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Rakesh Kumar Aggarwal vs.lock & Locking Devices

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Court : Delhi

Decided On : Jul-04-2018

Appellant : Rakesh Kumar Aggarwal

Respondent : Lock & Locking Devices

Advocate for Def. : Mr. Harshwardhan Pandey

Advocate for Pet/Ap. : Mr. S. K. Bansal, Mr. Ajay Amitabh Suman, Mr. Kapil Kumar Giri, Mr. Vinay Kumar Shukla

Judgement :

$~ * IN THE HIGH COURT OF DELHI AT NEW DELHI Reserved on :

8. h March, 2018 Date of Decision:

4. h July, 2018 + RFA682009 & CM APPLs. 2732/2009 & 3165/2009 RAKESH KUMAR AGGARWAL ..... Appellant Through: Mr. S. K. Bansal, Mr. Ajay Amitabh Suman, Mr. Kapil Kumar Giri and Mr. Vinay Kumar Shukla, Advocates. (M:9990389539) versus LOCK & LOCKING DEVICES ..... Respondent Through: Mr. Harshwardhan Pandey and Mr. Advocates. Kumar, Praveen (M:9953134789) CORAM: JUSTICE PRATHIBA M. SINGH Prathiba M. Singh, J.

JUDGMENT1 The present appeal has been preferred against the final judgment and decree dated 9th January, 2009 by which the learned Trial Court dismissed the suit of the Appellant/Plaintiff (hereinafter Plaintiff) and partly decreed the

counter claim of the Respondent/Defendant (hereinafter Defendant). The operative portion of the impugned judgment is set out below: Accordingly, I dismiss the suit of the plaintiff and partly decree the counter claim of the defendant. Accordingly, I pass a decree for permanent injunction in favour of the defendant and against the plaintiff thereby restraining its proprietor, principal officers, servants, agents and representatives or any of them from manufacturing, selling, offering to sale or supply, advertising, directly or indirectly dealing in locks or locking devices bearing the trade mark VIJAYAN or any other deceptively similar mark the plaintiff, RFA682009 Page 1 of 32 2. and so packaged as to misrepresent their goods as those of or approved by or associated with the defendant in any manner and from doing any other thing as may be likely to lead to passing off of the plaintiffs goods or business as and for those of the defendant. The plaintiff is directed to deliver all the goods bearing the impugned trade mark and other materials the purpose of destruction/erasure within 30 days from today. the defendant to for In affidavit EX.DW1/A, DW-1 has not made a prayer for grant of relief of rendition of accounts or for damages. Therefore, no such relief can be granted to the defendant. Parties are left to bear their own costs. Decree sheet be prepared accordingly. The dispute relates to the trademark VIJAYAN used in relation to locks, locking devices and handles. The Plaintiff filed a suit for infringement of registered trade mark and passing off. It claimed that it had used the mark VIJAYAN since 1946 through its predecessor, from whom it had acquired the rights. According to the Plaintiff, the Defendant subsequently adopted and used the said mark for identical goods and hence the prayer for injunction.

3. The Defendant claimed that it adopted the trademark VIJAYAN and started using the same since 1960. It filed an application for registration of the trademark on 10th July, 1984. The said mark was advertised in the trademark journal on 1st March, 1991 with the user claim of 1960. The Defendant also filed a copyright application which was registered as A- 46227/1984 for the artistic work. It thereafter came across a notice issued on 1st January, 1996 by the Plaintiff (Mr. Rakesh Kumar Aggarwal). By the said notice the Plaintiff had asserted rights in the mark VIJAYAN and called upon the public /dealers not to use the same in violation of its rights. When RFA682009 Page 2 of 32 the Defendant came to know of the same, it issued a letter dated 30th January, 1996 by which it called upon the

Plaintiff to disclose its date of use of the trademark VIJAYAN and the registration of the same. Upon not receiving a reply, it sent a reminder dated 21st March, 1996 (Ex.DW-1/4).

4. In the meantime, the Plaintiff instituted the present suit on 7th May, 1996 before the Delhi High Court wherein an ex parte order of injunction was passed against the Defendant from using the mark and label VIJAYAN in respect of locks and other allied, cognate and related goods. The case made out in the plaint was that the Plaintiff is the registered proprietor of the trademark VIJAYAN label vide registration No.532484 which was applied for on 2nd July, 1990. The Plaintiff claimed that it had the exclusive right to use the mark in view of the registration. The Plaintiff further claimed that the Defendants mark and the products were identical and hence an injunction is liable to be granted against the Defendant.

5. The Defendant filed an application seeking vacation of injunction on the ground that the suit was founded on fraud inasmuch as out of the two registrations claimed by the Plaintiff, one of them was cancelled and the other mark is also liable to be cancelled. A show cause notice dated 3rd October, 1996 issued by the Registrar of Trademarks seeking to cancel Registration No.532484, was relied upon.

6. The learned Single Judge noticed that the Defendant had, in its trade mark application, claimed that it has been using the mark VIJAYAN since 1960 and had also given the sales figures. The learned Single Judge also noticed that initially the Plaintiffs trade mark application had claimed user since 1981 but was later sought to be amended by filing Form TM-16 from 1981 to 1946. The Plaintiff also relied upon an assignment made from one RFA682009 Page 3 of 32 Mr. Babu Lal Agarwal proprietor of M/s. Agarwal Metal Foundry dated 2nd November, 1981 to argue that it was the beneficiary of assignment of the mark from the said erstwhile proprietor. The learned Single Judge after noticing that the Plaintiff had no reason not to plead the assignment deed in the plaint, vacated the ad interim order of injunction.

