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O.S.A.(CAD).Nos.161, 162, 165 and 166 of 2022

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Judgment reserved on : 07.12.2023

Judgment pronounced on : **19.12.2023**

CORAM :

**THE HON'BLE MR.SANJAY V.GANGAPURWALA,
CHIEF JUSTICE**

AND

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

O.S.A.(CAD).Nos.161, 162, 165 and 166 of 2022

TVS Electronics Limited,
249, Ambujammal Street,
Off TTK Road, Alwarpet,
Chennai - 600 018.
Represented by its Chief Financial Officer,
A.Kulandai Vadivelu

... Appellant
(in all appeals)

Versus

Jitender Kumar

... Respondent
(in all appeals)

Prayer in O.S.A(CAD).No.161 of 2023 : Original Side Appeal - Commercial Appellate Division filed under Section 13(1) of the Commercial Courts Act, 2015 read with Clause 15 of the Amended Letters Patent Act to set aside the order, dated 23.08.2022 passed by the learned Judge in O.A.No.240 of 2022 filed in C.S.No.82 of 2022 on the file of this Court and



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grant an order of interim injunction as prayed for in O.A.No.240 of 2022 filed in C.S.No.82 of 2022.

Prayer in O.S.A(CAD).No.162 of 2023 : Original Side Appeal - Commercial Appellate Division filed under Section 13(1) of the Commercial Courts Act, 2015 read with Clause 15 of the Amended Letters Patent Act to set aside the order, dated 23.08.2022 passed by the learned Judge in O.A.No.241 of 2022 filed in C.S.No.82 of 2022 on the file of this Court and grant an order of interim injunction as prayed for in O.A.No.241 of 2022 filed in C.S.No.82 of 2022.

Prayer in O.S.A(CAD).No.165 of 2023 : Original Side Appeal - Commercial Appellate Division filed under Section 13(1) of the Commercial Courts Act, 2015 read with Clause 15 of the Amended Letters Patent Act to set aside the order, dated 23.08.2022 passed by the learned Judge in O.A.No.243 of 2022 filed in C.S.No.82 of 2022 on the file of this Court and grant an order of interim injunction as prayed for in O.A.No.243 of 2022 filed in C.S.No.82 of 2022.

Prayer in O.S.A(CAD).No.166 of 2023 : Original Side Appeal - Commercial Appellate Division filed under Section 13(1) of the Commercial Courts Act, 2015 read with Clause 15 of the Amended Letters Patent Act to set aside the order, dated 23.08.2022 passed by the learned Judge in O.A.No.242 of 2022 filed in C.S.No.82 of 2022 on the file of this Court and grant an order of interim injunction as prayed for in O.A.No.242 of 2022 filed in C.S.No.82 of 2022.

For Appellant : Mr.Satish Parasaran,
(in all appeals) Senior Counsel,
for Mr.S.Eshwar



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For Respondent : Mr.A.P.Jyothish
(in all appeals)

COMMON JUDGMENT

(Judgment made by the Hon'ble Mr.Justice D.Bharatha Chakravarthy)

These intra-court appeals arise out of the common order passed by the learned Single Judge in O.A.Nos.240 to 243 of 2022 and A.Nos.1875 and 1876 of 2022 in C.S (Comm.Div.).No.82 of 2022. By the said order, the learned Single Judge refused the prayers for interim junction and application for appointment of an Advocate Commissioner, while directing the defendant to maintain and submit accounts on quarterly basis with regard to turn over from the sale of products bearing the impugned mark and the profits derived therefrom until disposal of the suit.

2. In this judgment, the parties are referred to as per their array in the Civil Suit.



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3. The case of the plaintiff Company is that it forms part of the

renowned business conglomerate namely, *The TVS Group of Companies*. It has a combined turnover of more than Rs.5,41,93,29,50,000/- and a total workforce of close to 39,000 employees all operating with *TVS* marks. The brand *TVS Electronics* was originally conceived in the year 1986. In the year 2001, the name was changed to *TVS e Technology Limited*, but, was again changed to *TVS Electronics Limited* in the year 2003. The said trade names and marks are continuously used since its conception from the year 1986. They also manufacture and sell Point of sale devices, Printers, Keyboards apart from sale and manufacture of CCTV Cameras and related products through their dealer network spanning across 300 towns in India.

