

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: 23.01.2020

Pronounced on: 29.01.2020

Coram::

The Honourable Dr.Justice G.Jayachandran

C.S.No.178 of 2010

AVON Institute of Modern Sciences Private Ltd.,
registered office at No.463,
Anna Salai, L.R.Swami Buildings,
Teynampet, Chennai – 600 018.

... Plaintiff

/versus/

1. AIMS Educational Academy,
a partnership firm,
No.29, 31 Vallalar Salai,
Kamaraj Nagar, - opposite to
V.S.T. Thirumana Nilayam,
Pondicherry – 605 011,
through its partners,
S.Parthiban and P.Gayathri.

2. S.Parthiban,

3. P.Gayathri,

... Defendants

Prayer: Complaint is filed under Order IV Rule 1, Original Side Rules read Order VII Rules 1 of Code of Civil Procedure read with Sections 27, 28, 29, 134 and 135 of the Trade and Merchandise Marks Act, 1999.

a. Permanent injunction restraining the defendants the men, agents and servants from in any manner infringing upon the plaintiff's trade mark AIMS/Education causing such infringement through others with or without minor variations or in any other manner whatsoever;

b. Directing the defendants to surrender to the plaintiff all boucher, pamphlets, records etc., containing the plaintiff's trade name partly or fully with or without any variations and which are deceptively similar too the trade mark.

c. Directing the defendants to pay the cost of the suit to the plaintiff; and

d. passing such further or other reliefs.

For Plaintiff : Mr.T.Srinivasa raghavan,

For D2 & D3 : Mr.R.Sathish Kumar,

For D1 : *set exparte*

J U D G M E N T

The plaintiff is a Private Limited Company incorporated under Companies Act. The object of the company is to establish an educational institutions on commercial basis to impart education in technical, professional, management and commercial fields. Inter alia among other

things to conduct coaching classes, postal class room or otherwise for candidates appearing in any professional, board, University or other competitive examinations. The plaintiff is functioning with the short name and Logo AIMS Education. The plaintiff is conducting coaching classes for candidates aspiring to appear in professional and competitive examinations like IIT, JEE, AIEEE, AIPMT and other examinations conducted by other Universities. The plaintiff has coined the trade name AIMS education from the name of AVON INSTITUTE OF MODERN SCIENCES PRIVATE LTD. The plaintiff name "AIMS/EDUCATION is a popular among the aspiring for professional courses, not only in Tamil Nadu and the neighbouring States but also in the whole of India and other countries as well. The plaintiff is hailed as hall mark of success for more than a decade the plaintiff has been carrying on business under the said trade name and rendering yeomen service to the student community by way of imparting high quality education and coaching. The plaintiff had been conducted programmes in collaboration with other institutions like Hindu News Paper and SRM University. While so, the defendants have unlawfully and illegally started using the plaintiff's Trade Mark by adopting the word AIMS. The defendants have no right or authority to use the Trade and Trade Mark of the plaintiff. While so, the defendants are advertising in the news papers using the logo and trade name of the

plaintiff inviting students for AIEEE – 2010 model examinations which the defendants proposed to conduct. It is attempt to cause confusion to the students in the minds of the students, by infringing plaintiff's trade mark. The name adopted by the defendant is visually and phonetically similar with that of the plaintiff's trade name and trade mark. By infringing the trade mark of the plaintiff, they attempt to pass off their materials as though it is that of the plaintiff. The defendants have advertised in the name 'AIMS Educational Academy. Therefore, present suit has been filed, after issuing cease and deceit notice to the defendants.

2. The 1st defendant is the partnership firm represented through his partners Parthiban and Gayathri, who were also individually arrayed as defendants 2 and 3.

