IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : **15..12.2016**

CORAM

THE HON'BLE MRS.JUSTICE **PUSHPA SATHYANARAYANA**

C.S.No.860 of 2004

TechNova Imaging Systems (P) Limited
182, T.T.K.Road
Alwarpet, Chennai 600 018
rep.by its Commercial Manager
Mr.D.Christy .. Plaintiff

vs

Technova Tapes (India) Pvt.Ltd.,
Previously known as Reflex Auto
Products Pvt.Ltd.,
No.118, Bommasandra Industrial Area
Anekal Taluka
Bangalore 562 158. .. Defendant

For Plaintiff : Mr.S.P.Chockalingam

For Defendant : Mr.Udaya Holla
Senior counsel for
Ms.Anna Mathew

JUDGMENT

The plaintiff, claiming to be the proprietor of the trade mark "TechNova" has filed the suit seeking (i) permanent injunction restraining the defendant from marketing its product under the name TechNova; (ii) for a permanent injunction restraining the defendant from using the word TechNova or any alternate spelling or variant thereof as its corporate name and (iii) surrender to the plaintiff for destruction of the finished goods, cartons, etc.

2. The case of the plaintiff is as follows:

(i) According to the plaintiff, the mark TechNova had been adopted by them as early as in the year 1971. Originally, the company was called TechNova Plate Making Systems Private Limited and subsequently changed as TechNova Imaging Systems Limited, which is the present plaintiff. The plaintiff has also got other group of companies. The plaintiff is the world's largest manufacturer of digital and analog offset plates and media and chemicals, for inkjet and laser applications. The products of the plaintiff include a full range of consumables for conventional and digital imaging systems. The TechNova Imaging Systems Private Limited has its Overseas Branch Offices also, at UK, Dubai and Sri Lanka.

(ii) The plaintiff is a registered proprietor of the mark TechNova in Class 1 vide Application Nos.516045 and 516046 dated 01.09.1989. As on the date of the filing of the suit, it is claimed by the plaintiff that it has filed about 74 applications for the registration of the trade mark TechNova in various classes and it had got 33 registrations out of it. The plaintiff has also established an internet site known as www.technovaworld.com

in 1995, which gives out the particulars relating to

TechNova group of companies and their products etc. The plaintiff also claims to have widespread and effective distribution network in Indian Subcontinent and overseas countries. Thus, it is claimed that the plaintiff's trade mark TechNova had become a well known mark known to a substantial segment of the public, which uses the goods in general and receives services within the provisions of the Trade Marks Act, 1999. Hence, the use of the trade mark TechNova by a person other than the plaintiff would be taken as indicating a connection between the goods and services, as being the goods and services emanating from the plaintiff and the said person. The plaintiff has not authorized the defendant to use the trade mark 'TechNova'.

(iii) While so, the plaintiff came to know about the existence of the defendant through its Chartered Accountant in the year 2002 when he was asked to investigate the existence of Registered companies operating under the name TechNova or any other name phonetically similar to it. Upon coming to know that the defendant is using the same trade mark, the plaintiff wrote to the defendant on 25.09.2002 and requested the defendant to effect change in the name of its company within a period of 15 days from the date of the receipt of the said notice. The defendant also had responded, vide its letter dated 27.11.2002 that it would reply to its letter shortly. Having not received any such response, the plaintiff had effected a legal notice on 11.09.2003 calling upon the defendant to change the name within 15 days. The said notice was replied by the defendant on 24.09.2003 denying the contents of the notice and also making untenable allegations. A Rejoinder was also sent by the plaintiff. The plaintiff also lodged proceedings under Section 22 of the Companies Act,1956 [hereinafter referred to as "The Act"] before the Regional Director of the Companies in Chennai. By order dated 28.09.2004, the Regional Director, Southern Region, Chennai passed an order directing the defendant to delete the words TechNova from its existing name and change to some other word granting them three months time.

(iv) The defendant originally had its name as "Reflex" and had applied for registration of the mark TechNova under Classes 9 and 16 respectively. When these applications were advertised in the trade mark journal, the plaintiff lodged its notices of opposition with the Trade Mark Registry for refusal of the applications of the defendant. The Assistant Registrar of Trade Marks passed an order on 15.09.2004 stating that the defendants applications were abandoned under sub-sections (2) of Section 21 of the Trade Marks Act, 1999. However, it is made known to the plaintiff that the defendant had been using the plaintiff's

trade mark TechNova and marketing its products, viz.,adhesive tapes for use in industry, within the jurisdiction of this Hon'ble Court. As the defendant has been surreptitiously carrying on business activities in the name of TechNova and also marketing and selling its products in the name of TechNova, which is identical with the plaintiff's name, the suit has been filed by the plaintiff.

3. Resisting the suit and denying the facts supporting the cause of action, the defendant had filed the written statement contending as follows:

(i) It is stated by the defendant that in spite of being aware of the defendant's name in the year 1995 itself, the plaintiff has approached the Company Court under Section 22 of the Act only in the year 2003. However, the said order was allowed in favour of the plaintiff. Aggrieved by the same, the defendant filed W.P.No.42939 of 2004 before the High Court of Karnataka, in which the impugned order of the Regional Director was stayed. Only after an order of stay was granted, the present suit was filed by the plaintiff in an attempt to circumvent, the orders passed in the above writ petition.

