

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

+ **RFA No. 790-91/2006**

% **8th January, 2019**

NEEDLE INDUSTRIES (INDIA) PRIVATE LIMITED & ANR.

..... Appellants

Through: Mr. Peeyoosh Kalra, Advocate
with Mr. V. Mohini, Advocate
and Mr. Udayvir Rana,
Advocate (M. No.9910657461).

versus

VIRMUAL PRAVEEN KUMAR

..... Respondent

CORAM:

HON'BLE MR. JUSTICE VALMIKI J. MEHTA

To be referred to the Reporter or not?

VALMIKI J. MEHTA, J (ORAL)

1. This Regular First Appeal under Section 96 of the Code of Civil Procedure, 1908 (CPC) is filed by the plaintiffs in the suit impugning the Judgment of the trial court dated 19.08.2006 by which the trial court has dismissed the suit for injunction, damages etc. filed by the appellants/plaintiffs against the respondent/defendant. By the suit, the appellants/plaintiffs essentially claimed two rights. The first right was in the trademark '555' and this trademark '555' was used

with respect to haberdashery goods which include snap fasteners, needles of all kinds, hooks and eyelets etc.. The second right which was claimed was a copyright claimed in a label which the appellant no. 1/plaintiff no. 1 had got registered under the Copyright Act, 1957 and under this label, alongwith the trademark/wordmark 'PONY', the appellant no.1/plaintiff no.1 was selling snap fasteners and press type fasteners of all kinds. The trial court dismissed the suit and decided issue nos. 2 to 7 in favour of the respondent/defendant. These issue nos. 2 to 7 which pertain to the aspect of whether there was passing off by the respondent/defendant of its goods as that of the appellants'/plaintiffs' when the respondent/defendant sold his goods, being spring snap fasteners, under the trademark 'V.R.' and a label containing the trademark 'V.R.' with a particular colour scheme and graphic representation of a pony, and the trial court held that there was no passing off.

2. Ld. counsel for the appellants/plaintiffs, after some preliminary arguments, states that the second claim with respect to seeking relief against the respondent/defendant on account of appellant no. 1/plaintiff no. 1 being the owner of the copyright work in its label having the trademark/wordmark '555' as part of a label

containing a particular colour scheme and a pony, is not pressed. Therefore, essentially what the Ld. counsel for the appellants/plaintiffs states is that the appellants/plaintiffs do not question the decision of the trial court with respect to issue nos. 2 to 7 in favour of the respondent/defendant to the extent that it is held that there is no deceptive similarity in the two labels of appellant no.1/plaintiff no.1 and respondent/defendant, however, subject to and without prejudice to the arguments and rights of the appellants/plaintiffs for claiming entitlement to the trademark/wordmark '555'. Therefore, this Court only has to examine as to whether the appellants/plaintiffs are owners of the trademark/wordmark '555' and whether the respondent/defendant can use the trademark/wordmark which is used by the appellants/plaintiffs with respect to haberdashery goods. I may also further clarify that the entitlement to the trademark/wordmark '555' is now only of appellant no. 2/plaintiff no. 2 because the appellant no. 1/plaintiff no. 1 no longer claims to be the licensee of the trademark/wordmark '555'.

3. The case of the appellants/plaintiffs was that appellant no. 2/plaintiff no. 2 was the registered owner of the trademark/wordmark '555' in India since 1951 and this registration was renewed from time

to time. As per the licence agreement for the period from 1963 to 1981, the appellant no.2/plaintiff no.2 had permitted the appellant no. 1/plaintiff no. 1 to manufacture press studs with the world famous trademark '555' of the appellant no.2/plaintiff no.2. It was the case of the appellants/plaintiffs that appellant no.1/plaintiff no.1 carried on business for the licensed period from 1963 to 1981, and from a part of this period from December, 1977 to October, 1979 documents were filed so as to show the user of the trademark '555' by the appellant no. 1/plaintiff no. 1 as the licensee of the appellant no. 2/plaintiff no. 2. In law, user by a registered licensee is equal to the user of the owner of the trademark and the benefit of user by the licensee of the trademark can be taken by the registered owner of the trademark as its own user. It was pleaded that appellant no. 1/plaintiff no. 1 was selling its goods/products under the descriptive trademark 'PONY' as part of a label which contained a colour scheme of silver, grey and orange and this was in use since the year 1988. The sales figures with respect to the 'PONY' card i.e. 'PONY' trademark were pleaded to exist from 1979 to 1993. It was pleaded that in June, 1993 the appellants/plaintiffs came to know of the use of the trademark '555' by the respondent/defendant in its label which had a similar colour scheme as that of the

appellant no. 2/plaintiff no. 2. It was, therefore, pleaded by the appellant no. 1/plaintiff no. 1 that by using the label the respondent/defendant for selling its products, which was similar to the label of the appellant no. 1/plaintiff no. 1, the respondent/defendant was passing off its goods as that of the appellant no.1/plaintiff no.1. The plaint, thereafter, refers to correspondence being entered into between the parties via Legal Notices and Replies being sent from 23.06.1993 till 17.02.1994, which did not yield any result i.e. the respondent/defendant did not stop its impugned activities, and therefore, the subject suit was filed.