3. In the suit, the plaintiff initially sought for the following relief:-

a. Permanent injunction restraining the defendants the men, agents and servants from in any manner infringing upon the plaintiff's trade mark AIMS/Education causing such infringement through others with or without minor variations or in any other manner whatsoever;

b. Directing the defendants to surrender to the plaintiff all Boucher, pamphlets, records etc., containing the plaintiff's trade name partly or fully with or without any variations and which are deceptively similar too the trade mark.

4. Pending suit, amended the plaint by including an additional relief for damages of Rs.10 lakhs, vide order dated 28.09.2016 in Application No.4946 of 2019.

Averments in the written statement in short:-

5. The 2nd defendant has filed his written statement on his behalf and on behalf of the other defendants. The 2nd and 3rd defendants are Husband and wife. They are partners in the 1st defendant's firm. The suit is not maintainable on law or on facts. The plaintiff's registered proprietor of the trade mark AIMS EDUCATION in clause 16 for printed publications including Books, Instructional and Teaching materials, Calenders, Diaries, Cards etc., The said trade mark is also a label mark as follows:



6. Therefore, the plaintiff is entitled for protection only for the above activities and cannot restrain the defendants from carrying on business as an educational academy. The activities of conducting education academy falls under the different class, which is classified as "services." Whereas, the plaintiff registered trade mark falls under the classification "goods." Hence, ownership of a trademark under one class will not entitled the plaintiff to restrain the others carrying on trade under other classes. Further, the plaintiff trade mark is a common word used by the several others in the same industry. There is no visually or phenotic similarity between the plaintiff's trade mark and the defendant's trade name. The plaintiff cannot claim exclusively right over trade mark "AIMS."

7. It is contended by the defendants that, about September 2009, the plaintiff divested their business with regard to the coaching centres/academies in other places barring Chennai. The on-going business of the plaintiff was transferred to M/s.CCI Computer Education, Salem. When the plaintiff was asked to associate with CCI, the 2nd defendant did not accept the request and terminated his relationship with the plaintiff. Having divested their business, the plaintiff has no right to sue the defendants. The defendants are running their institute under the

name AIMS Educational Academy, which is different and distinct from the symbol and logo of the plaintiff. The tall claims made by the plaintiff about its reputation are to be proved by the plaintiff. The choice of the defendants using the trade mark of "AIMS EDUCATIONAL ACADEMY" cannot be questioned by the plaintiff since it is neither phonetically or visually similar to that of the plaintiff. The word "AIMS" alone cannot be seen in isolation while comparing the trade mark.

8. It is specifically stated in the written statement that, the 1st defendant firm is not in existence any more and the suit is not maintainable as against the defunct firm. The 2nd & 3rd defendants, started the 1st defendant firm by coining the name in good faith and not with a deceptive sense. The customers of the service rendered by the defendants are educated persons with potential for further studies and they cannot be likely misled. Hence, the allegation of the plaintiff is bound to fail. It is further stated by the defendants that, without prejudice to their rights, immediately on receipt of the legal notice, they have discontinued to use the name of AIMS EDUCATION ACADEMY. Therefore, the suit is liable to be dismissed.

9. It is reiterated in the written statement that, there is no cause of action against the defendants as the trademark registration is not relevant for the present suit and the defendants have made very few advertisement and conducted only one examination between November 2009 to February 2010 and they have completely discontinued the use of the name, "AIMS EDUCATION ACADEMY." The cause of action, if any, does not continue to survive. Having discontinued the use of trademark "AIMS" in 2010 itself, the claim of damages is baseless and therefore, the suit is liable to be dismissed.

10. Based on the rival pleadings, this Court has formulated the following issues:-

1. Whether the plaintiff's Registered Trade Mark is for label mark only?

2. Whether the word AIMS is a common word used by many others and whether the plaintiff can claim exclusive right over the word AIMS?

3. Whether the plaintiff is entitled to a permanent injunction to restrain the defendants, their men, agents and servants from infringing upon the plaintiff's Trade Mark?

