

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

% *Reserved on: 10th August, 2017*
Decided on: 8th January, 2019

+ **CS(OS) 205/2009**

RODERICK JOHN ANDREW MACKENZIE..... Plaintiff
Represented by: Mr.Kirti S. Javali and
Ms.Nikita C. Jain, Advocates.
Versus

HIMALAYAN HELI SERVICES PVT. LTD. Defendant
Represented by: Mr. Vivek Malik and
Mr.Mukul Thakur, Advocates.

+ **Crl. M.A. No. 5011/2009 in CS(OS) 210/2009**

HIMACHAL HELICOPTER SKIING PTY LTD..... Plaintiff
Represented by: Mr. Kirti S. Javali, Advocate.
versus

HIMALAYAN HELI SERVICES PVT. LTD..... Defendant
Represented by: Mr.Vivek Malik and
Mr.Mukul Thakur, Advocates.

CORAM:
HON'BLE MS. JUSTICE MUKTA GUPTA

1. Roderick John Andrew Mackenzie, the plaintiff in CS(OS) No. 205/2009 filed the suit inter alia seeking permanent injunction restraining the defendants their employees, servants, agents etc. from using or otherwise copying, selling, offering for sale, counterfeit/unlicensed versions of the plaintiff's copyright in his artistic work "HIMLAYAN HELI SERVICES" in any shape, form or manner amounting to infringement of the plaintiff's copyright, damages, rendition of accounts and delivery up of all impugned materials.

2. In the plaint which was filed through the duly appointed special power of attorney of the plaintiff namely Vikrant Singh Jafa, it is stated that the plaintiff is the original author/creator, lawful owner and proprietor of the copyright in the artistic work titled “HIMLAYAN HELI SERVICES” in Australia, India and worldwide. The said copyright has been registered in favour of the plaintiff in India on 28th Jan 2008. It is stated that the defendant is wrongly and illegally using the plaintiff’s copyright in the artistic work titled “HIMLAYAN HELI SERVICES” on its websites, letter heads, stationery, business cards etc. It is further claimed that the defendant’s logo has an identical get up, layout and features as that of the plaintiff’s. Plaintiff has been a mountaineer who has climbed Mount Everest twice in 1984 and 1989 and has extensive experience of numerous expeditions in the Himalayas in India, Nepal, New Zealand, Europe, USA etc. The plaintiff has developed patented technology for the analysis of snow and avalanche prediction and has been involved in research and development for the Defence Research and Development Organization (DRDO) and the Snow and Avalanche Studies Establishment (SASE) in Manali. Besides being the owner of the copyright in the artistic work, plaintiff is also the first user of the aforesaid artistic work within the meaning of the Section 17 of the Copyright Act and entitled to all exclusive rights flowing from such ownership as per Section 15 of the Copyright Act.

3. Defendant is a private limited company claiming to be engaged in the business of conducting helicopter operations. Plaintiff noticed on the internet and elsewhere that the defendant has been infringing the plaintiff’s copyright and has titled it as “HIMLAYAN HELI SERVICES” and is using the artistic work of the plaintiff consisting of pictorial representations

of the said artistic work with identical shades, lay-out, features, get-up etc. on its websites, letter heads, stationery, business cards etc. Plaintiff also stated that he was the director of Himachal Helicopter Skiing Private Limited which has other matters in issue with the defendant, however, the present suit relates only to the copyright infringement arising out of the international right of the plaintiff. It is claimed that the defendant is infringing the artistic work of the plaintiff by means of posting the insignia in the various exhibitions, galleries, newspaper etc both in Delhi and Trans border.

4. Pursuant to summons being issued, written statement was filed on behalf of the defendant through its Director T. Wangchuk Shamshu. In the written statement preliminary objections were taken particularly in respect of suppression of material facts. It was stated that the defendant company i.e. Himlayan Heli Services Private Limited was incorporated in July, 1998 as a 100% subsidiary of the World Expeditions (India) Private Limited, established in August, 1987. The said company was owned and promoted by Harsh Vardhan Sharma and Wangchuk Shamshu, both citizens of India and pioneers in India in the field of adventure tourism like skiing, trekking and rafting. In 1989 Harsh Vardhan and Wangchuk decided to get together and do business jointly and formed the company in the name and style of World Expeditions Private Limited. In and around 1989-90 plaintiff expressed his keenness to do business in India in the area of heli skiing which at that point of time was only being conducted in Kashmir through M/s Himalayan Heli Ski, a company belonging to Mr. Soudan. A working arrangement was entered into between M/s World Expeditions Private limited and the plaintiff to organize tours for heli skiing in Manali,

Himachal Pradesh as a part of the business which activity could be conducted only for a period of 12 weeks in a year in the months of January to March.

5. As per the written statement plaintiff wanted to conduct the said activity under the name and style of Himalayan Heli Skiing, which was deceptively similar to Mr. Soudan's outfit, and on the defendant's objection to the same, plaintiff changed the name of his operations to Himachal Helicopter Skiing with a logo being a triangular mountain with a ski trail surrounded by clouds. Later, since the defendant company was providing helicopters to pilgrims as well as adventure tourists, the nomenclature was changed from M/s World Expedition Private Limited to "HIMLAYAN HELI SERVICES" Private Limited. On the formation of the defendant in the year 1998, the defendant designed/ caused to be designed a logo/ artistic work depicting a helicopter in a triangle with clouds around it, the triangle reflecting the mountains. The clouds were put on the suggestion of the plaintiff with whom Harsh Vardhan and Wangchuk were having regular dealings. It is stated that the plaintiff had nothing to do with the trade name or trade mark "HIMLAYAN HELI SERVICES" which was not the business of the plaintiff who was doing only skiing. Thus there was no comparison between the plaintiff and the defendant. The plaintiff was a skiing instructor, bringing groups for skiing holidays, whereas the defendant is an Air Taxi Operator operating helicopters. In fact plaintiff does not and cannot provide heli services as permission to provide the said service is with the defendant only. In the written statement defendant stated about the goodwill and the quantum of its business.

6. In the written statement it is also stated that providing of helicopter services in the remote mountaineers regions was not free from danger and risk. Mr. Wangchuk who is a practicing Buddhist, incorporated in the logo of the defendant the symbol of 'Dorje'. In Buddhism, the 'Dorje', also known as 'Vajra', is considered to be very auspicious and a powerful symbol and mythological weapon that destroys ignorance and is itself indestructible. It is stated that M/s Mahavir Printers was engaged to design a suitable logo for the defendant with a 'Dorje' and out of the various designs given defendant selected the present logo/insignia. Thus the original artistic work in this logo containing the dorje/vajra is of the defendant and not the plaintiff.

7. It is further stated that in 2006 defendant had a serious dispute with the plaintiff and his organization M/s Himachal Helicopter Skiing as the plaintiff used defendant's helicopter to lift load which was impermissible under the terms of license and realizing his mistake the plaintiff tendered a written apology. The relation between the parties strained and despite repeated reminders the plaintiff failed to pay to the defendant a sum of approximately USD 36,000 which is due towards plaintiff. Defendant in the written statement further claims that the plaintiff all through this period was associated with the defendant and was fully aware of the logos being used by the defendant and the plaintiff only used a ski trail in a triangular mountain surrounded by clouds. The defendant was surprised to know as to how the plaintiff clandestinely registered logos and trade mark in his name in January 2008. Further, even after 2008 the plaintiff never issued any notice to the answering defendant complaining of infringement and filed the present suit. Thus, the suit is liable to be dismissed not only on the

account that the plaintiff had not made out any case but also on the ground of concealment of material facts as noted above and that the defendant has been using its own logo with a helicopter in a triangular mountain clouds and dorge/vajra in “HIMLAYAN HELI SERVICES”.

8. On the pleadings of the parties the following issues were settled:

- i. *Whether the Plaintiff is entitled to permanent injunction to restrain the Defendant from using the artistic work ‘HIMALAYAN HELI SERVICES’? (OPP)*
- ii. *Whether the Plaintiff has any right, title or interest or copyright in the artistic work ‘HIMALAYAN HELI SERVICES’? (OPP)*
- iii. *Whether the Defendant is the owner of the copyright in the artistic work ‘HIMALAYAN HELI SERVICES’? (OPD)*
- iv. *Whether the Plaintiff has acquiesced in the Defendant’s use of the said artistic work? (OPD)*
- v. *Whether the suit is barred by limitation and laches? (OPD)*
- vi. *Whether the Plaintiff has suppressed material facts and the effect thereof? (OPP)*
- vii. *Relief.*

9. Plaintiff filed his own evidence by way of affidavit and examined himself as the sole witness PW-1. In the evidence by way of affidavit, plaintiff deposed the facts as stated in the plaint claiming himself to be the first user of the copyright in the artistic work and also that he was the registered owner thereof.