7. The written statement was thereafter filed along with the counter claim and the Defendant sought the following reliefs:-

"i) An order for permanent injunction restraining the plaintiff, its proprietor, principal officers, servants, agents and representative or any of them, from manufacturing, selling, offering for sale or supply, advertising, directly and indirectly dealing in locks or locking devices bearing the trademark VIJAYAN or any other deceptively similar mark and so packaged as to misrepresent their goods as those of or approved by or associated with the defendant in any manner and from doing any other thing as may be likely to lead to passing off of the plaintiffs goods or business as and for those of the defendant; ii) An order for rendition of accounts of profits illegally earned by the plaintiff by the use of the impugned mark; An order for delivery up of all the goods iii) bearing the impugned mark, dies, blocks, cartons, labels and any other infringing material to the authorised representative of the defendant for the purpose of destruction/erasure. 8. The following issues were framed on 7th October, 1999:-

"1. Whether the suit has been properly instituted?. OPP2 Whether the Plaintiff is the proprietor of the trade mark VIJAYAN?. OPP3 Whether the acts of the defendant amount to infringement of trademark?. OPP RFA682009 Page 4 of 32 4. Whether the Plaintiff is guilty of concealment?. OPD5 Whether the Defendant is guilty of concealment?. OPP6 Whether the suit has been properly valued for court fees?. OPP7 Whether the defendants are passing off their goods as those originating from the Plaintiffs?. OPP8 Whether the counter claim has been properly instituted?. OPD9 Whether the Defendant is the proprietor of the trademark VIJAYAN?. OPD10 Whether the Plaintiffs are passing off their goods as those originating from the defendants?. OPD11 Whether the Plaintiff is guilty of fraud?. OPD12 Relief. 9. The suit was then transferred to the District Court on 26th February, 2004 in view of the enhancement in the pecuniary jurisdiction of the High Court.

10. The following witnesses were produced by the Plaintiff:-

"(i) PW-1, Plaintiff himself; (ii) PW-2, Mr. Kirti Pal Singh, Noted Drafter, Sales Tax/Trade Tax Officer, Aligarh, Delhi; (iii) PW-3, Mr. P.K. Sharma, Junior Assistant, Office of General Manager, District Industry Centre, Aligarh; (iv) PW-4, Mr. Manoj Arora, Official from Trademark Registry, Dwarka, New Delhi.

11. The Defendant produced the following witnesses: - (i) DW-1, Mr. J.S. Bansal, Proprietor of the Defendant; (ii) DW-2, Mr. Mohan Lal, Senior Clerk, Trade Tax Department, RFA682009 Page 5 of 32 Aligarh; (iii) DW-3, Mr. Rajesh Oberoi, Assistant Examiner, Trademark Registry. After perusal of the evidence and the pleadings, the Trial Court was pleased to pass the impugned judgment dismissing the suit of the Plaintiff and decreeing the Counter Claim.

12. In the present Appeal, notice was issued and on 27th March 2009, and the impugned judgement was stayed. On 15th July 2010, the Appeal was admitted and was placed in the Regular Board. Thereafter submissions were made by Mr. Shravan Kumar Bansal on behalf of the Plaintiff/Appellants and Mr. Harshvardhan Pandey on behalf of the Defendant/Respondents. Judgement was reserved on 8th March 2018. Both parties thereafter filed their sales figures. Summary of the Evidence:

13. In this case, voluminous documents have been produced by both the parties. The Plaintiff has produced the following documents: - (i) Ex.PW1/A - Plaintiffs Label; (ii) Ex.PW1/B - Defendants Label; (iii) Ex.PW
- Deed of assignment in favour of the Plaintiffs wife from M/s. Agarwal Metal Foundry; (iv) Ex.PW
- Deed of assignment in favour of the Plaintiff from M/s. Agarwal Metal Foundry; (v) Ex.PW
to Ex.PW1/95 - Original sales bills dated back to 22nd July, 1978 to show use of the mark VIJAYAN; (vi) Ex.PW1/1A - Cash receipt of Rs.1,000/- dated 2nd November, RFA682009 Page 6 of 32 1981; (vii) Original trademark application for trademark No.532484 dated 2nd July, 1990 in Class VI; (viii) Copy of trademark Registration No.201919; (ix) Mark A - Copy of Form TM-16 dated 14th February, 1992 by which the Plaintiff sought to amend the user claim from 1981 to 1946; (x) Ex.PW1/96 - An original letter written by Directorate of Industries dated 30th April, 1992; (xi) Copy of trademark journal dated 16th March, 1995 advertising trademark application No.532484. (xii) Mark C - Copy of legal proceedings and affidavit for trademark No.532484 issued on 27th March, 1996; (xiii) Original trademark journal of trademark application No.536465 for trademark VIJAYAN claiming user from 1981.

