

THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment delivered on: 17.08.2016

+ **FAO(OS) 187/2016 & CM 23400/2016**

VARDHMAN BUILDTECH PVT LTD & ORS Appellants

versus

VARDHMAN PROPERTIES LTD Respondent

AND

+ **FAO(OS) 188/2016 & CM 23402/2016**

VARDHMAN REALTECH PVT LTD & ORS Appellants

versus

VARDHMAN PROPERTIES LTD Respondent

Advocates who appeared in this case:

For the Appellants : Mr Neeraj Grover with Mr Aditya Singh
For the Respondent : Mr Sanjay Goswami along with Mr Anil Jain,
Director of the Respondent Company.

CORAM:

HON'BLE MR. JUSTICE BADAR DURREZ AHMED

HON'BLE MR. JUSTICE ASHUTOSH KUMAR

JUDGMENT

BADAR DURREZ AHMED, J (ORAL)

1. These appeals raise common issues and arise out of the common judgment dated 31.05.2016 delivered by a learned Single Judge of this Court in IA No. 21931/2014 in CS(OS) 3378/2014 and IA No. 14073/2013

in CS(OS) 1712/2013. The appellants before us in these appeals were the defendants in the said two suites, which were filed by the respondent. The applications referred to above were under Order 39 Rules 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908 (hereinafter referred to as 'the CPC'), wherein the respondent/plaintiff had sought ad interim injunction against the appellants herein restraining them from using the word 'VARDHMAN' as a part of their trade mark or their corporate name. We may point out that these two suits were filed in 2013 and 2014 as mentioned above. However, there was no injunction granted by the learned Single Judge till the impugned judgment which was delivered on 31.05.2016. It may be also relevant to note that immediately thereafter the present appeals were filed and the Vacation Bench, on 10.06.2016, stayed the operation of the impugned judgment. Prior to that, on an application moved by the appellants, the learned Single Judge made the order effective from 11.06.2016.

2. The undisputed fact is that the respondent has a registered mark (a label mark) which is to the following effect:-



The said mark was registered in Class 37 for building, construction, repair and allied services. According to the respondent, they have been in the business of construction and real estate since 1980. The mark was registered with effect from 22.06.2006.

3. The appellants' case is that they have been using the word 'VARDHMAN' as part of their corporate names, which are – 'Vardhman Estates and Developers Private Limited', 'Vardhman Buildtech Private Limited', 'Vardhman Realtech Private Limited' and 'Vardhman Infradevelopers Private Limited'. They have also used the word 'VARDHMAN' along with their logo, which is given below:-



4. The learned Single Judge, after having heard the counsel for the parties, allowed both the applications filed by the respondent and, *inter alia*, restrained the appellants from using the mark/brand name 'VARDHMAN' or 'VARDHMAN PLAZAS' or the corporate name 'VARDHMAN' or any other mark which was identical or deceptively similar to the respondent's registered 'VARDHMAN' label mark which include the words 'VARDHMAN PLAZAS'.

5. The entire controversy before us was whether the respondent could claim exclusivity over the word 'VARDHMAN', which is the name of Lord Mahavir. It was the case of the appellants that nobody could monopolize and claim exclusivity over the word 'VARDHMAN' and that the registration of the respondent's trademark was in respect of the entire label. It was further contended that, if at all, the respondent could claim exclusivity over part of the label mark, it could only do so in respect of the words contained therein together, namely, 'VARDHMAN PLAZAS'. No exclusivity could be claimed with regard to the part of the words and, in particular, 'VARDHMAN', which has commonly been used in several businesses not restricted to real estate business. It was also submitted by the learned counsel for the appellants that there are over 300 companies

registered with the Registrar of Companies whose corporate names include the word 'VARDHMAN'. Therefore, it was contended that the respondent cannot claim exclusivity over the word 'VARDHMAN'. The learned counsel for the appellants also made submissions based on Section 17 of the Trade Marks Act, 1999 (hereinafter referred to as 'the said Act').

6. The learned counsel for the respondent, however, contended that the registration of the label/mark, which includes the words 'VARDHMAN PLAZAS' would entitle them to claim exclusivity over the distinctive element of the mark which, according to him, was 'VARDHMAN'. Strong reliance was placed on Section 29(9) of the said Act. Reliance was also placed by the learned counsel for the respondent on the decision of the Supreme Court in **Ramdev Food Products Pvt. Ltd. v. Arvindbhai Rambhai Patel and Others**; AIR 2006 SC 3304 as also on a Division Bench decision of this Court in **United Biotech Pvt. Ltd. v. Orchid Chemicals & Pharmaceuticals Ltd. and Others**; 2012(4) R.A.J. 677 (Del).

7. We have considered the arguments of the learned counsel for the parties. Before we consider the rival contentions, it would be necessary to set out the relevant provisions of the said Act, which read as under:-

“15. Registration of parts of trade marks and of trade marks as a series – (1) Where the proprietor of a trade mark claims to be entitled to the exclusive use of any part thereof separately, he may apply to register the whole and the part as separate trade marks.

(2) Each such separate trade mark shall satisfy all the conditions applying to and have all the incidents of, an independent trade mark.

(3) Where a person claiming to be the proprietor of several trade marks in respect of the same or similar goods or services or description of goods or description of services, which, while resembling each other in the material particulars thereof, yet differ in respect of –

- (a) statement of the goods or services in relation to which they are respectively used or proposed to be used; or
- (b) statement of number, price, quality or names of places; or
- (c) other matter of a non-distinctive character which does not substantially affect the identity of the trade mark; or
- (d) colour, seeks to register those trade marks, they may be registered as a series in one registration.”

