

***IN THE HIGH COURT OF DELHI AT NEW DELHI**

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IA.No.279/2008 in CS(OS) 41/2008

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Date of decision: 9th April, 2009

ROLEX SA

..... Plaintiff

Through: Mr. Sanjay Jain, Sr Advocate with Ms
Pallavi Shroff and Ms Nitika Mangla,
Advocates.

Versus

ALEX JEWELLERY PVT LTD & ORS

..... Defendants

Through: Mr Chaitanya P Joshi, Advocate

CORAM :-

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

1. Whether reporters of Local papers may
be allowed to see the judgment? Yes
2. To be referred to the reporter or not? Yes
3. Whether the judgment should be reported
in the Digest? Yes

RAJIV SAHAI ENDLAW, J.

1. The application of the plaintiff for interim relief restraining the defendants from dealing in artificial jewellery or in any other product bearing the trademark /trade name ROLEX or any deceptive variation thereof is for consideration.
2. The plaintiff is a company incorporated under the laws of Switzerland and is engaged in the business of manufacture and distribution of premium quality watches, horological and chronometric instruments, atomic clocks, chronographs, watch bands, watch cases, watch chains, watch glasses etc. The plaintiff is aggrieved by the action of the defendant No.1 carrying on business at Mumbai of manufacturing, selling, distributing and trading in artificial jewellery under the mark ROLEX and the actions of the

defendants 2 and 3 carrying on business at Delhi of retailing of the said artificial jewellery; of these the defendant No.2 is carrying on business in the name and style of ROLEX Jewellery House.

3. The plaintiff claims adoption of the trade mark ROLEX and the first registration thereof in Switzerland in 1908. It is further the case of the plaintiff, that the plaintiff has since then been using the trademark ROLEX in respect of its distinguished products and business and has been trading under the said name extensively across the world; that ROLEX is a coined and distinctive name having no dictionary meaning; that it is registered in 140 jurisdiction across the world; that in India also it is registered in class 14 relating to horological and chronometric instruments and watches and clocks of all types since 1949; that the plaintiff on 24th April, 2001 also got ROLEX in Hindi registered in class 14 with respect, inter alia, to chains (Jewellery), charms (Jewellery), diamond earrings, jewel cases of precious metal Jewellery, medallions (Jewellery), necklaces (Jewellery), ornament (Jewellery), Pearl (Jewellery) etc. The plaintiff claims having used the trademark ROLEX in India since 1912 i.e., even prior to the registration thereof in 1949. It is further pleaded that after achieving excellence in its aforesaid field in business, the plaintiff has also been associated with sporting and cultural events and sports persons across the world are designated as ROLEX Ambassadors. The plaintiff also claims promoting its business via its website also containing the word ROLEX. It is the case of the plaintiff that ROLEX is a well known trade mark as defined under Article 6 bis of the Paris Convention to which India is a signatory. It is pleaded to have been so held as a well known trade mark deserving protection against unauthorized use by various foreign courts.

4. In the plaint it is pleaded that the plaintiff came across the website of the defendant No.2 sometimes around 15th November, 2007 and when, to its shock, it found that the defendant No.2 had registered the domain name rolexjewelleryhouse.com. The plaintiff on investigation claims to have found out that, in fact, it is the defendant No.1 which is the manufacturer of artificial Jewellery in the name of ROLEX being retailed by the defendants 2 and 3 at Delhi. The defendants are stated to using the name/mark ROLEX on the boxes and packaging of artificial Jewellery. The plaintiff claiming infringement of its registered trademark, passing off and dilution of its distinctive value has instituted the suit for permanent injunction and for damages etc.

5. Upon notice of the suit and the application for interim relief being issued, the defendants 2 and 3 appeared first and filed their written statement. It also appears that it was informed by the counsel for the defendants to the court (though it is not so recorded in any of the order sheet) that the defendant No.1 was the registered proprietor of the trademark ROLEX. The defendants 2 and 3 in their written statement also took the said stand. However, in the order sheet dated 28th May, 2008 it is recorded that the counsel for the defendants (plaintiff ?) had placed on record a certificate from Registrar of Trademark showing that the trademark of the defendant relied upon by the defendants 2 and 3 was cancelled.

