mark;*
- (v) the record of successful enforcement of the rights in that trade mark, in particular the extent to which the trade mark has been recognised as a well-known trade mark by any court or Registrar under that record.*

(7) The Registrar shall, while determining as to whether a trade mark is known or recognised in a relevant section of the public for the purposes of sub-section (6), take into account—

- (i) the number of actual or potential consumers of the*

goods or services;

(ii) the number of persons involved in the channels of distribution of the goods or services;

(iii) the business circles dealing with the goods or services, to which that trade mark applies.

(8) Where a trade mark has been determined to be well known in at least one relevant section of the public in India by any court or Registrar, the Registrar shall consider that trade mark as a well-known trade mark for registration under this Act.

(9) The Registrar shall not require as a condition, for determining whether a trade mark is a well-known trade mark, any of the following, namely:—

(i) that the trade mark has been used in India;

(ii) that the trade mark has been registered;

(iii) that the application for registration of the trade mark has been filed in India;

(iv) that the trade mark—

(a) is well-known in; or

b) has been registered in; or

(c) in respect of which an application for registration has been filed in, any jurisdiction other than India;

or

(v) that the trade mark is well-known to the public at large in India.

(10) While considering an application for registration of a trade mark and opposition filed in respect thereof, the Registrar shall—

(i) protect a well-known trade mark against the identical or similar trade marks;

(ii) take into consideration the bad faith involved either of the applicant or the opponent affecting the right relating to the trade mark.

(11) Where a trade mark has been registered in good faith disclosing the material informations to the Registrar or where right to a trade mark has been acquired through use in good faith before the commencement of this Act, then, nothing in this Act shall prejudice the validity of the registration of that trade mark or right to use that trade mark on the ground that such trade mark is identical with or similar to a well-known trade mark.

12. Section-11 stipulates that subject to provision in Section-12, a trade mark shall not be registered, there exists a likelihood of confusion on the part of the public. Trade Mark Act is a Special Act. The provision of Section-11 is a prohibitory provision to the registration of identical with or similar to the earlier trade mark under Section 11(2)(b). In the present case, it is undisputed fact, the trade mark is identical. Section 11(2) does not mandate for similar goods. Rather it mandates that if earlier trade mark is a well-known trade mark in India and the use of the later mark without due cause would take unfair advantage or be detrimental to the distinctive character or repute of the earlier mark. Sub-section (3) is more stringent and mandatory. Section 11(1) (3) even mandates that no trade mark shall be registered and is to be prevented by virtue of law of copyright. It is settled law that while considering the mandatory provision of Section 12(1) and Section 11, it is the first duty of the Tribunal towards the public and the maintenance of purity of Register in order to avoid likelihood to deceive and cause on confusion in public at large.
13. As far as prevention of copyright is concerned, there is no dispute that the respondents have appropriate similar artistic work in logo as a whole. No justification is given by the respondents,. The concept of well-known trade mark covers under Section (11)(3)(b) of the Act if it is an infringement of copyright.
14. In the light of above, it is to be examined as to whether the trade mark of the applicant is a well-known trade mark within the meaning of Section 2(1)(zg) and Section 11 of the Act or not and as to whether the prayer can be allowed (if it is a well known mark) to take the unfair advantage or detrimental or repute of earlier trade mark within the meaning of Section 11(2) of the Act. It is admitted position that the applicant is holding registrations since 1942 and have come to file the rectifications mainly on the two reasons apart from others that the respondents are not the proprietor of the marks.

15. It is evident from the facts of present case that by virtue of user and being coined the trademark, 'EVEREADY' is a distinctive mark. It is registered in 1942. It is recognized all over India and abroad. Public in India is aware and having knowledge about the mark by way of user and promotion. It is also registered in other classes. It is protected by various courts from time to time. As of today, the user is about 78 years. Sale is in hundreds crores per annum. Further the object of Section 11(2) was to protect the reputation of certain trade marks that extended beyond the pale of the goods or services that were being originally offered under them, the primary factor here being the brand recollection, and not the turnover of the company. EVEREADY is not a common name. Marks like Bajaj, Dr. Reddy, Kirloskar, Sharp, Nirma Mahindra n Mahindra, Omega, Usha, Intel, Aggarwal Packers n mover, Havells, Raymond and Jockey which are common surnames and words have been declared as famous/well known/ reputed marks by the various High Courts. If those are declared then EVEREADY stand in better footing, if sufficient evidence is produced before us. When the word EVEREADY is heard by layman, he has naturally under the presumption that those goods, whatever their origin, must have been manufactured by the main company EVEREADY.
16. It is necessary to refer certain facts as alleged by the applicant in order to know that whether the applicant has produced sufficient material to satisfy this Board to cross such hurdle.
- a) In para-11 of the petitions, it has come on record that the applicant has large number of registrations in its favour. The earlier registration is dated 28.10.1942. The details are given as annexure-C.
 - b) Sale figures are given in Annexure-D. Figures are mentioned in para-12 of the petition along with advertisement figures from the year 1981-82.
 - c) Photo copies of invoices and advertisement are filed as Annexure – D.

- d) The Applicant had sales of around INR 229.70 Crore and made promotional expenses of approx. INR 3 Crore in the financial year 1990-1991, when the Respondents filed their trademark application. In view of the same, the Respondents cannot claim to be unaware of the Applicant's Trade Marks at the time of the adoption of the Respondents' Trade Marks.
- e) The Applicant has been vigilant in protecting its trademark EVEREADY even in the year 1930, in the case of **Chwan Swee Bee v National Carbon Company** reported in MANU/RA/0071/1930. The fact that the Applicant has been using a distinctive artistic label / banner of writing the trademark EVERADY in a pyramidal form has also been recognized by the Hon'ble High Court of Allahabad in as early as 1953 in a case reported **National Carbon Co (India) Ltd v Rajkumar and Anr** MANU/UP/0122/1954. The Hon'ble Supreme Court also in the year 1964 has referred to the Applicant's products EVEREADY torches in the matter of **Chhabildas Tribhuvandas Shah and Ors v Commissioner of Income Tax, West Bengal** MANU/SC/0174/1964
17. In view of such material, it has come on record that –
- a) Public has a knowledge about this mark.
 - b) Extent of user more than 78 years is sufficient in India and abroad.
 - c) Large number of registrations obtained.
 - d) Successful enforcement.
 - e) All conditions of Section 11(1)(6) are satisfied and also under Section 2(1)(zg) of the Act.
18. Thus, the applicant's mark is a well-known mark due to their extensive, continuous use, have gained immense goodwill and reputation and have attained the status of a well-known mark under Section 2(1)(zg) of the Act.

19. Once it is a well known marks, the registration if appropriated in bad faith even in relation to different goods, the benefit of Section 11 and 18 must go to a party who is enjoying the well-known mark.

Adoption of mark by the respondents

20. In the present case, the respondents have not only adopted the same mark, but also in the year 2005 invested in the name of “EVEREADY” as dominant part of trading style. Deliberate attempt is there to cause deception so as to confuse the members of general public. The comparison of both rival marks of the parties are reproduced as under:-

Applicant's Trade Mark	Respondents' Trade Mark
6728	439233 EVEREADY
	539621 

21. Thus, the adoption of the mark "EVEREADY" and the mark adopted by the Respondents was not honest and it must have been done with an intention to ride over the goodwill and reputation of the Applicant and for this reason also the impugned registration in favour of the Respondents is liable to be taken off the record. It is settled law that in cases of a dishonest adoption, the onus of proof is on the Defendant to prove the honesty. [MAC Personal Care Pvt Ltd and Ors v Laverana GMBH and Co KG and Ors 2016 (65) PTC 357 (Del)]

22. It appears that from the year 2005, the approach of the respondents was more aggressive who bent upon not only to use the same mark but also use the trading style. Section 29(5) stipulates that if a trade mark is used in trading style, it also

amounts to infringement of trade mark.

23. The Applicant has been using the trademark “Eveready” since 1942..The Respondents filed their application for the registration of the trademark “Eveready” later on. It is an admitted fact that the Applicant is the prior user of the mark “Eveready”. [Suresh Kumar Jain v Union of India and Anr MANU/DE/1214/2012; Pramod Kumar Vs. Suresh Garg and Ors MANU/IC/0004/2016]
24. It is settled law that a use of a well-known mark, even in respect of goods or services which are not similar to those provided by the trademark owner, though it may not cause confusion amongst the consumer as to the source of goods or services, may cause damage to the reputation which the well-known trademark enjoys by reducing or diluting the trademark's power to indicate the source of goods or services. [Tata Sons Ltd v Manoj Dodia and Ors 2011 (46) PTC 244 (Del)] A well-known trademark can be protected across all classes of goods [FordMotor CompanyvMrs. C R Borman and Anr MANU/DE/1564/2008]
25. As per settled law, in case of mala fide adoption, even use for a long period cannot vest any right in the Respondents. [JolenInc v. Doctor & Company 98 (2002) DLT 76; Innovolt v Kevin Power Solutions Ltd 2015 SCC Online Del 13730 (Para 58); Hamdard National Foundation v Abdul Jalil 2008 (38) PTC 109 (Del)] In fact, where the initial adoption of a mark is dishonest, no amount of subsequent use can purge the initial dishonest conduct [Win-Medicare Pvt Ltd v Galpha Laboratories Ltd MANU/DE/0051/2016]
26. It was observed by Romer J In the matter of an application brought by J.R. Parkington and Coy Ltd (1946) 63 R.P.C.-171 at 181 that the adoption of a mark in the first instance are of considerable importance when one once comes to consider

whether the use of the mark has or has not been an honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently.

27. We are of the view that the relief sought by any party on any ground, it can only be granted or advantage of bona fide and concurrent user is given if a party who is not guilty of a fraud.
28. The mala fide of the Respondents can also be gathered from the fact that initially the Respondents were conducting their business as Everest Tools Industries but adopted the Applicant's Trade Mark as a part of their trade name to ride on the reputation of the Applicant. The advantage of concurrent-user can be availed by a party if the adoption is honest because of Section 12(3) with the governing the word honest.

Evidence produced by the respondents about user

29. We have gone through the documents filed by the respondents which are in the nature of Income-tax returns, invoices, price list and other connected to the user claimed since 1985. Admittedly, the user of the respondent has been denied by the applicants –
 - a) Income-tax return and assessment orders do not show the trade mark “EVEREADY”.
 - b) The price list of the year 2006 is available on record.
 - c) Few invoices of the assignee from the year 2005-2009 of Eveready Tools Emporium are filed.
 - d) Sale figures do not show the trade mark.
 - e) Few invoices for the years 1998 and 1999 are filed pertaining to the trade mark Eveready and Champion.

It appears to us that there is no cogent and clear evidence of user claimed. The respondents were using other trade marks also. The respondent's have made the wrong statements that they have only one trade mark. Continuous user is missing in the matter. There is a break of user by the assignor and assignee for long period of time. The question of long user/continuous user does not arise nor the respondents were entitled for registration under concurrent year. The filing of applications itself were bad as on the date of respective applications, the respondents were not the proprietor of trade mark.