(ii) Though originally the defendant had the name of its company as Reflex Auto Products Limited, when it

diversified into manufacturing industrial adhesive tapes, it changed its name to Technova Tapes (India) Pvt.Ltd., with effect from 26.06.1995. A new name was chosen as the company wanted to be the innovator in Technological Advancement and hence adopted the name Technova from TECHnoglogical inNOVAtion. The defendant company was incorporated by one of the technocrats, who is the gold medallist and the company has been doing substantial business in the country under the name of Technova tapes. The defendant also has been advertising about its products in the name of Technova in newspapers and magazines from the year 1995 itself, though the advertisements have not been preserved by the defendant.

(iii) The defendant further stated that the defendant's name and logo had been appearing prominently, immediately after the plaintiff's name in the telephone directory from the year 1995 itself. Thus, the defendant have been carrying on its business in the name of Technova for the last 10 years and had incurred substantial expenses in advertising of its products under the name Technova. It is also stated that the defendant would suffer a great loss and serious prejudice, if it is prevented from marketing the products under the trade mark Technova.

(iv) The defendant also further denied the allegations as set out in the plaint and stated that it had not adopted or used the plaintiff's name or any alleged trade mark of the plaintiff. Denying the case of the plaintiff, the defendant prayed for the dismissal of the suit.

4. The following issues were framed for consideration:

(i) Whether the defendant has infringed the plaintiff's trade mark?

(ii) Whether the act of defendant in changing its corporate name from Reflex Auto Products (Pvt.) Ltd., to Technova Tapes (India) Pvt.Ltd., in not bona fide and in bad faith?

(iii) Whether the plaintiff is entitled for permanent injunction restraining the defendant from using the name "TechNova" as part of its Corporate name?

(iv) Whether the plaintiff is entitled for permanent injunction restraining the defendant from marketing its product under the name "TechNova"?

(v) Whether the suit is properly valued?

(vi) Whether the suit is belated and barred by limitation?

(vii) Whether the relief prayed for is barred due to the plaintiff's acquiescence of the user of the name

Technova Tapes (India) Pvt.Ltd., by the defendant?

(viii) Whether the products manufactured by the plaintiff and defendant are different and of a specialized field distinguished from each other in technology?

(ix) Whether the name 'Technova' is popular in the commercial world?

(x) Whether the plaintiff has a monopoly over the word 'Technova'?

(xi) To what relief the plaintiff is entitled for?

Issue No.2:

5. The defendant had originally been trading in the name of Reflex Auto Products Private Limited. In the year 1991, the defendant applied to the Registrar of Trade Mark to register the mark Technova under classes 9 and 16. The date of application of the defendant is 23.12.1991 as per Ex.P11. The defendant had chosen the said name Technova, since it wanted to be an Innovator in Technological advancement and also emphasize its focus on technological innovation which characterizes the variety of specialized adhesive tapes developed and manufactured by it. Though the defendant claims to be using the name Technova tapes for more than 25 years, admittedly, the defendant is only a subsequent adapter of the trade mark Technova. When the original name of the defendant is Reflex Auto products Pvt. Ltd., the defendant has not given any justifiable reason

for adopting the name Technova, which is totally unconnected to the earlier name either phonetically or otherwise similar to it.

6. It is contended by the learned counsel for the plaintiff that the defendant has adopted the trade mark TechNova with dishonest and mala fide intention, as the plaintiff had good reputation and goodwill over the trade name TechNova. The defendant had surreptitiously adopted the same to come under the same banner of the plaintiff. It may be stated that the products manufactured by the plaintiff and the defendant are entirely different. The defendant is unable to explain the reason for adopting the same name as that of the plaintiff. Though the field of operation may be different, its average consumer, would only look into the prominent and well known mark and that the well known mark comes to signify certain qualities that transcend the goods and services for which, it is registered. When goods and services are offered under the well known brand, the possibility of confusion that may be caused in the minds of an average consumer has to be counted.

7. It is a defined practice that anybody while adopting the mark had an opportunity to conduct a search in the trade mark registry in order to find out the existence of any marks, i.e., in convergent with the marks to be adopted. As per rule 24(1) of the Trade Mark Rules 2002,

Form TM54 can be filed in the Trade Mark Registry requesting the Registrar to conduct a search in a particular class in respect of particular goods as to ascertain whether any trade marks are on record, which resemble the trade mark searched for. However, this contention is resisted by the defendant stating that Section 29 of the Trade Marks Act,1999 entitle a person to use a registered trade mark for goods other than for which, it is registered.

8. In the case on hand, the plaintiff had registration of its mark only in respect of colour, photography, etc., and not in respect of adhesive tapes. Therefore, a division and use of the mark for which the plaintiff did not have any registration was valid and legal and could not be found fault with. Both the plaintiff and the defendant claim that the word TechNova had been coined based on the two words TECHnology and InNOVAtion. However, the plaintiff is the prior user of the trade mark having obtained registration and the defendant who had subsequently adopted the name of the plaintiff ought to have searched, before adopting the said mark. The fact that the defendant company was started by young technocrats and being in a formative initial years, will not absolve the procedure or responsibility of the entrepreneur to follow the legal procedure.