10. On behalf of the defendant its Director Harsh Vardhan Sharma examined himself as a witness being DW-1 and deposed on the lines of the averments in the written statement as noted above.

11. Before dealing with issues No. (i), (iv), (v) and (vi) it would be appropriate to deal with issues No.(ii) and (iii).

12. Issue No.(ii): *Whether the Plaintiff has any right, title or interest or copyright in the artistic work 'HIMALAYAN HELI SERVICES'? (OPP)* and Issue No. (iii): *Whether the Defendant is the owner of the copyright in the artistic work 'HIMALAYAN HELI SERVICES'? (OPD)*

12.1. Contention of the learned counsel for the plaintiff is that the defendant themselves admitted that the plaintiff had been using the logo of a triangular mountain with the skiing trail surrounded by clouds, thus the subsequent adoption of the defendants of the logo with a helicopter in a mountain and the clouds not only infringes the plaintiff's artistic work but also amounts to passing off. Defendant has also admitted that the clouds in the purported logo of the defendant i.e. a helicopter in a triangle, were put at the suggestion of the plaintiff. Further, defendant's witness admitted that the plaintiff has been using the artistic work in his communication since 1990. It is further stated that the defendant is not the owner of the copyright work and it is the plaintiff who has been using the logo of the mountain in the clouds since 1988. The defendant company came into existence with the co-operation of the plaintiff. Plaintiff shared his logo which the defendant company who would have never imagined or visualized the artistic work which originally belonged to the plaintiff. Defendant has never taken steps to register their so called artistic work and after the relationship between the parties terminated the plaintiff took steps to get registered his artistic work

in the year 2008 which protection was granted to him. Thus, plaintiff is entitled to the decree as prayed for.

12.2. Learned counsel for the defendant contends that the logo has been designed in view of the nature of the business of the defendant that is of private helicopter services in the Himalayas. Further, the helicopter mountain and clouds and the artistic work of using of “Vajra” in the capital (H) has been used by the defendants since its incorporation in 1998. Defendant has acquired goodwill and reputation in its name/mark over this period. As noted above in the documents used by the plaintiff even prior to the year 1998-99 when he associated with the defendant, the plaintiff had only been using mountain in the clouds with a ski trail.

12.3. It is trite law that copyright inheres in the author or the creator of the artistic work the moment the work is created and registration of the copyright is merely a prima facie evidence that the artist is the owner of the copyright. However, if the person is not the author or the creator of the artistic work registration of the artistic work cannot vest copyright in the person.

12.4. The three judge bench of the Hon’ble Supreme Court in the decision reported as 1978 (4) SCC 118 R.G. Anand vs. M/s Delux Films & Ors. laying down the law to determine the infringement of the copyright held that where a charge of violation of the copyright is made by the plaintiff against the defendant the fundamental fact which has to be determined is whether or not the defendant not only adopted the idea of the copyrighted work but has also adopted the manner, arrangement, situation to situation, scene to scene with minor changes or super additions or embellishment here and there. Indeed, if on a perusal of the copyrighted work the

defendant's work appears to be a transparent rephrasing or a copy of a substantial and material part of the original, the charge of plagiarism must stand proved. Care however must be taken to see whether the defendant has merely disguised piracy or has actually reproduced the original in different form, different tone, different tenor so as to infuse a new life into the idea of the copyrighted work adapted by him. In the latter case there is no violation of the copyright.

12.5. Considering the various authorities and the case law on the subject Supreme Court laid down the following principles:

- “1. There can be no copyright in an idea, subject-matter, themes, plots or historical or legendary facts and violation of the copyright in such cases is confined to the form, manner and arrangement and expression of the idea by the author of the copyrighted work.*
- 2. Where the same idea is being developed in a different manner, it is manifest that the source being common, similarities are bound to occur. In such a case the courts should determine whether or not the similarities are on fundamental or substantial aspects of the mode of expression adopted in the copyrighted work. If the defendant's work is nothing but a literal imitation of the copyrighted work with some variations here and there it would amount to violation of the copyright. In other words, in order to be actionable the copy must be a substantial and material one which at once leads to the conclusion that the defendant is guilty of an act of piracy.*
- 3. One of the surest and the safest test to determine whether or not there has been a violation of copyright is to see if the reader, spectator or the viewer after having read or seen both the works is clearly of the opinion and gets an unmistakable impression that the subsequent work appears to be a copy of the original.*
- 4. Where the theme is the same but is presented and treated differently so that the subsequent work becomes a*

completely new work, no question of violation of copyright arises.

5. *Where however apart from the similarities appearing in the two works there are also material and broad dissimilarities which negative the intention to copy the original and the coincidences appearing in the two works are clearly incidental no infringement of the copyright comes into existence.*
6. *As a violation of copyright amounts to an act of piracy it must be proved by clear and cogent evidence after applying the various tests laid down by the case-law discussed above.*
7. *Where however the question is of the violation of the copyright of stage play by a film producer or a director the task of the plaintiff becomes more difficult to prove piracy. It is manifest that unlike a stage play a film has a much broader prospective, wider field and a bigger background where the defendants can by introducing a variety of incidents give a colour and complexion different from the manner in which the copyrighted work has expressed the idea. Even so, if the viewer after seeing the film gets a totality of impression that the film is by and large a copy of the original play, violation of the copyright may be said to be proved.*

12.6. The two mark Nos. A81931/2008 and A81932/2008 noted below have been registered in favour of the plaintiff.





12.7. In the plaint and the evidence, claim of the plaintiff is that he was using mountain in the triangular form with the cloud and when the Himalayan Heli Services, defendant No.1 was incorporated even as per the admission of the defendant it was the idea of the plaintiff that the triangle which depicted a mountain should be surrounded by the clouds, however plaintiff has placed no documents on record to show that prior to 1998 the plaintiff was using the mark “HIMLAYAN HELI SERVICES” whereas defendant has placed on record documents to show that before plaintiff joined the joint venture i.e. Himlayan Heli Services Private Limited as noted above, his organization was called as M/s.Himachal Helicopter Skiing and M/s.Himachal Helicopter Skiing was using the logo being a triangular mountain with a ski trail surrounded by clouds. Thus even if the plaintiff can be held to be the creator of the artistic work of a triangular mountain in the clouds depicted in a particular manner, the same was being used with a ski trail as the major work of the plaintiff was skiing expedition. Further the copyright is claimed in the composite mark including Himalayan Heli Services with the logo of mountain with clouds and a helicopter and not merely in the mountain depicted as a triangle with clouds around. He nowhere used the Helicopter in the triangle depicting

the mountain. DW-1 in his evidence has admitted that the plaintiff had been using the mountain with the clouds and a ski trail therein as a logo qua his services rendered as Himachal Helicopter Skiing. Thus neither the plaintiff nor the defendant can claim any copyright in the artistic work for which registration has been granted to the plaintiff vide registration No.A-81931/2008 i.e. triangular mountain with the clouds and a helicopter therein even though the same was being used as a logo for the joint venture of the defendant No.1.

12.8. As regards the second copyright of the plaintiff wherein Himalayan Heli Services is depicted with a Dorje/Vajra neither in the plaint nor in the evidence the plaintiff claims that he was the creator or author of the said artistic work. Merely because the copyright has been granted in favour of the plaintiff the same would not inure a right to the plaintiff. None of the documents of the plaintiff show that before joining the joint venture of the defendant, the plaintiff was using Dorje/Vajra in the words Himalayan Heli Services. In fact the plaintiff was not even using the trade mark “HIMLAYAN HELI SERVICES”. Since qua copyright in registration No. A-81932/2008 plaintiff has not led any evidence to show that plaintiff is the creator of the copyright with ‘Vajra’ in between the Himalayan Heli Services, it cannot be held that the plaintiff is the owner of the copyright granted to him vide registration No.A-81932/2008.