The plaintiff is the prior user, bonafide adopter and is also the registered proprietor of the marks *TVS Electronics* in various forms and their marks are

registered in Application Nos.647268, 4222372, 4222373, 4222374, 4222375, 4222376, 4222377, 4222378, 4222379, 4590278, 4590279, 4324084, 4324085, 4324235, 4324236, 4324237, 4324242, 4324243,

4324244, 4054442, 4324083, 4148041, 4148042, 4148043, 4148044,



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4148067, 4148068, 4148069, 4148070, 4324081 and 4324082. The plaintiff

has received several accolades and awards nationally and internationally for maintenance of good quality of its products and services.

4. The defendant is engaged in the business of manufacturing and selling CCTV Cameras and products and its related solutions under the trade name *Hash Control Systems*. Apart from operating the website *www.hashcontrol.com*, the defendant also has the impugned domain name *www.tvsssecurity.com*, wherein, it displays and sells its products under the mark *TVS*. Apart from its own platform, the defendant also lists its products on e-commerce platforms including Government E-marketplace, Amazon, Indiamart etc., under the same trademark *TVS*. Only in the year 2021, the plaintiff's employees came across the defendant's product carrying the said trademark *TVS*, *TVS Security* for its product of CCTV and Security Cameras etc. The defendant has willfully copied the mark *TVS*. Apart from copying the mark *TVS*, the mark is also adopted in the colour scheme(blue & white) and the font styles are used in a thoroughly deceptive trade dress so as to



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imitate and resemble the plaintiff's mark. Average consumers can never be

able to make out the difference and would be buying the products of the defendant thinking that it is that of the plaintiff. Therefore, the plaintiff issued a cease and desist notice dated 20.12.2021. To the same, the defendant responded vide their reply dated 28.12.2021 stating that their use of the mark is since the year 2007 which is false. The plaintiff therefore issued a rejoinder on 10.03.2022. Thereafter, the plaintiff undertook a check and found that the defendant had also registered its marks. After issue of the notice, the defendant had audaciously filed rectification applications.

5. *TVS* trademark has been adopted since the year 1911 which is an abbreviation of the name of *Mr.T.V.Sundaram* and by its continuous use and maintenance of high quality, it is a well-known mark throughout India and abroad. Therefore, the action of the defendant in adopting the said marks would amount to infringement of the plaintiff's marks. The defendant is also dishonestly passing off the products as that of the plaintiff. The copyright in the original getup and style of the mark belonging to the plaintiff is



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infringed. The impugned marks used by the defendant is certainly likely to

cause confusion among consumers and there is a statutory presumption under Section 29(3) of the *Trade Marks Act, 1999* (hereinafter '*the Act*').

Unless and otherwise the defendant is restrained from using the trade mark, it would result to irreparable injury to the plaintiff and balance of convenience is in favour of the plaintiff. Stating so, the above suit is filed praying for permanent injunction restraining the defendant from in any manner infringing the registered mark *TVS* of the plaintiff in Class 37; permanent injunction from passing off its products by dishonestly adopting and trading under the impugned marks; permanent injunction from in any manner diluting and tarnishing the plaintiff's marks by use of the impugned marks; permanent injunction from infringing the plaintiff's copyright in the mark; mandatory injunction to transfer the domain name *www.tvssecurity.com* in favour of the plaintiff; to furnish data and accounts of all transactions in respect of its business under the impugned mark; to recall all the products which are sold in the impugned mark; for an order of appointment of an Advocate Commissioner to seize or infringing goods



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under the impugned mark; for damages to the tune of Rs.20,00,000/- for loss of business, reputation and goodwill; for declaration that the plaintiff's mark is well-known trademark and for costs.

6. The plaintiff filed four applications for interim injunctions i.e., in respect of infringement of trademark, passing off, infringement of copyright and for dilution and tarnishment of plaintiff's marks. The plaintiff also filed two other applications for appointment of an Advocate Commissioner and for joinder of causes of action.