9. It is immaterial that the plaintiff's and the defendant's trade in the same field or trade in different products. Though the goods were different, the Courts have repeatedly held that the defendant was not honest on the basis of an action for passing off. The fact whether there is a likelihood of deception or confusion arising is to be decided by the Court only and the oral evidence of any witness cannot decide the said matter. The Court on a combined consideration of various factors like the market factors, class of customers, the reputation etc., has to decide the confusion or deception that is likely to be caused.

10. Thus the defendant was not diligent enough while adopting the mark. The Statute provides the method and procedure to be utilized by such persons. The very enactment had advised such a method only to enable a person to avoid the risk of facing an infringement again by an earlier user. The defendant having failed to utilize the opportunity, cannot now make a hue and cry.

11. As stated earlier, the defendant has not even mentioned in the written statement about the reason for adopting the trade mark of the plaintiff from its original name Reflex Auto Products (P) Ltd., which is totally

unconnected. Hence, it is to be concluded that the defendant has changed its corporate name by adopting the plaintiff's trade mark only with a *mala fide* intention.

12. Accordingly, Issue No.2 is answered in favour of the plaintiff and as against the defendant.

Issue No.3:

13. The contention of the learned Senior Counsel for the defendant is that the goods of the plaintiff and that of the defendant are totally different and their field of operation are also different. When the plaintiff and the defendant are operating different lines of business, the question of infringement does not arise.

14. Section 29 of the Trade Marks Act, 1999, deals with different situation in infringement of the Registered trade mark, which reads as follows:

"**29. Infringement of registered trade marks.-**

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(a) its identify with the registered trade mark and the similarly of the goods or services covered by such registered trade mark or,

(b) its similarly to the registered trade mark and the identity or similarly of the goods or services covered by such registered trade mark, or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark, and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered, and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name is his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he-

(a) affixes it to goods or the packaging thereof,

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark.

(c) imports or exports goods under the mark, or

(d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labeling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorized by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising-

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters, or

(b) is detrimental to its distinctive character, or

(c) is against the reputation of the trade mark

(9) Where the distinctive elements of a registered trade mark consists of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly."

15. A reading of the above Section, more particularly, Section 29(4)(a) envisages that even if the goods are totally unconnected and not similar, if the marks are identical or similar to the registered Trade Mark, then, it would amount to infringement.

16. From the evidence available also, it is clear that the defendant had adopted the mark TechNova only subsequently and it is also not a registered proprietor of the said mark. The plaintiff company, which is a manufacturer of Digital plates in India, claims to be the

fifth largest manufacturer and marketeer of digital plates. The plaintiff also exports its products to more than 60 countries having turnover of several 100 crores. It is the quality of the products of the plaintiff that has given an approach and distinct identity of the plaintiff and its trade mark TechNova has become very popular.

17. While Section 29(3) of the Trade Marks Act, 1999 specifies about the likelihood of the confusion that may be caused on the part of the public, Section 29(4) is little different from the same. Section 29(4) would be attracted once it is established that the alleged trade mark had a good reputation in India and the trade mark is of a distinctive character and the use by the infringer is without due cause. Thus it can be seen that Section 29(4) of the Act, is a legal protection given to a prior user of a Trade mark with reputation, over an unregistered proprietor of such a mark.

18. It is also contended by the learned counsel for the plaintiff about productivity. The defendant's sales figures are lesser when compared to the plaintiff's, which clearly shows that the plaintiff's trade mark had reputation in the market and allowing the illegal adoption of the plaintiff's trademark by the defendant would take unfair advantage of and is detrimental to its distinctive

character.

19. Section 29(4) (c) of the Act, refers to distinctive character or repute of the registered trade mark, which indicates that though the trademark meant not for a distinct character yet it may have good reputation. Therefore, the contention of the defendant cannot be countenanced that the products of both the parties are totally different and unconnected or the plaintiff's trademark did not have a distinctive character.

20. Thus it can be safely concluded without doubt that the defendant had committed an act of infringement and he is liable to be restrained from using the plaintiff's registered trade mark.

Issue No.4:

21. In so far as the Passing off is concerned, the test that has to be adopted is whether the defendant by adopting the trade mark of the plaintiff have deceived the public into thinking that the services offered by the defendant are that of the plaintiff or have originated and associated with the plaintiff. In other words, the trade mark in question had created confusion in the minds of the public that the defendant is associated with the plaintiff.

22. It is pointed out by the learned Senior Counsel for the defendant that the Trademark, TechNova of the plaintiff and that of the defendants are distinctive in character. A mere look at both the Trade Mark logos appear distinctively different. Hence, there is no chance of confusion in the minds of the consumer.

23. As discussed earlier, the plaintiff has been using the trademark from 1971 and got it subsequently registered. Thus, the plaintiff, *prima facie* is able to show that the mark TechNova is a well known mark and also enjoys the reputation overseas as well as in India. With respect to the confusion or the deception, the confusion that would have created in the minds of the potential buyer, it has to be observed that the defendant had adopted the trade mark used by the plaintiff worldwide, which was used by the plaintiff for several decades.

24. The submission that the defendant company was incorporated by an young technocrat who had honestly and independently had adopted the word TechNova and the same cannot be found fault with, are all unacceptable, as when the Statute itself provides for a mechanism to know of the existing trade mark similar in nature.