4. *Whether the plaintiff is entitled to restrain the defendants from carrying on business on Educational academy?*

5. *Whether the defendants have infringed on the plaintiff's Trade Mark?*

6. *Whether the plaintiff's Trade Mark AIMS logo has acquired any reputation or goodwill amongst the members of the trade and public?*

7. *Whether the plaintiff had divested its business with regard to coaching centres / academies?*

8. *Whether the plaintiff can claim any exclusive right over the Trade Mark AIMS?*

9. *Whether the defendants had discontinued the use of AIMS Education?*

10. *Whether the registration of the plaintiff is in Clause -16 for "Goods" as against the service is the business of the defendants?*

11. *Whether the defendants 2 and 3 used the trademark AIMS and obtained any profits on account of such use and whether the plaintiff is entitled to damages?*

12. Whether the defendants are not liable to surrender to the plaintiff all brouchers, pamphlets, records, etc., containing the plaintiff's Trade name partly or fully with or without variation?

13. Whether the plaintiff is entitled to damages?

14. To what other relief, the plaintiff is entitled to?

11. On behalf of the plaintiff, Mrs.Gita Prabhu, Director of the plaintiff's Company had deposed as PW.1. 24 documents were marked on behalf of the plaintiff's through PW.1. In the cross examination of PW.1, one document by the defendant is marked as Ex.D.1 On behalf of the defendant, S.Parthiban, 2nd defendant one of the partner of the 1st defendant was examined as D.W.1. In the cross examination of this witness, the plaintiff has marked two documents, which are paper advertisement placed by the plaintiff in the English daily and Dinamalar on 01.11.2009 and 02.11.2009 respectively.

(i). Ex.P.1 to Ex.P.3 are the documents related to the incorporation of the plaintiff's company, Memorandum of Associations and Article of Associations.

(ii). Ex.P.4 is the original certificate of registration of the plaintiff's trade Mark issued by the Government of India.

(iii). Ex.P.5. to Ex.P.18 are the News Items and advertisement about the plaintiff Institution.

(iv). Ex.P.19 & Ex.P.20 are advertisement in the Hindu placed by the defendants in the newspaper.

(v). Ex.P.21 is the cease and deceit notice issued by the plaintiff through his lawyer to the defendants on 02.02.2010.

(vi). Ex.P.22 and Ex.P.23 are the postal acknowledgement card for proof of delivery.

(vii). Ex.P.24 is the reply notice dated 18.02.2010 issued on behalf of the defendant.

12. Ex.D.1 is document related to assignment of subject trademark by the plaintiff in favour of M/s.Vedhyaa Vreksam Private Limited on 08.06.2016. Some of the photocopies are electronic documents are supported by the affidavit under Section 65 (B) of Indian Evidence Act. Therefore, marking of the documents were opposed. In any event, these photocopies documents have less relevance for deciding the case.

13. The bone of contention is that, the plaintiff registered trade mark "AIMS EDUCATION ACADEMY" has been infringed by the defendants by running their institution under the name "AIMS EDUCATION ACADEMY." Therefore, they have committed infringement and passing off which entitles the plaintiff for injunction restraining them from carrying on business under the said name and also for damages of Rs.10 Lakhs.

14. There is no dispute about the fact that, the plaintiff is the proprietor of the Trademark "AIMS EDUCATION ACADEMY" since 28.03.2008. The Trademark certificate in original is mark as Ex.P.4. Marking of this document has been opposed by the defendant's counsel on the ground that, under Section 31 (1) of the Trademarks Act, it is suffice to file certified copy of the Trademark Registration but the plaintiff has chosen to file the original only to suppress the fact of his alienation pending suit.

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15. The defendant do not deny that the partnership firm was started in the name of "AIMS EDUCATION ACADEMY and they have placed two advertisement in the newspapers in the said name. Their only defence is that, though the Tradename is not visually or phonetically

similar as that of the plaintiff, immediately after the receipt of the notice Ex.P.23, they have stopped using the said name and also they have given a reply Ex.P.24.