14. On the other hand, the Defendant has produced the following documents:-

"(i) Ex.DW
(colly) - Invoices of the Defendant showing user of the Trademark VIJAYAN, dating back to 24th October, 1985; (ii) Ex.DW
- Application dated 18th April, 1988, seeking advertisement of the Defendants Trademark in the Trademark Journal; (iii) Ex.DW
- Notice issued to Plaintiff dated 21st March, 1996; (iv) Ex.DW
- Defendants Trademark; (v) Ex.DW
- An advertisement in the Magazine All India Hardware Association; RFA682009 Page 7 of 32 (vi) Ex.DW
- Copy of FIR dated 16th June, 2005, filed by the Plaintiff; (vii) Ex.DW
- Response by the proprietor of the Defendant to FIR filed by the Plaintiff; (viii) Copy of caution notice dated 9th June, 1996 issued by the Plaintiff; (ix) Original copyright registration A-462
for the Vijayan artistic label; (x) Copy of notice of opposition filed by one M/s. Vijaya Industries, Kerala against the Defendants application No.424147; (xi) Affidavit of user filed by the Defendant before the trademark authority dated 29th January, 1988 along with the statement of sales from the year 1960 till 1987; (xii) Copy of FIR/search warrants under Section 93 Cr.P.C. on a complaint filed by the Plaintiff. (xiii) Copy of trademark caution notice issued on behalf of the Plaintiff on 15th January, 1996. (xiv) Invoices dating back to 13th September, 1983. (xv) Ex.DW-1/P-1 - Order dated 14th November, 2005 (xvi) Ex.DW-1/P-2 - Copy of trademark advertisement of the Defendant; (xvii) Copy of death certificate of the trademark agent of the Defendant dated 25th June, 2005 showing that he expired on RFA682009 Page 8 of 32 15th October, 2000; (xviii) Mark B - Copy of Central Sales Tax Registration dated 7th November, 1974; (xix) Ex.D3/A and Ex.D3/B - Copy of current status of marks of 424147 and 532484; (xx) Original book of All India Hardware Association souvenir 2003 containing an advertisement of the Defendant; (xxi) Original records of the Sales Tax Department showing assessments in the year 1979-80, 1974-75 and 1977-78 showing sales tax payment during 1970 and 1980. (xxii) Photocopy of notice issued under Section 56(4) issued by the trademark registry seeking to cancel trademark No.532484; Who is the prior user?.

15. Trade mark applications: The first and foremost question that arises is as to which of the two parties is the prior user of the mark VIJAYAN in respect of lock, locking devices and handles. The Plaintiff initially claimed user since 1981 in the trademark application No.532484 filed in the name of Mrs. Manju Aggarwal, but sought to amend it to 1946 thereafter. An amendment was sought by the Plaintiff on 14th February, 1992. On the other hand, the Defendant in its trade mark application No.424147 claimed user of mark since 1960 consistently.

16. Invoices: Insofar as invoices are concerned, both parties have sought to produce several invoices. The Plaintiff has produced invoices of its predecessor, the oldest of which dates back to 20th July, 1978. In these RFA682009 Page 9 of 32 invoices, the trademark VIJAYAN appears in brackets below the description of the product. There are other invoices which have been placed on record including order forms etc. of the predecessor, which relate to the 1990s. Insofar as the Defendant is concerned, it claims to have filed its sales figures since 1960 before the Registrar of Trade marks in support of its trade mark application. However, due to the death of its Trade mark agent it was unable to retrieve the documents from there. The earliest invoice goes back to 13th September, 1983. In all of these invoices, again, the brand VIJAYAN is written below the description of the product.

17. Sales Tax records: The sales tax and other tax records which have been filed show that the Defendant has been carrying on business under a different name & style since the 1970s. The earliest documents date back to 1970-1975. These documents have been produced by the witness appearing from the Sales Tax Department, Uttar Pradesh. On the other hand, the tax records of the Plaintiff are not clear. In his affidavit, PW-1, claimed user since 1946, however, the same is based on use by the alleged predecessor in interest. There is no document on record which dates back to 1946. The Central Sales Tax Registration of the Plaintiff is of 8th April, 1988 and the Central Sales Tax Registration of the Defendant is of 26th August, 1983.

18. Copyright Registration: Both parties have registered copyrights. The copyright registration of the Plaintiff dates back to 2005 whereas the Defendants copyright dates back to 1984.

19. Advertisements and sales: There is only one public advertisement by the Defendant in a trade journal published by `All India Hardware Association in 2003. There is no advertisement by the Plaintiff. The sales figures of both parties are in lakhs whereas the Plaintiffs is higher than that RFA682009 Page 10 of 32 of the Defendant. Another important factor is that the Defendant claims that a large number of its documents were filed with the trademark registry/given to the trademark agent, who had since expired and they hence could not retrieve the same.

20. A perusal of the affidavit filed by PW-1, Rakesh Kumar Aggarwal, in evidence shows that the Plaintiff firm was formed only in 1980 but the claim by PW-1 was that he has been using the mark since 1978. He denied he had knowledge that the Defendants trademark application was advertised earlier. He further admitted that he did not know the date of assignment of the Trademark at the time of filing of the plaint. When he was asked to point out any single document showing user since 1946, he could not point out the same.

21. PW-2, Mr. Kirti Pal Singhal from the Sales Tax Office, Aligarh produced 12 pages Exhibit PW-
which was the record summoned by the Plaintiff. As per the said documents, Mr. J.S. Bansal had started the business of sale and purchase of locks and hardware since 15.8.1983, and that the first purchase of the same was made from it on 26.8.83. It is also stated that the sale of locks and locking devices would be made outside U.P., and that trading of locks is the side business of Mr. J.S. Bansal. As per the documents, Mr. J.S. Bansal had not made a sale prior to making of the sale in the said statement, and that all sales were made by M/s Locks and Locking devices.