25. The defendant has adopted the same without

undertaking such an exercise. In the absence of such an exercise, the pleading that the adoption of the plaintiff's trade mark is not with dishonest intention, is not convincing at all. The marks of both the parties being identical, there will be every possibility of confusion in the minds of the public. Though the products are distinct they are under the same mark that have entered into different industries. The defendant though are manufacturing only industrial adhesive tapes, the same is being manufactured under the name TechNova belonging to the plaintiff. When they decided to change the name from Reflex Auto Products (P) Ltd., it would be only with an intention to exploit the goodwill of the plaintiff. Therefore, the continuous use of the said Trade Mark by the defendant would severely cause damage and prejudice to the reputation and goodwill of the plaintiff. When the defendant does business under a name, which is sufficiently close to the name under which, the plaintiff is in trade and the said name had acquired reputation, the public at large is likely to be misled that the defendant's business is the business of the plaintiff or is a branch or department of plaintiff.

26. Thus, it can be safely concluded that the averments of passing off have been *prima facie* established by the plaintiff and therefore, the balance of convenience

is also in favour of the plaintiff, the plaintiff is entitled to an injunction restraining the defendant from passing off their goods and services.

Issue Nos.6 to 10

27. Acquiescence denotes conduct which means a silent assent. Normally in any trade the plaintiff should not become open to attack that he encouraged the defendants deliberately to use his trade mark.

28. The defendant had marked the telephone directory of Bangalore from the year 1995 to show that the name of the defendant had come next to the name of the plaintiff with their corresponding phone numbers and that the plaintiff ought to have taken note of the same and be aware of the existence of the defendant company from the year 1995. When the Telephone Directory reflects the name of the defendant, the plaintiff ought to have taken appropriate actions even at the threshold. Therefore, it is contended that the delayed action on the part of the plaintiff had acquiesced to the act of defendant.

29. The learned Senior Counsel for the defendant also placed reliance on ***AIR 1941 Mad 31 [Devidoss and Co., a firm of cloth merchants, Bangalore vs. Alathur Abboyee Chetty and Co., a firm of piece goods merchants, Madras]*** wherein it is held that "when the plaintiff stands by for

a substantial period, which encourages the defendant to expend money in building up a business associated with the 'mark' he is barred by acquiescence from complaining. He is disentitled to the relief of injunction because of acquiescence." It is also contended that the said judgment has been approved by the Supreme Court in ***1994(2) SCC 448 [Power Control Appliances and Others vs. Sumeet Machines Pvt.Ltd.],*** the relevant paragraphs are as follows:

"28. In Devidoss and Co. at pages 33 and 34 the law is stated thus:

"To support a plea of acquiescence in a trade mark case it must be shown that the plaintiff has stood by for a substantial period and thus encouraged the defendant to expend money in building up a business associated with the mark. In Rowland v. Michell Romer J. observed:

'If the plaintiff really does stand by and allow a man to carry on business in the manner complained of to acquire a reputation and to expend money he cannot then after a long lapse of time, turn round and say that the business ought to be stopped."'

In the same case, but on appeal Lord Russel, C.J. said' 5 at p. 43:

"Is the plaintiff disentitled to relief under that head by injunction because of acquiescence? Of course it is involved in the consideration of that that the plaintiff has a right against the defendant and that the defendant has done him a wrong and the question is whether the plaintiff has so acted as to disentitle him from asserting his right and from seeking redress from the wrong which has been done to him. Cases may occasionally lay down principles and so forth which are a guide to the court, but each case depends upon its own circumstances.

Dealing with the question of standing by in Codes v. Addis and Son at P. 142, Eve, J. said:

'For the purpose of determining this issue I must assume that the plaintiffs are traders who have started in this more or less small way in this country, and have been continuously carrying on this business. But I must assume also that they have not, during that period, been adopting a sort of Rip Van Winkle policy of going to sleep and not watching what their rivals and competitors in the same line of business were doing. I accept the evidence of any gentleman who comes into the box and gives his evidence in a way which satisfies me that he is speaking the truth when he says that he individually did not know of the existence of a particular element or a particular factor in the goods marketed by his opponents. But the question is a wider question than that : ought not he to have known : is he entitled to shut his eyes to everything that is going on around him, and then when his rivals have perhaps built a very important trade by the user of indicia which he might have prevented their using had he moved in time, come to the Court and say : "Now stop them from doing it further, because a moment of time has arrived 14 (1896) 13 RPC 464 15 Rowland v. Michell, (1 897) 14 RPC 37, 43 16 (1923) 40 RPC 130, 142 when I have awakened to the fact that this is calculated to infringe my rights." Certainly not. He is bound, like everybody else who wishes to stop that which he says is an invasion of his rights, to adopt a position of aggression at once, and insist, as soon as the matter is brought to Court, it ought to have come to his attention, to take steps to prevent its continuance; it would be an insufferable injustice were the Court to allow a man to lie by while his competitors are building up an important industry and then to come forward, so soon as the importance of the industry has been brought home to his mind, and endeavour to take from them that of which they had legitimately made use; every day when they used it satisfying them more and more that there was no one who either could or would complain of their so doing. The position might be altogether altered had the user of the factor or the element in question been of a secretive or surreptitious nature;

but when a man is openly using, as part of his business, names and phrases, or other elements, which persons in the same trade would be entitled, if they took steps, to stop him from using, he gets in time a right to sue them which prevents those who could have stopped him at one time from asserting at a later stage their right to an injunction.'