16. The defendants have justified using the name of "AIMS EDUCATION ACADEMY" which is derivative of alpha numerical of A1 Meritorious Students Educational Academy. They also pointed out the variations in the logo of the plaintiff and the defendant to establish they are not visually similar. The cease and deceit notice issued by the plaintiff and reply to the said notice issued by the defendants are marked as Ex.P.21 and Ex.P.24 respectively.

17. This Court finds that, the 2nd defendant was franchise holder of the plaintiff and later, he and his wife started the "AIMS EDUCATION ACADEMY" as a partnership firm. When they have placed advertisement inviting students for the model examination of AIEEE – 2010, on 01.11.2009 and 02.11.2009, the plaintiff has come to know that the 2nd defendant has established institutions similar to that of the plaintiff and also coined the name similar to the plaintiff by using the word "AIMS." It is contended by the defendants that, the names are not visually and phonetically similar to deceive the customers, who are all

highly educated. To find out whether the registered Trademark of the plaintiff namely "AIMS EDUCATION ACADEMY" and the trademark used by the defendant "AIMS" are deceptive, the deception has to be viewed from the man of average intelligence and poor recollection. Particularly, the defendants claims that the use of word "AIMS" as an alpha numerical, derivative of A1 Meritorious Students Educational Academy, if is so, it should have been "AOMS" and not "AIMS."

18. In the written statement the defendants content that, after the receipt of the notice, they have stopped using the said name and also the 1st defendant firm become defunct. For this submissions, the learned counsel appearing for the plaintiff would submit that, in the cross examination, the defendant admits that, they were collecting Rs.7,500/- per student and in every batch they were admitting 40 students.

19. In response to the above submission, the Learned Counsel appearing for the defendants states that, the said answer should not read in isolation, it has to be read in full which will prove that the students strength and the fees mentioned by the defendants was during the period of franchises, he held with the plaintiff.

20. Regarding the contention of the defendants that, the Trademark of the plaintiff is in connection with the "goods." Whereas, the Trademark used by the defendants is in connection with "service." The Learned Counsel appearing for the plaintiff would submit that, as per Section 3(3) of the Trade Marks Act, the word "goods" and "service" are interchangeable and associated with each other and when the activity of the plaintiff and the defendants are similar, the defendants cannot take umbrage under this nice classification and cause infringement to the plaintiff's trademark.

21. From Ex.P.19, Ex.P.20 and Ex.P.25, Ex.P.26, it is clear that, the activities of the plaintiff as well as defendants are similar. The plaintiff is the registered trademark holder and the defendants has imitated the plaintiff's trademarks.

22. The contention of the defendant's counsel is that, having cease to carry on business after receipt of the cease and deceit notice, there cannot be any infringement leading to damages. This submission is legally not correct.

23. In *Ruston & Hornby Ltd., Vs. Z. Engineering Co.*

reported in ***AIR 1970 SC 1649***, held as below:-

"The action for infringement is a statutory right. It is dependent upon the validity of the registration and subject to other restrictions laid down in Sections 30, 34 and 35 of the Act. On the other hand the gist of a passing off action is that A is not entitled to represent his goods as the goods of B but it is not necessary for B to prove that A did this knowingly or with any intent to deceive. It has enough that the get-up of B's goods has become distinctive of them and that there is a probability of confusion between them and the goods of A. No case of actual deception nor any actual damage need be proved."

24. So, on perusal of the documents and submissions of the contesting parties, this Court holds that the plaintiff registered Trademark has been infringed by the defendant. However, the fact that, they did not exploited commercially and discontinued the use of the infringed trademark, immediately on receipt of the cease and deceit notice also worth to take note. Hence, though damages of Rs.10 lakhs is sought in the absence of evidence to substantiate the said claim, the

plaintiff is entitled for nominal damages. Accordingly, the ***suit is Partly Allowed.***

Issue Nos.1 & 2

Ex.P.4 is the certificate of registration of Trademark issued by Government of India in favour of the plaintiff includes the logo and words *per se*. It is not a label work only. Being involved in imparting education, technical, professional, management, commercial fields and gained reputation for itself by placing advertisements, the registered trademark of the plaintiff has to be taken as a whole and cannot be restricted as a label mark.