30. **Assignment**

Assignment Deed is dated 6th January 2009 effective from 1.4.2005. It is pertaining to two registered trademark no's 439233,539621 in class 8 in the name Smt. Kamlesh Chadha assignor in favour of Sanjay Chadha. The assignor in the deed executed has undertaken that the assignor shall not use the mark in any manner without the consent of assignee and all right would be vested with assignee only. It is evident that the said deed is effective from 1.4.2005 as per case of the respondents.

The assignor has also executed affidavit dated 6.1.2009. If the stand of the respondents without prejudice is accepted, then from 1.4.2005 has no right to both Trademarks in whatsoever manner. In case the Sanjay Chadha is become owner of the Marks w.e.f. 1.4.2005 then why the notice of opposition dated 28.3.2008 to the applicant mark under application number 641191 in class 8 was filed.

Sanjay Chadha has filed an affidavit as evidence dated 12.1.2009. It appears from para 8 of the affidavit that statement of sale figures from the year 1981 -1984 and 1986-87 to 1991-1992, 2000-2001,2002-2003 to 2004-2005 are missing. It appears

to us either the mark was not used by the assignor or assignee during relevant period of time or the assignment deed is anti dated/ cover up document.

There is no procedure in the Act to anti date the document. As per the case of the respondents that the mark was acquired by the Sanjay Chadha on 14.2005. As per Section 45 of the Act where a person becomes entitled by assignment to a registered trademark, he has to apply for registration in the prescribed manner for such assignment to be entered on the Register. It appears from record that the trademark was not renewed at that point of time. Once it was not renewed and not valid where is the question of assignment of registered trademarks. The application for recording the assignment was filed after many years when the said document was challenged in court. The mark was renewed in the year 2019. Thus we are clear in our mind that it is a defective document and contrary to law.

31. **Renewal of Trade Mark No. 439233**

As per digital record of Trade mark office is available on-line, counsel for the applicant has brought to our notice as follows:-

- a) The Respondent applied for registration of the trade mark “Eveready” as a word mark under Application No. 439233 on 19 June 1985. The said trade mark was renewed in the years 1992 and 1999 for 7 years each, and stood renewed till the year 2006. The Respondent failed to apply for renewal of its trade mark. After the lapse of restoration period of one year as per law is liable to be lapsed. The Respondent, in the year 2010 applied for renewal and restoration of the said trade mark, and also applied for change of name and address of its agent to “Delhi Registration Services”.
- b) The Respondent also filed an interlocutory petition, requesting for restoration of the said trade mark (thereby admitting that the same was not duly registered),

stating that the Applicant did not receive the prescribed renewal notice. It is pertinent to note that in support of its this statement, Mr Sanjay Chadha filed an affidavit stating that neither him nor his predecessor received the prescribed notice under Section 25(3) of the TM Act.

- c) The hearing on the said interlocutory petition was only held on 20 August 2018, wherein the agent for the Respondent submitted that the requisite notice was not delivered to them, and hence the mark could not be renewed in time. It is submitted that the said statement is highly misleading and incorrect, as in 2006, when the requisite notice was to be issued, the agent on record was different, i.e. Mr Vipin Jain and no notice was to be sent to Delhi Registration Service.

Thus, it is evident that on the date of execution of assignment deed, the trade mark no. 439233 in Class-8 was lapsed as it was not renewed on the relevant date/year 2009. Even as per admission by Mr. Sudershan K Bansal that the application was filed in 2010.

32. **Different goods**

No doubt, the goods of rival parties are different. But once the trade mark is a famous trade mark under the mandatory provisions for different goods, the same can be protected for different goods. Section-11 prohibits such registration. Even otherwise, reputed trade marks are also protected for dis-similar goods irrespective of facts whether well-known or not as per settled law, particularly when the trade marks are invented and the party is unable to give any justification to hit upon the trade mark under rectification. In the present case, the respondents have failed to give any valid reason for adoption of trade mark has hit upon them. It appears to us that it is simply a theft. Stolen property cannot become rightful property any amount of user although in the present case, the user claim and continuous evidence is missing. Even if the trade mark is not a well-know trade mark and business activities are different,

still it can be protected because of long user, proprietaryship right and nature of the mark in question.

a) *AIR 1969 Bombay-24 - Sunder Parmanand Lalwani Versus Caltex (India) Ltd.* – Para 20

20. In this case, the goods are totally different. There is no trade connection between them. There is no connection in the course of trade, nor any common trade channels. These are factors against holding that there would be any danger of deception or confusion. But we must consider the factors which tend to show that there is a likelihood of creating deception or confusion. The opponents have been using their mark on a very large scale since 1937. Their sales in 1956 exceeded Rs. 30 crores. Their publicity is widespread and large. In 1956 they spent over a million rupees on advertisements. The goods in respect of which they use the trade mark "Caltex" are mainly petroleum, kerosene and lubricants like greases and oils etc. The goods in respect of which the applicant seeks registration are mainly watches. The class of goods in respect of which the applicant seeks registration is wider than watches and watches can be both costly and cheap. It cannot go without notice that the goods in respect of which the applicant in fact used the mark before he applied for registration were very cheap watches. The goods of the opponents are used by persons all over India, in cities and villages, in different walks of life, rich or poor, literate or illiterate. The goods of the applicant are different in nature. But they are watches. They can be cheap watches. The potential market for them is, therefore, similar to that of the existing market of the opponents, in the sense that the goods of both the parties are not special goods. They are goods which would be purchased by the common man. Now, so far as the word "Caltex" is concerned, it is common to the opponent's mark as also to the opponent's name. To mention the mark "Caltex" is also to mention the name of the owner. The mark is unlike the "Lion" or the "Stag" mark, where there would be no direct connection between the mark and the name of its owner. The opponents are a large company known by many as having large resources, and therefore, capable of starting any new industry or trade. Because of that reason, there is a greater probability of the public believing that any goods with the mark "Caltex" on them would be the goods of the opponents. This is, in our opinion, sufficiently established by the 36 affidavits referred to above. The deponents of these 36 affidavits are from different parts of India, and from different vocations. In this connection, it may be stated that one of the deponents, Pujara, in his cross-examination, has stated that he would not be confused if he found the mark "Caltex" on other goods, like potato chips, hats, umbrellas etc. Such evidence on this particular point is not of much assistance. A witness who says so may be more particular or may have a sub-conscious background, whereby he makes the necessary distinction between the mark as used on different kinds of goods. Although such evidence would be weak, even such weak evidence has not been produced by the applicant. There is no affidavit on behalf of the applicant of any witness who says that he

would not be so deceived or confused. But, there is the evidence of Rajpal, who even in his cross-examination has stated that he would take all goods bearing the mark "Caltex" to have been manufactured by the opponents. The evidence of the other deponents as contained in their affidavits is similar. There is an additional factor to be taken into consideration. The applicant has given no explanation why he selected the word "Caltex". Mr. Bhabha contended that although the applicant has not specifically stated the reason for his selection, it can be inferred from the other statements of the applicant on the record. He pointed out that the applicant has stated that in about April 1955 he had gone to Switzerland: that he saw the mark applied by Degoumois & Co. on their watches; and that, their watches had good sales. He says that these facts by themselves provide the reason for his making the selection. But, unfortunately for the applicant, it is also his evidence that Degoumois & Co. had other marks in respect of their watches. As a matter of fact, on the first order which the applicant placed with Degoumois & Co., which is dated April 6, 1955, the mark originally selected by him in respect of the categories of watches covered thereby was "Sandy", which also was a mark of Degoumois & Co. He got the mark "Sandy" changed to "Caltex" only subsequently. Why he made the change has not been explained. It would be legitimate to infer that he selected the mark "Caltex" to take advantage of the reputation of that mark as used by the opponents in connection with their goods. The applicant's selection of the mark was made, to use the words of Lord Denning in *Parker-Knoll Ltd. v. Knoll International Limited*, with intention to deceive and cause confusion, and he must, therefore, be given credit for success in his intention, and we should not hesitate to hold that the use of that mark is likely to deceive or cause confusion. In this connection, the following passage from the judgment in *Edward Hack's case*, occurring at page 106 is relevant:

"I think that a large number of persons if they heard of laxative called 'Black Magic' or saw advertisements of a laxative called 'Black Magic' would be likely to think that the laxative was made by the same firm who made the 'Black Magic' chocolates".

b) (1994) 14 PTC 0 287 - Daimler Benz Aktiegessellschaft and another versus Hydo Hindustan (Para 13-20)

13. There are marks which are different from other marks. There are names which are different from other names. There are names and marks which have become household words. "Benz" as name of a Car would be known to every family that has ever used a quality car. The name "Benz;" as applied to a car, has a unique place in the world. There is hardly one who is conscious of existence of the cars/automobiles, who would not recognize the name "Benz" used in connection with cars. Nobody can plead in India, where "Mercedes Benz" cars are seen on roads, where "Mercedes" have collaborated with TATAs, where there are Mercedes Benz —Tata trucks have been on roads in very large number, (known as Mercedes Benz Trucks, so

long as the collaboration was there), who can plead that he is unaware of the word “Benz” as used with reference to car or trucks.

14. In my view, the Trade Mark law is not intended to protect a person who deliberately sets out to take the benefit of some body else's reputation with reference to goods, especially so when the reputation extends world wide. By no stretch of imagination can it be said that use for any length of time of the name “Benz” should be not objected to.

15. We must keep in mind that the plaintiff company exists in Germany. An insignificant use by too small a product may not justify spending large amounts needed in litigation. It may not be worth while.

16. However, if despite legal notice, any one big or small, continues to carry the illegitimate use of a significant world wide renowned name/mark as is being done in this case despite notice dated 9.12.1989, these cannot be any reason for not stopping the use of a world reputed name. None should be continued to be allowed to use a world famed name to goods which have no connection with the type of goods which have generated the world wide reputation.

17. In the instant case, “Benz” is a name given to a very high priced and extremely well engineered product. In my view, the defendant cannot dilute that by user of the name “Benz” with respect to a product like underwears.

18. Counsel for the defendant seeks three weeks' time to dispose of the existing stock. In my view, Hybo Hindustan is an established concern. It ought not to have adopted the name “Benz” with respect to underwear. It has its own name, its own reputation and it can very easily and conveniently bear the loss which will have to be sustained by it by not selling any of the underwears which it has wrongly chosen to mark “Benz”, forthwith.

19. It is not the case of the defendant that the defendant is only selling underwears under the trade mark “Benz”. It markets undergarments bearing different trade names, such as “VIP” etc. In my view, destruction of the underwears, or non-use of the said goods should send a clear message to persons, at least of the eminence, of Hybo Hindustan, that they should not demean other people's name and reputation by using the name like “Benz” with reference to the goods produced by them.

20. In my view, it is but right that the defendant should be restrained from using the word “Benz” with reference to any underwear which is manufactured by them, and in my view, injunction should issue, restraining the defendant to cease and desist from carrying on, trade in any undergarments in the name of “Benz” and “Three Pointed Human Being in a Ring”, forthwith. So ordered. I.A. stands disposed of.