In Mc. Caw Stevenson & Orr Ltd. v. Lee Bros. acquiescence for four years was held to be sufficient to preclude the plaintiff from succeeding. In 1897 the plaintiffs in that case registered the word 'glacier' as a trade mark in respect of transparent paper as a substitute for stained glass. As the result of user the word had become identified with the plaintiffs' goods. In 1900 the defendants commenced to sell similar goods under the name 'glazine. In 1905 the plaintiffs commenced an action for infringement. The defendants denied that the use of the word 'glazine' was calculated to deceive and also pleaded acquiescence. A director of the plaintiff company admitted that he had known of the use of the word 'glazine' by the defendants for four years he would not say it was not five years. It was held that the plaintiffs failed on the merits and by reason of their delay in bringing the action.

Delay simpliciter may be no defence to a suit for infringement of a trade mark, but the decisions to which I have referred to clearly indicate that where a trader allows a rival trader to expend money over a considerable period in the building up of a business with the aid of a mark similar to his own he will not be allowed to stop his rival's business. If he were permitted to do so great loss would be caused not only to the rival trader but to those who depend on his business for their livelihood. A village may develop into a large town as the result of the building up of a business and most of the inhabitants may be dependent on the business. No hard and fast rule can be laid down for deciding when a person has, as the result of inaction, lost the right of stopping another using his mark. As pointed out in Rowland v. Michell each case must depend on its own circumstances, but obviously a person cannot be allowed to stand by indefinitely without suffering the consequence."

30. However, it is contended by the plaintiff that it

is trite law that the defence of limitation is not available in infringement proceedings and placed his reliance on ***Rolex Sa. vs. Alex Jewellery Pvt.Ltd.***, reported in 2009 (41) PTC 284 (Del) wherein it is held that,

> *"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. "*

31. The plaintiff further contended that the applications filed by the defendant were opposed by the plaintiff and that the defendant's application were treated as abandoned. The plaintiff also initiated proceedings against the defendant before the Regional Director, Company Affairs under Section 22 of the Companies Act, 1956. It is argued that the plaintiff had taken action as soon as it became aware of the existence of the defendant using its registered Trademark. The learned counsel contended that

inordinate delay is not equivalent to laches and the two ought not to be used interchangeably.

32. It will be again on the part of the defendant only to show that the plaintiff had acquiesced, to the act of the defendant.

33. It is submitted by the learned counsel for the plaintiff that the mere appearance of the name of the defendant in the Bangalore Telephone Directory alone is not a ground to claim that the plaintiff had knowledge about the defendant. When the corporate office of the plaintiff is in Mumbai, the staff handling the branch office in Bangalore would not be expected to visit the telephone directory expecting infringement and passing off. Even assuming that there was a delay, it alone may be of no defence to a suit for infringement of a trade mark. Delay would be a relevant aspect only when it amounts to abandonment. Besides, infringement being a continuing cause of action the question of delay does not arise. Once the question of delay is ruled out, there cannot be any estoppel against the statute.

34. It is submitted on behalf of the defendants that the word "TECHNOVA" was adopted by several other persons during 1960s and 1970s, i.e., long prior to the plaintiff.

It is stated further that the word TECHNOVA is so commonly used that no one can claim monopoly over it. The mark has become *publici juris* and therefore plaintiff cannot seek injunction. Reliance was placed on the following judgments:

(i) ***1994 Supp(3) SCC 215 [J.R.Kapoor vs. Micronix India]***

> *"6. There are two things which impress Us. Firstly, the appellant is not manufacturing any one product such as the boosters, which has been mainly taken into consideration by the High Court. He is producing various electrical and electronic apparatus in many of which micro-chip technology is used. Even the boosters which he manufactures and sells are of two types, viz, transistorised boosters and Integrated Circuit boosters whereas the respondent- plaintiff manufacturers aerial boosters only of the first type. Thus micro-chip technology being the base of many of the products, the word 'micro' has much relevance in describing the products. Further, the word 'micro' being descriptive of the micro technology used for production of many electronic goods which daily come to the market, no one can claim monopoly over the use of the said word. Anyone producing any product with the use of micro chip technology would be justified in using the said word as a prefix to his trade name. What is further, those who are familiar with the use of electronic goods know fully well and are not only likely to be misguided or confused merely by, the prefix 'micro' in the trade name. Once, therefore, it is held that the word 'micro' is a common or general*

name descriptive of the products which are sold or of the technology by which the products are manufactured, and the users of such products are, therefore, not likely to be misguided or confused by the said word, the only question which has to be prima facie decided at this stage is whether the words 'tel and 'nix' in the trade names of the appellant and the respondent are deceptive for the buyers and users and are likely to misguide or confuse them in purchasing one for the other. According to us, phonetically the words being totally dissimilar are not going to create any such confusion in the mind of the users. Secondly, even the visual impression of the said two trade names is indifferent. In the first instance, the respondent's trade name 'MICRONIX' is in black and white in slimmer letters and they are ensconced in designs of elongated triangles both above and below the said name. On the other hand, the appellant's trade name 'MICROTEL' is in thick bold letters in red colour without any design around. As regards the logo, the respondent's logo consists of the word 'M' in a slim letter with 'I' sporting a dot on it and drawn in the well of 'M'. Below the letter 'M' in small letters is written the word 'MICRONIX' and all these letters and words are written in white in a black square in north-south direction. As against this, the appellant's logo is one letter, viz,. 'M' which is drawn in bold broad letter with its left leg slimmer than all other parts which are in thick broad brush. The letter has also white lines drawn across it which is in blue colour. There is no other letter nor is it set against any background.