6. The defence of the defendants is that:

- i. the suit is barred by law of limitation; the plaintiff was aware of the use of the trademark ROLEX by the defendant No.1 at least since 2001; that the defendant No.1/its predecessor-in-interest had on 2nd March, 1995 and 10th June, 1998 applied for registration of the trademark ROLEX in class 14 in respect of

artificial Jewellery; the said application had been opposed by the plaintiff vide opposition filed on 10th October, 2003 – that the suit was instituted in 2008 falsely stating that the plaintiff became aware of the actions of the defendants impugned in the suit in November, 2007 only.

- ii. that the plaintiff had, by its inaction, allowed the defendants to develop their business in and around the trademark ROLEX in respect of artificial Jewellery and are now estopped from restraining the defendants. The principle of delay/laches and acquiescence are also invoked. .
- iii. that the plaintiff is not engaged in the business of Jewellery in which the defendants are engaged; the trade channels are different and there is no possibility of confusion/deception.
- iv ROLEX is a common word with over 25 parties having registrations thereof in their names in different classes for different goods from the year 1953 onwards. Besides the said registrations, there are large number of other parties using the mark ROLEX in respect of different goods; the telephone directory is stated to be listing 150 such parties.
- v. that the registration of the plaintiff of 24th April, 2001 including with respect to Jewellery was only “proposed to be used” and had been secured by the plaintiff by making false and misleading statements; the plaintiff at the time of obtaining the same in 2001 is required to make a search and is deemed to have come to know of the use by the defendants of the trademark ROLEX in relation to jewellery.
- vi. the defendant No.1 claims to have adopted the mark ROLEX in the year 1993 after the name of his son Alex born in the same

year and for the reason of the business then commenced by the defendant No.1 being of rolled gold Jewellery such adoption is claimed to be honest, independent, bonafide conceived and without any knowledge of the mark of the defendant and without malafide.

vii that the business of the defendant No.1 was having an annual turnover ranging between 2 to 4 crores and of which 70-80% of the sales are affected under the trademark ROLEX.

viii the popularity of the artificial Jewellery under the trademark ROLEX of the defendants is described from attempts by others to copy the same and with respect whereto complaints were filed.

ix the defendant has been applying since 1998 for registration of the trademark.

x. territorial jurisdiction of this court was also controverted though not pressed at the time of hearing.

xi. it was admitted that ROLEX is not a dictionary word but it was claimed that it was an uncommon word which could not strike anybody in ordinary course of business.

7. The oral submissions of the counsel for the defendants in addition to the above pleas may be succinctly summarized as under:

- i. that user prevails over registration – right in trademark is independent of the right by registration.
- ii. that the mark of the plaintiff could not be distinctive when there were 30 other registrations with respect thereto –the mark of the plaintiff had got diluted owing to the plaintiff being not vigilant.

- iii. the trademark ROLEX was being used for diverse products as hosiery, stationary, rubber slippers, hardware, incense sticks, pharma. When people come across the mark ROLEX with respect so many goods, there could be no question of the plaintiff being affected by the user thereof by the defendants and there could be no question of the defendants attempting to take any advantage of the mark of the plaintiff.
- iv. Sections 33 and 34 of the Trademarks Act, 1999 were stated to have come into play in the facts of the present case.
- v. even otherwise it was argued that there is a huge difference in the price at which the goods of the plaintiff and the goods of the defendants were sold and owing to the sale of the plaintiff's goods from exclusive outlets, there could be no possibility of any confusion.
- vi. the mark of the plaintiff is known only to the affluent inasmuch as for 40 years there were import restrictions in this country as a result whereof the plaintiff could not have acquired any reputation in India.
- vii. it was offered that the defendants shall not use the said trademark for goods other than artificial Jewellery and defendants also offered to maintain the accounts during the pendency of the suit, to, in the event of the plaintiff ultimately succeeding, compensate the plaintiff.
- viii. reliance was placed on 1998 PTC 18 Bombay 156 as well as on the judgment dated 2nd February, 1988 of a Single Bench of the Bombay High Court setting aside the order of the Assistant Registrar of Trademark refusing registration of the trademark consisting of the word ROLEX in respect of "stove,

blow lamps, incandescent lamps, hurricane on opposition by the plaintiff herein and directing the Assistant Registrar to register the said mark.