22. PW-3 sought to prove the letter dated 30th April, 1992. He admitted that the office of the General Manager, District Industry Centre, Aligarh gives quality authentication marks to various goods. The witness from the trademark office, PW-4, submitted that the trademark application of the RFA682009 Page 11 of 32 Plaintiff is dated 2nd July, 1990 and it was renewed. He was not able to produce the trademark journal advertisement and stated that the records are in the office of

Trademark Registry, Mumbai.

23. DW-1, Mr. J.S. Bansal, was cross-examined. He admitted that the vouchers relating to use of the mark between 1960 and 1963 were given by him to his trademark agent, late Mr. D.R. Thanekar in Mumbai for filing before the trademark office and since he had expired in the year 2000, DW-1 could not retrieve the records. He admitted that his sales tax registration dates back to 1974 and that he had obtained the sales tax registration in the name of Bansal Metal Industry. Suggestions were put to him that he was only a trader of locks and that he had not traded in locking devices, which he denied. He also denied the suggestion that his sales were confined only to the jurisdiction of Uttar Pradesh. When he was confronted with Ex.PW-2/1, which was a letter written by him to the U.P. Sales Tax Department, he admitted the contents of the said letter. He admitted that as per the said letter he had represented to the Sales Tax Department that he had his first purchase as part of the firm Locks and Locking Devices on 26th August, 2003. However, he confirms in his cross-examination that he was not aware that he had to disclose the details of all his other firms to the Sales Tax Authority, when he had applied for sales tax registration in the name of the firm Locks and Locking Devices. He also admitted in his cross-examination that the new firm Locks and Locking Devices was formed after the dissolution of the old firm M/s. Bansal Metal Industries. He stated that though he was initially using the letter R in a circle with the Trademark VIJAYAN, he thereafter, stopped using the same. In respect of advertisement given in the Trade Journal of the All India Hardware RFA682009 Page 12 of 32 Association, he stated that he had spent huge amount in advertising the product but he could not give the figures. Insofar as his Trademark application No.424147 is concerned, he admitted that the same was abandoned. However, the said abandonment has been challenged by way of an appeal and the same is pending. On the adoption of the Trademark VIJAYAN he stated:-

"In 1959 I was blessed with a son whose name is Vijayan. On the basis of name of my son, I adopted the same as trade mark for my products as I stated the business in 1960. In 1963-64 when he was got admitted in the school, his name was changed from Vijayan to Brijesh Kumar. It is wrong to suggest that my son was never named as Vijayan and I concocted the story just to justify the trade

mark. I have not filed any document in the court which may show that my son was ever named Vijayan..... 24. He was confronted with the Trade Mark Journal advertisement for application No.424147, which he admitted. He reiterated his use of the mark VIJAYAN since 1960.

25. DW-2 was an official from the Trade Tax Department, Aligarh. He was summoned with the sales tax records of M/s. Bansal Metal Industries which showed registration of the said firm since 1974. As per the said official, M/s. Bansal Metal Industry closed its business on 30th March, 1980 and that it did not have very big volumes of sales.

26. DW-3, the Assistant Examiner from the Trademark Registry, Delhi appeared and exhibited the computer generated records of Trademark Nos.424147 (Ex.DW-3/A) and 532484 (Ex.DW-3/B). He also produced the letter dated 15th November, 2006 as Ex.DW-3/C. He confirmed that there RFA682009 Page 13 of 32 was a typographical error in the said letter and the Trademark number should read as No.532484 and not 532486.

27. A perusal of all the documentary and oral evidence reveals that the Defendants claim of user from 1960 is genuine whereas the Plaintiffs claim of user since 1946 is not believable. The initial user claim by the Plaintiff was 1981 but the amendment of user claim to 1946 does not inspire confidence of this Court inasmuch as there is no documentation to back such user claim of 1946. No witness has been produce to establish that the Assignor had in fact used the mark. Moreover, the amendment was sought to be made in the year 1992. On the basis of the documents and the oral evidence which is placed on record, the user claim of the Defendant of the mark VIJAYAN is prior. This is because of: a. Claim of user by the Defendant in the trade mark application which is 1960 as against the initial user claim of 1981 by the Plaintiff and an amended claim of user to 1946, which is not established with any evidence; b. Earlier copyright registration; c. Earlier Sales Tax registration; d. Earlier advertisement in the Trade Marks journal; e. Advertisement in a trade journal in 2003 as against absence of a single advertisement by the Plaintiff.

28. The Plaintiff has not placed a single advertisement on record of any year showing advertisement of the mark VIJAYAN by it. On the other hand, the Defendant has produced records from the Sales Tax Department, records from the Trademark Registry and also an advertisement in 2003 all of which are independent evidences showing that the Defendant was in RFA682009 Page 14 of 32 business and using the trademark since 1960. The Plaintiff, on the other hand, applied for the mark VIJAYAN in 1990 claiming user from 1981. The Form TM-16 seeking amendment in the user is interestingly filed only on 14th February, 1992. This was subsequent to the advertisement of the Defendants mark in the Trademark Journal on 1st March, 1991.