12.9. In respect of the copyright granted to the plaintiff vide registration No.A-81932/2008 the defendant claims that this Vajra was added as it is very auspicious and powerful symbol besides being a mythological weapon that destroys ignorance and is itself indestructible. Defendant claims that this design was given to the printer, however except the bald assertion, no

further evidence has been led that the defendant is the creator of the artistic work qua registration No. A-81932/2008.

12.10. Thus in respect of issue No. (ii) and (iii) neither the plaintiff nor the defendant can claim copyright in the two registration marks.

13. Issue No. (vi): *Whether the Plaintiff has suppressed material facts and the effect thereof? (OPP)*

13.1. Though as per the issue settled the onus to prove this issue was on the plaintiff, however, as noted from the written statement and the language of the issue the onus to prove this issue has to be on the defendant.

13.2. Contention of learned counsel for the defendant is that from the facts proved by the evidence of defendant the claim of the plaintiff that it had been solely using the logos in question for a very long period and came to know only on 28th January, 2009 about the use of logos by the defendant on the internet is incorrect and suppresses the facts that both the parties were in relation with each other, since 1998 the plaintiff has not used the logos and plaintiff has not placed on record any material that he was conducting the business of heli skiing, hence, his entire case stands falsified.

13.3. Contention of learned counsel for the plaintiff is that the plaintiff in para 24(b) of the plaint has stated that in respect of the other matters with the defendant separate suits were being filed and the plaintiff in two other suits has given his entire relationship with the defendant which complies with the requirement of law. The fact of relationship between the two parties was clearly spelt out and known to the court and since the present suit only related to copyright infringement unnecessary facts were not pleaded. The same would not amount to suppression of material facts.

13.4. In the present suit claim of the plaintiff is for injunction restraining the defendants from using its copyright in the artistic work “HIMLAYAN HELI SERVICES” damages, rendition of accounts and delivery up of the impugned material.

13.5. In para 14B of the plaint, plaintiff has stated that the plaintiff, Director of Himachal Helicopter Skiing Private Limited had other matters in issue with the defendant, however, the present suit is being laid in strict compass of copyright infringement arising out of the individual rights of the plaintiff.

13.6. No doubt, the plaintiff was not required to elaborate its relationship with the defendant, however, it was required on the part of the plaintiff to have pleaded that the plaintiff had been working with the defendant from 1989 to 2006 when disputes arose between the parties. As a joint venture both the plaintiff and the defendant were using logos falsifying the claim of the plaintiff as an exclusive user. Further the claim of the plaintiff that he came to know about defendant's user before filing of the suit is also falsified by the documents placed on record by the defendant.

13.7. In the decision reported as M/s Continental Foundation (supra) relating to Section 11(a) of the Central Excise Act, 1944, Supreme Court explained the meaning of “suppression” as failure to disclose full information with the intention to evade payment of duty.

13.8. Supreme Court in the decision reported as (2012) 11 SCC 574 Badami v. Bhali while dealing with concealment of material facts in a suit noted as under:

“29. Presently, we shall refer as to how this Court has dealt with concept of fraud. In S.B. Noronah v. Prem Kumari

Khanna [(1980) 1 SCC 52: AIR 1980 SC 193] while dealing with the concept of estoppel and fraud a two-Judge Bench has stated that: (SCC p. 58, para 20)

“20. It is an old maxim that estoppels are odious, although considerable inroad into this maxim has been made by modern law. Even so, ‘a judgment obtained by fraud or collusion, even, it seems, a judgment of the House of Lords, may be treated as a nullity’. (See Halsbury's Laws of England, Vol. 16, 4th Edn., para 1553.) The point is that the sanction granted under Section 21, if it has been procured by fraud or collusion, cannot withstand invalidity because, otherwise, high public policy will be given as hostage to successful collusion.”

30. In S.P. Chengalvaraya Naidu v. Jagannath [(1994) 1 SCC 1] this Court commenced the verdict with the following words: (SCC p. 2, para 1)

“1. ‘Fraud avoids all judicial acts, ecclesiastical or temporal’ observed Chief Justice Edward Coke of England about three centuries ago. It is the settled proposition of law that a judgment or decree obtained by playing fraud on the court is a nullity and non est in the eye of the law. Such a judgment/decree—by the first court or by the highest court—has to be treated as a nullity by every court, whether superior or inferior. It can be challenged in any court even in collateral proceedings.”

In the said case it was clearly stated that the courts of law are meant for imparting justice between the parties and one who comes to the court, must come with clean hands.

31. A person whose case is based on falsehood has no right to approach the court. A litigant who approaches the court, is bound to produce all the documents executed by him which are relevant to the litigation. If a vital document is withheld in order to gain advantage on the other side he would be guilty of playing fraud on court as well as on the opposite party.

32. In *Shrisht Dhawan v. Shaw Bros.* [(1992) 1 SCC 534 : AIR 1992 SC 1555] it has been opined that the fraud and collusion vitiate even the most solemn proceedings in any civilised system of jurisprudence. It has been defined as an act of trickery or deceit. The aforesaid principle has been reiterated in *Roshan Deen v. Preeti Lal* [(2002) 1 SCC 100 : 2002 SCC (L&S) 97 : AIR 2002 SC 33] , *Ram Preeti Yadav v. U.P. Board of High School and Intermediate Education* [(2003) 8 SCC 311] and *Ram Chandra Singh v. Savitri Devi* [(2003) 8 SCC 319] .

33. In *State of A.P. v. T. Suryachandra Rao* [(2005) 6 SCC 149] after referring to the earlier decision this Court observed as follows: (SCC p. 155, para 16)

“16. In *Lazarus Estates Ltd. v. Beasley* [(1956) 1 QB 702: (1956) 2 WLR 502 : (1956) 1 All ER 341] Lord Denning observed at QB p. 712:

‘... No judgment of a court, no order of a minister, can be allowed to stand if it has been obtained by fraud. Fraud unravels everything.’

In the same judgment Lord Parker, L.J. observed that fraud ‘vitiates all transactions known to the law of however high a degree of solemnity’ (*Lazarus case* [(1956) 1 QB 702 : (1956) 2 WLR 502 : (1956) 1 All ER 341] , QB p. 722).”

34. Yet in another decision *Hamza Haji v. State of Kerala* [(2006) 7 SCC 416 : AIR 2006 SC 3028] it has been held that no court will allow itself to be used as an instrument of fraud and no court, by way of rule of evidence and procedure, can allow its eyes to be closed to the fact it is being used as an instrument of fraud. The basic principle is that a party who secures the judgment by taking recourse to fraud should not be enabled to enjoy the fruits thereof.”

13.9. In (2010) 8 SCC 383 *Meghmala v. G. Narasimha Reddy* Supreme Court observed:

“Fraud/misrepresentation

28. *It is settled proposition of law that where an applicant gets an order/office by making misrepresentation or playing fraud upon the competent authority, such order cannot be sustained in the eye of the law. “Fraud avoids all judicial acts, ecclesiastical or temporal.” (Vide S.P. Chengalvaraya Naidu v. Jagannath [(1994) 1 SCC 1 : AIR 1994 SC 853] .) In Lazarus Estates Ltd. v. Beasley [(1956) 1 QB 702 : (1956) 2 WLR 502 : (1956) 1 All ER 341 (CA)] the Court observed without equivocation that: (QB p. 712) “No judgment of a court, no order of a Minister, can be allowed to stand if it has been obtained by fraud. Fraud unravels everything.”*

29. *In A.P. State Financial Corpn. v. GAR Re-Rolling Mills [(1994) 2 SCC 647 : AIR 1994 SC 2151] and State of Maharashtra v. Prabhu [(1994) 2 SCC 481 : 1994 SCC (L&S) 676 : (1994) 27 ATC 116] this Court observed that a writ court, while exercising its equitable jurisdiction, should not act as to prevent perpetration of a legal fraud as the courts are obliged to do justice by promotion of good faith. “Equity is always known to defend the law from crafty evasions and new subtleties invented to evade law.”*

30. *In Shrisht Dhawan v. Shaw Bros. [(1992) 1 SCC 534 : AIR 1992 SC 1555] it has been held as under: (SCC p. 553, para 20)*

“20. Fraud and collusion vitiate even the most solemn proceedings in any civilised system of jurisprudence. It is a concept descriptive of human conduct.”