- ix. it was also contended that while in the opening arguments it was stated by the counsel for the plaintiff that the plaintiff was not relying upon the registration of 2001 and was basing its case on Section 29(4) of the Act, subsequently, the senior counsel for the plaintiff had changed the stand.

8. Though the counsel for the defendants has argued that he does not admit the registration of the year 2001 of the plaintiff including in relation to Jewellery, but on the basis of the documents filed, there is, prima facie, evidence of such registration. On the contrary, the admitted position is that the defendants have no registration. The argument of the counsel for the defendants of Section 33 is misconceived. Section 33(1) would have come into play only if the defendants had registered trademark ROLEX in relation to artificial Jewellery (and as was contended in the written statement of the defendants 2 and 3) and if the plaintiff, in spite of knowledge of the same had acquiesced in use of the said registered trademark by the defendant for a period of five years. Section 33(1) bars application for declaration that registration of latter trademark is bad where the proprietor of earlier trademark has acquiesced for continuous five years of registered trademark. This proceeding is not for such declaration. Section 33(2) is limited to cases where Section 33(1) applies.

9. The plaintiff thus being the registered trademark of ROLEX in relation to Jewellery would under Section 29 of the Act be entitled to injunct the defendant from using the same trademark also in relation to Jewellery. However, the arguments of the counsel for the

defendants of Section 34 coming into play is relevant in this regard.

Section 34 commences with a *non obstante* clause and is as under:

“34. Saving for vested rights. – **Nothing in this Act shall entitle** the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods, or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior –

(a) to the use of the first-mentioned trade mark in relation to those goods or services be the proprietor or a predecessor in title of his; or

(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his;

Whichever is the earlier, and the Registrar shall not refuse (on such use being proved), to register the second mentioned trade mark by reason only of the registration of the first mentioned trade mark.”

10. On the basis of the above, it follows that the plaintiff inspite of being a registered proprietor of the trademark ROLEX with respect to Jewellery would not be entitled to restrain the use by the defendant of the same trademark in relation to Jewellery if the defendant has used the trademark ROLEX in relation to Jewellery since prior to the registration of the plaintiff with respect thereto i.e., 24th April, 2001. The plaintiff does not claim user since prior to 24th April, 2001 in respect of jewellery, or for that matter, even now.

11. The parties are at issue as to whether the defendants have used the mark since prior to 24th April, 2001. The defendants have pleaded so. The defendant No.1 in his written statement and additional affidavit has said that applications dated 2nd March, 1995 and 10th June, 1998 for registration of ROLEX in respect of jewellery were filed and to which plaintiff filed opposition. It is pleaded to have been claimed therein that user is since 1995. However, the defendants have not filed those documents. The plaintiff has filed

the Registration Certificate earlier issued to defendant No.1, erroneously and which was cancelled. In the said certificate user was claimed since 1995. The plaintiff has also not denied the applications for registration made by defendant No.1 in 1995 and 1998. The defendant No.1 has filed sales invoices, all of which are of after 24th April, 2001. The defendants 2 and 3 have also not filed any documents. The date of registration of domain name is also not given. Presumption is, it is after 24th April, 2001. There is thus nothing to show user by the defendants of the mark since prior to registration in favour of plaintiff, except admitted factum of registration having been applied for. The benefit of Section 34 is available only by continuous use since prior to user or date of registration, whichever is earlier, by/of the registered proprietor. The benefit is not available merely by applying for registration. The defendants have failed to prima facie bring their case within the ambit of Section 34.

12. Once Section 34 is out of way, the plaintiff being registered proprietor in respect of jewellery also, since 24th April, 2001, use by the defendants of same trademark, in relation to same goods, is infringement within the meaning of section 29(1).

13. The counsel for the plaintiff had in opening submissions pitched her case primarily on Section 29(4) of the Act. Trademark, traditionally is with respect to particular class of goods – there could be infringement thereof only by use of similar or deceptively similar mark with respect to same class of goods. Section 29(4) is a major departure. Thereunder use of similar/deceptively similar mark in relation to goods which are not similar to those for which the trademark is registered has been included in the definition of infringement, if the condition of Section 29(4)(c) are met.