“17. Effect of registration of parts of a mark. – (1) When a trade mark consists of several matters, its registration shall confer on the proprietor exclusive right to the use of the trade mark taken as a whole.

(2) Notwithstanding anything contained in sub-section (1), when a trade mark –

- (a) contains any part –

- (i) which is not the subject of a separate application by the proprietor for registration as a trade mark; or
 - (ii) which is not separately registered by the proprietor as a trade mark; or
- (b) contains any matter which is common to the trade or is otherwise of a non-distinctive character, the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trade mark so registered.”

“28. Rights conferred by registration – (1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

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 identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or
- (b) its similarity to the registered trade mark and the identity or similarity 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 of 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 labelling 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 authorised 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 consist 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.”

8. On a plain reading of Section 15(1), it is evident that where a proprietor of a trade mark claims to be entitled to the exclusive use of any part thereof separately, he is permitted to apply to register the whole and the part as separate trade marks. In the present case, the respondent is the proprietor of the label/mark which includes the words ‘VARDHMAN PLAZAS’. The respondent is claiming exclusivity in respect of the word ‘VARDHMAN’. It is clear that he had the option to make an application for registering the word ‘VARDHMAN’ as a separate trade mark. Assuming that he could have had the word mark registered, it is an admitted fact that the respondent made no such application. Section 17 of the said Act makes it clear when a trade mark consists of several matters, as

it does in the present case, its registration shall confer on the proprietor exclusive right to the use of the trade mark taken as a whole. There is no dispute that the label/mark, taken as a whole, is the exclusive property of the respondent. The learned counsel for the appellants has no quarrel with this at all. The issue arises when the respondent claims exclusive right to a part of the label/mark and particularly to the word 'VARDHMAN'. Section 17(2) is a non-obstante provision [vis-à-vis sub-section(1)], which stipulates that when a trade mark contains any part which is not the subject matter of a separate application by the proprietor for registration as a trade mark or which is not separately registered by the proprietor as a trade mark or contains any matter which is common to the trade or is otherwise of a non-distinctive character, the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trade mark so registered. In the present case, neither has the respondent separately registered 'VARDHMAN' as a trade mark nor has any such application been made. Furthermore, the word 'VARDHMAN' is itself of a non-distinctive character and is not only common to this trade but to several other businesses. Consequently, the registration of the label/mark which contains the words 'VARDHMAN PLAZAS' does not confer any

exclusive right on the respondent insofar as a part of that mark, namely, ‘VARDHMAN’ is concerned.

9. We now come to Section 28 of the said Act which deals with the rights conferred by registration. It is clear that by virtue of Section 28, the registration of a trade mark, if valid, gives to the registered proprietor of the trade mark the exclusive right to the use of the mark in relation to the goods or services in respect of which the trade mark is registered and, importantly, to obtain relief in respect of infringement of the trade mark in the manner provided by the Act. What is important to notice is that Section 28(1) begins with the words ‘subject to the other provisions of this Act’. In other words, Section 28 would have to be read as subject to Section 17 of the said Act. Consequently, in our opinion the registration of the label/mark in favour of the respondent, which includes the words ‘VARDHMAN PLAZAS’, does not confer an exclusive right on the respondent insofar as part of the mark, which has reference to the word ‘VARDHMAN’, is concerned.

10. The learned counsel for the respondent, as pointed out above, sought to take the benefit of Section 29(9) of the said Act. That provision stipulates that where ‘distinctive elements’ of a registered trade mark

consist 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 the reference in Section 29 to the use of a mark is to be construed accordingly. First of all, the stress in the said provision is on the words ‘distinctive elements’. Neither is ‘VARDHMAN’ nor the word ‘PLAZAS’ a distinctive element of the trade mark. The word ‘VARDHMAN’ has not been registered as a trade mark nor could it be because it is commonly used and, as pointed out above, is the name of Lord Mahavir. Secondly, the word ‘PLAZAS’ is also commonly used and cannot be appropriated by the respondent. Therefore, the distinctive elements are neither the word ‘VARDHMAN’ nor the word ‘PLAZAS’. But, the two words taken together - ‘VARDHMAN PLAZAS’ - is a distinctive element of the label/mark. Thus, if the appellants were to use words ‘VARDHMAN’ and ‘PLAZAS’ in conjunction, then the respondent may have had a right to restrain them from using the same. We are, therefore, of the view that Section 29(9) of the said Act also does not come in aid of the respondent.

11. The decision of the Supreme Court in ***Ramdev Food Products Pvt. Ltd*** (*supra*) was in respect of the Trade Marks Act, 1958 and not in respect of the Trade Marks Act, 1999. This is the most important distinguishing

feature apart from others which we need not refer to. Insofar as the decision of the Division Bench in *United Biotech Pvt. Ltd (supra)* is concerned, in that case, the registered trademark was ‘ORZID’ and the infringing word was ‘FORZID’. Clearly that was a case which would fall under Section 29 as amounting to infringement of the registered trade mark ‘ORZID’. Although, in that case also the mark which was registered was not a word mark but a label/mark which contained only the word ‘ORZID’. Here, the words contained in the label/mark are ‘VARDHMAN PLAZAS’ and not just ‘VARDHMAN’. Therefore, in our view, the decision in *United Biotech Pvt. Ltd (supra)* does not aid the arguments advanced by the learned counsel for the respondent.

12. In view of the foregoing discussion, the appeals are allowed. The impugned judgment is set aside. We are making it clear that all observations made by us in this judgment are *prima facie* in nature and shall not be taken into account at the time of trial of the suits before the learned Single Judge.

BADAR DURREZ AHMED, J

**AUGUST 17, 2016
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ASHUTOSH KUMAR, J