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Anil Verma vs.ashok Kumar

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Court : Delhi

Decided On : Jan-17-2019

Appellant : Anil Verma

Respondent : Ashok Kumar

Judgement :

$~33 * % + IN THE HIGH COURT OF DELHI AT NEW DELHI Date of Order:

17. 01.2019 FAO5702018 ANIL VERMA ..... Appellant Through: Mr.Akshay Chandra, Advocate with Mr.Aditya Chandra, Advocate. Versus ASHOK KUMAR Through: None. ..... Respondent CORAM: HON'BLE MR. JUSTICE VINOD GOEL %

ORDER
1701.2019 CM No.43492/2018 (for exemption) 1. Allowed, subject to all just exceptions. FAO5702018 & CM No.43490/2018 (for stay) & CM No.43491/2018 (for appointment of Local Commissioners) 2. The impugned order dated 17.11.2018 passed by the Court of learned Additional District Judge-05, South-East District, Saket Courts, New Delhi (ADJ) in Civil Suit/TM No.166/18, declining the ex-parte ad-interim injunction on application of the appellant under Order XXXIX Rules 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908 (CPC) and appointment of Local Commissioner, is the subject matter of challenge in this appeal. By the impugned order, the learned ADJ has directed for issuance of FAO5702018 Page 1 of 14 summons of suit and notice of the application under

Order XXXIX Rule 1 and 2 CPC to the respondent.

3. It is the case of the appellant/plaintiff that he is a proprietor of the registered proprietary firm under the name and style CASH FOR GOLD, which is duly registered under the Indian laws having GSTIN No.07AGPV7635N1ZW (earlier TIN No.07090454431 before GST). He is engaged in a unique business/service of buying and exchange of precious metals, gold, silver, diamond in the form of Jewellery, coins, watches, antiques and other accessories in exchange for cash across India and other allied and related goods. In the year 2012, he honestly and bonafidely adopted the trademarks/labels CASH FOR GOLD, GOLD BUYERS & WE BUY GOLD in respect of gold, silver, diamond, antiques and watches. The trademark CASH FOR GOLD is also used by him as his trade name. He is the proprietor of the trademarks/labels/trade names CASH FOR GOLD, GOLD BUYERS & WE BUY GOLD in relation to the said goods and business.

4. In order to acquire statutory rights, the appellant filed applications no.2626911 for trademark CASH FOR GOLD, no.2660870 for GOLD BUYERS and no.2660869 for WE BUY GOLD, which have been registered. Additionally, the appellant registered websites with the domain names moneyforgold.in (on 20.11.2012); goldbuyers.in (on 22.02.2013) and webuygold.in (on 15.04.2013). It is alleged by the appellant in the plaint that the said FAO5702018 Page 2 of 14 trademarks/labels have become sufficiently distinctive in the trade to be capable of protection as the said trademarks/labels have acquired secondary significance in relation to the said service and business.

5. Since 2012, the appellant has been honestly, bonafidely, continuously, exclusively and uninterruptedly using the aforementioned trademarks in relation to his said business/services. The appellant has 10 branches in Delhi and 3 in Mumbai. He alleged that his trademarks/labels CASH FOR GOLD, GOLD BUYERS & WE BUY GOLD have become distinctive and associated with the said business due to his long, continuous, extensive and exclusive use since its adoption in the year 2012. The said services of the appellant have acquired a vast reputation of providing high quality services. He has effected substantial purchase under the said trademarks/labels. He has given the sale figures of

Rs.2,20,79,548/-, Rs.3,06,23,032/-, Rs.6,00,34,997/- and Rs.6,04,36,189/- during the financial years 2013- 14, 2014-15, 2015-16 and 2016-17 respectively. During these years, his net profits were Rs.8,20,260/-, Rs.1,98,281/-, Rs.4,08,330/- and Rs.26,48,616/- respectively. The appellant has been awarded with the following awards and certificates for most enterprising brand and business excellence: The Most (a) Certificate of Excellence as Enterprising Brands & Leaders of Asia 2018 & Young Achiever of the Year, February, 2018, Mumbai; (b) Certificate of Excellence of Recognition of Significant Contribution as the Most Trusted buyers Page 3 of 14 FAO5702018 of Gold in Genuine Rate presented by My Brand Better, March, 2018, New Delhi; (c) Award presented by Business & Leadership Excellence Awards, 2018; (d) International Achievers Award for Business Excellence in Business and Social Services by Indian Achievers Forum, April, 2018, at Dubai; for Outstanding Achievement (e) Entrepreneur of the Year Award, 2018, at National CSR Summit Awards, New Delhi, and (f) Name of Business endorsed in the special edition magazine Achievers Words in circulation in Dubai in April 2018.