- c) (2003) 26 PTC 1 - Honda Motors Co. Ltd. Versus Charanjit Singh & Ors.
(Para 11 – 37)

11. In *Bata India Ltd. v. Pyare Lal and Co.*, AIR 1985 All. 242, it was observed as follows:

“Where a trader uses the name or mark or sign deceptively similar to that of the second trader in relation to goods marketed by the former even though it may not be the same goods or the same type of goods as produced by the second trader, yet a question of passing off may arise. The main consideration will be whether there is a misrepresentation.”

12. *It is also well settled that the plaintiff in passing off action does not have to prove that he has actually suffered damage by loss of business or in any other way. A probability of damage is enough but the actual or probable damage must be damage to him in his trade or business i.e., damage to his goodwill in respect of that trade or business. It was so observed in Bulmer v. Benger, (1978) RPC 79 (CA).*

13. *It has further been observed in Apple Computer v. Apple Leasing, 1993 IPLR 63 [1992 (1) Arb. LR. 93 (Delhi)], that it is not even necessary in the context of the present day circumstances of free exchange of information and advertising through newspapers, magazines, video, T.V. Movies, freedom of travel between parts of the world to insist that a particular plaintiff must carry on business in a jurisdiction where improper use of its name or mark can be restrained by the Court. It was also observed that in a case of passing off action, the main consideration is the likelihood of confusion and consequential injury to the plaintiff, and the need to protect the public from deception, deliberate or otherwise.*

14. *In a nutshell, in an action for passing off, the plaintiff has to establish that his business or goods has acquired the reputation he is claiming, by showing that, his trade name has become distinctive of his goods and the purchasing public at large associates the plaintiff's name with them. The plaintiff is, however, not required to establish fraudulent intention on the part of the defendant. Causing of actual confusion amongst the customers is also not to be proved. What is required to be established is the likelihood of deception or confusion in the minds of the public at large. The likelihood or probability of deception depends on a number of factors, which necessarily, is a question of fact and varies in the circumstances of each case. The plaintiff has also to establish that the defendant's use of the plaintiff's marks, letters or other indicia with regard to his goods is likely to lead to confusion in the minds of public, and such confusion is likely to cause damage or injury to the reputation, goodwill and fair name of the plaintiff. The plaintiff has also to show his prior user of the trade mark, in point of time than the defendant. The plaintiff, however, need not prove actual loss or damage in an action of passing off. Also registration of the trademark is inconsequential in such an action.*

15. *For grant of interim injunction, what is to be seen is as to whether the plaintiff has a prima facie case. The mark HONDA is not only the trade mark of the plaintiff, but it also forms part of its corporate name. With the passage of time, the word “HONDA” has attained world wide recognition and is associated with the plaintiff company. The plaintiff's products specially cars and motorcycles are known all over world for their superior quality and the mark HONDA has acquired substantial international reputation and goodwill.*

16. *It is contended by the learned Counsel for the plaintiff that the plaintiff's products are being imported into India since late fifties which has made HONDA a household name*

with the consumers in India. It is also contended that the plaintiff's goodwill and reputation also reached India through various advertisements, published by the plaintiff in many international journals. Even the cars, manufactured by the plaintiff, are in use in India for the last many decades. The plaintiff has placed on record documents to prima facie show that the mark HONDA is of international repute and is also being used in India for the last about five decades. Photocopies of the journal "Business Week" placed on record shows the international ranking of HONDA. The photocopies of the magazines "Asia Inc." and "Asia Week" show some write ups about the plaintiff's business activities signifying its world wide reputation. Some extracts from the magazine "National Geographic" having considerable circulation in India, more particularly from some of its issues pertaining to the period from 1971 to 1979 containing advertisements of HONDA have been placed on record. Extracts from some issues of Asia Inc., Asia Week and Forbes carrying on advertisements of HONDA have also been placed on record. All these magazines are having circulation in India. These documents prima facie show that the name of HONDA has been known in India for the last five decades. Photocopy of the annual report of HERO HONDA (at pages 45 to 66 of the documents file) show that the company HERO HONDA MOTORS LTD. was promoted by the plaintiff in joint venture with HERO CYCLES PVT. LTD., which was prior to 1985. A document at pages 67-68 (documents file) shows that public issue of SHRIRAM HONDA POWER EQUIPMENTS LTD. was opened on 31st August, 1987. Not only this, some invoices of HONDA products showing its sales in the year 1982-1983 have also been placed on record. A list of persons owing HONDA cars in India from 1965 to 1990 is also placed on record. Some other documents like statement of account and documents pertaining to commission paid to "T.I.M. and Sales Ltd." and "Giriraj and Associates", for sale promotion expenses, have been placed on record. These documents indicate that sale promotion activities of plaintiff's products were going on in India even during the period 1982-1983. Reference has also been made to a statement mentioned in para 7 of the plaint giving the net sales of the plaintiff between 1974 to 1997. The plaintiff has also placed on record the registration certificate and their renewals which the plaintiff had obtained for the trade mark HONDA. Not only that, the plaintiff has also applied for registration of trade mark HONDA in all classes contained in 4th Schedule of Trade and Merchandise Marks Rules.

17. The learned Counsel for the plaintiff brought to my notice that trade mark HONDA came for consideration by Indian Courts on suits filed by the plaintiff for its use by other various traders for allied and cogent goods like rubber parts, paint etc. and some of the Courts have even passed interim orders and some have even decreed the suits. My attention has also been drawn to a number of cases in which offending traders illegally using the plaintiff's mark HONDA have given an undertaking that henceforth they will not use the plaintiff's mark after they were served with 'cease and desist' notice. Documentary evidence has been placed on record by the plaintiff. To my mind, the material placed on record, prima facie show that the plaintiff's mark HONDA has acquired substantial international reputation and goodwill and the consumers in India are aware of the same for the last several years. It is prima facie established that the mark HONDA has become distinctive of the goods of the plaintiff

and the purchasing public at large associates the plaintiff's name with the said mark.

18. Learned Counsel for the plaintiff contends that the defendants, have used the mark HONDA for their product 'pressure cookers', in order to encash upon goodwill and reputation of the plaintiff by inducing the customers to buy their products taking them as those of the plaintiff. The defendants are thus passing off their goods as that of the plaintiff's. It is, therefore, urged that defendants should be restrained from using the mark HONDA for their products. It is submitted that this user by the defendants also dilutes the plaintiff's reputation and goodwill, which is known for its high quality products.

19. Learned Counsel for the plaintiff has further emphasized the manner in which the mark HONDA is used by the defendants for their product pressure cooker. It is pointed out that from the defendants' application for registration of the trade mark HONDA, which is available on documents filed it is apparent that the trade mark HONDA has been shown in a circular device. The added matter is "SI PRODUCTS" perhaps indicating the name of the defendants firm "Steel India Products". In this representation the mark HONDA is so prominent that the added matter "SI PRODUCTS" is likely to be over-looked by the producer and he would purchase the product pressure cooker, taking it to be of the plaintiff or associated in some manner with the plaintiff. In the second application for registration of the trade mark, which is pending consideration before the Registrar of Trade Marks, the defendants have even removed the added matter "SI PRODUCTS" and the mark HONDA has been shown prominently in a circular device, which in all respects is identical to the plaintiff's mark. Apparently the defendants have done so with dishonest intention so as to create a deception in the minds of the public and pass off their products as those of the plaintiff, encashing upon its goodwill and reputation. This representation of the mark HONDA appears on page 2 of the list of documents dated 12th January, 2001 filed by the defendants. Another label showing the mark HONDA used or intended to be used by the defendants has been placed on record by the defendants at page 2A of the above stated list. This shows the mark HONDA prominently in the same style, which is used by the plaintiff with the added matter "Steel India" above and "pressure cooker" below the mark HONDA. The added matter is in italics and the font is so small that it can hardly be noticed. The whole prominence is taken by the mark HONDA. It is submitted that such depiction of the mark HONDA in the labels used by the defendants are likely to lead the public to believe that the goods offered by them are the goods of the plaintiff. It is further contended that the plaintiff is likely to suffer damage by reason of the erroneous belief likely to be entertained by the public, that the source of the defendants' goods is the same as that of the plaintiff or the defendants' goods are in some manner associated with the plaintiff's.

20. The main contention of the defendants is that the defendants have been using the mark HONDA for their product pressure cooker since 1985 and the visual presentation of the mark of their product is such that no confusion and deception of any kind can arise in the minds of the purchasers. It is contended that the impugned mark HONDA of the plaintiff is entirely for different goods, as compared to those of the defendants.

21. The defendants have placed on record a search report for the trade mark HONDA and copies of the defendants invoices issued to their purported customers, to indicate that the defendants had been using the trade mark HONDA for pressure cooker for many years. Learned Senior Counsel for the plaintiff points out that the plaintiff took action against the parties whose names and addresses are provided in the search report. Cease and desist notices have been served upon most of them and even suits have been filed against some of them. No response was received from some of them and on inquiry, it transpired that they had already stopped the business, some gave undertaking that they would discontinue the use of the trade mark HONDA. Some instances, against whom action is taken by the plaintiff, are shown in the replication to the amended written statement. Out of the 234 documents purported to be invoices issued by the defendants to show that they have been dealing with sale of pressure cookers under the mark HONDA, for many years, the plaintiff has issued 64 letters to the persons/entities, to seek confirmation as to whether in fact they have been purchasing the goods from the defendants or not. Only a few have responded, who have denied having any trade relation with the defendants. Only one person has stated that he had some relation about 10 years ago. The invoices of any case relate to the period 1988 onwards.

22. As discussed above, the plaintiff has prima facie placed sufficient material on record to indicate that it had been using the mark HONDA for the last about five decades. The plaintiff has also placed on record prima facie evidence that its mark HONDA is of international repute and is known for its quality products. There is also material placed on record which prima facie shows that the mark HONDA is known, not only internationally but even in India since late 1950's through advertisements in various international journals and magazines. Prima facie it also appears that the plaintiff is using the mark HONDA prior to that of the defendants. Though the plaintiff has placed on record sufficient material to prima facie show its prior use of the mark HONDA, the learned Counsel for the plaintiff submits that even otherwise the plaintiff's action for passing off is maintainable as the goodwill and reputation of its mark HONDA is not confined to one country, as it has travelled and spread all over the world. Reference in this respect is made to *N.R. Dongre v. Whirlpool Corporation*, AIR 1995 Delhi 300, case, where it was observed that the goodwill is not limited to a particular country as in the present days the trade is spread all over the world and the goods are transported from one country to another very rapidly and on extensive scale. It was also observed that the goodwill acquired by the manufacturer is not necessarily limited to the country where the goods are easily available because the goods though not available are widely advertised in newspapers, periodicals, magazines and in other media. It is also observed that the trade name transcends the physical boundaries of a geographical region and acquires a trans-border or overseas or extra-territorial reputation not only through import of goods but also by its advertisement. Another authority on this proposition is 1996 PTC (16) 293; *Calvin Klein Inc. v. International Apparel Syndicate*.

