



C.S.(Comm.Div.) No.205 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12.03.2025

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THE HONOURABLE **MR.JUSTICE SENTHILKUMAR RAMAMOORTHY**

C.S.(Comm.Div.) No.205 of 2023

VGN Projects Estates Private Limited,
Represented by its Managing Director
Mr.Pratish Vedhappudi,
No.Y-222, Kimberly towers, 2nd Avenue,
Anna Nagar, Chennai - 600 040.

... Plaintiff

VS.

1. M/s.VGK Builders Pvt. Ltd.,
No.25, 2nd floor, BR Complex,
Duraismy Reddy Street,
West Tambaram, Chennai-600 045.

2. M/s. VGK Property Developers Pvt. Ltd.,
No.25, 2nd Floor, BR Complex, Duraismy Reddy Street,
West Tambaram, Chennai – 600 045.

... Defendants

Prayer: Plaintiff filed under Order IV Rule 1 of the Original Side Rules and Order VII Rule 1 of the Code of Civil Procedure, 1908 read with Sections 134 & 135 of the Trade Marks Act, 1999, prays for a Judgment and Decree seeking following reliefs:



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(a) Pass and pronounce a Decree of Permanent Injunction against infringement of plaintiff's registered Trademark by restraining the Defendants, their assigns, successors-in-interest, licensees, franchisees, sister concerns, representatives, servants, distributors, agents, family members, employees, Legal Heirs etc., and/or any person or entity acting for or on behalf of them, from using the Plaintiff's trade mark "VGN", components thereof, or any other mark(s) deceptively similar thereto including VGK, singularly or in conjunction with any other words or monogram/logo, as a trade mark, service mark, corporate name, trade name, trading style, domain name, website address, electronic mail identity or in any other manner whatsoever; on or in relation to or any product service/business including advertising, business papers, etc.;

(b) Pass and pronounce a Decree of Permanent Injunction against the Defendants, their assigns, successors-in-interest, licensees, franchisees, sister concerns, representatives, servants, distributors, agents, family members, employees, Legal Heirs etc. and/or any person or entity acting for or on behalf of them, from Passing Off their services/goods as or for the services/goods of the Plaintiff by restraining them from using Plaintiff's



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trade mark “VGN”, Impugned Branding or any other mark(s) deceptively similar thereto including VGK, singularly or in conjunction with any other words or monogram/logo, as a trade mark, service mark, corporate name, trade name, trading style, domain name, website address, electronic mail identity or in any other manner whatsoever; on or in relation to or any product, service/business including advertising, business papers, etc;

(c) Pass and pronounce a Decree directing the Defendants and/or their representatives, officers, etc. to deliver up to Plaintiff for the purpose of destruction/erasure all infringing materials including but not limited to catalogues, pamphlets, brochures, billboards, stationery, business cards, bill books, vouchers, letterheads, signage, reprographic material, or any other material bearing the name VGK and/or any other mark deceptively similar to Plaintiff's trademark “VGN” used upon in relation to marketing, selling, promoting and/or advertising Defendants' goods or business;

(d) Pass a preliminary Decree for rendition of accounts directing the Defendants to produce before this Hon'ble Court or any person nominated/designated/appointed by this Hon'ble Court all accounts in general and invoices and sales figures/revenues in particular from the date



of infringement/passing off of the Plaintiff's trademark by using the Mark

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and upon such enquiry to pay such profits earned by the Defendants as may be found to be due and payable to the Plaintiff on such account being taken;

(e) Pass and pronounce a final money decree in favor of the Plaintiff for payment of damages in the sum of INR 10,00,00,000/- (Rupees Ten Crores) or any such higher sum as may be determined/ascertained pursuant to the rendition of accounts;

(f) Pass and pronounce an Order directing the Defendants to pay the Plaintiff the cost of the proceedings; and

(g) Pass such further or other Order or Orders, as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case, and thus render justice.

For Plaintiff : Mr.P.V.Balasubramaniam, Senior Counsel
for Mr.P.Siddarth, Mr.A.Aravind Raj
for M/s.BFS Legal

For Defendants : Mr.R.Sathish Kumar
Ms.Meha Varshini M.R.



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JUDGMENT

Background

The suit was filed seeking remedies in respect of alleged infringement of the plaintiff's registered trade mark 'VGN' by use of the impugned mark 'VGK', either singly or in combination with other words, and for passing off.

2. In the plaint, the plaintiff states that it is a multi-million-dollar real estate company head-quartered in Chennai and that it has built over 8 million square feet of residential real estate. It is further stated that the trade mark 'VGN', under which the real estate development activities were carried out, was derived from the name of Mr.V.Guruswamy Naidu, the great grandfather of the managing director of the plaintiff. At paragraph 3 of the plaint, the plaintiff has set out details of registered trade marks containing the element 'VGN'. At paragraph 8, the annual turnover from 2009 - 2010 to 2020 - 2021 and sales promotion expenditure from 2010 - 2011 to 2020 - 2021 are set out.