14. The trademark ROLEX has been registered in favour of the plaintiff with respect to watches etc since much prior to the user claimed by the defendants from 1995. If the plaintiff satisfies the test of Section 29(4)(c), the plaintiff even on the basis of its registrations other than with respect to jewellery, would be entitled to maintain an action of infringement against defendants with respect to jewellery. The only question to be determined at this prima facie stage is whether the registered trademark ROLEX of the plaintiff, in relation to watches, has a reputation in India and the use of the mark by the defendants is without due cause and takes unfair advantage of and/or is detrimental to the distinctive character or repute of the registered trademark.

15. Section 2(z)(g) defines a well known trademark as the one which in relation to any goods, means a mark which has become so to the substantial segment of the public which uses such goods that the use of such mark in relation to other goods would be likely to be taken as indicating a connection in the course of trade between those goods and a person using the mark in relation to the first mentioned goods. In my view the segment of the public which uses the watches of the category/price range as the watches of the plaintiff, ROLEX is a well known trademark. The said segment of the public if comes across jewellery/artificial jewellery also bearing the trademark ROLEX is likely to believe that the said jewellery has a connection to the plaintiff.

16. Yet another provision in the Act, though for the guidance of the Registrar but in relation to well known trademarks is to be found in Section 11(6) of the Act. Upon testing the trademark of the plaintiff on the touchstone of the ingredients of the said provision also, I find the said trademark of the plaintiff to be satisfying the test of a well

known trademark. The documents filed by the plaintiff i.e., the advertising done in the media in India since 1947 and particularly in years immediately preceding the suit, registrations obtained show that relevant section of the public in India had knowledge of the trademark ROLEX in relation to the watches. The pleadings of the plaintiff and which are not contested also show that the plaintiff for the last nearly one century has been using the said trademark spread over nearly the entire developed/developing world. The advertisements of the plaintiff had appeared in the magazines in this country even when there were import restrictions. The plaintiff has filed documents to show registration of the trademark in a large number of countries and also to show successful enforcement of its rights with respect to the said trademark.

17. The Business Week/Inter Brand Annual Ranking of 2008 of 100 Top Global Brands ranks ROLEX at No.71. To fall in the list, the criteria is to have brand value in excess of USD one billion, derives at least a third of its earning outside the home country and have publicly available marketing and financial data. Once the aforesaid criterions are met, there is no difficulty in holding that the plaintiff's registered trademark even in relation to watches has a reputation in India.

18. This court, even prior to introduction of Section 29(4) in the 1999 Act had in **Daimler Benz Aktiegesellschaft Vs Hybo Hindustan** (1994) 14 PTC 287 in relation to another well known trademark "Benz" held that such names are different from other names – these are names which have become household words – it was held that there would hardly be anyone conscious of automobiles who would not recognize the name "Benz " used in connection with cars. The defendant in that case was restrained from using the name

“Benz” with reference to underwear. The Senior counsel for the plaintiff also relied upon

- (i) **Hamdard National Foundation Vs Abdul Jalil** application for interim relief in suit No. 1240/2004 decided on 13th August, 2008 where use of name Hamdard in relation to processing and marketing of rice was injuncted notwithstanding plaintiff till then not dealing in the same and diversity in the goods and considerable delay in bringing the action. It was held that the consumer was likely to believe that the goods of defendant, though dissimilar, originate from the plaintiff.
- (ii) **General Motors Corpn Vs Yplon SA** decided by the court of Justice of European Communities and **Premier Brands UK Ltd Vs Typhoon Europe Ltd** Fleet Street Reports (2000) 767 on the aspect of deception and dilution respectively.
- iii) Order of Assistant Registrar of Trade Marks, Singapore holding that watches have over the years evolved from their traditional function as being merely time keepers to being distinguished as items of fashion/fashion accessories.
- iv) **Cartier International B.V. Vs Choosy Corner** (2003) 26 PTC 160 (Delhi) where the mark cartier was held to have tremendous goodwill and reputation and use thereof in relation to different goods i.e., garments was injuncted.
- v) **Honda Motors Co Ltd Vs Charanjit Singh** (2003) 26 PTC 1 (Del) where mark Honda was held to have a global goodwill and reputation and use thereof in relation to pressure cooker was injuncted on the principles of passing off.

and a number of other judgments, which are discussed in judgments aforesaid and with which it is not necessary to burden this order.