7. The applications were resisted by the defendant by filing a counter-affidavit. It is the case of the defendant that the defendant is engaged in manufacturing and selling of electronic products such as CCTV Cameras etc., and detailed information about its products can be browsed and accessed by customers from its website *www.tvssecurity.com*. During inception of the business, the defendant used to manufacture parts and components of Security Cameras and components in Taiwan for sale in



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India. Therefore, manufacturer's products were known as *Taiwan Visual*

Security products and thus, the letters *TVS* were adopted as the abbreviated form of *Taiwan Visual Security*. Thereafter, when the production of the parts and components were shifted to other countries such as China etc., the name was altered from *Taiwan Visual Security* to *True Visual Security* and thus, the defendant continued with the mark *TVS* with respect of the trading of its goods. The defendant adopted the mark in the year 2007 and the defendant is also the registered proprietor of the mark by virtue of registration No.1810193, dated 22.04.2009 in Class 9. Thus, from the date of registration for more than last 15 years, the defendant is continuously using the said mark. The defendant has a large and reputed customer base. The defendant is a very well recognised entity in its section of trade by long and continuous use. The defendant has won the trust of several customers including big business houses and Government departments.

8. While so, the plaintiff is harassing the defendant by sending notices

etc. and unable to succeed in their attempts, has now filed the present suit.



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The defendant's products are in Class 9 and therefore, the defendant cannot

be an infringer. Very recently, the plaintiff has added Surveillance Cameras and goods in Class 9 in their recent applications so as to usurp the rights of the defendant. The defendant therefore filed rectification applications. A search of various e-commerce platforms would reveal that the plaintiff was only dealing in computer peripherals and was not in the line of business as that of the defendant which is electronic security products. Therefore, no customer would relate the defendant's product to that of the plaintiff. The defendant is the extensive user of the mark since the year 2007 and is an honest and concurrent user of the mark in respect of its goods. The defendant is a small business man involved in manufacturing and trading of its products from the State of Haryana and would be subjected to tremendous loss if the applications are allowed and therefore, the defendant prayed for dismissal of the applications for interim injunction.

9. The learned Single Judge after considering the case of the parties

held that at the interlocutory stage, it was not essential to record definitive



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conclusions as to whether the action of the plaintiff for infringement would

be maintainable notwithstanding Sections 28(3) and 30(2)(e) of the *Act* as in

any event the claim for passing off is undoubtedly maintainable and

therefore, the applications can be considered on that basis. The learned

Single Judge took into consideration the date of registration of the mark by

the defendant i.e., 22.04.2009 and the proof produced by the defendant

regarding use of its marks in the form of invoices etc., from the year 2006.

The learned Single Judge also *prima facie* held that the plaintiff's claim that

it is a well-known mark cannot be rejected outright, but, by taking into

account the defendant's asserted adoption from the year 2007 and the fact

that the plaintiff's use in regard to Security Cameras was only from mid

2020, the issues have to be gone into in detail only during trial and therefore,

held that the plaintiff is not entitled to the relief of injunction pending the

suit while putting the defendant on terms which were extracted *supra*.

10. Heard *Mr.Satish Parasaran*, learned Senior Counsel appearing on

behalf of the appellant and *Mr.A.P.Jyothish*, learned Counsel appearing on



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behalf of the respondent.

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11. *Mr.Satish Parasaran*, learned Senior Counsel for the plaintiff would submit that there can be no two opinions that the plaintiff's mark is a well-known trademark through India and abroad. The very adoption of the impugned mark by the defendant is dishonest. The version by the defendant initially that it was *Taiwan Visual Security* and thereafter *True Visual Security*, proved to be just a lame excuse and there is absolutely no material whatsoever to substantiate the same. In the absence of the same, the learned Judge ought to have held that the initial adoption itself is dishonest. Once the adoption is dishonest, the case for passing off is categorically made out. By pointing out to list of the defendant's products the various e-tender portals, he would submit that deliberate and misleading information is furnished by the defendant. That the same would that the defendant has no reputation or goodwill and the entire goods are sold only on the reputation, goodwill of that of the plaintiff. That being so, merely because the defendant has been doing business for some time which escaped the notice



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of the plaintiff, interim injunction cannot be refused and the learned Single

Judge ought to have allowed the applications for interim injunction.