"AIMS" as such, though generic word, it is not the word "AIMS" over which the plaintiff claims exclusive right. The registered trademark of the plaintiff as below:



As already observed that, even if few others are using the word 'AIMS' for different goods or service or for same service with other words, it cannot be taken as a acquiescence. When the use of the trademark is not in good faith, the effect of acquiescence will not get attracted. Hence, issue Nos.1 and 2 are answered accordingly.

Issue Nos.3 & 4

From the Exhibits and the admission of the defendants, this Court holds that the defendants have attempted to infringe upon the plaintiff's registered trademark. To avoid such infringement in future, the plaintiff is entitled to a permanent injunction restraining the defendants from infringing the plaintiff's trademark but at the same time, if the defendants wants to carry on business on Educational Academy in a different name, they cannot be restrained. Hence, issue Nos.3 and 4 are answered accordingly.

Issue No.5

The plaintiff himself has admitted that they have used the name "AIMS Educational Academy" which is deceptively similar to that of the plaintiff's Trademark and they have also admitted that, they have withdrawn from using the said name. Hence, this Court holds that, the defendants have infringed on the plaintiff's trademark. Hence, issue No.5 is answered accordingly.

Issue No.6

The presence of the plaintiff's institute in the field of Education, since 1998 and its collaboration with reputed Universities and Educational campus, throughout the Country is a proof for its reputation and goodwill. Hence, issue No.6 is answered accordingly.

Issue Nos.7 & 8

Having registered the trademark and being renewed periodically, there is a legitimate expectation on the part of the plaintiff's that they have exclusively right over the said registered trademark. To deprive his exclusive right over the said trademark, there must be a valid reasons. As far as the case of the defendants is concerned, he has no justification to use the registered trademark of the plaintiff with slight modification more so, when the 2nd defendant was earlier franchises holder of the plaintiff. It is admitted by the defendants in the written statement that they got disassociated with the plaintiff when the plaintiff started disinvesting their business. It is also contended by the defendants that, the plaintiff has assigned the trademark to third parties and therefore, he has lost locus to maintain the suit.

The defendants having admitted the right of the plaintiff in the subject trademark, they cannot use it deceptively. While the plaintiff claim exclusive right over the trademark AIMS Educational Academy, the defendants has failed to prove that and the fact that the plaintiff has disinvested the business. Hence, issue No.7 is held against the defendants and issue No.8 is held in favour of the plaintiff.

Issue Nos.9 & 10.

The defendant has admitted in the written statement that, he has discontinued the use name, "AIMS Education Academy." The plaintiff has also not denied this said averment by way of rejoinder. Hence, it has to be held that the defendants have discontinued the use of trademark AIMS Education.

Section 2 (3) of the Trade Marks Act, 1999:-

.....

"(3) For the purposes of this Act, goods and services are associated with each other if it is likely that those goods might be sold or otherwise traded in and those services might be provided by the same business and so with descriptions of goods and descriptions of services."

Therefore, the contention of the defendants that, the plaintiff's Trademark falls under the category of "goods" and the defendants business falls under the category of "service" are unsustainable. Both are involved in Education and whether it has viewed as "service" or "goods", the registered trademark of the plaintiff cannot be imitated by the defendants. Hence, issue Nos.9 & 10 are answered accordingly.

Issue No.11 & 13

The defendants 2 and 3 has fairly conceded that, they have discontinued their attempt of using the name "AIMS Educational Academy", immediately after the receipt of the legal notice from the plaintiff.