31. *In United India Insurance Co. Ltd. v. Rajendra Singh [(2000) 3 SCC 581 : 2000 SCC (Cri) 726 : AIR 2000 SC 1165] this Court observed that “Fraud and justice never dwell together” (fraus et jus nunquam cohabitant) and it is a pristine maxim which has never lost its temper over all these centuries.*

32. The ratio laid down by this Court in various cases is that dishonesty should not be permitted to bear the fruit and benefit to the persons who played fraud or made misrepresentation and in such circumstances the Court should not perpetuate the fraud. (See *Vizianagaram Social Welfare Residential School Society v. M. Tripura Sundari Devi* [(1990) 3 SCC 655 : 1990 SCC (L&S) 520 : (1990) 14 ATC 766] , *Union of India v. M. Bhaskaran* [1995 Supp (4) SCC 100 : 1996 SCC (L&S) 162 : (1996) 32 ATC 94] , *Kendriya Vidyalaya Sangathan v. Girdharilal Yadav* [(2004) 6 SCC 325 : 2005 SCC (L&S) 785], *State of Maharashtra v. Ravi Prakash Babulalsing Parmar* [(2007) 1 SCC 80 : (2007) 1 SCC (L&S) 5] , *Himadri Chemicals Industries Ltd. v. Coal Tar Refining Co.* [(2007) 8 SCC 110 : AIR 2007 SC 2798] and *Mohd. Ibrahim v. State of Bihar* [(2009) 8 SCC 751 : (2009) 3 SCC (Cri) 929] .)

33. Fraud is an intrinsic, collateral act, and fraud of an egregious nature would vitiate the most solemn proceedings of courts of justice. Fraud is an act of deliberate deception with a design to secure something, which is otherwise not due. The expression “fraud” involves two elements, deceit and injury to the person deceived. It is a cheating intended to get an advantage. [Vide *Vimla (Dr.) v. Delhi Admn.* [AIR 1963 SC 1572 : (1963) 2 Cri LJ 434] , *Indian Bank v. Satyam Fibres (India) (P) Ltd.* [(1996) 5 SCC 550] , *State of A.P. v. T. Suryachandra Rao* [(2005) 6 SCC 149 : AIR 2005 SC 3110] , *K.D. Sharma v. SAIL* [(2008) 12 SCC 481] and *Central Bank of India v. Madhulika Guruprasad Dahir* [(2008) 13 SCC 170: (2009) 1 SCC (L&S) 272] .]

34. An act of fraud on court is always viewed seriously. A collusion or conspiracy with a view to deprive the rights of the others in relation to a property would render the transaction void *ab initio*. Fraud and deception are synonymous. Although in a given case a deception may not amount to fraud, fraud is anathema to all equitable principles and any affair tainted with fraud cannot be perpetuated or saved by the application of any equitable doctrine including *res judicata*. Fraud is

proved when it is shown that a false representation has been made (i) knowingly, or (ii) without belief in its truth, or (iii) recklessly, careless whether it be true or false. Suppression of a material document would also amount to a fraud on the court. (Vide S.P. Chengalvaraya Naidu [(1994) 1 SCC 1 : AIR 1994 SC 853] , Gowrishankar v. Joshi Amba Shankar Family Trust [(1996) 3 SCC 310 : AIR 1996 SC 2202] , Ram Chandra Singh v. Savitri Devi [(2003) 8 SCC 319] , Roshan Deen v. Preeti Lal [(2002) 1 SCC 100 : 2002 SCC (L&S) 97 : AIR 2002 SC 33] , Ram Preeti Yadav v. U.P. Board of High School & Intermediate Education [(2003) 8 SCC 311 : AIR 2003 SC 4268] and Ashok Leyland Ltd. v. State of T.N. [(2004) 3 SCC 1: AIR 2004 SC 2836])

35. *In Kinch v. Walcott [1929 AC 482 : 1929 All ER Rep 720 (PC)] it has been held that:*

“... mere constructive fraud is not, at all events after long delay, sufficient but such a judgment will not be set aside upon mere proof that the judgment was obtained by perjury”.

Thus, detection/discovery of constructive fraud at a much belated stage may not be sufficient to set aside the judgment procured by perjury.

36. *From the above, it is evident that even in judicial proceedings, once a fraud is proved, all advantages gained by playing fraud can be taken away. In such an eventuality the questions of non-executing of the statutory remedies or statutory bars like doctrine of res judicata are not attracted. Suppression of any material fact/document amounts to a fraud on the court. Every court has an inherent power to recall its own order obtained by fraud as the order so obtained is non est.”*

13.10. As noted above the plaintiff with defendant was using the copyrights in the artistic works and was not the exclusive user nor creator of the

complete artistic work in copyright registration Nos. A-81931/2008 and A-81932/2008, which facts have a direct bearing on the reliefs sought in the plaint. Thus it cannot be held that there was no concealment of material facts.

13.11. Thus Issue No.(vi) is decided in favour of the defendant and against the plaintiff and it is held that the plaintiff concealed material facts in the plaint which had a direct bearing on the reliefs sought.

14. Issue No. (iv): *Whether the Plaintiff has acquiesced in the Defendant's use of the said artistic work?(OPD)*

14.1. Plaintiff to prove his case has exhibited its certificate of registration in respect of the logo triangular with a helicopter in between, along with the clouds and Himalayan Heli Services with the "Vajra" as Ex. PW-1/1 to 1/3 respectively.

14.2. The documents in support of the exclusive use of these logos exhibited by the plaintiff are of the year 2008 after he parted company from the defendants.

14.3. Defendant has exhibited documents relating back to the year 1993, 1995 and 2006 showing that in the course of its business with the plaintiff, defendant had been using the logos. Defendant has also placed on record documents of the Himachal Heli Skiing wherein the triangle used by the plaintiff is with a ski trail and not a helicopter. Thus the claim of the plaintiff that it came to know about the infringement only in January 2009 is falsified.

14.4. Supreme Court in the decision reported as (1994)2 SCC 448 Power Control Appliances v. Sumeet Machines Pvt. Ltd encapsulating the law on acquiescence held:

“25. If there is an infringement of the same whether the appellant would be entitled to interim injunction at this stage is the important question for determination. For such a determination, we refrain from going into the details relating to evidence as that will prejudice the parties in the suits. Section 30(1)(b) of the 1958 Act says:

“30. Acts not constituting infringement.— (1) Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of the right to the use of a registered trade mark—

*(a) ****

(b) the use by a person of a trade mark in relation to goods connected in the course of trade with the proprietor or a registered user of the trade mark if, as to those goods or a bulk of which they form part, the registered proprietor or the registered user conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trade mark.”

Therefore, acquiescence is one of the defences still available to the first respondent. Of course, it is a different issue whether the plea of acquiescence has been made out in this case. That will be examined for a limited purpose after setting out the law on this aspect.

*26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In *Harcourt v. White* [(1860) 28 Beav 303 : 54 ER 382] Sr. John Romilly said: “It is important to distinguish mere negligence and acquiescence.” Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the*

defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in Mouson (J.G.) & Co. v. Boehm [(1884) 26 Ch D 406] . The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in Rodgers v. Nowill.

27. The law of acquiescence is stated by Cotton, L.J. in Proctor v. Bannis [(1887) 36 Ch D 740] as under:

“It is necessary that the person who alleges this lying by should have been acting in ignorance of the title of the other man, and that the other man should have known that ignorance and not mentioned his own title.”

In the same case Bowen, L.J. said:

“In order to make out such acquiescence it is necessary to establish that the plaintiff stood by and knowingly allowed the defendants to proceed and to expend money in ignorance of the fact that he had rights and means to assert such rights.”

28. In Devidoss and Co. [AIR 1941 Mad 31 : (1940) 2 MLJ 793: ILR 1941 Mad 300] 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 [(1896) 13 RPC 464] 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 [Rowland v. Michell, (1897) 14 RPC 37, 43] 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 [(1923) 40 RPC 130, 142] 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 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. [(1960) 23 RPC 1] 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 [Rowland v. Michell, (1897) 14 RPC 37, 43] each case must depend on its own circumstances, but obviously a person cannot be allowed to stand by indefinitely without suffering the consequence."