19. Though the defendant No.1 has furnished an explanation for adopting the name/mark ROLEX in relation to its artificial jewellery but the same is not found convincing by me. The defendant No.1 being a manufacturer in Bombay, having sales of jewellery in Delhi as well and stated to be enjoying a huge reputation, as argued on the basis of the three affidavits filed by the defendant No.1 is bound to have known in 1993 and/or 1995 when it claims to have adopted the mark ROLEX, of the plaintiff. The defendant No.1 admits that it is not a dictionary word. I am not convinced even prima facie that owing to the name of the son of the Director of the defendant No.1 being Alex and further owing to the business being of rolled gold, the name ROLEX was coined by the defendant. Moreover, the defendant immediately on applying for registration of the said mark became aware of the opposition thereto by the plaintiff. Had the intention of the defendant been bona fide, the defendant upon facing such opposition to its application for registration, would have then immediately promoted its business under some other name. However, the defendant, in spite of such opposition, has persisted in using the mark. The defendant having done so, cannot take advantage of having since then expanded its business or earned a reputation. The use by the defendant of the mark is found to be without due cause and in an attempt to take unfair advantage of the reputation and goodwill of the plaintiff.

20. Over the years and very quickly in recent times, the international boundaries are disappearing. With the advent of the internet in the last over ten years it cannot now be said that a trademark which is very well known elsewhere would not be well known here. The test of a well known trademark in Section 2(zg) is qua the segment of the public which uses such goods. In my view

any one in India, into buying expensive watches, knows of ROLEX watches and ROLEX has a reputation in India. Not only so, to satisfy the needs/demands of consumers in different countries, the well known international brands which were earlier available at prices equivalent to prices in country of origin and which owing to the exchange rate conversion were very high, have adapted to the Indian situation and lowered prices. A large number have set up manufacturing facilities here and taken out several variants. Thus, merely because today the price of a ROLEX watch may be much higher than the price of items of jewellery of the defendants as argued, cannot come in the way of the consumer still believing that the jewellery is from the house of the plaintiff. Also, there can be no ceiling to the price at which the defendants will continue to sell their jewellery. The defendants have claimed to be selling rolled gold jewellery; with the price of gold soaring, there is no certainty that the pieces of artificial jewellery of the defendants would not also be in the same range as the watches of the plaintiff. Even otherwise, the trend in modern times has been towards artificial /semi precious jewellery. In fact, the attraction to gold is confined to this part of the world only. In India also today there are several brands of artificial jewellery/semi precious jewellery whose brand value and/or prices are quite comparable to the gold jewellery of the conventional gold smiths.

21. The plaintiff has in reply to the additional affidavit of the defendant stated that jewellery and watches are allied/cognate, more so since both are items of adornment and are typically sold to customers through common trade channels of retail, etc. The affidavit on behalf of the plaintiff also cites TITAN, HARRY, WINSTON, SEIKO and CHOPARD which though originally engaged

in the business of watches have ventured into jewellery or vice versa. Even otherwise, in my view watches/clocks have ceased to be an item merely for knowing the time or a utility or a necessity. A large cross section of the population is today carrying on their person cell phones all the time. The cell phone invariably shows the time also. The need, if any, of the watch/clock for knowing the time is thus met. However, the watches continue to be marketed and sold. The reason being that over the years the watches have acquired a status as enjoyed by the jewellery. The watches are worn and clocks adorn the houses as a symbol of status. The watch/clock has metamorphosed from a simple instrument comprising of two needles/heads in a metallic case to intricate designs/shapes and which can besides on the wrist be worn as a locket, arm band and designer watches. This is quite evident from the advertising of watches and clocks. Today the stress in marketing/advertising thereof is more on its looks and ornamental value rather on its machinery. Gone are the days when before procuring a watch its longevity was enquired. Today watches are increasingly being used as a gift/novelty/ souvenir. The purpose for which jewellery is worn is being met by watches also. In fact, watches are one of the few pieces of jewellery available to the male, half of the population. In the city of Delhi also, many expensive brands of watches are sold through retail outlets of jewellers. The jewellers incorporate a watch in designs of their jewellery