23. Learned Counsel for the defendants contend that the plaintiffs are dealing in automobile products and power generated equipment, whereas the defendants' product is pressure cooker and as such the two sets of goods are neither allied nor cognate, much less identical and as such there is no likelihood of any deception or confusion being caused in the minds of the public to purchase the defendants' goods as those of the plaintiffs.

24. The case of the plaintiff is in fact based on passing off action and not for infringement of the trade mark. It has never been the case of the plaintiff that the two sets of goods are identical. The concept of passing off, which is a form of tort has undergone changes with the course of time. The plaintiff now does not have to be indirect competition with the defendant to suffer injury from the use of its trade name by the defendants.

25. Learned Senior Counsel for the plaintiff contends that the trade mark HONDA has a unique goodwill and reputation all over the world and the use thereof by the defendants will dilute plaintiff's goodwill and reputation, as the public while purchasing any product under the said trade mark would believe that the said item might have come from the house of HONDA. The distinctiveness of the mark HONDA of the plaintiff is likely to be eroded and debased. In *Taittinger v. Allbev Ltd.*, (1993) FSR 641 (CA), per Peter Gibson LJ, observed:

“By parity of reasoning it seems to me no less obvious that erosion of the distinctiveness of the name champagne in this country is a form of damage to the goodwill of the business of the champagne houses.”

In the same judgment Sir T. Bingham said that:

“Champagne” has an exclusiveness which is impaired if it is used in relation to a product (particularly a potable product) which is neither champagne nor associated or connected with the business which produce champagne. The impairment is a gradual debasement; dilution or erosion are not demonstrable in figures of lost sales but that they will be incrementally damaging to goodwill is in my opinion inescapable.”

26. Learned Counsel for the plaintiff to support the proposition that in passing off action it is not material if the plaintiff and the defendant trade in the same field or trade in different products, has relied upon the following judgments:

27. *Daimler Benz Aktiengesellschaft v. Hybo Hindustan*, AIR 1994 Del. 239; *Ciba-Geigy Ltd. v. Surinder Singh*, 1998 PTC (18) 545; *Sunder Parmanand Lalwani v. Caltex (India) Ltd.*, AIR 1969 Bombay 24 (V 56 C 5); *Lego System Aktieselskab v. Lego M. Lemelstrich Ltd.*, Fleet Street Reports (1983); *The Dunlop Pneumatic Tyre Co. Ltd. v. The Dunlop Lubricant Co.*, 1899 (16) RPC 12; *Surjit Singh v. Alembic Glass Industries Ltd.*, AIR 1987 Delhi 319; *Essel Packaging Ltd. v. Essel Tea Exports Ltd.*, 1999 PTC (19) 521; *Banga Watch Company v. N.V. Philips*, AIR 1983 Punjab and Haryana 418; *Bata India Ltd. v. Pyare Lal and Co.*, AIR 1985 Allahabad 242; *C.A. Shimer (M) SDNBHD*, 2000 RPC 484; *Harrods Ltd. v. R. Harrod Ltd.*, (1924) 41 RPC 74.

28. In all the aforesaid decisions relied upon by the plaintiff, injunction was granted in favour of the plaintiff on the basis of an action of passing off even though the plaintiff and defendant were trading in altogether different products. I would deal with some of the afore-noted decisions.

29. In *Daimler Bern's case (supra)*, the plaintiff was using the trade mark MERCEDES BENZ in relation to vehicles, whereas the defendant had started using the trade mark BENZ in respect of undergarments. The Court granted injunction restraining the defendant from using the trade mark BENZ as well as “three pointed human being in a ring”. The judgment was upheld by the Supreme Court. The following observations made in this judgment are worth-noting:

“There are marks which are different from other marks. There are names which are different from other names. There are names and marks which have become household words. “Benz” as name of a car would be known to every family that has ever used a quality car. The name “Benz” as applied to a car, has a unique place in the world. There is hardly one who is conscious of existence of the cars/automobiles, who would not recognize the name “Benz” used in connection with cars. Nobody can plead in India, where “Mercedes Benz” cars are seen on

roads, where “Mercedes” have collaborated with TATAs, where there are Mercedes Benz-Tata trucks have been on roads in every large number, (known as Mercedes Benz Trucks, so long as the collaboration was there), who can plead that he is unaware of the word “Benz” as used with reference to car or trucks. In my view, the Trade Mark law is not intended to protect a person who deliberately sets out to take the benefit of somebody else's reputation with reference to goods, especially so when the reputation extends world wide.”

30. In *Ciba Geigy Ltd.'s case (supra)*, the plaintiff was using the mark CIBA, CIBACA in relation to goods different than those of the defendant's. The defendant was using the trade mark CIBACA in relation to filters for motor vehicles. The case of the defendant was that the goods in question were entirely different and as such there was no question of any deception being caused in the minds of the public, when trademark CIBACA was used in relation to altogether different goods. While coming to the conclusion that the defendant had adopted the mark CIBACA deliberately with the intention of creating confusion in the minds of the public so as to pass off its goods as those of the plaintiff, the Court granted injunction restraining the defendant from using the plaintiff's trade mark by the defendant for altogether different goods, as the use of the trade mark CIBACA by the defendant was held not to be honest.

31. Again in *Sunder Parmanand Lalwani v. Caltex India Ltd. case (supra)*, the goods were totally different having no trade connection between them. The matter was in appeal before the High Court from the orders of the Registrar, Trade Marks. The dispute related to mark CALTEX used by the applicant for watches for which he had applied for registration, whereas the defendant, Caltex India Ltd., who used it for their products like lubricants, grease, oils, etc. filed opposition before the Registrar Trade Marks. The Registrar dismissed the opposition holding the applicant to be the proprietor of the trade mark. Though the competing marks were held to be identical but the application was rejected on the ground that ??? competing goods were entirely different. Caltex (India) Ltd. appealed to the High Court, which was allowed. One of the points for decision before the High Court was as to whether the use of the mark was likely to deceive or cause confusion i.e., whether there was any tangible danger of deception or confusion being caused by the word/mark “CALTEX” in the minds of the purchaser. The High Court after considering the respective pleas of the parties held as under:

“In this case, the goods are totally different. There is no trade connection between them. There is no connection in the course of trade, nor any common trade channels. There are factors against holding that there would be any danger of deception or confusion. But we must consider the factors which tend to show that there is a likelihood of creating deception or confusion. The opponents have been using their mark on a very large scale since 1937. Their sales in 1956 exceeded Rs.30 crores. Their publicity is wide spread and large. In 1956 they spent over a million rupees on advertisements. The goods in respect of which they use the trademark “Caltex” are mainly petroleum, kerosene and lubricants like greases and oil etc. The goods in respect of which the applicant seeks registration are mainly watches, the class of goods in respect of which the applicant seeks registration is wider than watches and watches can be both costly and cheap.”

32. In *Lego's case (supra)*, the plaintiff was using the trade mark Lego in respect of toys, whereas defendant started using the trade mark LEGO in relation to irrigation equipment. Even though the trade mark LEGO was being used for different products, the Court granted injunction against the defendant holding that the plaintiff had established high reputation for the mark Lego which extended beyond the field of toys and construction kits and the mark Lego had acquired distinctiveness as the

products of the plaintiff. It had become a house-hold word. It was also observed that in the law of passing off, there was no limitation in respect of parties field of activity.

33. In *Dunlop's case (supra)*, the plaintiff was using the trade mark DUNLOP in respect of tyres whereas the defendant was using the same in respect of oil and lubricants. On a suit for passing off action filed by the plaintiff, defendant was restrained from using the mark DUNLOP for its products and for its business name.

34. In *Alembic Glass Industries Ltd.'s case (supra)*, the respondent used the trademark YERA in respect of glassware including jars and bottles, whereas the appellant Surjit Singh started using the same in respect of perfumery and cosmetics. The appellant lost before the Registrar of Trade Marks and filed an appeal before the High Court. While dismissing the appeal it was held as under:

“Held, the word ‘YERA’ was being copied by the petitioner in order to take advantage of the reputation acquired by the trade mark. Perfumery and cosmetics manufactured by the petitioner are sold in bottles and glass containers and if the trade mark “YERA” appears on these bottles and glass containers, there is likelihood that a common man who would go to buy these perfumery and cosmetics would be led to believe that these goods were manufactured by the opponent company. The petitioner was, therefore, not entitled to registration under Section 11(a). Case law discussed.”

35. In *Essel Packaging Ltd. v. Essel Tea Exports Ltd. case (supra)*, the High Court of Bombay after considering *Kirloskar Diesel Recon Pvt. Ltd. v. Kirloskar Proprietary Ltd.* and *Bajaj Electricals Pvt. Ltd. v. Metals and Allied Projects*, AIR 1988 Bombay 157, held, that common field of activity is not conclusive for deciding whether there can be passing off action, although at one point of time the said test was treated as conclusive. It was held that with the passage of time the law of requirement of common field of activity in a passing off action has undergone a radical change and as such there was no requirement for a common field of activity to found a claim on passing off action, because the real question in each of such cases is, whether there is, as a result of misrepresentation, a real likelihood of confusion or deception of the public and consequent damage to the plaintiff is likely to be caused and if that is taken to be the test then the focus is shifted from the external objective test of making comparison of activities of the parties, to the state of mind of public, in deciding whether it will be confused. Applying these principles the injunction in favour of the plaintiff was granted.

36. In *Banga Watch Co. v. N.V. Phillips case (supra)*, the plaintiff N.V. Phillips was using the trade mark PHILLIPHS, which had become a household mark and had acquired enviable reputation in India and throughout the world dealing in electrical and electronic goods. The defendant was using the trade mark PHILLIPHS in respect of watches and clocks.

37. In *Bata India Ltd.'s case (supra)*, the plaintiff was using the trade mark in respect of canvas, rubber, leather shoes, rubber footwear, etc. Whereas the defendant started using the trade mark Bata and Batafoam in relation to mattresses. The Court after discussing in detail the law on passing off action granted injunction in favour of the plaintiff despite the fact that the same trade mark was being used for different goods.

In the light of these decisions, we are clear in our mind that the mark in question can be protected in relation to dis-similar goods. It is undisputed facts that

the goods used by both parties at present time are available in Super Market, Malls. Thus, the arguments of the respondent are without any force.

33. **Acquiescence under Section 33 of the Act**

In the trademark infringement suit *GSK Consumer Healthcare S.A v. EG Pharmaceuticals & Ors.*, IA No. 6749/2019 in CS (Comm) No. 238/2019, a Single Judge (R.S. Endlaw, J.) of the Delhi High Court vide his order dated October 31, 2019 while granting the interlocutory application (for interim injunction) has clarified that the defence of acquiescence under Section 33(1) of the Trade Marks Act, 1999 is not available against the proprietor of a registered trade mark. The Court has held that a registered proprietor cannot be non-suited by a defence of statutory acquiescence since such a defense is available only in a passing off action by an unregistered mark. While arriving at its decision, the Court placed reliance on a judgment of the Division Bench (M. Mudgal, J. and V.J. Mehta, J.) of the Delhi High Court in the case of *Goenka Institute of Education & Research v Anjani Kumar Goenka & Anr.*, FAO (OS) No. 118/2009, wherein the Court had observed, but by way of obiter – “...*Section 33 is with reference to the right of an unregistered user and a subsequent registered user...*”.