29. *This is the legal position. Again in Halsbury's Laws of England, Fourth Edn., Vol. 24 at paragraph 943 it is stated thus:*

"943. Acquiescence.— An injunction may be refused on the ground of the plaintiff's acquiescence in the defendant's infringement of his right. The principles on which the court will refuse interlocutory or final relief on this ground are the same, but a stronger case is required to support a refusal to grant final relief at the hearing. [Patching v. Dubbins [(1853) Kay 1: 69 ER 1] ; Child v. Douglas [(1854) 5 De GM&G 739: 43 ER 1057] ; Johnson v. Wyatt [(1863) 2 De GJ&Sm 18: 46 ER 281]; Turner v. Mirfield [(1865) 34 Beav 390: 55 ER 685]; Hogg v. Scott [(1874) LR 18 Eq 444]; Price v. Bala and Festiniog Rly. Co. [(1884) 50 LT 787]] The reason is that at the hearing of the cause it is the court's duty to decide upon the rights of the parties, and the dismissal of the action on the ground of acquiescence amounts to a decision that a right which once existed is absolutely and for ever lost: Johnson v. Wyatt [(1863) 2 De GJ&Sm 18 : 46 ER 281] at 25; and see Gordon v. Cheltenham and Great Western Union Rly. Co. [(1842) 5 Beav 229, 233 : 49 ER 565] per Lord Langdale MR."

30. In *Aktiebolaget Manus v. R.J. Fullwood & Bland*, LD. [(1948) 55 RPC 329, 338] at pp. 338-39 it was held thus: “Apart from this point the case of *Fullwood v. Fullwood* [(1878) 9 Ch D 176 : 47 LJ Ch 459] shows that the injunction in a passing-off case is an injunction sought in aid of a legal right, and that the Court is bound to grant it if the legal right be established unless the delay be such that the Statute of Limitations would be a bar. That case apparently concerned some predecessors of the defendants. The delay was one of rather under two years and the relief sought was an injunction to restrain the use by the defendants of cards and wrappers calculated to induce the belief that his business was connected with the plaintiff. Fry, J., in the course of his judgment said this:

‘Now, assuming, as I will, for the purpose “of my decision, that in the early part of 1875 the plaintiff knew of all the material facts” which have been brought before me today, he commenced his action in November 1876. “In my opinion that delay, and it is simply delay, is not sufficient to deprive the plaintiff of” his rights. The right asserted by the plaintiff in this action is a legal right. He is, in “effect, asserting that the defendants are liable to an action for deceit”. It is not suggested in the defence that the delay here involves a question under or analogous to the period under the Statute. The defendants did suggest that there had been something more than mere delay on the part of the plaintiffs, and that the plaintiffs had lain by and allowed the goodwill which the plaintiffs now propose to acquire, but this point was not seriously pressed. It was suggested that Mr Evans Bajker, the plaintiffs’ solicitor, knew from 1941 onwards what the defendants were doing, but it is impossible to impute to a busy solicitor a knowledge which he could only acquire by seeing advertisements in local or farming papers advertising the defendants’ activities. No direct information was afforded to him; on the contrary it will be remembered that when in 1942 he made enquiries on behalf of his clients information was

studiously withheld from him. I conclude therefore that there has been no acquiescence to disentitle the plaintiff to relief.'"

31. *In Electrolux LD. v. Electrix [1954 RPC 23, 34] at pp. 32 and 33 it was held thus:*

"I now pass to the second question, that of acquiescence, and I confess at once that upon this matter I have felt no little sympathy for the defendants, and have been not a little envious of the good fortune which has attended the plaintiffs, though no doubt they may justly attribute it to the astuteness of their advisers; but, as has already been said, the defendants have traded openly and (as the Judge found) honestly, beyond any question, in the ordinary course and substantially under this name 'Electrix' for a very long period of time, since early 1930's. During that time, they have built up (I doubt not) a valuable goodwill associated with that name. If the possibility that the mark 'Electrolux' was infringed is out of the way, and if I disregard for the moment (as I do) the point taken by Mr Kenneth Johnstone that in any event for use of 'Electrolux' was a sufficient use for the purpose of Section 26(1) of 'Electrux' (seeing that the two marks were associated). I have no doubt that if the plaintiff had challenged in the courts the right of the defendants to use 'Electrix' before they have effect to their decision to apply the word 'Electrux' to their cheaper model in lieu of 'Electrolux', they would in all probability have failed, because the defendants' motion to strike the word 'Electrux' off the Register would have succeeded, but the fact is that when the battle was joined, 'Electrux' was no longer vulnerable on that account, unless the defendants can establish that the use was not bona fide, a matter to which I shall come presently. It is, however, said that by the defendants that the plaintiffs have deprived themselves of their legal right or, at least, of any right to the equitable remedy of injunction.

Upon this matter, a great deal of learning has been referred to, and we have also had our attention drawn to a number of cases. The latter include the well-known statement in Willmott v. Barber [(1880) 15 Ch D 96 : 43 LT 95] by Fry, J.

(as he then was) at p. 105. He said this: 'It has been said that the acquiescence which' will deprive a man of his legal rights must amount to fraud, and in my view that is an abbreviated statement of a very true proposition. A man is not to be deprived of his legal rights unless he has acted in such a way as would 'make it fraudulent for him to set up those rights'. Let me pause here to say that I do not understand that, by the word 'fraudulent', the learned Judge was thereby indicating conduct which would amount to a common law tort of deceit. 'What, then, are the elements or requisites necessary to constitute fraud of that description?' In the first place 'the plaintiff must have made a mistake as to his legal rights'. Secondly, the plaintiff must 'have expended some money or must have done some act (not necessarily upon the defendant's land) on the faith of his mistaken belief'. Thirdly, the defendant, the possessor of 'the legal right, must know of the existence of his own right which is inconsistent with 'the legal right, must know of the existence of his own right which is inconsistent with' the right claimed by the plaintiff. If he does not know of it he is in the same position 'as the plaintiff, and the doctrine of acquiescence is founded upon conduct with a knowledge' of your legal rights. Fourthly, the defendant, the possessor of the legal right, must know 'of the plaintiff's mistaken belief of his rights. If he does not, there is nothing which' calls upon him to assert his own rights. Lastly, the defendant, the possessor of the legal 'right, must have encouraged the plaintiff in his expenditure of money or in the other acts which he has done, either directly or by abstaining from asserting his legal right'. In reading that passage, it is perhaps necessary to note (because it makes it at first sight a little more difficult to follow) that the positions of plaintiff and defendant as they are usually met with are there transposed, and that one of the parties who is there spoken of as the plaintiff corresponds with the present case with the defendants, and vice versa."

32. *Amritdhara Pharmacy v. Satyadeo Gupta* [(1963) 2 SCR 484 : AIR 1963 SC 449] is a case where Halsbury was quoted

with approval. However, on the facts of that case it was held that the plea of acquiescence had not been made out.”

14.5. Referring to the decision in *Powers United Appliances* (supra) Supreme Court in the decision reported as (2008) 10 SCC 723 *Khoday Distilleries Ltd. v. Scotch Whisky Assn.* held:

“43. The principles of waiver and acquiescence are applicable in a case of this nature. Apart from the ordinary rule of waiver of a right expressly provided for in a case of passing off, the court has consistently been noticing the development of law in this field. The principles in that behalf were laid down by way of provender in Scotch Whisky Assn. v. Pravara Sahakar Shakar Karkhana Ltd. [AIR 1992 Bom 294]

44. The development of law was also noticed by the Court of Appeal in Habib Bank Ltd. v. Habib Bank A.G. Zurich [(1981) 1 WLR 1265 : (1981) 2 All ER 650 (CA)] , WLR at pp. 1283-84, in the following terms: (All ER p. 665f-j)

We were again referred to many authorities on this subject and to the debate which has taken place as to whether, in order to succeed in a plea of acquiescence, a defendant must demonstrate all the five probanda contained in the judgment of Fry, J. in Willmott v. Barber [(1881-85) All ER Rep Ext 1779 : (1880) 15 Ch D 96] : see the recent judgment of Robert Goff, J. in Amalgamated Investment & Property Co. Ltd. v. Texas Commerce International Bank Ltd. [1982 QB 84 : (1981) 3 WLR 565 : (1981) 3 All ER 577 (CA)] Whether all five of those probanda are necessary or not, Mr Aldous submits that to succeed HBZ must at least establish three things. They must show, first, that HBZ have been acting under a mistake as to their legal rights. That, in the instant case, must mean

that they were unaware that what they were doing (that is to say, carrying on their business under the name in which they had been incorporated with the active assistance of the plaintiffs' predecessors), constituted any invasion of the plaintiffs' rights. Secondly, they must show that the plaintiffs encouraged that course of action, either by statements or conduct. Thirdly, they must show that they have acted upon the plaintiffs' representation or encouragement to their detriment.