6. The appellant further alleged that he has widely advertised the said trademarks/labels through different forms of Media, including leading newspapers, trade magazines, distribution of trade literatures and trade novelties etc. He has spent a substantial amount of money on the publicity of his said trademarks/labels. The members of the trade, industry, customers and general public at large are well aware of the appellants said business. In the third week of September, 2018, the appellant came to know that the respondent is engaged in the same business and services and had even adopted and started using trademarks/labels CASH FOR GOLD, GOLD BUYERS & WE BUY GOLD in relation to his business and services.

7. By the impugned order, the learned ADJ referred to sub-clause (a) of sub-section 2 of Section 30 of the Trade Marks Act, 1999, FAO5702018 Page 4 of 14 which stipulates that a registered trade mark shall not be infringed where the use in relation to the goods indicates the kind, quality, quantity, intends, purpose, value, geographical original or other characteristics of goods. He also recorded that there is no quarrel with respect to the proposition that even the descriptive trademark can be protected but it can be so only once it is demonstrated that the

said trade mark creates an immediate association in the mind of the consumers with particular goods under the trade mark, which requires evidence to establish the goodwill and reputation. He has relied upon a Division Bench (DB) judgment of this court in Rehizome Distilleries Pvt. Ltd. Vs. Pernod Ricard SA France, 2010 (42) PTC806(Delhi) (DB), and decision of the Privy Council in Standard Ideal Co. Vs. Standard Sanitary Mfg. Co., 1910 (27) RPC789 and found that 17. Further out herein the trade mark CASH FOR GOLD, GOLD BUYERS and WE BUY GOLD are so inherently connected with the nature and basic character of the trade that no person can claim exclusive right over it. CASH FOR GOLD, GOLD BUYERS and WE BUY GOLD are too common words to qualify a word as a trademark. It is too common a word or a phrase to gain monopoly over it by an individual. The abovesaid marks are apparently generic to the trade. If a person starts using such a common word or a phrase it comes with an implied acknowledgment that other person are also entitled to its use. The commonality of the words/marks are itself reflected from the advertisement/boards/signage placed on record by the plaintiff. FAO5702018 Page 5 of 14 18. The use of such word/mark cannot be monopolized by any one as the mark has become public-juris, passed into public domain either by use or by meaning. 8. Learned counsel for the appellant contends that Section 28 of the Trade Marks Act, 1999 provides the appellant the exclusive right to use the said trademark in relation to the goods or service in respect of which the trademark is registered and to obtain relief in respect of the infringement of that trademark. He contends that the appellant is the proprietor of his registered trademark and has been using the same since 2012 and if an ex-parte injunction against the respondent injuncting him from using the trademark of the appellant is not granted, the appellant shall suffer irreparable loss and injury and the very purpose of filing the suit would become futile. He contends that the appellant has a prima facie case in his favour and the balance of convenience of the case also lies in his favour.

9. I have heard the learned counsel for the appellant.

10. In T.V. Venugopal v. Ushodaya Enterprises Limited & Anr., (2011) 4 SCC85 the appellant was a manufacturer and dealer in incense sticks (agarbattis) in the name and style of Ashika Incense Inc. at Bangalore. The appellant started his

business in the year 1988 and adopted the mark Ashikas Eenadu. According to the appellant, Eenadu in Kannada, Malyalam and Tamil language means this land. However, in Telugu language it means today. In the year 1993, the appellant adopted the trademark Eenadu in Kannada. The FAO5702018 Page 6 of 14 appellant started selling his products in the State of Andhra Pradesh in 1995, where the respondent publishes a popular newspaper and runs a TV channel by the same name. The Honble Supreme Court while disposing of the appeal observed that even if the word is generic or descriptive but if it is found that such a mark has attained distinctiveness with the business of the plaintiff for a considerable period of time and thereafter the defendant adopts the similar word to induce the innocent customers, then it establishes the dishonest intention and bad faith, of the defendant and the court is empowered to restrain such user/misuser to do justice to the plaintiff. The relevant portion of para 75 of this judgment read as under: - 75Besides, even assuming that the said word is generic yet if it is found by the court that such a mark has attained distinctiveness and is associated with the business of the plaintiff for considerable time and thereafter the defendant adopts a similar word as one of his two marks to induce innocent internet users to come to the website of the defendant, which establishes dishonest intention and bad faith, would the court still be not granting injunction to protect the business of the plaintiff?. The answer to the said question has to be an emphatic No. User of similar word by a competitor coupled with dishonest intention and bad faith would empower a court to restrain such user/misuser to do equitable justice to the aggrieved party. Page 7 of 14 FAO5702018 11. The Apex Court found that the respondent companys mark Eenadu has acquired extraordinary reputation and goodwill in the State of Andhra Pradesh and its products and services are co-related, identified and associated with the word Eenadu in the entire State of Andhra Pradesh. The adoption of the word Eenadu by the appellant is fraudulent and malafide from the very inception and by adopting the mark Eenadu, the appellant wanted to ride on the reputation and goodwill of the respondent company.