Therefore the plea of acquiescence does not find place here.

The Applicant further submitted that since S. 33 envisages a registered trade mark, and at the time the Rectification Petition was filed in 2009, there was no registered trade mark of the Respondent, the first trade mark having lapsed in 2006, therefore they cannot take up the plea of acquiescence.

Further as the Respondents have not adopted the trademark “Eveready” in good faith, they cannot take any benefit under Section 33 of the Trade Marks Act, 1999. Section 33 stipulates the benefit for continuous period of five year from the date of knowledge of earlier proprietor could be derived unless the registration of the later mark was not applied in good faith. The lack of good faith, or the

Respondent's bad faith is evident from their slavish imitation of the EVEREADY logo of the Applicant comprising of the visual elements and the color scheme. In this case the Applicant is challenging the registration of the Respondent. There is no cross petition. In case there had been cross petition filed by the Respondent, where Respondent challenges the validity of the Applicant's Trade Mark use from 1942 onwards, then all questions would have been opened before this Forum including the validity of the Applicant's Trade Mark and any act done before the Trade Marks Office. The Respondent has to show that its registration is a bonafide and in good faith. In the present case, we found that on the date of applications, the adoption was tainted. There is no continuous user. The assignment document is sham document. The provision of Section 33 is brought in the Act in 2002. There is no cogent and clear evidence in the year 2002-2004. The present petitions are filed in the year 2009. Thus, the respondents have started using the mark with impunity in 2008. After the assignment in January, 2009, the suit and rectifications were filed within few months..

The Respondents relied on various admissions made by the Applicant in the Trade Mark Registry concerning the amendment of the description of the goods, and giving up certain goods, construing them as acts of assent. In *Hindustan Pencils Private Limited v. India Stationary Products*, AIR 1990 Delhi 19, the question of delay and acquiescence was dealt elaborately with. It was held that there should be a positive act or an express assent on the part of the right holder to claim the defense of acquiescence. Further in *Make My Trip (India) Private Limited v Make My Travel (India) Private Limited* (CS(COMM) 889/2018), 2019 SCC OnLine Del 10638, the High Court of Delhi has reaffirmed that the trademark holder's express consent to the use of a similar/identical trademark is an essential requirement to avail of the defence of acquiescence under Section 33 of the Trademark Act 1999. In order to prove delay and acquiescence, the defendant should have demonstrated that the plaintiff expressed assent and encouraged use of the impugned marks. Merely showing delay

to sue could not be accepted as sufficient grounds to exercise this defence.

Furthermore in *Dr. Reddy's Laboratories Ltd. vs Reddy Pharmaceuticals Limited, 2004 (29) PTC 435 Del* it was held that the owners of trademarks or copyrights cannot be expected to run after every infringer and that the right holder can wait till the time the user of their name starts harming their business. In the present case, although the Respondents claim a usage from 01 June 1985, there is a gap in the usage of the Respondent from 1987 to 1997, and further from 2000 to 2006. Meanwhile the Respondent's trademarks had lapsed without being renewed. When the Respondent's commence operations after 2006, and when the Applicant felt that there was palpable harm to their business, they filed the trade mark opposition on 28 March 2008. Therefore the silence on the part of the Applicant cannot be treated as non-action, or compliance or acquiescence of the action of the Respondent.

34. **Concealment**

The present petitions are filed before IPAB mainly on the grounds of well-known mark. If it is a well-known mark, the similarity of goods are irrelevant. The base of the petitions are that first trade mark of the applicant was registered in 1942. It was a coined word. It acquired great goodwill and reputation in relation to batteries and torches. It is the case of applicant that if any party will use the same mark and logo even in relation to any goods, it would be a confusion and deception. Thus, the filing of application by the applicant in class-8 has no bearing or even amendment made thereon. The said facts have no bearing, nor relevant facts in order to decide the real dispute between the parties.

35. No doubt, when the applicant has filed the application in class-8, in the examiner report the mark of the respondents were cited as conflicting mark

and the applicant had amended its application deleting the goods user of the respondents. The present petitions are filed on the basis of goodwill and reputation and user of the well-known trade mark 'EVEREADY'. The applicant is not seeking relief merely on the basis of registration in Class-8. Thus, the submissions are baseless.

36. It is settled law that when there is dishonesty or fraud in the initial adoption of a trade name, plea of laches and delay normally is rejected. The filing of the applications by the respondent itself was fraudulent move as the respondent must be aware of the date of filing of the application about the goodwill, reputation and user of the trade mark 'EVEREADY' of the applicant. The respondent is taking opposing stand from time to time. In the pleading, it is also stated that the trade mark 'EVEREADY' used by the respondent is common trade mark and descriptive. If such admission is accepted, then the application ought to have been rejected under Section-9 of the Act. In the present case, it is apparent that the first registration when applied, there was hardly any user. The second application was similar logo mark.

37. Experience shows that once the infringing party will try to act in order to detriment the distinctive character of the well-known trade mark or repute thereto by taking the unfair advantage in aggressive manner in the commercial mark only then the party having earlier user will hit the infringing party. In the present case, as per admission and affidavit filed, it appears to us that from the year 1985 till 2009, there was a break of user about 15-16 years two times. It is the statement of the respondents if that is positive, where is the question of effect of acquiescence. The arrangement of respondents are without any force.

38. **Admission on behalf of the Applicant**

The statements of the cross examination of the Authorized Representative of the

Applicant in the Delhi Suit, referred to by the Respondents cannot amount to admission as they were statements made in response to particular questions. The question asked in the cross-examination to the Authorized Representative were asked in context of a legal interpretation of the prosecution history of the Applicant's trade marks and the answer given by the Authorized Representative of the Applicant. It is a settled law that an admission must be unambiguous and definite admission. It would be not proper for the Court to pass a decree on inference. [**Shantez v Applause Bhansali Films Private Limited** 2009 SCC OnLineBom 405]

39. While drawing the inference from the evidence of witness, the whole evidence of witness i.e. examination-in-chief and cross-examination is to be considered and the Respondents cannot be permitted to read a stray line from the cross-examination to claim that the Applicant has admitted to the case of the Respondent. [**Gandhi Ram v Raj Kumar** MANU/HP/0075/2015; **SaygoBai v ChueeruBajrangi** MANU/SC/0963/2010; **State of Maharashtra v Mahesh KarimanTirki and Ors** MANU/OT/0001/2017]. In the present case, if entire statement of witness is read in meaningful manner, it appears that the statement goes against the respondent, ever otherwise deceptive similarity between two competing marks has to be adjudicated by the Hon'ble Courts and not by a witness. [**Mahindra & Mahindra Papers Mills Ltd v Mahindra & Mahindra Ltd** MANU/SC/0724/2001]. No-where in the statement, it is stated that the case of applicant is not maintainable and the respondent is entitled to use the mark. The objection raised by the respondents are baseless and without any force.

40. **Non-grant of injunction**

The said submissions have no force. The applicant has got the relief of logo mark. The Single Bench and Division Bench have merely passed the orders in the interim-

stage. The same are not binding or have no bearing when the suit is decided after recording the evidence. It was merely of prima facie view. IPAB is an independent jurisdiction irrespective of the fact as to whether any interim order is passed or not. The rectification proceedings are to be decided as per its own merit and as per independent evidence. None of the reason given by us after examination of evidence, facts and legal issues are discussed in the orders when the interim orders were not granted. IPAB is deciding the petitions as final matters. Interim stage in the present petitions are already over. The said orders passed in Civil Suit were merely prima facie view. Even otherwise, it is the admitted fact that evidence of the parties are recorded in the suit. If the applicant has failed to establish its case, the applicant will face consequences.

41. It is settled law that interim orders either granted and refusal shall have no bearing in the matters at the final stage. IPAB is an independent forum and the present matter would therefore be decided, starting from the beginning, on a clean slate, irrespective of the findings of the learned civil court. We propose to decide the final matters.
42. In the present case, the respondent became more aggressive when the mark was incorporated in the dominant part of trading style in the year 2005 knowing at that time that the mark belongs to the applicant. Thus the adoption was tainted, user was tainted so as the conduct. It appears to us the respondent has filed false affidavit in the Trademark Office. The assignment deed was manipulated document. There are so many discrepancies in the said deed which are on the face of records. Documents speak for themselves.
43. We have asked number of times, how his client has hit upon the said mark being not the common name. No valid explanation is given except answers. About user of the marks applied. There is no continuous users so as the sale and advertisements figures.

There is a break of user of number of years by the assignor as well as assignee. Income tax return of number of years is shown as Nil. The respondents' counsel have referred number of decisions. We have gone through the same. None the decisions applicable to the facts of present case. In the present case, the adoption, user are dishonest. The assignment deed is a sham document. In the affidavit as evidence many incorrect statements are made apparently.

44. There is no doubt in our mind that burden of proof initially always would be upon the applicant who is seeking rectification of registered trademark. Counsel for the respondents has cited the decision of Delhi High Court. We agree with the same. In the present case, counsel for the applicant has referred para 14 of the petition as well as is able to establish that the assignment deed is a manipulative document which was executed in order to claim continuous user. But the respondents have failed to rebut arguments of the applicant. The respondents themselves have filed an affidavit which is contrary to the statement made in the assignment deed. It would show that there was no continuous user. Thus once these objections raised by the applicant are valid objections, the applicant has discharged its burden. Thereafter it has to be shifted to the respondent to discharge the same who miserable failure to discharge. The respondents counsel has failed to give any valid answer about the continuous user either by the assignor or assignee nor able to give any justification to adopt and use of the well-known trademark of the applicant. Time and again merely vague explanation was given to us which is contrary to facts and law. In view of above the decision referred does ___ help the case of the respondents.

45. **Dilution of Applicant's well known trade mark**

We are of the opinion that the Applicant's trade mark EVEREADY is a well known trade mark. Dilution of the Applicant's trademark would therefore greatly affect the distinctiveness of a trademark and reduce its value, since the principle is based on the presumption that the relevant customers start associating the trademark with a new

and different source of goods and services. In *ITC Limited v. Philip Morris Products S.A.* &Ors.2010 (42) PTC 572 (Del), the Delhi High Court observed the following essential features are to be satisfied to establish dilution:

- the impugned mark is identical or similar to the senior mark,
- the senior or injured mark has a reputation in India,
- the use of impugned mark is without due cause,
- the use of impugned mark amounts to taking unfair advantage of, or is detrimental to, the distinctive character or reputation of the registered trademark.

In the present case, the mindless imitation of the Applicant's mark by the Respondent dilutes the reputation of the Applicant's trade mark and impairs or tarnishes the distinctive quality of the trademark. Therefore as regards the Respondent's usage of a mark identical to that of the Applicant's well known mark, there is no need to establish the likelihood of confusion as to source, association and connection, since there is dilution of the Applicant's trade mark by tarnishment.