22. The next aspect to be considered is the effect/impact, if any, of a large number of other persons using the word ROLEX as claimed by the defendant. At this stage, this plea will be examined believing the same to be true. In my view, the same would be immaterial. Firstly, nothing has been shown that any of the said users has any

significant presence. Secondly, it is now well settled in *Honda* (supra) in turn relying upon **Indian Shaving Products Ltd Vs Gift Pack** that merely because the plaintiff who is otherwise found entitled to the interim injunction is shown to have not taken any step against other infringers is no ground to deny relief to the plaintiff. It cannot also be said that the plaintiff's trademark has lost its distinctiveness for the said reason. The reply affidavit of the plaintiff lists the orders of the Trade Mark Registry from 1964 to 2000, where plaintiff's mark has been protected inter alia for reason of having great reputation. It also shows that the plaintiff has been enforcing its rights. Though the list filed by defendant No.1 in this regard is long but a perusal thereof shows a number of applicants to have abandoned or withdrawn their applications. This is a vast country. Mere long list of applicants/registrants of mark, without any extensive use of the mark, cannot dent the distinctive character or repute of the mark.

23. I therefore find a case of infringement of the trademark of the plaintiff having been made within the meaning of Section 29(4) also of the Act. Even independently of that, on the principles laid down in **Daimler Benz** (supra) and in **Honda Motors**, I find the case of passing off also to be made out.

24. The goods of the plaintiff may lose their sheen to the strata of the society for which they are intended if such strata finds the goods in the same brand name even though not from the house of the plaintiff being available for a much lower price. The goods of the plaintiff would then cease to be a status symbol or a fashion statement. Undoubtedly, the same would be to the detriment of the plaintiff. Having found a prima facie case in favour of the plaintiff and irreparable injury to be caused to the plaintiff by allowing the

defendant to continue using the trademark, I also find the element of balance of convenience to be satisfied in the present case. The registration of the mark of the plaintiff is over 90 years prior to the claimed commencement of the use by the defendant. Even if the defendant, at the time of commencing the use, did not know of the inherent risk in adopting the well known trade mark, the defendant, at least, immediately on applying for registration and on opposition being filed by the plaintiff became aware of the perils in such use. Thus, use by the defendant of the mark is for short time only and use during the period of opposition is of no avail. The mark has got no relation to the jewellery being marketed by the defendants. Unless the defendant is deriving any advantage of the goodwill /brand value of the plaintiff and which it is not entitled to, it ought not to make any difference in the business of the defendants if the said jewellery is sold under a mark other than ROLEX.

25. With respect to arguments of the defendants of the claim being barred by time, infringement is a continuing cause of action and the defence of Limitation Act is not available. Similarly, there can be no estoppel against the statute. With respect to laches, acquiescence and waiver, such defence is available only when some positive act of encouragement is shown on the part of the plaintiff. Not only no such positive act shown in the present case but the opposition filed by the plaintiff to the application for registration of the defendant ought to have warned the plaintiff that the plaintiff is not allowing the defendant to use the mark. The case of infringement having been made out, the said pleas have no meaning. As aforesaid nothing to show any sales by defendant under the mark ROLEX, for prior to 2002 has been filed. Since then, the opposition is pending. The said

period cannot be relied upon by the defendant for pleading acquiescence and waiver.

26. For the reasons aforesaid, the defendant No.2 is also not entitled to the use of domain name www.rolexjewelleryhouse.com.

27. The application of the plaintiff is therefore entitled to be allowed. However, since the defendant may need some time to rearrange its affairs, the restraint order in terms of prayers (a) and (b) in the prayer paragraph of the application shall come into operation w.e.f. 30 days of this order. The question of costs shall be considered at the time of decision of the suit. Needless to state, nothing contained herein shall come in the way of final adjudication of the suit.

**RAJIV SAHAI ENDLAW
(JUDGE)**

April 09, 2009
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