45. Noticing various other decisions, Oliver, L.J., noticing a decision in *Taylors Fashions Ltd. v. Liverpool Victoria Trustees Co. Ltd.* [1982 QB 133 : (1981) 2 WLR 576 : (1981) 1 All ER 897] opined [Ed.: Quoting from *Taylors Fashions Ltd. v. Liverpool Victoria Trustees Co. Ltd.*, (1981) 1 All ER 897, pp. 915j-916a.] : (*Habib Bank case* [(1981) 1 WLR 1265 : (1981) 2 All ER 650 (CA)] , All ER p. 666h-j)

“Furthermore, the more recent cases indicate, in my judgment, that the application of the Ramsden v. Dyson [(1866) LR 1 HL 129 (HL)] principle (whether you call it proprietary estoppel, estoppel by acquiescence or estoppel by encouragement is really immaterial) requires a very much broader approach which is directed rather at ascertaining whether, in particular individual circumstances, it would be unconscionable for a party to be permitted to deny that which, knowingly, or unknowingly, he has allowed or encouraged another to assume to his detriment than to inquiring whether the circumstances can be fitted within the confines of some preconceived formula serving as a universal yardstick for every form of unconscionable behaviour.”

It was held: (Habib Bank case [(1981) 1 WLR 1265 : (1981) 2 All ER 650 (CA)] , All ER p. 668c-e)

“I have to acknowledge my indebtedness to counsel on both sides for some illuminating arguments, but at the end of them I find myself entirely unpersuaded that the judge erred in any material respect. He concluded his judgment in this way on the question of estoppel:

‘Of course, estoppel by conduct has been a field of the law in which there has been considerable expansion over the years and it appears to me that it is essentially the application of a rule by which justice is done where the circumstances of the conduct and behaviour of the party to an action are such that it would be wholly inequitable that he should be entitled to succeed in the proceeding.’

That, to my mind, sufficiently appears on the facts of this case.”

Thus, in cases involving equity or justice also, conduct of the parties has also been considered to be a ground for attracting the doctrine of estoppel by acquiescence or waiver for infringement.

46. This Court also in Power Control Appliances v. Sumeet Machines (P) Ltd. [(1994) 2 SCC 448] held: (SCC p. 457, para 26)

“26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name, etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In Harcourt v. White [(1860) 28 Beav 303 : 54 ER 382] Sr. John Romilly said: ‘It is important to distinguish mere negligence and acquiescence.’ Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it

had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in Mouson (J.G.) & Co. v. Boehm [(1884) 26 Ch D 406] . The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in Rodgers v. Nowill [(1847) 2 De GM&G 614] .”

47. *The question again came up for consideration before this Court in Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel [(2006) 8 SCC 726] wherein it was held: (SCC p. 769, para 103)*

“103. Acquiescence is a facet of delay. The principle of acquiescence would apply where: (i) sitting by or allowing another to invade the rights and spending money on it; (ii) it is a course of conduct inconsistent with the claim for exclusive rights for trade mark, trade name, etc.”

The delay by itself, however, may not be necessarily a ground for refusing to issue injunction. It was opined: (Ramdev case [(2006) 8 SCC 726] , SCC p. 770, para 106)

“106. The defence of acquiescence, thus, would be satisfied when the plaintiff assents to or lays by in relation to the acts of another person and in view of that assent or laying by and consequent acts it would be unjust in all the circumstances to grant the specific relief.”

It was furthermore observed: (SCC p. 770, para 108)

“108. Specific knowledge on the part of the plaintiff and prejudice suffered by the defendant is also a relevant factor. (See Spry on Equitable Remedies, 4th Edn., p. 433.)”

48. *In Halsbury's Laws of England, 4th Edn., Vol. 16, Para 1505, it is stated:*

“1505. Estoppel by matter in pais.—Where a person has by words or conduct made to another a clear unequivocal representation of fact, either with knowledge of its falsehood or with the intention that it should be acted upon, or has so conducted himself that another would, as a reasonable man, understand that a certain representation of fact was intended to be acted on, and that the other has acted on the representation and thereby altered his position to his prejudice an estoppel arises against the party who made the representation, and he is not allowed to aver that the fact is otherwise than he represented it to be.”

49. Delay would be a valid defence where it has caused a change in the subject-matter and action or brought about a situation in which justice cannot be done.

50. Mr Desai relied upon *Willmott v. Barber* [(1881-85) All ER Rep Ext 1779 : (1880) 15 Ch D 96] wherein it is stated:

“The equitable doctrine of acquiescence is founded on there having been a mistake of fact; can it be repelled by showing that there was constructive notice of the real facts? In every case in which a man acts under the mistaken belief that he is entitled to land, he might, if he had inquired, have found out that he had no title. And yet the courts appear always to have inquired simply whether a mistake has been made, not whether the plaintiff ought to have made it.”

51. However, in *Pfizer Products Inc. v. Rajesh Chopra* [(2007) 35 PTC 59 (Del)] , injunction was granted despite delay, stating:

“Where infringement is deliberate and wilful and the defendant acts fraudulently with knowledge that he is violating the plaintiff's rights, essential elements of estoppel are lacking and in such a case the protection of the plaintiff's rights by injunctive relief never is properly denied. The

doctrine of estoppel can only be invoked to promote fair dealings.

31. It would appear to me that where there is an honest concurrent user by the defendant then inordinate delay or laches may defeat the claim of damages or rendition of accounts but the relief of injunction should not be refused. This so because it is the interest of the general public, which is the third party for such cases, which has to be kept in mind. In the case of inordinate delay or laches, as distinguished from the case of an acquiescence, the main prejudice which may be caused to the defendant is that by reasons of the plaintiff not acting at an earlier point of time the defendant has been able to establish his business by using the infringing mark. Inordinate delay or laches may be there because the plaintiff may not be aware of the infringement by the defendant or the plaintiff may consider such infringement by the defendant as not being serious enough to hurt the plaintiff's business. Nevertheless, if the court comes to the conclusion that prejudice is likely to be caused to the general public who may be misled into buying the goods manufactured by the defendant thinking them to be the goods of the plaintiff then an injunction must be issued. The court may, in appropriate cases, allow some time to the defendants to sell off their existing stock but an injunction should not be denied."

52. In Mc Donald's Corpn. v. Sterling's Mac Fast Food [ILR 2007 Kant 3346] the Karnataka High Court held:

"9. Though the plaintiff adopted its registered trade mark big mac in 1968 in USA, in Para 7 of memorandum of appeal it is stated as under:

'7. The first appellant is the proprietor in India of other McFamily trade marks having prefix or suffix Mc/Mac and it has also applied for registration and most of them were registered

during the pendency of the suit and the trade marks are used in India since October 1996.'

From the above, it is clear that the plaintiffs are using their trade marks in India since October 1996. However, in the very next paragraph it is stated as under:

'8. The first appellant was given approval on 15-2-1993 by the Government of India to operate a chain of restaurants in India. The second appellant was incorporated and registered with the Registrar of Companies on 30-8-1993 vide (Ext. P-30).'

It is thus clear that the plaintiffs got registered in India in the year 1993 only. On the other hand, the defendant has been carrying on with its business since 1983. Having started business by the plaintiffs much later than the defendant in India, the plaintiffs cannot find fault with the defendant in using its trade mark in its business."

14.6. Thus if a plaintiff stands by ignoring the use of the mark by the defendant, the plaintiff would not be entitled to the relief of injunction due to the acquiescence by the plaintiff. In the present case, plaintiff permitted defendant to use part of the logo i.e. triangle depicting the mountain with the clouds when plaintiff was a part of defendant No.1.

14.7. As the plaintiff was also the user of the artistic work with the defendant No.1, he cannot be said to have acquiesced in the use of the artistic work i.e. mountain depicted as a triangle with the clouds.