29. The first deed of assignment relied upon by the Plaintiff from M/s. Agarwal Metal Foundry (Ex.PW-
and Ex.PW-1/A) is dated 2nd November, 1981. However, when the Plaintiff filed the application for Trademark registration after the assignment, i.e., on 2nd July, 1990, it did not consider the said alleged user of M/s. Agarwal Metal Foundry and claimed user only from 1981. The application to amend the user from 1981 to 1946 is of the same date on which a deed of assignment was re-executed i.e. on 14th February, 1992. It clearly appears that the Plaintiff was attempting to create an evidence of user prior to that of the Defendant who has claimed user since 1960 in its Trademark application. Moreover, there are no documents placed on record which trace the user of the Plaintiff to 1946. As stated earlier, the earliest document of the Plaintiff on record is of 1970. Thus, there is no doubt that the Defendant is the prior user of the mark VIJAYAN. WHETHER THE PLAINTIFF IS THE REGISTERED PROPRIETOR OF THE TRADEMARK VIJAYAN?.

30. The Plaintiff claims to hold a Trademark registration in its favour bearing number No.532484. It also claims to have filed a second application No.536465 as an associated Mark. The Trademark application No.532484 was filed in the name of Smt. Manju Aggarwal trading as M/s. R.M.V. RFA682009 Page 15 of 32 Hardware and Electricals, Bombay. Smt. Manju Aggarwal, the Applicant in the Trademark application, is the wife of the Plaintiff, Sh. Rakesh Kumar Aggarwal.

31. The deed of assignment dated 2nd November, 1981 (Ex.PW-1/1) is executed by Sh. Babu Lal Agarwal as the Proprietor of M/s. Agarwal Metal Foundry. A perusal of the alleged assignment shows that the said M/s. Agarwal Metal Foundry claims to have started using the Mark VIJAYAN in respect of all kinds of brass, aluminium, iron locks and hardware items since 1946. The said assignment claims that Rs.1,000/- was the consideration paid by the Plaintiff to the said M/s. Agarwal Metal Foundry for use of the Trademark. Thereafter, a deed of assignment which is re- executed on 14th February, 1992 also has the same narration as the earlier deed. The earliest invoice on behalf of the Plaintiff is of 22nd July, 1978 in the name of M/s. R.M.V. Hardware and Electricals. The deeds of assignments do not mention any pending Trademark application or registration of the assigned mark of M/s. Agarwal Metal Foundry. The earliest invoice placed on record of M/s. Agarwal Metal Foundry are also dated 20th July, 1978. The Trademark Registration of the Plaintiff bearing No.532484 was permitted to be amended with user from 1981 to 1946 vide order dated 15th July, 1994. It is unclear as to how the trade mark authorities permitted the amendment of user on the basis of these deeds of assignment, in the application No.532484. The advertisement in the Journal was clearly smudged and the Trademark VIJAYAN was not visible in the same. Under such circumstances, nobody could have opposed the said Trademark. The show cause notice as to why the Mark should not be cancelled was, therefore, rightly issued by the Registrar of Trademarks. The Mark not RFA682009 Page 16 of 32 being visible, the entire purpose of the advertisement is itself defeated, inasmuch as the purpose of advertisement in the Trademark Journal is for inviting oppositions from interested parties. Whereas in the Registration Certificate issued to the Plaintiff, the mark VIJAYAN is clearly visible, in the Trademark Journal, which precedes the registration, it is not at all visible. The extract from the Trademark Journal is set out below: PLAINTIFFS ADVERTISEMENT IN THE TM JOURNAL32 A perusal of the above Trademark Journal extract shows that for RFA682009 Page 17 of 32 whatever reason the Trademark was not correctly advertised by the Registrar of Trademarks. The Mark which is, however, registered as is evident from the Trademarks Certificate, is as under: TRADEMARK REGISTRATION CERTIFICATE33 Thus, the show cause issued by the Registrar of Trademarks appears to be correct. The Plaintiff has also claimed

that it has filed a second RFA682009 Page 18 of 32 application bearing No.536465 which is not registered. Moreover, in both the Trademark applications, the user claimed at the time of filing was 1981. Thus, in any event, the Trademark VIJAYAN as advertised in the Journal being completely invisible, the registration cannot be considered valid. Even taking the Trademark Registration to be valid, there being no evidence to support the user claim of 1946, the benefit of the said date cannot be given to the Plaintiff. Infringement and Passing Off 34. In a suit for infringement, the first and the foremost test is as to whether the Trademark of the Plaintiff is validly registered. Section 28 of the Trademarks Act begins with the expression, Subject to the other provisions of this Act, registration of a trade mark, if valid... Section 28 is extracted herein below: 28. Rights conferred by registration.- (1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act. (2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject. 35. Thus, the exclusive right in a Mark flows only if the registration is valid. Under Section 124 of the Act, the Court trying the suit can come to a prima facie conclusion on the validity of the Mark. Recently in Patel Field Marshal RFA682009 Page 19 of 32 Agencies v. PM Diesels Ltd. & Anr. (2018) 2 SCC112 the Supreme Court held as under: the prescribed 31. Rather, from the rsum of the provisions of the 1958 Act made above, it becomes clear that all questions with regard to the validity of a trade mark is required to be decided by the Registrar or the High Court under the 1958 Act or by the Registrar or the IPAB under the 1999 Act and not by the civil court. The civil court, in fact, is not empowered by the Act to decide the said question. Furthermore, the Act mandates that the decisions rendered by statutory authority [Registrar/High Court (now IPAB)]. will bind the civil court. At the same time, the Act (both old and new) goes on to provide a different procedure to govern the exercise of the same jurisdiction in two different situations. In a case where the issue of invalidity is raised or arises independent of a suit, the prescribed statutory authority will be the sole authority to deal with the matter.