It is also stated by the defendants that, the advertisement placed by them for model examination was free of cost and even before recruiting candidates for fee, they have discontinued the attempt of organising coaching centre. To controvert this statement, the plaintiff has not placed any evidence. Therefore, it has to be held that the defendants 2 and 3 has not obtained any profit on account of using the plaintiff's trademark. But however, they are liable to pay a nominal damages to the plaintiff for infringing the plaintiff's trademark and by placing advertisement. Hence, issue Nos.11 & 13 are answered accordingly.

Issue No.12

The defendants having admitted that they have stopped using the trademark of the plaintiff and if they have any infringed material in their possession, they are bound to surrender the same as prayed. Hence, issue No.12 is answered in affirmative.

25. To sum up, the defendants are restrained from using the plaintiff's trademarks in any manner. The defendants are directed to surrender all the Boucher's, pamphlets, records etc., containing the plaintiff's tradename partly or fully, with or without any variations and which are deceptively similar to that of the plaintiff's trademarks. The defendants shall jointly and severally liable to pay damages of Rs.10,000/- for the attempt to commercially exploited the trademark of the plaintiff. The plaintiff is entitled for costs. The Court fees difference regarding the damages claimed and awarded shall be refunded to the plaintiff's.

.01.2020

Index :Yes/No
Speaking Order/Non-speaking order
bsm

List of Witness examined on the side of the Plaintiff:-

1.Mrs.Gita Prabhu – (P.W.1)

List of Witness examined on the side of the Defendants :-

1. Mr.S.Parthiban – (D.W.1)

List of the Exhibits marked on the side of the Plaintiff:-

Sl.Nos.	Exhibits	Description of documents
1.	Ex.P.1	Certificate of incorporation issued by the registrar of companies Tamil Nadu
2.	Ex.P.2	Memorandum of Association of the Plaintiff
3.	Ex.P.3	Articles of Association of the Plaintiff
4.	Ex.P.4	The Certificate of registration of Trade Marks issued by the Government of India - Original
5.	Ex.P.5	News item in the Hindu-Copy of the Edition (true copy)
6.	Ex.P.6	Advertisement in the Hindu-Copy of the Edition (Original copy)
7.	Ex.P.7	News item in the Hindu-Copy of the Edition (true copy)
8.	Ex.P.8	Advertisement in the Hindu-Copy of the Edition (true copy)
9.	Ex.P.9	News item in the Hindu-Copy of the Edition (true copy)
10.	Ex.P.10	News item in the Hindu-Copy of the Edition (true copy)
11.	Ex.P.11	News item in the Hindu-Copy of the Edition (true copy)
12.	Ex.P.12	News item in the Hindu-Copy of the Edition (original copy)
13.	Ex.P.13	News item in the Hindu-Copy of the Edition photocopy
14.	Ex.P.14	News item in the Hindu-Copy of the Edition (true copy)
15.	Ex.P.15	News item in the Hindu-Copy of the Edition (true copy)
16.	Ex.P.16	News item in the Hindu-Copy of the Edition (original copy)
17.	Ex.P.17	News item in the Hindu-Copy of the Edition (original copy)
18.	Ex.P.18	News item in the Hindu-Copy of the Edition (true copy)
19.	Ex.P.19.	News item in the Hindu-Copy of the Edition (true copy)
20.	Ex.P.20	Advertisement in the Hindu by the Defendants - Copy of the Edition (Original)
21.	Ex.P.21	Advertisement in the Hindu by the Defendants - Copy of the Edition (Original)
22.	Ex.P.22	Legal Notice (Office Copy)
23.	Ex.P.23	Proof of Delivery issued by India Speed Post
24.	Ex.P.24	Proof of Delivery issued by India Speed Post
25.	Ex.P.25	Reply notice of Defendants

List of the Exhibits marked on the side of the Defendants:-

Ex.D1 – Deed of assignment of Trademark dated 08.06.2016 by the plaintiff to M/s.Vreksam Private Limited.

Dr.G.Jayachandran,J.

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