We are, therefore, unable to see how the visual effect of both the logos will be the same oh the mind of the buyers. This being the case, we are of the view that there is not even the remotest chance of the buyers and users being misguided or Confused by the two trade names and logos. Same is the case with the carton which merely reproduces both the trade names and the logos."

(ii) ***AIR 1998 Delhi 126 [DB] [S.B.L.Limited vs. Himalaya Drug Co.Ltd.]***

"26. Reverting back to the facts of the case, from the documentary evidence filed we are satisfied that here are about 100 drugs in the market using the abbreviation 'Liv' made out of the word Liver-and organ of the human body, as a constituent of names of medicinal/pharmaceutical preparations with some prefix or suffix-mostly suffixes meant for treatment of ailments or diseases associated with liver. Liv has thus become a generic term and publici juris. It is descriptive in nature and common in usage. Nobody can claim an exclusive right to the use of 'Liv' as a constituent of any trade mark. The class of customers dealing with medicines would distinguish the name of the medicines by ignoring 'Liv' and by assigning weight to the prefix or suffix so as to associate the name with the manufacturer. The possibility of deception or confusion is reduced practically to nil in view of the fact that the medicine will be sold on medical prescription and by licensed dealers well versed in the field and having knowledge of

medicines. The two rival marks Liv. 52 and LIV-T contain a, common feature Liv which is not only descriptive but also publici juris; a customer will tend to ignore the common feature and will pay more attention to uncommon features i.e., 52 and T. The two do not have such phonetic similarity as to make it objectionable.

28. We are, therefore, unhesitatingly of the opinion that the proprietor of Liv. 52 was not entitled to the grant of an injunction restraining the use of LIV-T".

35. On the other hand, the learned counsel for the plaintiff responded that unless the other infringers had significant business turnover or they posted a threat to plaintiff's distinctiveness the plaintiff is not expected to sue all small type infringers who may not be affecting plaintiff's business. Reliance was placed in this regard on the following judgments:

(i) ***Express Bottlers Services Private Ltd., vs Pepsico Inc and Others [1989(9) PTC 14 (Cal)].***

"10. ....It is true that distinctiveness of the mark may be lost by extensive piracy so that the mark becomes public juris. It was held in National Bill Co. V. Metal Goods Manufacturing Co. reported in AIR 1971 S.C. 868 that mere neglect to proceed against the infringers does not necessarily constitute abandonment if it is in respect of infringements

which are not sufficient to affect the distinctiveness of the mark even if the proprietor is aware of them. When neglect by the owner of the mark to challenge the infringement is alleged, the character and the extent of the trade carried on by the infringers and their position in the commercial world have to be reckoned in considering whether the registered proprietor has lost his mark by such neglect. To establish the plea of common use, the use by other persons should be shown to be substantial. In the present case, there is no evidence regarding the extent of the trade carried on by the alleged infringers or their respective position in the trade. If the proprietor of the mark is expected to pursue each and every insignificant infringer to save his mark, the business will come to a standstill. Because there may be occasion when the malicious persons, just to harass the proprietor may use his mark by way of pinpricks. In answer to this allegation, the respondent No. 1 in Joyce's supplementary affidavit dated 1.12.86 stated that there was no whisper of this case of public use of the mark in the petition itself. This case has been set up for the first time in the affidavit-in-reply. Moreover, 'Pepsi' and 'Pepsicola' were registered as carbonated beverages, syrups and concentrates under Class 32 of the Fourth Schedule to the Trade and Merchandise Marks Act 1958. It is alleged by the petitioner that the mark 'pepsi' is being used by others in respect of ice, ice-cream or ice candies which come under class 30 of the said Fourth Schedule and the sealing machine manufactured in the name of Pepsi comes under

Class 7 of the 4th Schedule relating to machine and machine tools. The alleged banners, stickers, danglers, etc. disclosed by the petitioner for establishing common use of the marks of the respondent No. 1 are not the type of goods for which the marks of the respondent No. 1 were registered. The use of the mark Pepsi on goods falling within Class 7 or 30 are wholly irrelevant for the purpose of this case. Moreover, the plea of common use must fail because for establishing that, it must be proved that the businesses carried on by the infringers are of similar nature and are extensive and substantial. The mere use of the name is irrelevant because a registered proprietor is not expected to go on filing suits or proceedings against infringers who are of no consequence. It has been submitted before this Court on behalf of the respondent No. 1 that if it is found that piracy in respect of the mark is going on substantially and in respect of the goods of the similar nature coming under class 32 of the Fourth Schedule, of the Act, the respondent No. 1 would certainly take action. Mere delay in taking action against the infringers is not sufficient to hold that the registered proprietor has lost the mark, intentionally unless it is positively proved that delay was due to intentional abandonment of the right over the registered mark. This Court is inclined to accept the submissions of the respondent No. 1 on this point. The facts of this case are not sufficient to hold that there was any intentional abandonment either due to non-use or for not taking steps against the so-called infringers. It is the petitioner who is trying to *take advantage of the internationally famous trade mark of the respondent No. 1 knowing fully well the extent of reputation the respondent No. 1 has acquired for this mark in Indian market. The petitioner has no right to use the marks of which the respondent No. 1 is the registered owner. The respondent No. 1 did not lose its mark by not proceeding against insignificant infringers."*

(ii) ***Shri Pankaj Goel vs.Dabur India Ltd., [2008 (38) PTC49 (Del)***.