15. Issue No.(v): *Whether the suit is barred by limitation and laches?(OPD)*

15.1. The two artistic works were being used by Himlayan Heli Services as a joint venture of the defendant when plaintiff was also a part thereof. As

per the defendant disputes arose between the parties in the year 2006, the copyright registration was granted in favour of plaintiff on 28th January, 2008 and the present suit had been instituted in the year 2009. Thus, it cannot be held that the suit is barred by delay and laches.

15.2. Thus issue No.(v) is decided in favour of the plaintiff and against the defendant.

16. Issue No. (i): *Whether the Plaintiff is entitled to permanent injunction to restrain the Defendant from using the artistic work 'HIMALAYAN HELI SERVICES'?(OPP)*

16.1. Contention of learned counsel for the plaintiff is that the plaintiff being the owner of the two artistic works which fact has been proved by the plaintiff by leading evidence and through the admission of the defendant the plaintiff is entitled to a decree of injunction against the defendant. Learned counsel for the defendant on the other hand contends that the two logos were designed by the defendant and plaintiff has never used the same and it has always been using the logo of a mountain with triangle with the ski trail and the clouds. Hence despite there being registration in favour the plaintiff, the defendant having acquired goodwill in the same, the plaintiff cannot seek an injunction. In view of suppression of material facts, false statements on oath and also by virtue of acquiescence of the plaintiff, no relief be granted.

16.2. As noted above this Court has already held that the plaintiff has no copyright in the artistic works for which he has been granted registration vide registration Nos.A-81931/2008 and A-81932/2008 hence he is not entitled to any injunction qua the said copyrights.

16.3. Further the relief of injunction is a discretionary relief, and a person who suppresses material facts would not be entitled to the same as held in (2006) 7 SCC 756 Jai Narain Parasrampuriah v. Pushpa Devi Saraf:

“Discretionary relief

84. Both the parties hereto are guilty of serious misconduct. Both of them have abused the process of court. They initiated unnecessary nay frivolous proceedings against each other. Both the parties took recourse to abuse of judicial process against the other upon suppression of material fact, which would amount to fraud on court. The question in regard to exercise of discretionary jurisdiction for grant of a decree of specific performance of contract, as envisaged under Section 20 of the Specific Relief Act, must be considered from the said angle.

86. Balancing of equities in a case of this nature is a difficult task. It is now well settled that compensation can be awarded in lieu of grant of decree of specific performance of contract. The courts are now evolving separate principles in regard to the remedy of compensation. (See Snells' Equity, p. 452.) The learned author cites various cases to make home the point stating:

“18-17. A monetary award which is made in substitution for (or in addition to) non-monetary relief will frequently be determined on the basis of pecuniary performance or pecuniary rescission; but, in some cases, may also be determined by reference to the loss which has been suffered.

18-18. (a) Pecuniary performance.—Pecuniary performance is a money substitute for the thing which the defendant would have been required to do, had specific relief been ordered. It is to be determined by identifying the difference between two values: (i) the value of the claimant's right to performance of the obligation, and (ii) the value of the performance which the defendant is able

to give. Where the defendant is not able to perform the obligation, the amount of the award will represent the value of the claimant's right to performance: in such a case, an order for pecuniary performance will be for a sum corresponding with the value of the claimant's right to performance. The position is similar where the court declines to grant non-monetary relief and thereby (in effect) releases the defendant from the need to perform the obligation in the future.”

87. In *Spry's Equitable Remedies*, it is stated:

“In considering what circumstances induce the court, as a matter of discretion, to award equitable damages rather than relief in specie it must be borne in mind that when once the general conditions for the exercise of equitable jurisdiction have been established, that is, the inappropriateness of damages in respect of a matter coming within a recognised head of relief, prima facie there arises a right to specific performance or to an injunction, as the case may require. So it was observed by Lord Langdale, ‘I conceive the doctrine of the court to be this, that the court exercises a discretion, in cases of specific performance, and directs a specific performance unless it should be what is called highly unreasonable to do so’. Similarly reference has been made to ‘the rule that where the plaintiff has established the invasion of a common law right, and there is ground for believing that without an injunction there is likely to be a repletion of the wrong, he is, in the absence of special circumstances, entitled to an injunction against such repetition’.

On the one hand it is clear that the passage of provisions for equitable damages did not affect these general principles. So it has been affirmed that the authorities show ‘that Lord Cairns’ Act did not revolutionise the principles upon which the equitable jurisdiction had been administered up to that time and that some special case must be shown before the court should exercise the jurisdiction under the Act’. On the other hand, in cases where an injunction or an order of

specific performance would be granted if there were no power to grant damages the statutory power of the court to award damages may, in special circumstances, be of critical weight. It may induce the court to conclude that any inconvenience or hardship which would be caused to the plaintiff if he were obliged to accept merely an award of damages would be so far outweighed by the hardship that would be caused to the defendant if specific enforcement were granted that damages constitute the most appropriate remedy. Hence where the court would otherwise have granted specific relief the importance of a power to grant equitable damages is found to lie primarily in its relation to considerations of hardship between the parties and to the balance of convenience.”

88. *In Gillett [(2000) 2 All ER 289 : (2000) 3 WLR 815 (CA)] it was pointed out: (All ER p. 311 b-c)*

*“Since Mr Gillett has established his claim to equitable relief, this Court must decide what is the most appropriate form for the relief to take. The aim is (as Sir Arthur Hobhouse said in *Plimmer v. Mayor of Wellington* [(1884) 9 AC 699 (PC)]) to ‘look at the circumstances in each case to decide in what way the equity can be satisfied’. The Court approaches this task in a cautious way, in order to achieve what Scarman, L.J. (in *Crabb v. Arun DC* [(1975) 3 All ER 865 : 1976 Ch 179 : (1975) 3 WLR 847 (CA)] , All ER at p. 880, Ch at p. 198) called ‘the minimum equity to do justice to the plaintiff’. The wide range of possible relief appears from *Snell's Equity* (30th Edn., 1999), pp 641-43.”*

89. *For the aforementioned purpose it is necessary to have a broad approach, as was observed in Gillett [(2000) 2 All ER 289: (2000) 3 WLR 815 (CA)] . Therein it was further held: (All ER p. 312 h-j)*

“That is in my view the maximum extent of the equity. The court's aim is, having identified the maximum, to form a view as to what is the minimum required to satisfy it and do

justice between the parties. The court must look at all the circumstances, including the need to achieve a 'clean break' so far as possible and avoid or minimise future friction (see Pascoe v. Turner [(1979) 2 All ER 945 : (1979) 1 WLR 431 (CA)] , All ER at p. 951, WLR at pp. 438-39)."

90. *In Malhotra v. Choudhury [(1979) 1 All ER 186 : (1978) 3 WLR 825 : 1980 Ch 52 (CA)] , Stephenson, L.J., in the fact situation obtaining therein, opined:*

"But as counsel for the plaintiff pointed out, the question which the judges were summoned by their Lordships to answer and which was proposed for their consideration was 'Whether, upon a contract for the sale of real estate, where the vendor, without his default (my emphasis), is unable to make a good title, the purchaser is by law entitled to recover damages for the loss of his bargain?' That is the question which was answered in the judgment of Pollock, B., which was also the judgment of Kelly, C.B., Keating and Brett, JJ, and the question as it was stated by both Denman, J. and Pigott, B. I note this is the way in which the rule is stated in Williams on Contract of Sale of Land, cited by Megarry, J. in Wroth v. Tyler [1974 Ch 30 : (1973) 1 All ER 897: (1973) 2 WLR 405 (Ch D)] :

'Where the breach of contract is occasioned by the vendor's inability, without his own fault (my emphasis), to show a good title, the purchaser is entitled to recover as damages his deposit, if any, with interest, and his expenses incurred in connection with the agreement, but not more than nominal damages for the loss of his bargain.'

It is not necessary to decide how far the words 'without his default' go, if I am right in thinking that inability without default is what one has to consider as attracting the rule in Bain v. Fothergill [(1874-80) All ER Rep 83 : 31 LT 387 (HL)] .