However, in a situation where a suit is pending (whether instituted before or after the filing of a rectification application) the exercise of jurisdiction by the prescribed statutory authority is contingent on a finding of the civil court as regards the prima facie tenability of the plea of invalidity. ..... 36. A perusal of the two advertisements of the Mark clearly shows that the Mark was not advertised properly as the word VIJAYAN was not even visible in the advertisement. Advertisement of a Mark is compulsory before a Mark can be registered and an advertisement of this nature cannot be considered a valid advertisement in law. There can be no registration without an advertisement. Thus, the Mark itself having not been advertised, the registration cannot be held to be valid. The Civil Court trying the suit can come to a finding on the invalidity of the mark. In the present case, the RFA682009 Page 20 of 32 Plaintiffs trade mark in the advertisement for opposition, being totally invisible, it created a disability for any person who has rights in the mark from filing an opposition. The Defendant cannot be faulted for not opposing the mark. The Defendants user claim was prior, its trade mark application was prior, its copyright application was prior but it was deprived from filing an opposition due to the mark in the Journal advertisement not being visible. The registration being contrary to the Act and the Rules, the same is prima facie, invalid. The Defendant has already challenged the Plaintiffs registration and it is for the statutory authorities to look into the same and decide in accordance with law.

37. On the other hand, the Defendants Trademark 424147 filed on 10th July, 1984 was duly advertised and remained pending for a long time due to the filing of an opposition. The said opposition was finally decided on 18th August, 2011. However, while the opposition was pending no renewal fee was paid and hence the Trademark was abandoned. As per the computerized printouts produced by the official from the Trademark Registry, the Mark of the Defendant was deemed to be abandoned. The procedure adopted by the Trademark Registry is quite strange to say the least. While a Mark was under opposition, no renewal fees could have ever been filed by the Applicant. Thus, the abandonment seems to be due to a technical issue. The same defies logic. However, the abandonment has been challenged by the Defendant and would be adjudicated in the appeal which is stated to be pending. The Defendants Trademark application appears to be

bona fide and so is the user claimed therein.

38. The Plaintiffs Mark not being validly advertised and registered, no exclusive rights can be conferred upon the Plaintiff. Both the parties marks RFA682009 Page 21 of 32 being unregistered, no infringement action is maintainable. Even if the Plaintiffs Mark is taken to be registered, since no adequate opportunity was afforded in the filing of opposition of the said Mark the suit has to be adjudicated on the principles of passing off.

39. In passing off, the first and the foremost issue that deserves adjudication is the question of prior user and thereafter, reputation and goodwill. As already concluded in the paragraphs above, the Defendant is the prior user of the Mark on the basis of the evidence on record. There is no document of the Plaintiff showing user prior to 1978 and hence, the user of 1946 claimed by the Plaintiff is not tenable. On the other hand, the Defendants user of 1960 as mentioned in the Trademark application, the production of documents with the Registry by the Defendants trade mark agent supporting the claim of user since 1960 and thereafter, the U.P. Sales Tax records etc. prove beyond any doubt that the Defendant is the prior user of the mark VIJAYAN.

40. The two marks are identical and are for an identical class of goods. The representations of the two marks are set out below: PLAINTIFFS MARK RFA682009 Page 22 of 32 DEFENDANTS MARK41 Though the labels are different, they are going to be referred by the word VIJAYAN. The label can be changed from time to time but the word mark remains the same and is identical. The law of goodwill and reputation is quite settled. It is not necessary in a passing off action for a party to establish extensive use and sale. Even if the party has used the Mark in a bona fide manner in the course of trade, so as to, connect the Mark with the person using it, the same is sufficient to establish goodwill and reputation. It is also a settled principle of law that priority in use is superior to priority in registration. In Century Traders v. Roshan Lal Duggar & Co. AIR 1978 RFA682009 Page 23 of 32 Del 250, a Division Bench of this Court has held: (11) In Consolidated Foods Corporation v. Brandon and Co., Private Ltd., AIR1965 Bom 35 , it was observed that "A trader acquires a right of property, in a distinctive

mark merely by using it upon or in connection with his goods irrespective of the length of such user and the extent of his trade. The trader who adopts such a mark is entitled to protection directly the article having assumed a vendible character is launched upon the market. Registration under the statute does not confer any new right to the mark claimed or any greater rights than what already existed at common law and at equity without registration. It does, however, facilitate a remedy which may be enforced and obtained throughout the State and it established the record of facts affecting the right to the mark. Registration itself does not create a trade mark. The trade mark exists independently of the registration which merely affords further protection under the Statute. Common law rights are left wholly unaffected. Priority in adoption and use of a trade mark is superior to priority in registration. (14) Thus, the law is pretty well-settled that in order to succeed at this stage the appellant had to establish user of the aforesaid mark prior in point of time than the impugned user by the respondents. The registration of the said mark or similar mark prior in point of time to user by the appellant is irrelevant in an action passing off and the mere presence of the mark in the register maintained by the trade mark registry did not prove its user by the persons in whose names the mark was registered and was irrelevant for the purposes of deciding the application for interim injunction unless evidence had been led or was available of user of the registered trade marks. In our opinion, these clear rules of law were not kept in view by the learned Single Judge and led him to commit an error. RFA682009 Page 24 of 32 42. It is also the settled position in law that the Court has to see the use of the mark also from the perspective of future expansion and use. If both parties are allowed to use the mark, conflict is bound to arise. It is a case of TRIPLE IDENTITY - same mark, same goods and same class of customers. The sales of the Defendant are lesser than the Plaintiffs sales. The Defendant has however produced continuous sales figures from 1960, which it also claims to have filed before the Trade Marks Registry. The same show that consistently since the 1960s except for 3 to 4 years gap in 1980s, the Defendant has been selling its products under the Trademark VIJAYAN. The same are available on the Trial Court record and are as under: TRADE AND MERCHANDISE MARKS ACT, 1958 IN THE MATTER OF APPLICATION No.424, 147 in Class 6. STATMENT OF SALE OF GOODS under