"19. The Supreme Court in the case of AMRITDHARA PHARMACY referred to hereinabove, held the mark AMRITDHARA to be deceptively similar to the mark LAXMANDHARA. The Apex Court in the said Judgment further stipulated that the issue was to be examined by applying the test of an unwary purchaser having average intelligence and imperfect recollection. The Supreme Court in the said case held that even though a critical comparison of the two names may disclose some points of differences, yet an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two products.

20. We find in the present case the Appellant's and Respondent/ Plaintiff's mark are not only similar but their products are identical and are purchased by the same class of customers and the said goods are sold through the same trading channel. In our view the trinity of factors makes for a case for confusion and consequently for passing off. Appellant's subsequent adoption of a similar mark seems prima facie dishonest and no amount of user can cure it. In case the injunction as granted by this Court is not continued, the use of the same mark by the Appellant is likely to deceive the public at large.

21. In B.K. Engineering Complaint vs. U.B.H.I. Enterprises (Registered) reported in AIR 1985 Delhi 210, a Division Bench of this Court has held that trading must not only be honest but must *not even unintentionally be unfair. In Laxmikant V. Patel vs. Chetan Bhat Shah reported in 2002 (24) PTC 1 (SC), the Apex Court has held that where there is probability even in business, an injunction will be granted even though the defendants adopted the name innocently.*

22. As far as the Appellant's argument that the word MOLA is common to the trade and that variants of MOLA are available in the market, we find that the Appellant has not been able to prima facie prove that the said 'infringers' had significant business turnover or they posed a threat to plaintiff's distinctiveness. In fact, we are of the view that the Respondent/Plaintiff is not expected to sue all small type infringers who may not be affecting Respondent/Plaintiff business. The Supreme Court in NATIONAL BELL VS. METAL GOODS reported in AIR 1971 SC 898 has held that a proprietor of a trademark need not take action against infringement which do not cause prejudice to its distinctiveness. In Express Bottlers Services Pvt.Ltd., vs.Pepsi Inc. and Others reported in 1989 (7) PTC 14 it has been held as under :-

"....To establish the plea of common use, the use by other persons should be shown to be substantial. In the present case, there is no evidence regarding the extent of the trade carried on by the alleged infringers or their respective position in the trade. If the proprietor of the mark is expected to pursue each and every insignificant infringer to save his mark, the business will come to a standstill. Because there may be occasion when the malicious persons, just to harass the proprietor may use his mark by way of pinpricks... The mere use of the name is irrelevant because a registered proprietor is not expected to go on filing suits or proceedings against infringers who are of no consequence.... Mere delay in taking action against the infringers is not sufficient to hold that the registered proprietor has lost the mark intentionally unless it is positively proved that delay was due to intentional abandonment of the right over the registered mark. This Court is inclined to accept the submissions of the respondent No. 1 on this point....The respondent No. 1 did not lose its mark by not proceeding against insignificant infringers..."

In fact, in Dr.Reddy's Laboratories Ltd., vs. Reddy Pharmaceuticals Limited reported in 2004 (29) PTC 435 a Single Judge of this Court has held as under :-

"..., the owners of trade marks or copy rights are not expected to run after every infringer and thereby remain involved in litigation at the cost of their business time. If the impugned infringement is too trivial or insignificant and is not capable of harming their business interests, they may overlook and ignore petty violations till they assume alarming proportions. If a road side Dhaba puts up a board of "Taj Hotel", the owners of Taj Group are not expected to swing into action and raise objections forthwith. They can wait till the time the user of their name starts harming their business interest and starts misleading and confusing their customers."

23. The Appellant's other argument that the Respondent/Plaintiff has itself permitted the use of the mark SIDHMOLA, SATMOLA AND CHATMOLA, does not impress us. A private settlement executed by the Respondent/Plaintiff cannot offer a licence to the world at large to infringe its mark HAJMOLA. Even otherwise we are of the view that use of similar marks by a third party cannot be a defence to an illegal act of passing off. In Century Traders vs. Roshan Lal Duggar and Co., reported in AIR 1978 Delhi 250 a Division Bench of this Court has held as under :-

"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."

In fact, in [Castrol Limited vs. A.K.Mehta] reported in 1997 PTC (17) 408 DB it has been held that a concession given in one case does not mean that other parties are entitled to use the same. Also in Prakash Roadline vs. Prakash Parcel Service reported in 1992 (2) Arbitration Law Reporter 174 it has been held that use of a similar mark by a third party in violation of Plaintiff's right is no defence."

(iii) The other decisions relied upon in this regard by the plaintiff are:

(i) ***Dr.Reddy's Laboratories Ltd., vs. Reddy Pharmaceuticals Limited [2004(29)PTC 435(Del).***

(ii) 1997(PTC)(17)408 [DB] [Castrol Limited vs. A.K.Mehta]

36. The contention of the defendants that the plaintiff being the proprietor of the earlier mark had acquiesced for a continuous period of five years in the use of Defendant's trademark is not available to them in view of Section 33(1) of Trade Mark Act, 1999. In order to invoke the said provision the defendant must be a registered proprietor of the mark which is not the case here.