12. Per *contra*, Mr.A.P.Jyothish, learned Counsel for the defendant would submit that the defendant has produced ample evidence for its use of the mark from the year 2007 onwards. The plaintiff entered into the field of Security Cameras only in the year 2020. Therefore, as far as Class 9 goods are concerned, it is only the defendant who is the prior user. As a matter of fact, when registration is granted by including the description of the products in Class 9 also, the defendant has already filed application for rectification and the same is pending. On the contrary, when the defendant is the registered proprietor of the mark and the plaintiff has not even filed any application for rectification, as the registered proprietor of the mark the defendant is very much entitled to use the same. The defendant has bonafide adopted the mark and therefore, an honest and concurrent use of the mark cannot be restrained by way of an injunction, much less, any interim injunction can be granted pending disposal of the suit.



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13. We have considered the rival submissions made on either side and perused the material records of the case. When the defendant is the registered proprietor of the mark, it is clear that as per Section 28(3) and 30(2)(e) of the *Act*, the plaintiff cannot complain infringement. The fact that no rectification proceedings is initiated by the plaintiff is also to be noted at this stage. The contention is that in view of the plaintiffs mark being a well known trade mark, the very registration per se is illegal and the plaintiff's mark cannot be permitted to be diluted or tarnished. It is for the plaintiff to prove about the knowledge and recognition of the mark, duration, extent and area of geographical use, the successful enforcement of the rights in the mark as enumerated under Section 11(6) of the *Act*. Useful reference in this regard can be made to the Judgment of the Supreme Court of India, in ***T.V. Venugopal Vs. Ushodaya Enterprises Ltd and Anr.***¹ more particularly to paragraph No.81, which reads as under:

“ 81.From the above discussions, the following two situations arise:



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(i) *Where the name of the plaintiff is such as to give him exclusivity over the name, which would ipso facto extend to barring any other person from using the same viz. Benz, Mahindra, Caterpillar, Reliance, Sahara, Diesel, etc.*

(ii) *The plaintiff's adopted name would be protected if it has acquired a strong enough association with the plaintiff and the defendant has adopted such a name in common field of activity i.e. the purchaser's test as to whether in the facts of the case, the manner of sale, surrounding circumstances, etc. would lead to an inference that the source of the product is the plaintiff."*

Thus, when it is the case of the parties that the plaintiff has entered into the market in respect of the Security Camera goods about the year 2020, in the factual gamut of the instant case, the fact that the plaintiffs mark is a well known trade mark across classes of goods cannot be presumed at the interlocutory stage and as such, the process of proving the same has to be undertaken during the course of trial.

14. As far as passing off is concerned, the defendant's case is of honest and concurrent use, while the case of the plaintiff is based on willful misrepresentation of connection leading to cashing in on the reputation and goodwill of the plaintiff. Apart from the proof of confusion, in the exercise



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of power of grant of interim injunction, the Court is also concerned with

balance of convenience. The use of the defendant claimed from the year

2007, the plaintiff's date of entry in the relevant field, the time of the

alleged start of the tortuous activity and the time of institution of suit, are

also relevant factors in determining the balance of convenience. As a matter

of fact, given the nature of business, being Security camera and equipments,

if instead of disruption of status quo which is prevalent for a long number of

years, if pending the suit, the plaintiff's right can be safeguarded by grant of

an order for the defendant to maintain accounts, then the balance of

convenience would lie in favour of imposing such a condition. That being

so, the exercise of discretion by the learned Single Judge that until disposal

of the suit, there need not be any interim injunction and that the defendant

can be permitted to continue to use its mark on a condition to maintain and

submission of accounts on quarterly basis, cannot be found fault with. The

Appellate Court will not ordinarily interfere with the discretion of the Trial

Court in matters such as Interlocutory Applications and substitute its own

discretion unless and otherwise the Order of the Trial Court suffers from any



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illegality or perversity. In the absence of the same, when the learned Single

Judge has refused to interim injunction pending the suit upon relevant considerations, and especially when the defendant has been put on terms, and when the suit being in the commercial division and trial being expeditiously conducted, we do not find any ground to interfere.

15. Accordingly, finding no merits, these Original Side Appeals shall stand dismissed. There shall be no order as to costs. Consequently, C.M.P.Nos.20884, 21006, 21558 and 21562 of 2022 are closed.

(S.V.G., CJ.)

(D.B.C., J.)

19.12.2023

Index : yes

Speaking order

Neutral Citation : yes

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