The Trade Mark VIJAYAN Year 1960-61 1961-62 1962-63 1963-64 1964-65 1965-66 1966-67 1967-68 1968-69 1969-70 1970-71 1971-72 .... Sale Rs.0,11,552. Rs.0,11,259. Rs.0,11,461. Rs.0,10,864. Rs.0,11,106. Rs.0,11,765. Rs.0,11,354. Rs.0,11,346. Rs.0,11,531. Rs.0,11,740. Rs.0,11,664. Rs.0,11,880. RFA682009 Page 25 of 32 1972-73 1973-74 1974-75 1975-76 1976-77 1977-78 1978-79 1979-80 1980-81 1981-82 1982-83 1983-84 1984-85 1985-86 1986-87 .... Rs.0,11,849. Rs.0,11,638. Rs.1,10,512. Rs.1,26,075. Rs.0,76,009. Rs.0,42,941. Rs.0,17,316. Rs.0,22,213. Rs.0,23,435. Rs.0,24,910. Rs.0,18,873. Rs.0,68,088. Rs.1,93,248. Rs.3,24,654. Rs.4,55,393. 43. As against the aforementioned sales figures of the Defendant, the Plaintiff filed its own sales figures from the year 1981 to 1991 (Exhibit PW1/68) which are as under: YEAR198182 1982-83 1983-84 1984-85 1985-86 1986-87 1987-88 1988-89 1989-90 1990-91 SALES APPROX. IN RUPEES10977=00 11,198=00 25,706=00 36,110=00 42,750=00 50,080=00 65,099=00 75,807=00 71,687=00 67,103=00 44. When the judgment was reserved, this Court had directed the parties to produce their latest sales figures in response to which the Plaintiff has submitted its sales which shows that the annual sales of the Plaintiff are around Rs.5,00,000/- in the year 2012 to Rs.56,00,000/- in the year 2017-18. RFA682009 Page 26 of 32 Insofar as the Defendant is concerned, it has shown sales of approximately 19.34 lakhs in 2017-18 (11 months). The Defendants use being much earlier in point of time, longer and consistent and its sales being substantial, it enjoys goodwill and reputation in the mark VIJAYAN. On the other hand, the Plaintiff has not been bonafide. It has attempted to portray its user from 1946 which is not established on record. Its trade mark registration has not been properly granted - both the amendment in the user claim and the advertisement in the Journal are contrary to law. The Plaintiff may have recently increased its sales under the mark VIJAYAN but that by itself cannot lead to grant of relief. It is impermissible for a party to usurp anothers mark and attempt to swamp its goodwill on the basis of higher sales in recent years, and thereafter claim a better reputation and goodwill. To establish reputation and goodwill, there has to be prior and consistent use. The Plaintiff has not filed a single advertisement on record to establish investment in the mark. Conduct of the Plaintiff 45. There is yet another dimension in this case i.e. the conduct of the

Plaintiff. The Plaintiff has, even after the ex-parte injunction was vacated, filed several criminal complaints against the Defendants and has also taken several other actions against dealers based on its copyright registration. Admittedly, the Defendants Copyright Registration dates back to 1984 whereas the Plaintiffs Registration dates back to 2005 i.e. after the filing of the suit. This Court took cognizance of such FIRs in RFA682009 and passed the following orders on 7th April, 2011. It is pointed out by counsel for the respondent that after grant of stay of the impugned judgment and RFA682009 Page 27 of 32 for the instance of decree, appellant has filed criminal complaints against the respondent and his family members. Mr. S.K. Bansal, counsel the appellant on instructions from the appellant submits that no further complaint shall be filed by the appellant till the present appeal is decided. He also submits that total three complaints were filed in 2005, 2006 and the year 2009 and all the thee complaints have been stayed by Allahabad High Court at the respondent. Counsel for the respondent also submits that one FIR No.131/2011 was registered on 03.03.2011. Counsel for the appellant submits that this FIR will not be pressed, in view of pendency of the appeal. The statement made by counsel for the appellant is accepted and taken on record. Appellant shall remain bound by the statement made by his counsel in court today. The stay order shall be complied with in letter and spirit, as it is pointed out by counsel for the respondent that appellant is putting banners and posters. List on 11.07.2011. DASTI to counsel for the parties. 46. Thereafter, even the Allahabad High Court has stayed three of the FIRs filed by the Plaintiff against the Defendant in the year 2005, 2006 and 2009. In this manner, the Plaintiff has constantly harassed the Defendant and its dealers despite the pendency of the present proceedings.