37. As discussed earlier the defendant was in the name of REFLEX Automobile and now adopted the name of the plaintiff TechNova. The defendant has no satisfactory explanation as to how they came to adopt the trade marks, which are registered in the name of the plaintiff, which have a worldwide market. Therefore, the plea of delay and laches would not be of any avail to the defendant. Delay and laches as defence can be set up in equity but only when the defendant had acted fairly and honestly. Having used

the Trade mark of the plaintiff claiming to have coined a new word, the exclusive right of the plaintiff as registered holder of Trademark is infringed.

38. When the case of infringement is made out, the question of acquiescence loses its significance.

39. The next contention raised by the learned Senior Counsel for the defendant is that Section 29(4) of the Act, is not violated since both the parties are dealing in different products. The learned Senior Counsel for the defendant contended that in view of Section 159(5) of the Act, the plaintiff cannot invoke Section 29(4) of the Act.

40. Section 159(5) of the Act, reads as follows:

"159(1) The Trade and Merchandise Marks Act, 1958 (43 of 1958) is hereby repealed.

(2) ....

(3) ...

(4) ...

(5). Notwithstanding anything contained in this Act, where a particular user of a registered trade mark, is not an infringement of a trade mark registered before the commencement of this Act, then, the continued use of that mark shall not be an infringement under this Act."

41. In the instant case, the registration of trademark by the plaintiff was of the year 1989 under the Trade and Merchandise Act, 1958 and the Registration Certificate was issued in the year 2001 whereas the 1999 Act came into force only on 15.09.2003. As Section 29(4) was introduced only in 1999 Act the plaintiff cannot invoke Section 29(4). It is further contended that as the defendant started using the trade mark in the year 1991 and 1995 before the present Act came into force it was not an infringement especially when the parties are not in the same field. Even assuming Section 29(4) applies, it is for the plaintiff to prove that the products are identical and similar.

42. Though the submission of the learned Senior Counsel for the defendant looks attractive at the first blush, yet a closer scrutiny reflects the cracks within.

43. The learned counsel for plaintiff responded to the above submission contending that Section 159(4) of the Act does not have application to the facts of the case as it deals with appeal proceedings. Likewise Section 159(5) of the Act also has no application. The said provision envisages that where a particular use of a registered Trademark is not an infringement of a Trademark, registered before the commencement of this Act, then the continued use

of that mark shall not be an infringement under this Act.

44. The two factors to be considered for the application of this proviso are that the defendants' mark should be a registered mark and secondly the plaintiff should have commenced the infringement proceedings before coming into force of the Trade Marks Act, 1999. As both the conditions are not satisfied by the defendant, Section 159(5) is not attracted. Therefore, the efforts of the defendant is to substitute their own pleadings by subterfuge.

45. It is alleged by the plaintiff that the defendant had not let in any evidence much leas a substantial evidence to show that he was a honest user and using it concurrently. As the plaintiff has been using the mark from 1971 and the defendant adopted the same only in the year 1991, the concurrent use is out of question.

46. As stated earlier, there is no plausible explanation forthcoming from the defendant's side for changing their name from Reflex Auto Products Ltd., and in adopting the name TechNova. Hence, the contention of honest and concurrent use is unsustainable. The relevant decisions in this regard are as under:

(i) ***Shri Bhagwan Dass Gupta alias Agarwal vs. Shri Shiv Shankar Tirath Yatra Company Private Limited.***

"18. Balance of convenience also is in favor

of the applicant. There is no credible explanation as to why did the defendants chose to adopt the name whereas the instances given by him show that there are variations in the name of the company run by various other persons. Prima facie it appears to be a practical attempt. The plaintiff/applicant is bound of suffer irreparable loss, injury if the defendants are not injuncted upon from using the same name which was invoked much prior and has been in long and continuous use. This is bound to create confusion as to its origin and source and therefore prima facie amounts to passing off."

(ii) In Walter Bushnell Pvt.ltd. vs. Miracle Life Sciences the Delhi High Court had granted injunction to the applicant after emphasizing the observation of Hon'ble Supreme Court in Laxmikant V.Patel vs. Chetanbhat Shah and another wherein it is held that ''Where there is a probability of confusion in business", an injunction will be granted even though the defendant adopted the name innocently.

47. As discussed earlier, though it is stated in the written statement that the defendant had changed its name from REFLEX to TECHNOVA there is no reason given for the

name change.

48. So far as the injury or damage caused to the plaintiff is concerned, the Trade Marks Act, 1999 being a special enactment exclusively dealing with law of Trademarks the remedy contemplated therein is statutory and not equitable or discretionary. Once the Court is convinced that the requisite conditions are satisfied, it is empowered to grant injunction.

49. The above analysis of the facts only leads to an inference that the plaintiff has a right and there is an infraction of the same, which cannot be compensated in monetary terms and the balance of convenience is in favour of the plaintiff. Thus the plaintiff has established its case beyond doubt and this Court has no hesitation to decree the suit as prayed for.

50. In fine, the suit is decreed, however without costs.

sd/.P.S.N.J

15.12.2016

//Certified to be a true copy//

Dated this the day of 2017

R.s/22.02.2017 COURT OFFICER

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