46. In the light of the above-mentioned facts and legal law, we are of the opinion that the applicant is the aggrieved party to file the present petitions. The marks are wrongly remaining on the Register. In order to maintain the purity of the Register, we direct that both trademarks bearing no. 439233 (word per se) in Class-8 and 539621 (logo of Eveready) in Class-8 are removed from the Register of Trademarks. The prayer of both the petitions are allowed.

47. No costs.

- Sd/-

(MS. LAKSHMIDEVI SOMNATH)
TECHNICAL MEMBER (TM)

-Sd/-

(JUSTICE MANMOHAN SINGH)
CHAIRMAN

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IN THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment delivered on: 27.10.2022

+ **LPA 388/2022 and CM Nos. 28178/2022 & 28183/2022**

**MR SANJAY CHADHA TRADING AS M/S
EVEREADY TOOLS EMPORIUM** Appellant

versus

UNION OF INDIA & ORS. Respondents

Advocates who appeared in this case:

For the Appellant : Mr Adarsh Ramanujan, Mr Lzafeer Ahmad
BF and Ms Skanda Shekhar, Advocates.
For the Respondents : Mr Harish Vaidyanathan Shankar, CGSC
with Mr. Srish Kumar Mishra, Mr. Sagar
Mehlawat & Mr. Alexander Mathai
Paikaday, Advocates for UOI.
Ms Nidhi Raman, CGSC with Mr Zubin
Singh and Ms Devika Bajaj, Advocates for
R-1 and R-5.
Mr Ajay Sahni, Mr Shrey Gupta, Mr
Aashish Arora, Mr Ankur Sangal, Ms
Sucheta Roy and Ms Trisha Nag,
Advocates for R-3.

**CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE AMIT MAHAJAN**

JUDGMENT

VIBHU BAKHRU, J

INTRODUCTION

1. The appellant – who carries on business as a sole proprietor under the name M/s Eveready Tools Emporium – has filed the present intra-

court appeal, *inter alia*, impugning a judgement dated 17.02.2022 (hereafter ‘**the impugned judgement**’) passed by the learned Single Judge, whereby the appellant’s petition [being W.P.(C)-IPD No. 12/2021 captioned *Mr. Sanjay Chadha Trading as Eveready Tools Emporium & Anr. v. Union of India & Ors.*], was rejected.

2. The appellant had preferred the aforesaid petition under Articles 226 and 227 of the Constitution of India impugning an order passed by the Intellectual Property Appellate Board (hereafter ‘**IPAB**’) on 22.09.2020 (hereafter ‘**the IPAB order**’), whereby the IPAB ordered that the appellant’s trademark registrations being the word mark “EVEREADY” (Trademark Registration no. 439233) and the device

mark “” (Trademark Registration no. 539621) be removed from the Register of Trademarks.

3. The IPAB order was passed pursuant to the rectification/cancellation petitions bearing nos. ORA/97/2009/TM/DEL and ORA/98/2009/TM/DEL, filed by respondent no.3 - Eveready Industries India Limited.

4. The appellant has confined the present appeal to impugn the cancellation of the word mark “EVEREADY” (Registration no. 439233), under Class 8; and, he accepts cancellation of the device mark

“” (Trademark Registration. no. 539621)

FACTUAL CONTEXT

5. The appellant states that he is engaged in the business of manufacturing and marketing of hand tools, sold under the trademark “EVEREADY” since the year 1985.

6. The appellant claims that in the year 1978, his mother (respondent no. 4, hereafter referred to as ‘**the Predecessor**’) commenced business as a sole proprietor, under the name ‘Everest Tools Industries’.

7. On 19.06.1985, the Predecessor applied for registration of the mark “EVEREADY” under Class 8 by a Trademark Application bearing no. 439233, in relation to screwdrivers and cutting pliers being hand tools. The registration, as sought for by the Predecessor, was granted. Subsequently, on 08.11.1990, the Predecessor applied for registration of the device mark “” under Class 8 by a Trademark Application bearing no. 539621, in relation to hand tools. This too was granted.

8. Respondent no.3 states that it was incorporated on 20.06.1934 and is engaged in the business of manufacturing and trading in, *inter alia*, dry cell batteries, rechargeable batteries, flashlights, general lighting products and small home appliances. It claims that it is one of the most reputed FMCG companies and one of the pioneers to manufacture dry cell batteries and flashlights in India.

9. Respondent no. 3 states that on 28.10.1942, it applied for registration of the mark “EVEREADY” under Classes 9 and 11. It

claims that its trademark “EVEREADY” has gained significant reputation and goodwill amongst the general public and is now a well-known trademark under Section 2(1)(zg) of the Trade Marks Act, 1999 (hereafter ‘**the Trade Marks Act**’). Additionally, the trademark “EVEREADY” also forms a prominent part of its corporate name.

10. It is stated that sometime in the year 1994, respondent no.3 (then known as Union Carbide India Limited) applied for registration of the trademark “EVEREADY” under Class 8 by a Trademark Application bearing no. 641191. The Trademark Registry issued Examination Report no. 31312 dated 11.11.1999 citing registration of similar marks in favour of the Predecessor: Trademark Registration no. 439233 (under Class 8 in respect of screwdrivers and cutting pliers) and Trademark Registration no. 539621 (in respect of hand tools).

11. In response to the said report, by a letter dated 25.03.2000 sent by its attorney, respondent no.3 amended its application to exclude screw drivers and cutting pliers. Respondent no. 3 further states that in the month of September, 2008, it was apprised of the trademark adopted by the Predecessor.

12. Thereafter, by an Assignment Deed dated 06.01.2009 (hereafter ‘**the Assignment Deed**’), the Predecessor transferred the rights in the said trademarks registered in her favour and assigned them to the appellant.

13. On 06.04.2009, respondent no.3 filed cancellation petitions against the trademarks adopted by the appellant (bearing nos.

ORA/97/2009/TM/DEL and ORA/98/2009/TM/DEL), before the learned IPAB.

14. Respondent no.3 also filed a suit before this Court [being CS(OS) No.14222 of 2009], *inter alia*, alleging infringement and passing off. By an order dated 22.12.2010, the appellant was interdicted from using the work mark “EVEREADY” for all goods except in respect of screw drivers and cutting pliers. Further, this Court directed that if the aforementioned cancellation petitions were allowed, the appellant would cease the use of the word mark “EVEREADY” in respect of screw drivers and cutting pliers as well.

THE IPAB ORDER

15. On 22.09.2020, the learned IPAB allowed the cancellation petitions filed by respondent no,3 and directed for the trademarks of the appellant to be removed from the Register of Trademarks.

16. The learned IPAB found that the trademark in question (EVEREADY) is a well-known mark within the meaning of Section 2(1)(zg) of the Trade Marks Act. The learned IPAB noted that the trademark (EVEREADY) was a distinctive mark. It was registered in the year 1942 and is recognised all over India and abroad. The learned IPAB also took note of the fact that the said mark has been protected under various orders passed by the courts from time to time. In addition, the learned IPAB noted that respondent no.3 had a sales turnover of ₹229.70 crores in the year 1990-91 and had also spent approximately ₹3 crores on promotional expenses in the said year.

17. The learned IPAB referred to the decisions in *Chwan Swee Bee v. National Carbon Company: (1930) SCC OnLine Rang 122*; *National Carbon Co. (India) Ltd v. Rajkumar & Anr: (1953) SCC OnLine All 188*; and *Chhabildas Tribhuvandas Shah & Ors. v. Commissioner of Income Tax, West Bengal: (1966) 59 ITR 733*, and observed that the said decisions evidenced that the applicant and its predecessors were vigilant in protecting the trademark.

18. The learned IPAB referred to Section 11(2)(b) of the Trade Marks Act, which posits that “*a trademark, which is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered in the name of a different proprietor, shall not be registered, if or to the extent, the earlier trade mark is a well-known trade mark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.*”

19. After evaluating the given facts, the learned IPAB concluded that respondent no.3’s mark is a well-known mark and all conditions of Sections 2(1)(zg) and 11(1)(6) the Trade Marks Act stood satisfied.

20. The learned IPAB also found that the adoption of the mark “EVEREADY” by the appellant/Predecessor was not honest and the said mark was adopted with the intention to take an unfair advantage of the goodwill and reputation of respondent no.3. The learned IPAB also faulted the Assignment Deed and held that it is a defective document and contrary to law. The learned IPAB reasoned that assignment with

retrospective effect from 01.04.2005 was irreconcilable with the Notice of Opposition dated 28.03.2008, which had been filed in response to respondent no.3's application for registration of the trademark under Class 8. The learned IPAB inferred that the trademark was not in continuous use by either the appellant or the Predecessor from the figures of the annual sales turnover furnished by the appellant for various periods.

21. The learned IPAB also found that registration of the trademark, in favour of the Predecessor, had elapsed in the year 2006 as it was not renewed.

22. The learned IPAB rejected the appellant's contention that respondent no.3 had acquiesced in use of the trademark by the appellant and therefore, the appellant was entitled to the benefit under Section 33 of the Trade Marks Act. It referred to the order dated 31.10.2019, passed by this Court in *GSK Consumer Healthcare S.A. v. EG Pharmaceuticals and Ors.: IA No. 6749/2019* in *CS (COMM) No. 238/2019* and held that the defence of acquiescence under Section 33(1) of the Trade Marks Act was not available against the proprietor of a registered trademark. The learned IPAB did not accept that there was any acquiescence on the part of respondent no.3 as acquiescence could not be inferred by any passive inaction; it was necessary to establish that respondent no.3 had, by some positive act or expressed assent, encouraged the appellant to use the said trademark.

23. The learned IPAB found that, in the given facts, there was no acquiescence on the part of respondent no.3 to the appellant's use of the trademark in question. It also observed that the defence of acquiescence would not be available to a user, who had adopted the trademark dishonestly and with the *mala fide* intention to take an unfair advantage of a registered trademark.

THE IMPUGNED JUDGMENT

24. The learned Single Judge had concurred with the decision of the learned IPAB and had found no ground to interfere with the same.

SUBMISSIONS

25. Mr Ramanujan, learned counsel appearing for the appellant, has assailed the impugned judgment as well as the learned IPAB's order on several grounds.

26. First, he contended that the observations made in the impugned judgment that the appellant's right in the registered trademark was abandoned in the year 2005, on account of non-use during the year 2000-2005 is, *ex facie*, erroneous because there was evidence of use in the year 2005 and the necessary conditions, as stipulated under Section 47 of the Trade Marks Act, were not fulfilled. He submitted that the learned IPAB had failed to appreciate that the appellant had recommenced using the mark from the year 2005. Respondent no.3 had filed a suit in the year 2009, which also established that the appellant was using the trademark in question in the year 2009. He also referred to the decision of the Supreme Court in *Hardie Trading Ltd. & Anr. v.*

Addisons Paint & Chemicals Ltd.: (2003) 11 SCC 92 and contended that for concluding that there is abandonment of a trademark, it would be necessary to find that the appellant had the intent to do so. He submitted that in the present case, non-use was on account of shifting of manufacturing facilities from non-conforming areas in Delhi, pursuant to the orders passed by the Supreme Court. Thus, there was no intention to abandon the trademark in question at any point of time.