3. The plaintiff has provided details of an opposition filed against the



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1st defendant's trade mark

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under Trade Mark no.2430235 in class 37 as early as 14.07.2014. After stating that the said application and opposition are pending, the plaintiff further states that it came across a registration for the same mark under Trade Mark no.2430234 in class 36 and that a rectification action had been initiated in respect thereof. After also stating that the defendants' adoption and use of the deceptively similar mark 'VGK' in respect of identical services is likely to cause deception and confusion, the plaintiff has prayed for the relief indicated at the outset.

4. In the written statement of the defendants, it is stated that the 1st defendant is the registered proprietor of the trade mark



under Trade Mark no.2430234 in class 36 and that the said trade mark is



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valid and subsisting. Consequently, it is stated that the defendants are entitled to claim protection under Section 28(3) read with Section 30(2)(e) of the Trade Marks Act, 1999 (the TM Act). The defendants have also stated that the plaintiff was aware of the defendants' application in class 37 as early as on 14.07.2014. Therefore, the defendants assert that the plaintiff has acquiesced in the defendants' use of the trade mark 'VGK' inasmuch as the suit was filed about nine years after lodging the opposition.

5. With regard to the reason for adoption of the impugned mark 'VGK', the defendants state that Mr.V.Prabakaran, who is one of the directors of the 1st defendant company, was the proprietor of an entity called 'VGK Contractors and Promoters'. It is further stated that the 2nd defendant was formed in the year 2013 after the business of the proprietary concern was hived off. At paragraph 7 of the written statement, the defendants have set out the family tree to show that the promoters of the defendants are the maternal grand children of Mr.V.G.Krishnan, whose name formed the basis for the abbreviation VGK. The defendants further state that they have carried on business using the impugned mark for about 22 years. After



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denying that the trade mark of the plaintiff and the defendants is similar, the

defendants prayed that the suit be dismissed.

6. On the basis of the pleadings and documents, the following issues were framed on 15.04.2024:

“(i) Whether the suit is barred by Section 12 A of the Commercial Courts Act, 2015 ?

(ii) Whether the plaintiff is entitled to claim proprietorship over the trademark VGN or its formative marks?

(iii) Whether the defendants are the registered proprietor of the trademark VGK BUILDERS under No.2430234 in Class 36?



(iv) Whether the suit is maintainable as against the registered proprietor in view of Section 28(3) of the Trademarks Act, 1999?

(v) Whether the trademark VGK has been coined by the defendants honestly and is based on the name of the predecessor of the director of the defendants company ?

(vi) Whether the defendants are entitled to the defence under Section 35 of Trademarks Act, 1999 ?

(vii) Whether the trademark VGN and VGK Builders/VGK property Builders are deceptively similar to each other



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phonetically, visually or structurally ?

(viii) Whether the plaintiff relief to restrain the defendants' name VGK as a company name/trade name is maintainable or whether the same is barred by limitation ?

(ix) Whether the defendants are using the trademark VGK since the year 2002 ?

(x) Whether the suit is liable to be dismissed on the grounds of laches and acquiescence under Section 33 of the Trademarks Act, 1999 ?

(xi) Whether the plaintiff is entitled to the reliefs claimed in the suit ?

(xii) To what other reliefs ? ”

7. The plaintiff examined Mr.Pratish Vedhappudi, managing director, as P.W.1. In course of the examination-in-chief of P.W.1, 24 documents were exhibited as Exs.P1 to P24. P.W.1 was cross-examined by learned counsel for the defendants. The defendants adduced evidence by examining Mr.H.Manoj Krishnan, managing director of the 1st and 2nd defendants, as D.W.1. In course of his examination-in-chief, 105 documents were exhibited as Exs.D1 to D105. D.W.1 was cross-examined by learned senior counsel for the plaintiff.

Counsel and their contentions



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8. Oral arguments on behalf of the plaintiff were advanced by Mr.P.V.Balasubramaniam, learned senior counsel, and on behalf of the defendants by Mr.R.Sathish Kumar, learned counsel. The parties also filed written submissions.

8(a). The first contention of learned senior counsel for the plaintiff was that the plaintiff has used the trade mark 'VGN' from 1942 and has acquired significant reputation and good will. By referring to the turnover of the plaintiff from the financial years 2009 – 2010 to 2020 – 2021, learned senior counsel submitted that the turnover was as high as Rs.693,56,68,762/- in financial year 2019 - 2020. For the said year, he pointed out that the sales promotion expenditure was Rs.16,26,14,487/-. He also referred to the certificate in this connection at page 670 of the convenience set (Volume-II).

8(b). The second contention of learned senior counsel is that the plaintiff and its group entities are the registered proprietors of several trade marks containing the element VGN. With particular reference to the



plaintiff, he referred to the registrations in classes 36 & 37 of device and word marks. He particularly emphasises that the word mark is 'VGN creating assets since 1942' and that the registration in class 37 is in respect of building, construction, repair and installation services.