4. The respondent/defendant contested the suit and prayed for its dismissal. The respondent/defendant pleaded that the suit was liable to be dismissed on account of undue delay, laches and acquiescence. The respondent/defendant further pleaded that it was selling its goods, being spring snap fasteners, since the year 1989 alongwith its label and this label was pleaded not to be deceptively similar to the label of the appellant no.1/plaintiff no.1. The colour scheme of the label was pleaded to be common to the trade and that the label of the respondent/defendant was pleaded to be different for the reason that the trademark/wordmark of the respondent/defendant

was 'V.R.' which was not the trademark/wordmark of the appellants/plaintiffs. Another difference for there not existing passing off was that the respondent/defendant on its label had a swan in white colour and which was not found on the label of the appellant no.1/plaintiff no.1. So far as the user of the trademark/wordmark '555' by the respondent/defendant is concerned, it was pleaded by the respondent/defendant that the appellants/plaintiffs have lost the right to this trademark/wordmark '555' on account of delay, laches and acquiescence.

5. The following issues were framed in the suit:-

“(i) Whether the suit of the plaintiffs suffers from unreasonable and undue delay, laches and acquiescence? OPD

(ii) Whether the trade mark/label entitled V.R. with the device of a swan is different to that of the plaintiff's trade mark/label entitled 'PONY'? OPD

(iii) Whether the colour scheme silver grey and orange is common to trade? OPD

(iv) Whether the trade mark/label entitled V.R. of the defendants can cause confusion and deception amongst the purchasers and the traders? OPP

(v) Whether the defendants have been using their impugned trade mark/label entitled V.R. since 1989 in relation to spring snab fasteners etc.? OPD

(vi) Whether the defendants are passing off their goods and business as that of the plaintiffs? OPP

(vii) Whether the defendants have infringed the trade mark and copyright registration of the plaintiffs? OPP

(viii) Whether the plaintiff no.1 is a company incorporated under the Companies Act/ 1956? OPP.

(ix) Whether the plaintiff no.2 is a company incorporated under the laws of Germany? OPP.

(x) Whether the plaintiff no.2 is the registered proprietor of the trade mark '555'? OPP

(xi) Whether the plaintiff no.1 is the registered proprietor of the Pony card and the artistic work under the Copyright Act, 1957? OPP

(xii) Whether the plaintiff no.2 can file instant suit against the defendants till such time its name has not been recorded in the records of the Copyright Board as the owner of the artistic work and the Pony Card along with plaintiff no.1? OPP.

(xiii) Whether the plaintiff no.1 has manufactured any goods under the trade mark 555 in Indian Markets? OPP

(xiv) Whether the plaintiff no.1 has sold any goods under the trade mark '555' in Indian Markets? OPP.

(xvi) Whether the sales figures shown in the plaint are in respect of the goods under the trade mark 555 sold in Indian Markets? OPP

(xvi) Whether the plaintiffs are entitled to damages, if so, to what amount? OPP.

(xvii) Relief.”

6. I have already noted that issue nos. 2 to 7 have been decided in favour of the respondent/defendant and the Ld. counsel for the appellants/plaintiffs does not question the decision on issue nos. 2 to 7 except the fact that respondent/defendant cannot use the trademark/wordmark of the appellant no. 2/plaintiff no. 2 being '555'

and that this trademark/wordmark '555' cannot be used as part and parcel of the label of the respondent/defendant. It is noted that so far as the aspects of delay, laches and acquiescence are concerned, the same were the subject matter of issue no. 1, and so far as the ownership of the appellant no. 1/plaintiff no. 1 of the trademark '555' is concerned, the same was the subject matter of issue no. 10. A reference to paras 26 and 27 of the impugned judgment shows that on behalf of respondent/defendant, issue nos. 1 and 10 were conceded by the respondent/defendant in favour of the appellants/plaintiffs. These paras 26 and 27 read as under:-

“26. **ISSUE NO. 1**

The onus to prove the said issue was upon the defendant.

Ld counsel for defendant submitted that he is not pressing for the said issue and further submitted that he has no objection if the issue be decided in favour of the plaintiffs. Keeping in view of the submission of ld counsel for defendant this issue is decided in favour of plaintiff and against the defendant.

27. **ISSUE NO. 8,9,10,11,12**

The onus to prove the said issues was upon the plaintiffs.

Ld counsel for defendant submitted that he is not pressing for the said issues and has no objection if the same be decided in favour of plaintiffs. Keeping in view of the submission of ld counsel for defendant, all these issues are decided in favour of plaintiffs and against the defendants.”

7. Therefore, since the appellants/plaintiffs now only claim rights in the trademark/wordmark '555' and issue nos. 1 and 10 have

been decided/conceded in favour of the appellants/plaintiffs by the respondent/defendant, hence, there is no doubt that the appellant no. 2/plaintiff no. 2 would be the owner of the trademark/wordmark '555' with respect to haberdashery goods including snap fasteners, needles of all kinds, hooks and eyelets etc. Once the appellant no. 2/plaintiff no. 2 is the owner of the trademark '555', then, the respondent/defendant cannot use the trademark/wordmark '555' in any manner with respect to selling of its goods by the respondent/defendant including by applying the trademark/wordmark '555' by the respondent/defendant on its labels or packaging etc. Accordingly, the respondent/defendant is restrained from in any manner using the trademark/wordmark '555' on its products or labels or packaging etc. which in any manner pertain to selling by the respondent/defendant of its own goods being spring snap fasteners.

8. In view of the aforesaid discussion, this appeal is partially allowed and the respondent/defendant is restrained from in any manner using the trademark/wordmark '555' owned by the appellant no. 2/plaintiff no. 2 with respect to haberdashery goods including snap fasteners, needle of all kinds, hooks and eyelets etc. The appeal is

disposed of accordingly in terms of aforesaid observations by partially allowing the same.

JANUARY 08, 2019

VALMIKI J. MEHTA, J

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