There may be cases in which there has been no lack of bona fides, yet the rule in Bain v. Fothergill [(1874-80) All ER Rep 83: 31 LT 387 (HL)] has been excluded. I would not however venture to suggest that anything less than lack of good faith could exclude the rule. But it seems from later decisions that fraud, in the full sense of that word such as would found an action for deceit, may not be necessary to exclude the rule. No doubt Blackett-Ord V-C had in mind that fraud must be strictly alleged and proved in all ordinary circumstances. But in my judgment, unwillingness to use best endeavours to carry out a contractual promise is bad faith, and for there to be bad faith which takes the case out of this exceptional rule it is not necessary that there should be either a deliberate attempt to prevent title being made good or anything more than the unwillingness which I find it inevitable to infer in this case. If a man makes a promise and does not use his best endeavours to keep it, it cannot take much and, in my judgment, may not need more to make him guilty of bad faith and to entitle the victim of his bad faith to his full share of damages to compensate him for what he has lost by reason of that breach of contract and bad faith.”

91. *Insofar as the principle relating to assessing damages in substitution for an order of specific performance is concerned, the learned Judge opined that a court of equity should follow law and address itself to find the proper substitute, stating that the equitable remedy of specific performance has features markedly different from damages at common law for breach of contract. (See also Horsler v. Zorro [(1975) 1 All ER 584 : (1975) 2 WLR 183 : 1975 Ch 302 (Ch D)] .)*

92. *Having noticed the law operating in the field vis-à-vis the conduct of the parties, we decline to grant a decree for specific performance of contract and opine that in its stead and place a decree for compensation should be granted.”*

16.4. Even in the decision reported 2011 (9) SCC 147 Citadel Fine Pharmaceuticals vs. Ramaniyam Real Estate (P) Ltd., Supreme Court

clarified that the plaintiff will not be entitled to discretionary relief because of concealment and held:

“57. There is another aspect of the matter also. In the instant case by asking for specific performance of the contract, the plaintiff purchaser is praying for a discretionary remedy. It is axiomatic that when a discretionary remedy is prayed for by a party, such party must come to court on proper disclosure of facts. The plaintiff which it filed before the court in such cases must state all the facts with sufficient candour and clarity. In the instant case the plaintiff purchaser made an averment in the plaint that the defendant vendor be directed to return the advance amount of Rs 10,00,000 with interest at the rate of 24% from the date of payment of the said amount till the realisation and an alternative prayer to that effect was also made in the prayer clause (c).

58. However, the fact remains that prior to the filing of the suit the defendant vendor returned the said amount of Rs 10,00,000 by its letter dated 4-9-1996 by an account payee cheque in favour of the plaintiff and the same was sent to the plaintiff under registered post which was refused by the plaintiff on 6-9-1996. The plaintiff suppressed this fact in the plaint and filed the suit on 9-9-1996 with a totally contrary representation before the court as if the amount had not been returned to it by the vendor. This is suppression of a material fact, and disentitles the plaintiff purchaser from getting any discretionary relief of specific performance by the court.

59. In this connection we may refer to the Principle of Equitable Remedies by I.C.F. Spry, (4th Edn., Sweet & Maxwell, 1990). Dealing with the question of “clean hands” the learned author opined that where the plaintiff is shown to have materially misled the court or to have abused its process, or to have attempted to do so, the discretionary relief of specific performance can be denied to him. In laying down this principle, the learned author relied on a decision of the English Court in Armstrong v. Sheppard & Short Ltd. [(1959)

2 QB 384 : (1959) 3 WLR 84 : (1959) 2 All ER 651 (CA)] , QB at p. 397. (See *Spry, Equitable Remedies*, p. 243.)

60. This Court has also taken the same view in *Arunima Baruah v. Union of India* [(2007) 6 SCC 120] . At p. 125, para 12 of the Report, this Court held that it is trite law that to enable the court to refuse to exercise its discretionary jurisdiction suppression must be of a material fact. This Court, of course, held that what is a material fact, suppression whereof would disentitle the suitor to obtain a discretionary relief, would depend upon the facts and circumstances of each case. However, by way of guidance this Court held that a material fact would mean that fact which is material for the purpose of determination of the lis.

61. Following the aforesaid tests, this Court is of the opinion that the suppression of the fact that the plaintiff refused to accept the cheque of Rs 10 lakhs sent to it by the defendant under registered post with acknowledgment due in terms of Clause 9 of the contract is a material fact. So on that ground the plaintiff purchaser is not entitled to any relief in its suit for specific performance.”

16.5. In view of the plaintiff not having been able to prove that he is the creator/ owner in the two marks as a whole and due to the suppression of material facts by the plaintiff, this Court finds that no relief of injunction can be granted in favour of the plaintiff.

16.6. Thus issue No.(i) is also decided against the plaintiff and in favour of the defendant.

17. Relief:

17.1. From the discussion as aforesaid, the plaintiff is neither entitled to the relief of injunction, nor damages nor delivery of the infringing material to the plaintiff. The suit is accordingly dismissed.

Crl. M.A.5011/2009 (under Section 340 Cr.P.C.) in CS(OS) 210/2009

1. By this application the applicant had sought action under Section 340 Cr.P.C. and inquiry against the plaintiff for making false averments on oath, by virtue of which it was granted an ex-parte order in its favour. According to the applicant, the following statements of the plaintiff/non-applicant are false:

- i. The Plaintiff falsely stated that the Plaintiff is carrying on the business under the name and style of 'Himalayan Heli Services'; whereas the Plaintiff had never carried on any business under the name and style of 'Himalayan Heli Services'.
- ii. The Plaintiff in para 6 of the Plaint falsely described the Defendant as "Defendant is located in New Delhi and claims to a private limited company in India and claims to be engaged in the business of conducting helicopter operations, whereas the correct position is that the Plaintiff had regular business dealings with the Defendant since 2000 and its promoters and holding Company of the Defendant Company since 1988 and was aware of the existence of Defendant Company since the year 1998 i.e. the year of its incorporation;
- iii. The Plaintiff falsely stated that the Defendant had dishonestly and fraudulently adopted and imitated the name and mark i.e. 'Himalayan Heli Services' and alleged the same to be the trademark/name of the Plaintiff. In this regard it is stated that the Plaintiff was well aware of the use of 'Himalayan Heli Services' by the Defendants since its year of incorporation i.e. 1998 and

had in fact never used the said trademark/name by and/or for the Plaintiff Company.

- iv. The Plaintiff falsely stated that the adoption of the trademark/name 'Himalayan Heli Services' is causing confusion as the customers of the Plaintiff and Defendants were common.
- v. The Plaintiff falsely stated in paragraphs 7 and 28 of the Plaint that the Plaintiff has noticed this alleged deceptive adoption by the Defendants only recently on 22-1-2009.

2. It is trite law that even if the suit is dismissed for concealment of fact, the Court is not bound to mandatorily take action under Section 340 Cr.P.C. Court would be required to take action only when there is gross abuse of the process of law and it is expedient in the interest of justice. In the decision reported as 1998 (12) ACR 50 Syed Asadullah Kazmi Vs. Additional Magistrate D.D.C., the Allahabad High Court held:

“10. Applying these elementary rules of interpretation to the provisions of Section 340 of the Code, it is evident that the legislature has couched the provision in such a language that the Court's discretion is circumscribed by the words used. The Court has to consider and weigh the balance of situation to ascertain as to whether in a given case is it 'expedient' in the interest of justice that an enquiry should be made. As an inescapable corollary, in case it is not 'expedient', under the circumstances, enquiry must not be made. The Legislature has deliberately used the word 'expedient' which is adjective according to grammar . This obviously connotes suitable or advisable. This word is also used as noun and means that which serves to promote or is a suitable to an end. The word 'expediency' also means 'desirableness'. The power of the Court in directing an enquiry to be made or a complaint to be filed in view of the provisions of Section 340 as limited with a condition that it should appear to the Court to be expedient in the interest

of justice to do so. To put it differently, it is only in glaring cases of deliberate falsehood when the Court can direct an enquiry to be made or complaint to be filed but this discretion has to be exercised judicially in the light of all the relevant circumstances. Section 340 of the code is not with a view to satisfy personal feelings of vindictiveness. The Court has to be satisfied about the deliberate falsehood as a matter of substance and there must be a reasonable foundation for the charge and it must be expedient in the interest of justice.”

3. Himalayan Heli Services being a joint venture between the parties and indisputably there are registrations in favour of the plaintiff, hence, in view of these peculiar facts of the case this Court finds no ground to proceed under Section 340 Cr.P.C. against the plaintiff/non-applicant.
4. Application is dismissed.

JANUARY 08, 2019
‘yo’/‘rk’

(MUKTA GUPTA)
JUDGE