12. In Sunil Mittal & Anr. v. Darzi on Call, 2017 (5) R.A.J.

50 (Del), the plaintiff adopted the trademark/label and trade name The Darzi in the year 1981 in respect of providing the services of tailoring and draping as well as relating to the trade and business of selling and marketing of all kinds of clothing and wearing apparels, textile clothes and readymade garments. This court, after taking into account a plethora of case law on the subject, granted an injunction against the defendant for using the similar trade name Darzi on Call. The court found that the entire argument of the defendant of generic and publici juris and of the word Darzi being distinctive is nothing but an argument of technicality. This court also referred to another judgment of this court in Info Edge (India) Pvt. Ltd. Vs. Shailesh Gupta, 2002 (24) PTC355 where the defendant was restrained from using the trade mark or service mark naukari.com as the plaintiff was using the trade name as naukri.com. The defence of the defendant, inter-alia, was that the word naukri was generic and incapable of achieving the trademark significance and performing function of a FAO5702018 Page 8 of 14 trade mark as it was descriptive of the work/business offered by the plaintiff. It was held by this court that distinctiveness could be attributed to the said name since it was a peculiar case wherein the plaintiff had adopted the Hindi word in the English script. It was further held that if a product is marketed in a particular area or place under a descriptive name and has gained reputation thereunder, that name which distinguished it from competing products, it will be protected against descriptive use.

13. In Godfresh Philips India Ltd. v. Girnar Food & Beverages (P) Ltd., (2004) 5 SCC257 wherein the appellant was using the trademark SUPER CUP for selling its Tea, the DB of this court held that the word super referred to the character or quality of the tea was merely a laudatory word and the word cup referred to a cup of tea and concluded that SUPER CUP was descriptive and laudatory of the goods of the appellant and thus not entitled to any injunction. The order of the DB was set aside by the Honble Supreme Court which remanded the case back to the DB by saying A descriptive trade mark may be entitled to protection, if it has assumed a secondary meaning which identifies it with a particular product or as being from a particular source. 14. In Midas Hygiene Industries (P) Ltd. and Another Vs. Sudhir Bhatia and others, (2004) 3 SCC90 the Honble Supreme Court has held that The law on the subject is well settled. In cases of infringement either of trade

mark or of copyright, normally an FAO5702018 Page 9 of 14 injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the mark was itself dishonest. 15. In Procter & Gamble Manufacturing (Tianjin) Co. Ltd. and Ors., Vs. Anchor Health & Beauty Care Pvt. Ltd., 2014 (5) R.A.J.

706 (Del), the respondent/plaintiff was using the expression ALL AROUND PROTECTION in its advertisement and on its electrical products, toothpaste, tooth-powder, toothbrush, confectionary etc., as a slogan or a tagline. The appellant/defendant launched their toothpaste under the mark ORAL-B ALL-AROUND PROTECTION. The appeal against the order of the learned Single Judge injuncting the appellant/defendant from using the said trade mark ALL AROUND PROTECTION was dismissed by the DB.

16. At the stage of considering the application for grant of ex-parte temporary injunction, the court is required to examine as to whether the plaintiff has a prima-facie case; whether balance of convenience of the case is in his favour; and whether the non-grant of ex-parte temporary injunction would amount to irreparable loss and injury to the plaintiff.

