

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.04.2021

CORAM :

THE HON'BLE MR.SANJIB BANERJEE, CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

O.S.A.Nos.83 to 85 and 95 of 2021

Moham Retail Private Ltd.,
rep. By its director Sujay Kanth ... Appellant

Vs.

Naidu Hall Family Store,
rep. By its partner G.Venugopal Respondent

Prayer: Appeals filed against the order dated 18.01.2021 in O.A.No.620 of 2020, 618 of 2020, 619 of 2020 and 617 of 2020 in C.S.No.325 of 2020.

OA.No.617 of 2020 in CS 325 of 2020:

An ad interim injunction restraining the Respondent/Defendant by itself themselves, or their directors, men, partners, proprietors, stockiest, dealers, servants, agents, franchisees, successors in interest licensees assignees, representatives or any of them claiming through them from in any manner infringing the Applicant/ Plaintiffs Copyright over the artistic work, colour scheme layout get up and lettering style trade dress in the Trade Mark Label NAIDU HALL by use of identical or deceptively similar trade dress, colour scheme, artistic work, get up and placement of expression having the label NAIDU HALL or any deceptively similar label or in any other manner whatsoever.

OA.No.618 of 2020 in CS 325 of 2020 :

An ad interim injunction restraining the Respondent/Defendant by itself themselves, or their directors, men, partners, proprietors, stockiest, dealers, servants, agents, franchisees, successors, in interest licensees, assignees representatives or any of them claiming through them from in any manner infringing the Applicant/ Plaintiffs Registered Trade Mark NAIDU HALL by selling any products or rendering any service under impugned trade mark or in any way by connected with NAIDU HALL mark or any other deceptively similar Trade Mark carrying such infringing manner of use in respect of impugned goods

and/or identical/allied/cognate services/goods or any other identical or similar trade mark and placemen

OA.No.619 of 2020 in CS 325 of 2020:

An ad interim injunction restraining the Respondent/Defendant by itself themselves, or their directors, men, partners, proprietors, stockiest, dealers, servants, agents, franchisees, successors in interest licensees, assignees, representatives or any of them claiming through them from in any manner using NAIDUHALL1939 and NAIDUHALL1939 or any other mark deceptively or confusingly similar to the Applicant/Plaintiffs NAIDU HALL mark from social media websites including but not limited to www.naiduhall.com www.facebook.com www.instagram.com in.pinterest.com www.youtube.com etc and use in whatsoever manner in relation to their existing and/or any future business the trade mark NAIDU HALL.

OA.No. 620 of 2020 in CS 325 of 2020:

An ad interim injunction restraining the Respondent/Defendant by itself themselves, or their directors, men, partners, proprietors, stockiest, dealers, servants, agents, franchisees, successors in interest licensees, assignees representatives or any of them claiming through them from in any manner passing off or enabling passing off of the Respondent/Defendants goods and services under the trade mark label NAIDU HALL or any other deceptively similar Trade Mark/Trade Dress as and for the goods of the Applicant/Plaintiff under the Trade Mark NAIDU HALL or i.n any other manner whatsoever.

For Appellant :: Ms.S.Subashiny
For Respondents:: Mr.Satish Parasaran,
Senior counsel,
for Mr.K.Rajasekaran

COMMON JUDGMENT
(Delivered by the Hon'ble Chief Justice)

These appeals are directed against the order of January 18, 2021 by which the appellant, the only defendant in the suit for infringement and passing off, has been restrained from using the word mark 'Naidu Hall' in any manner or form.

2. It is recorded that the plaintiff was not called upon in the appeals.

3. It is evident from the reasoned judgment and order that the plaintiff claimed the mark as a family mark of the family of M.G.Naidu who had started the business of "Naidu Hall" in the year 1939. M.G.Naidu apparently founded "Naidu Hall" in 1939 as a blouse-tailoring unit in a garage. In due course, the business

developed goodwill and reputation and other ladies' underclothings were added to the merchandise. The plaintiff has also added salwars, sarees and western wear as products now marketed under the common brand of "Naidu Hall".

4. The principal partner of the plaintiff, G.Venugopal, is the son of M.G.Naidu, deceased, the founder of the business in 1939. The plaintiff claims exclusivity over the word and label mark "Naidu Hall". The plaintiff apparently owns the domain name and registration pertaining to "naiduhall.co.in" since 2007.

5. The impugned judgment records that "Naidu Hall" is a registered word mark in Class 25 for which due certification has been issued in favour of the plaintiff. In addition, "Naidu Hall" is also registered in the name of the plaintiff as a device mark in Class 25. "Naidu Hall The Family Store" is also registered in favour of the plaintiff in Class 35. Appropriate documents in such regard were filed before the trial Court. The plaintiff relied on a certificate issued by its Chartered Accountants indicating its annual turnover to be in excess of Rs.137 crore in financial year 2017-18. The plaintiff claimed that advertisement costs in excess of Rs.66 lakh had been expended in the same financial year.