27. Second, he submitted that the learned IPAB and the learned Single Judge had erred in finding that the appellant's trademark had expired in the year 2006 on account of non-renewal. He submitted that the application for restoration of the trademark had been filed on the ground that the statutory notice, as required under Section 25(3) of the Trade Marks Act, had not been received. The said contention was accepted and the trademark had been renewed by the competent authority in the year 2018; therefore, the finding that the registration had elapsed is, *ex facie*, erroneous.

28. Third, he submitted that the conclusion of the learned IPAB that the Assignment Deed was a sham because it assigned the rights in the trademark retrospectively, with effect from 01.04.2005, is erroneous. He contended that the learned IPAB had no jurisdiction to question the validity of the Assignment Deed. He also submitted that the Assignment Deed was not ante-dated and it merely assigned the rights in respect of the trademark from a date prior to its execution. He also pointed out that although respondent no.3 was aware of the Assignment Deed, it had not

challenged the same and therefore, any findings in this regard by the learned IPAB were unwarranted.

29. Fourth, he submitted that the learned Single Judge had failed to appreciate that no appeal had been preferred against the orders passed by the Trademark Registry to renew the registration of the trademark with effect from 19.06.2006 and to accept the retrospective assignment of the trademark in question by the Predecessor to the appellant.

30. Lastly, he contended that the standard of review, as applied by the learned Single Judge, was narrower than what was warranted. He submitted that the appellant had no statutory appeal against the order of the learned IPAB and therefore, the standards of judicial review were required to be wider than what is usually applied in petitions under Articles 226 or 227 of the Constitution of India.

31. He also referred to the decision in the case of *In Re: CTP Innovations, LLC: MDL No. 14-MD-2581, decided on 29.11.2016*, rendered by the United States District Court for the District of Maryland in support of his contention that retrospective assignment of the trademark was permissible.

REASONS AND CONCLUSION

32. We are of the view that the determination of controversy in this case is pivoted on two findings of the learned IPAB. The first being the finding that “EVEREADY” is a well-known trademark; and second, being that the appellant and/or the Predecessor had dishonestly adopted

the trademark “EVEREADY” for taking an unfair advantage of the reputation and goodwill associated with the said trademark.

33. The decision of the learned IPAB that respondent no.3’s trademark “EVEREADY” is a well-known trademark with substantial goodwill and reputation associated with it, cannot be faulted. The trademark “EVEREADY” is a coined word formed by joining the two words ‘Ever’ and ‘Ready’ and by deleting the letter ‘R’ from the combined mark. It is, undoubtedly, a distinctive mark and well recognised in India.

34. In this context, it is relevant to refer to the decision of the Rangoon High Court rendered in the case of *Chwan Swee Bee v. National Carbon Co. (supra)*. The said decision was delivered on 20.05.1930. The plaintiffs, in that case, had instituted an action for passing off. They sought to restrain the defendants from using the wrapper with a certain getup in respect of electric batteries. The plaintiffs claimed that they had been importing electric flashlight batteries into Burma for several years and had sold more than eighty lacs of such batteries. The plaintiffs claimed that the wrapper used by them was of a distinctive getup, which had come to be associated in the minds of the general public with the batteries sold by the plaintiffs. The plaintiffs further claimed that the wrapper had three distinctive features. The first, was a combination of red, white and blue colours; the second, was that the word “Eveready”, was set out in a distinctive form of lettering; and, third, was the number 950 over the word “Eveready”.

35. It is relevant to note that the lettering was distinctive as the letters in the center of the mark 'EVEREADY' were in a larger font than the letters 'E' and 'Y' at the two ends. The use of the varying font sizes in respect of different letters of the word "Eveready" lent it a pyramidal shape as is clear from the device mark "EVEREADY".

36. The defendants in that case were using the trademark "Polo Brand" and had adopted similar colours in addition to using an identical form of lettering as used in the trademark "EVEREADY". The court found in favour of the appellants/plaintiffs. The court accepted that there was evidence from which inference could be reasonably drawn that the defendant's adoption of their wrapper was calculated to deceive the public, which was likely to buy electric batteries. Accordingly, the court upheld the decision of the trial court to the aforesaid effect and rejected the appeal. The aforesaid decision does indicate that the trademark "EVEREADY" had a market presence in at least a part of the Indian sub-continent as early as in 1930.

37. In *National Carbon Co. (India) Ltd. v. Raj Kumar & Anr.* (*supra*), the Division Bench of the Allahabad High Court had allowed the appeal against the decision of the trial court, declining to pass an interim injunction restraining the respondents from using the name "LITREADY", in respect of torches. The mark "LITREADY" was set out in the same pyramidal manner as the trademark "EVEREADY"/

“”. The court was of the view that the appellant/plaintiff had made a *prima facie* case of infringement in their favour. This

decision also indicates that the courts had, more than six decades ago, accepted that the trademark used by respondent no.3 is distinctive.

38. As noticed above, the trademark “EVEREADY” was registered in the year 1942. The applications for rectification, filed by respondent no.3, also set out the sales turnover achieved by respondent no.3 since the year 1981-82, as well as the amount spent in advertisements over the years. The learned IPAB had noted that respondent no.3 had a sales turnover of ₹229.70 crores in the year 1990-91.

39. On the basis of the material placed on record, the learned IPAB concluded as under:

“17. In view of such material, it has come on record that –

- a) Public has a knowledge about this mark.
- b) Extent of user more than 78 years is sufficient in India and abroad.
- c) Large number of registrations obtained.
- d) Successful enforcement.
- e) All conditions of Section 11(1)(6) are satisfied and also under Section 2(1)(zg) of the Act.

18. Thus, the applicant’s mark is a well-known mark due to their extensive, continuous use, have gained immense goodwill and reputation and have attained the status of a well-known mark under Section 2(1)(zg) of the Act.”

40. There is no serious contest to any of the aforesaid findings. We find that the material placed on record substantiates the aforesaid findings, and we concur with the same.

41. The second finding, which is central to the controversy in this case, is whether the appellant's use of the trademark "EVEREADY" is dishonest.

42. As noticed above, the word 'Eve-ready' is a coined word formed by joining the two words 'Ever' and 'Ready'. This is not a generic word. It is difficult to believe that the appellant had discovered the said word as a matter of coincidence without being aware of the use of the said trademark in respect of dry cell batteries and flashlights. The appellants had also set out the said word in a pyramidal form with letters of the words being in different font sizes. The letters 'R' and 'E' at the center are in a large font, whilst the font size of the letters 'E' and 'Y' at the extreme ends, is relatively small.

43. As noticed above, this distinctive manner of writing the word 'Eveready' was adopted almost a century ago. The appellant's use of the trademark  being identical to respondent no.3's trademark, is certainly not a matter of coincidence. Respondent no.3's trademark, at the material time, was a well-known trademark, enjoying reputation over several decades. The inescapable conclusion is that the Predecessor had adopted respondent no.3's trademark to ride on the goodwill and to take an unfair advantage of its reputation.

44. Mr Ramanujan had made an attempt to distance himself from addressing the appellant's use of the device mark . He contended that the present appeal was confined to the word mark

“EVEREADY” and therefore the discussion in respect of the label mark was not relevant. He submitted that the appellant had accepted cancellation of the registration of the device mark “” and a reference to the same by the learned Single Judge had clouded the controversy. We are unable to accept that the appellant can avoid the reference to use of the device mark “”. The question is not whether the appellant had accepted the cancellation of that mark. The point to be considered is that the Predecessor adopted the mark dishonestly. The use of the label trademark indicates her mindset and the same is material in determining the question whether adoption of the trademark “EVEREADY” was *bona fide*. Indisputably, when the Predecessor’s conduct is examined, there is no reason to exclude her use of the device mark “” from consideration.

45. The findings that respondent no.3’s trademark “EVEREADY” is a well-known trademark, and the Predecessor (from whom the appellant claims to derive his title) had adopted the trademarks in question dishonestly and with a view to take an unfair advantage of its reputation, lead to the inevitable conclusion that the registrations in favour of the Predecessor/appellant is liable to be cancelled.

46. The learned IPAB had also found that permitting the use of the trademark “EVEREADY” would lead to dilution of respondent no.3’s trademark. It is well settled that when a senior mark has acquired

reputation in relation to certain goods, use of an identical or similar mark in respect of other goods would result in dilution of the said trademark by blurring. Any negative association with the junior mark may also dilute the senior mark by tarnishment.

47. The learned IPAB had rightly held that in terms of Section 11(2)(b) of the Trade Marks Act, the trademark in question ought not to have been registered in favour of the Predecessor and therefore, the registration was liable to be cancelled.

48. In *Ford Motor Company v. Mrs C.R. Borman: 2008 SCC OnLine Del 1211*, this Court had observed as under:

“ 16. 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.”

49. Apart from the primary function of identifying the source of goods, a trademark, amongst other functions, has an investment function as well. This is to preserve the investments made by the proprietor of a trademark in publicity and building up reputation of the said mark. The trademark, thus, acquires value that can be estimated in monetary terms and although intangible, is a valuable asset. The use of a trademark by other persons, which is identical or similar to the senior

mark, would inevitably result in dilution of the senior mark and adversely affect its value. Thus, the Trade Marks Act also extends protection to reputed trademarks and does not permit use of similar or deceptive trademarks notwithstanding that they are not in respect of goods covered by the senior trademark, if their use is to take an unfair advantage or is detrimental to the distinctive character or repute of the registered senior trademark.

50. The learned IPAB had rightly found that respondent no.3's trademark was entitled to be extended such protection.

51. The next question to be addressed is whether there has been any acquiescence on the part of respondent no.3 in the use of the trademark by the appellant (or the Predecessor), which disentitled respondent no.3 from seeking a declaration as to the invalidity of the said registration.

52. Section 33 of the Trade Marks Act reads as under:

“33. Effect of acquiescence.—(1) Where the proprietor of an earlier trade mark has acquiesced for a continuous period of five years in the use of a registered trade mark, being aware of that use, he shall no longer be entitled on the basis of that earlier trade mark—

(a) to apply for a declaration that the registration of the later trade mark is invalid, or

(b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used, unless the registration of the later trade mark was not applied in good faith.

(2) Where sub-section (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the

earlier trade mark, or as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark may no longer be invoked against his later trade mark.”

53. The principal question to be addressed is whether there is any acquiescence on the part of respondent no.3, which disentitled it to challenge the validity of the trademark registered in favour of the appellant. The learned IPAB had rejected the aforesaid contention for three reasons. First, it observed that the defence of acquiescence is not available against the proprietor of a registered trademark. The learned IPAB had referred to an order dated 31.10.2019, passed in the interim application in **GSK Consumer Healthcare S.A. v. EG Pharmaceuticals and Ors.** (*supra*).