17. Prima facie, the appellant has shown that he has been in use of the trademarks/labels CASH FOR GOLD, GOLD BUYERS and WE BUY GOLD since the year 2012. He has been granted registration in respect of his trademarks CASH FOR GOLD, GOLD FAO5702018 Page 10 of 14 BUYERS & WE BUY GOLD vide No.2626911, 2660870 and 2660869 respectively. During the course of arguments, learned counsel for the appellant has placed on record a copy of the order dated 18.10.2018 dismissing the application of the opposition filed by one Mr.Sahil Kohli in respect of said three trademarks of the appellants by the Intellectual Property Appellate Board. The trademarks/labels/trade names used by the appellant are a juxtaposition of generic words and thus become descriptive. The appellant has, prima facie, established his reputation and goodwill in his business under such trade name, which is reflected from the sale figures and net profit in the business during the last four years. Prima facie, it shows that the

trademarks/labels of the appellant have sufficiently become distinctive since in use for almost six years and acquired secondary significance in the trade. Further, the adoption of his trademark by the respondent would undoubtedly cause irreparable loss and injury if the respondent is not restrained from continuing its offending acts. The balance of convenience, in the interest of justice and equity, lies in favour of the appellant. Of course, the public at large may be literate or semi-literate but by virtue of the adoption of the said trademark of the appellant by the respondent, any man with ordinary prudence, would be persuaded to believe that the said products of the respondent are associated with that of the appellant. It also appears to the court that if ex-parte temporary injunction is not granted to the appellant, he shall suffer irreparable loss and injury. In these circumstances, this court is persuaded by the arguments of the FAO5702018 Page 11 of 14 learned counsel for the appellant that the order passed by the learned ADJ in not granting ex-parte ad-interim injunction is not sustainable in law and notice of application under Order XXXIX Rule 1 and 2 CPC for grant of ex-parte temporary injunction to the respondent was not required in the facts and circumstances of the case. As such, the impugned order dated 17.11.2018 to the extent of declining ex-parte ad-interim injunction is set aside. Accordingly, the respondent, his agents, partners, servants, associates, assigns, representatives, successors, distributors and others acting for and on his behalf, are hereby restrained from using the appellants trademark CASH FOR GOLD, GOLD BUYERS & WE BUY GOLD or any part thereof or any other trademark identical or descriptive to that of the appellant, for selling, offering for sale, advertising or displaying, directly or indirectly or dealing in any other manner or mode in its products or business till disposal of application under Order XXXIX Rule 1 and 2 read with Section 151 CPC on merits after hearing both the parties.

18. Compliance of Order XXXIX Rule 3 CPC be made by the appellant.

19. The trial court shall dispose of the application under Order XXXIX Rule 1 and 2 CPC after hearing both the parties on merits without being influenced by the observation of this court in this order.

20. The appeal along with application, being CM No.43490/2018, is disposed of accordingly. FAO5702018 Page 12 of 14 21. The appellant seeks appointment of Local Commissioners. Learned counsel for the appellant submits that there are three shops as reflected from the memo of parties from where his trademarks/labels and trade name are being misused by the respondent and at least three Local Commissioners may be appointed.

22. In view of the above said reasons, this court considers it appropriate to appoint (i) Mr.Parveen Kumar Uppal, Registrar (Mob.9717394810) for Shop No.1, M.G. Road, Opp.Pillar No.116, Ghitorni, Near Ghitorni Metro Station, New Delhi-110030; (ii) Ms.Geetha Gopinathan, Deputy Registrar (Mob.8527244115) for Shop No.Z-11, Opp. Metro Pillar No.421, Rajori Garden, New Delhi- 110027; and (iii) Mr.Dharmender Kumar Bainsla, Private Secretary (Mob.9717991824) for Shop No.2, RBL Colony, Near Golden Dragon Restaurant, Hauz Khas, Delhi-110027, of the respondent as Local Commissioners.

23. All three Local Commissioners are directed to visit the respective premises of the respondent as indicated to take into custody all the incriminating material including bill books, stationary items, vouchers, carry bags bearing the impugned and violated trademarks/labels CASH FOR GOLD, GOLD BUYERS & WE BUY GOLD.

24. The Local Commissioners shall be empowered to have the assistance of the SHO of the area concerned, if so required. In case FAO5702018 Page 13 of 14 such assistance is asked for by the Local Commissioner(s), the same shall be provided forthwith without any fail by the concerned SHO. The respondent is also directed to cooperate with the Local Commissioner(s). The representatives of the appellant are also allowed to assist the Local Commissioner(s). The Local Commissioner shall be paid a fee of Rs.75,000/- each apart from the actual expenses. They will file their report in the Registry which shall be transmitted to the trial court immediately.

25. The application, being CM No.43491/2018, stands disposed of.

26. Copy of this order be given dasti under the signatures of the Court Master. JANUARY17 2019 shailendra (VINOD GOEL) JUDGE FAO5702018 Page 14 of 14

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