47. The Plaintiff also filed a frivolous intervention in a probate proceeding relating to the family of the Defendant. The Plaintiff tried to intervene in the family dispute where the Will of Mr. J.S. Bansal was pending probate and disputed the same. The Plaintiff made a baseless allegation that the Will is forged when it could have no knowledge of the same, being a third party unrelated to the family. The intervention by the RFA682009 Page 28 of 32 Plaintiff was dismissed on 1st August, 2017 with the following observations: The Court of Additional Dist. Judge, Court No.- 12, Aligarh Miscellaneous Case No.-09/2015 Ishahak Bansal and

others Vs. Nischay Bansal and others Date:

01. 08.2017 Today this record is put up for disposal of Petition 16 C. Both parties to said application has been heard on last dates. Disposal of Petition 16 C This Application 16 C is presented on behalf of third party Rakesh Kumar Agarwal with affidavit 17 C under order -1, Rule-10 C.P.C read with Section 151 C.P.C for making him party in present case in brief with the following statements:-

"That, the petitioner by presenting the application in the court under section 276 of the Indian Succession Act, 1925, has prayed for the issuing of probate by showing the Execution of a Will dated 02.12.2008 executed by Lt Jagdish Sharan Bansal, the father of the petitioners. That by the

... Petitioner
s on the basis of false and untrue statements the application is presented only with this objective that, Lt Jagdish Sharan Bansal, the father of the petitioners had been using the registered trade mark VIJAYAN of the Applicant Rakesh Kumar Agarwal under his Firm- Lock & Locking Device, without any title, in context of which a suit is running in the Court in New Delhi. It is also stated that, the applicant is the proprietor of M. R.V Hardware and Electricals and he is sole registered owner and user of trade mark VIJAYAN. He has been using trade mark VIJAYAN since the last 35 years.

... Petitioner
s Firm- Lock and Locking Device is a Proprietary Firm, of which

... Petitioner
was Lt Jagdish Sharan Bansal, who was using in illegal way the registered trade mark VIJAYAN of the Applicant. The Applicant has RFA682009 Page 29 of 32 challenged on the Court in New Delhi the illegal use of his registered trade mark VIJAYAN, which is sub- judice. That, for the ends of this planning, the petitioner has fabricated a forged Partnership Deed, which is void-ab-initio. On its basis he is willing to get possession. The Applicant/ third party has also submitted that, the Applicant is necessary party in this Probate case, so if the Applicant is not made party and he is not given opportunity to place his contentions, there shall be

irreparable loss to him. ..... Here it is pertinent to mention that, present case is presented for the issuance of probate certificate in light of Registered Will dated 02.12.2008 executed by Lt. Jagdish Sharan Bansal. By the Honble Supreme Court, in the cases of- Chiranjilal Shrilal Goyenka Vs. Jasjeet Singh (1993) Devi, A.I.R1954 Supreme Court - 280; Basanti Devi Vs. Ravi Prakash Ramprakash Jaiswal [2008]. S.C.C-267, And Krishna Kumar Birla Vs. Rajendra Singh Lodha (2008) 4 S.C.C-300 this doctrine has been propounded that, the proceeding for the issuance of probate certificate is of summary nature and in such proceedings the court is only to see the Will on basis of which petition is filed for issuance of probate certificate the Will in question is the last Will of the Executor and he has executed the Will in legal way under his healthy mind. The dispute of title cannot be disposed of by the Probate Court. The dispute of title can be disposed of only by the Civil Court on the basis of Evidence. From the statements of the Applicant in his application 16 C2it is clear that, he is willing to raise the dispute of title in context of VIJAYAN trade mark, which cannot be decided by Probate Court. So the Applicant, in the present case is neither necessary nor proper party. Accordingly the application of Applicant/ third party is liable to be dismissed. RFA682009 Page 30 of 32 Order The application 16 C of Applicant/ third party Rakesh Kumar Agarwal is dismissed. Put up the record for the hearing on the date of 12.09.2017. Sd. /- dated 1/8/17 Additional Dist Judge Court No.-12, Aligarh (Translation as filed) 48. The Ld. Counsel for the Defendant submits that the Plaintiff also got a frivolous opposition filed through one M/s. Vijaya Industries through the same counsels to derail the Defendants Trademark application bearing No.424147. The said opposition was finally dismissed as being abandoned only on 18th August, 2011, thereby resulting in more than 25 years delay in the registration being granted to the Defendant.

49. All the above facts go to show that the Plaintiffs claim of user of 1946 is not made out. The Defendant is the prior user of the Mark. The Marks are identical and the products are identical. The Plaintiff has made various attempts to prejudice the case of the Defendant by sheer harassment which establishes lack of bona fides on behalf of the Plaintiff. When the Plaintiffs public notice came to the notice of the Defendant, it called upon the Plaintiff to produce its user and registration, which the Plaintiff did not do. Despite a reminder, the Plaintiff did not

respond. Instead, a suit for infringement and passing off was filed and the exparte injunction order which was initially granted was vacated. The entire effort of the Plaintiff has been to somehow steal a march on the defendant by claiming prior user without any basis. The Trial Courts findings are completely justified on the facts of the case. The same do not warrant any interference. RFA682009 Page 31 of 32 50. The appeal is, accordingly, dismissed. The decree of permanent injunction restraining the Plaintiff from using the mark VIJAYAN is confirmed. All pending applications also stand disposed of. JULY04 2018 Rekha JUDGE PRATHIBA M. SINGH RFA682009 Page 32 of 32

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