6. The defendant has apparently started a business by the name of "NAIDUHALL 1939 A Moham Venture". Websites of the defendant had also been noticed by the plaintiff before the plaintiff issued a cease and desist notice on October 10, 2019. The defendant replied to the notice on October 22, 2019. Indeed, upon an exparte injunction being granted in favour of the plaintiff on December 7, 2020, the defendant applied for vacating such injunction, inter alia, on the ground that there was a delay of more than a year in filing the suit after the issuance of the cease and desist notice of October 10, 2019.

7. The principal defence is that the defendant obtained the rights from one R.Arvind, who is said to be one of the legal heirs of M.G.Naidu, deceased, the founder of the store in 1939 and the person who originally used the mark. According to the defendant, it purchased the rights of R.Arvind under a business transfer agreement and obtained exclusive rights pertaining to the mark "Naidu Hall" under such agreement. Even at this stage, counsel for the defendant seeks to assert such agreement and the rights obtained by the defendant thereunder.

8. The impugned judgment records that one Sujay Kanth a director of the defendant company was the son of the elder sister of the wife of G.Ramasamy, who was another son of M.G.Naidu, deceased, the founder of Naidu Hall business. R.Arvind appears to be the son of G.Ramasamy. The trial Court

found that there was nothing to indicate that there was any family arrangement which permitted exclusive rights pertaining to the Naidu Hall word or label mark in favour of R.Arvind. The trial Court also found that Sujay Kanth could not be said to be an heir of M.G.Naidu, the founder of the mark for the defendant company to claim any rights through such director.

9. More importantly, the Trial Court recorded that the word mark "Naidu Hall", had been registered in 1967 and the partnership firm continuing the business of Naidu Hall was established in 1973 and the family then consisted of the widow of M.G.Naidu, G.Jayalakshmi and her three sons, G.Sukumar, G.Ramasamy and G.Venugopal. The trial Court noticed a document of March 13, 1982 wherein G.Ramasamy was described as a retiring partner and the business of the firm was continued by the widow and the two other sons of M.G.Naidu. A third document of April 1, 1982 was a further partnership deed consolidating the business run in the name and style of "Naidu Hall" by mother G.Jayalakshmi and sons G.Sukumar and G.Venugopal. On the basis of such material before the trial Court, a prima facie view was taken that the defendant did not have any right to use the impugned mark and merely had the right to prosecute the pending application before the Trade Marks registry, and that the other heirs of M.G.Naidu continued to exclusively run and manage the Naidu Hall hosiery or clothing business.

10. On the basis of the lucid narration of facts in the judgment impugned and the grounds which impelled the trial Court to take a prima facie view that the defendant's predecessor-in-interest may have had no rights to confer to the defendant, the injunction came to be issued. There is no basis to interfere with the order in such regard. It also appears that the defendant or its predecessor-in-interest had sought to assert rights pertaining to the mark "Naidu Hall" in class 35 pertaining to wholesale and retail distribution of ready-made garments and accessories, retail stores and wholesale distribution under the mark "Naidu Hall" in some form. The judgment records that the status of the application filed by the defendant as at December 12, 2020 was that it stood opposed by G.Venugopal. The trial Court relied on such fact and G.Venugopal's successful resistance since 2005 of the claim of exclusivity by the defendant or its predecessor-in-interest of the mark "Naidu Hall" to be conclusive, at least for interlocutory purposes.

11. It is quite possible that the defendant may have entered into the agreement with R.Arvind for valuable consideration. However, merely because the defendant may have been duped by some other or the defendant may have been careless in checking whether the rights canvassed by R.Arvind were really

available to R.Arvind, the defendant may not be entitled to any protection in respect of the word or label mark "Naidu Hall".

12. What is evident from the order impugned dated January 18, 2021 is that a strong prima facie case was found in favour of the plaintiff partnership firm as being the entity which controlled the Naidu Hall garments business after the demise of founder M.G.Naidu. It also weighed with the trial Court that son G.Ramasamy left the partnership business in 1982 and severed from the other heirs of M.G.Naidu. On the ground of balance of convenience, the huge turnover of the plaintiff in the year 2017-18 and the considerable advertisement expenses incurred by the plaintiff firm also found favour with the Trial Court.

13. It is evident that relevant considerations were taken into account by the trial Court in arriving at the final interlocutory decision. On the basis of the material on display, the trial Court could not have declined the injunction as sought by the plaintiff firm. There is nothing that the defendant appellant has been able to demonstrate at this stage to detract from the judgment and order impugned. However, it is made clear that all the observations in the interlocutory order and herein will be regarded as tentative and will not stand in the way of the appellant herein establishing an appropriate right to the mark "Naidu Hall" in course of the trial.

14. O.S.A.Nos.83, 84, 85 and 95 of 2021, all directed against the same order of January 18, 2021, stand dismissed. C.M.P.Nos.3892, 3452, 3332 and 3441 of 2021 are closed. There will be no order as to costs at this stage.

Sd/-

Deputy Registrar (CS)

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Sub Assistant Registrar

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Copy To

The Sub Assistant Registrar,
Original Side,
High Court of Madras.

O.S.A.Nos.83 to 85 and 95 of 2021

NR(CO)
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