54. Second, the learned IPAB found that at the time when the rectification petition was filed (that is, in the year 2009), the registration of the trademark, in favour of the appellant/predecessor, had elapsed.

55. Third, that the use of the trademark “EVEREADY” by the appellant was not *bona fide* and the protection under the provisions of Section 33 of the Trade Marks Act is not available.

56. In the case of **M/s Power Control Appliances & Ors. v. Sumeet Machines Private Limited: (1994) 2 SCC 448**, the Supreme Court held as under:-

“26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade

mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches...”

57. In *Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel & Ors.*: (2006) 8 SCC 726, the Supreme Court observed that: -

“106. The defence of acquiescence, thus, would be satisfied when the plaintiff assents to or lay by in relation to the acts of another person and in view of that assent or laying by and consequent acts it would be unjust in all the circumstances to grant the specific relief”.

58. In *Khoday Distilleries Limited v. Scotch Whisky Association & Ors.*: (2008) 10 SCC 723, the Supreme Court had, *inter alia*, referred to the decision in *Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel & Ors.* (*supra*) and observed as under: -

“53. A contention is sought to be raised that the purported wrong committed by the appellant being a continuing one would not attract the doctrine of laches, acquiescence or waiver. The doctrine of continuing wrong has nothing to do with the refusal on the part of a statutory authority or a court of law to exercise its discretionary jurisdiction on the ground of laches, acquiescence or waiver”.

59. Further, in the case of, *M/s Hindustan Pencils Private Limited v. M/s India Stationary Products Co. & Anr.*: (1989) SCC OnLine Del 34, this Court held as under: -

“18.‘Inordinate delay’ would, therefore, be delay of such a long duration that the defendant could have come to the conclusion that the plaintiff has, possibly, abandoned his right to seek relief or to object to the defendant using the trade mark.

19.It would follow, logically, that delay by itself is not a sufficient defence to an action for interim injunction, but delay coupled with prejudice caused to the defendant would amount to 'laches'.....

** ** ** **

30.the equitable relief will be afforded only to that party who is not guilty of a fraud and whose conduct shows that there had been, on his part, an honest concurrent user of the mark in question. If a party, for no apparent or a valid reason, adopts, with or without modifications, a mark belonging to another, whether registered or not, it will be difficult for that party to avoid an order of injunction because the Court may rightly assume that such adoption of the mark by the party was not an honest one. The Court would be justified in concluding that the defendant, in such an action, wanted to cash in on the plaintiff's name and reputation and that was the sole, primary or the real motive of the defendant adopting such a mark. Even if, in such a case, there may be an inordinate delay on the part of the plaintiff in bringing a suit for injunction, the application of the plaintiff for an interim injunction cannot be dismissed on the ground that the defendant has been using the marks for a number of years....”

31.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 of the plaintiff may consider such infringement by the defendant as not being serious enough to hurt the plaintiff's business. Nevertheless, if the Court comes to the general public who may be misled into buying the goods manufactured by the defendant thinking them to be goods of the plaintiff then an injunction must be issued. The Court may, in appropriate cases, allow some time to the defendant to sell off their existing stock but an injunction should not be denied”.

60. In the case of *BCH Electric Limited v. Eaton Corporation & Anr.:* (2016) SCC OnLine Del 3639, this Court held as under:-

“81.in order to make good the defence of acquiescence, the defendant must have acted *bonafide* and in an honest belief that it was not treading on anyone else's rights. Clearly, a person who knowingly usurps a trademark of another and carries on his trade with the intention of benefiting from the goodwill of another cannot be heard to take the defence of acquiescence”.

61. We do not agree that the defence of acquiescence under Section 33 of the Trade Marks Act is not available against the proprietor of a registered trademark. This view is contrary to the plain language of Section 33 of the Trade Marks Act. However, in the given facts, it is apparent that respondent no.3 had not acquiesced in the appellant's (or the Predecessor's) use of the trademark. We are unable to find any positive or tacit act on the part of respondent no.3 that would indicate that it had encouraged the use of the trademark by the Predecessor, either actively or tacitly.

62. The question whether the registration of the trademark had elapsed in the year 2006, is a contentious issue. Admittedly, the Predecessor had not renewed the trademark and the same had elapsed in the year 2006. It is also admitted that the trademark was not used in the years 2000 to 2005. In fact, it is admitted that the Predecessor had ceased in using the mark from the year 2000. The appellant had secured restoration of the trademark that had been removed on the ground that the notice under Section 25(3) of the Trade Marks Act had not been received. The appellant or his attorney could not have affirmed that the notice was not received because, at the material time, the trademark was registered in the name of the Predecessor and therefore, the notice, if any, would have been sent to the authorised attorney of the Predecessor or to the Predecessor herself. Although the appellant and his attorney had affirmed that neither they nor the Predecessor had received such notice, the same may not be sufficient to establish non-receipt of notice, since the same would have been issued to the attorney of the Predecessor.

63. Having stated the above, there is merit in the appellant's contention that registration of the trademark had been restored and such restoration was not under challenge. However, it is necessary to bear in mind that the observations made by the learned IPAB were in regard to the appellant's contention regarding the defence of acquiescence under Section 33(1) of the Trade Marks Act. Clearly, respondent no.3 could not have been found to have acquiesced in the use of the registered trademark, if the trademark was, in fact, not in use.

Admittedly, for the period after the year 2000, the trademark was not used by the Predecessor. Therefore, respondent no.3 cannot be held to have acquiesced in any such use.

64. The appellant also contested the learned IPAB's finding that the Assignment Deed executed by the Predecessor was faulty.

65. It is necessary to point out that the said finding had been returned in the context of the question whether the appellant could claim any rights in respect of the trademark, for the period 01.04.2005 to 06.01.2009 (the date on which the Assignment Deed was executed) against third parties. It must be clarified that the Assignment Deed, insofar as it determines the rights *inter se* the Predecessor and the appellant, is not in question. The only controversy is whether the appellant can use the said Assignment Deed to claim rights in respect of the registered trademark as against respondent no.3 for the period of 01.04.2005 to 06.01.2009. Whilst there is no prohibition for the parties to enter into a contract to determine their *inter se* rights, it clearly would not be permissible for the appellant to assert any rights against third parties, which are premised on proprietary rights of a registered trademark for the period when he was not a proprietor of the said trademark. The Predecessor, by virtue of the Assignment Deed, cannot retrospectively create rights in favour of the appellant to be exercised against third parties.

66. Mr Ramanujan had referred to the decision in *In Re: CTP Innovations, LLC (supra)*. In that case, the US District Court for the

District of Maryland had considered the question of the plaintiff's locus to sue for enforcement of patent rights. In that case, the inventors of the patent had assigned their rights to Banta Corporation on 21.09.1999. In the year 2007, one R.R. Donnelley acquired the holdings of Banta Corporation; however, he did not acquire the assets owned by Banta Corporation. Banta Corporation continued to operate as a subsidiary of R.R. Donnelley from the year 2007 to 2013. On 12.02.2013, R.R. Donnelley – who was not the patentee at the material time because the patent rights were held by Banta Corporation – executed an assignment of rights to Media Innovations, LLC.

67. On 05.03.2013, Media Innovations, LLC assigned its right to CTP Innovations, LLC (the plaintiff in that case). On 24.05.2013, Banta Corporation executed the assignment of rights in favour of R.R. Donnelley but with effect from 03.01.2013. This agreement was described as a *nunc pro tunc* agreement as it sought to create rights retrospectively. In the said context, the court considered the question whether CTP Innovations, LLC (the plaintiff) had a standing to sue. The court did not accept that the plaintiff had any locus to sue and granted the defendant's motion to dismiss the suit due to the plaintiff's lack of standing to sue. The relevant extract from the said decision is set out below:

“CTP contends that Banta's May 24, 2013 execution of a *nunc pro tunc* assignment of the rights to the Patents in Suit to R.R. Donnelley was effective to retroactively close the gaps in the chain of title between R.R. Donnelley and Media and between Media and CTP.

Certainly, contracting parties may agree to give retroactive effect to their agreements as between themselves. *American Cyanamid Co. v. Ring*, 286 S.E. 2d 1, 3 (1982). However, a nunc pro tunc agreement cannot be used to rewrite history so as to retroactively provide standing to sue for patent infringement. “[N]unc pro tunc assignments are not sufficient to confer retroactive standing.” *Enzo APA & Son, Inc. v. Geapag A.G.*, 134 F.3d 1090, 1093 (Fed. Cir. 1998). “As a general matter, parties should possess rights before seeking to have them vindicated in court.” *Id.* (quoting *Procter & Gamble Co. v. Paragon Trade Brands, Inc.*, 917 F. Supp. 305, 310 (D. Del. 1995)). See also *Gaia Techs.*, 93 F.3d at 780 (vacating verdict that the asserted patents were infringed because the nunc pro tunc agreement was insufficient to cure the lack of standing existing when the complaint was filed).”

68. The aforesaid decision is of no assistance to the appellant in the present case. On the contrary, the said decision clearly supports the view that, on the basis of the Assignment Deed, the appellant could assert no rights relating to the period prior to the date when the deed was executed, against any third parties.

69. It is also relevant to reiterate that an assignor cannot assign any rights that it does not have. Thus, the Predecessor could only assign the rights that she held as on 06.01.2009, as on the said date, registration of the trademark had elapsed. The Predecessor had not used the trademark in question for the preceding nine years. The appellant’s use of the trademark, if any, during the period 2005 to 2009, could not be regularised or considered as use by a proprietor of the registered trademark as the appellant was not a registered proprietor of the

trademark during the said period. The observations made by the learned IPAB, regarding abandonment of the trademark in question, would have to be seen in the context of admitted non-use of the trademark by the Predecessor from the year 2000 onwards and in the context of the appellant's defence of acquiescence.

70. This Court is unable to accept that in the given facts, the decision of the learned IPAB that there was no acquiescence of use of the registered trademark by respondent no.3, is flawed.

71. The Trademark Registry had issued an examination report citing the registration of the trademark owned by the Predecessor on 25.03.2000. The appellant claims that, at least, with effect from that date, respondent no.3 was aware of the registration of the trademark in favour of the Predecessor but had taken no action to challenge the registration and therefore, had acquiesced in its use.

72. The said argument is fundamentally flawed, as admittedly, neither the appellant nor the Predecessor were using the trademark from the year 2000 to 2005. Thus, the question of respondent no.3 acquiescing in such use does not arise. As stated above, the proprietor of the registered trademark (the Predecessor) never used the trademark after the year 2000 as the appellant claimed that it commenced using the same from the year 2005 onwards. However, at that time, he was not the registered proprietor of the trademark. While the Assignment Deed may create some rights *inter se* the Predecessor and the appellant,

it created no right in favour of the appellant insofar as respondent no.3 is concerned, for the period prior to 06.01.2009.

73. In view of the above, this Court finds no merit in the present appeal and the same is, accordingly, dismissed. All pending applications are also dismissed.

VIBHU BAKHRU, J

AMIT MAHAJAN, J

OCTOBER 27, 2022
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