8(c). The third contention of learned senior counsel is that the defendants are not entitled to rely on the prior use by VGK Contractors and Promoters. In order to substantiate this contention, learned senior counsel referred to the cross-examination of D.W.1. After pointing out that D.W.1 had not provided any authorisation for deposing on behalf of the 1st and 2nd defendants (question and answer 5), he referred to the answers to questions 12, 13, 18 and 26. By focussing on the answer to question 26, he submitted that none of the assets of the proprietary concern were transferred to either the 1st or 2nd defendant. Therefore, he submits that the trade mark 'VGK' (an intangible asset) was not assigned or transferred to the 1st or 2nd defendants. In this connection, by referring to the answer to question 62, he contended that D.W.1 admitted that Mr.V.Prabakaran, the proprietor of VGK, is not a shareholder or director of the 2nd defendant. Since the defendants are not



entitled to rely on the use by the proprietary concern of the trade mark 'VGK', learned senior counsel submitted that use by the defendants should be examined only from the date of incorporation of the defendants in the year 2012 (first defendant) and 2013(second defendant), respectively. By referring to the defendants' explanation that the name VGK was derived from V.G.Krishnan, learned senior counsel submitted that Section 35 of the TM Act does not apply.

9(a). In response to these contentions, Mr.R.Sathish Kumar submitted that the plaintiff has not provided any documents with regard to the proprietorship of the trade mark 'VGN' or the authority under which the plaintiff asserts title or right to use the trade mark 'VGN'. His next contention is that the 1st defendant is the registered proprietor in class 36. Consequently, the defendants are entitled to protection under sub-section (3) of Section 28 even assuming that the trade marks of the plaintiff and the defendants are identical or deceptively similar.

9(b). The next contention of learned counsel is that the rectification



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petition in respect of the 1st defendant's registered trade mark was filed in January 2023 after issuing a cease-and-desist notice, and that this suit was filed even later. Considering the fact that the opposition was lodged on 14.07.2014, learned counsel submits that the plaintiff has acquiesced in the use of the impugned mark by the defendants. In order to buttress this contention, learned counsel referred to the cross-examination of P.W.1. With particular reference to the answers to questions 31 to 42, learned counsel submits that P.W.1 admitted that proceedings were first initiated only in 2023 and that no action was taken between 2014 and 2023. In this regard, by referring to paragraph 8 of the evidence in support of the application by the 1st defendant in relation to trade mark application No.2430235 in class 37, he submits that the plaintiff was put on notice that the 1st defendant is using the trade mark 'VGK Builders' as a trading style since the year 1999. In view of the aforesaid, he submits that a classic case of acquiescence in terms of Section 33 of the TM Act is made out. In support of this contention, learned counsel referred to and relied upon the following judgments:

(i) *M/s.Power Control Appliances and others v. Sumeet Machines*



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Pvt. Ltd., (1994) 2 SCC 448, particularly paragraphs 29 to 31 thereof;

WEB COPY (ii) *Hatsun Agro Products Ltd. v. Arokiya Foods, 2023 (93) PTC*

592[Mad], particularly paragraphs 22 to 24 thereof;

(iii) *M/s.Addison & Company Limited v. M/s.Addison Cable Pvt. Ltd., judgment dated 09.11.2023 in C.S.No.39 of 2021, particularly paragraphs 43 to 45 thereof.*

9(c). Learned counsel next dealt with the merits. After referring to the family tree, he submitted that Mr.H.Manoj Krishnan and Mr.H.Satish Krishnan are the maternal grandchildren of Mr.V.G.Krishnan and that Mr.V.Prabakaran, who is the son of Mr.V.G.Krishnan, is their maternal uncle. Mr.V.Prabakaran earlier carried on business as the proprietor of VGK Contractors and Promoters. Such business was carried on until the incorporation of the 1st and 2nd defendants. He also pointed out that Mr.V.Prabakaran is currently a director of the 1st defendant and, in fact, was a witness to the subscription by the first directors to the Memorandum and Articles of Association of the 1st defendant. In effect, he contended that the defendants have derived the names of the two defendant entities from the



name of the business of the predecessor-in-business. Hence, he states that the defendants are entitled to protection under Section 35 of the TM Act.

9(e) By virtue of being the registered proprietor of the trade marks



, learned counsel submits that the defendants have an impregnable defence as regards the action for infringement. Even as regards the action for passing off, he submits that acquiescence qualifies as a defence. Without prejudice, after referring to the details of projects executed by the defendants between 2014 and 2022 in respect of the aggregate built up area of about 3,44,873.5 square feet, learned counsel submits that no case is made out for the grant of relief either in respect of alleged infringement or passing off. He also submits that the nature of the business should be taken into consideration while examining whether the use of a mark is likely to cause deception or confusion. In the specific context of the use of a mark in relation to the development of real estate, learned counsel submits that potential customers undertake detailed due diligence on the developer



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before deciding whether to enter into a joint development agreement or any other agreement with a developer. On this issue, learned counsel relied upon the relevant factors in a passing off action, as set out in paragraph 35 of the judgment of the Supreme Court in *Cadila Health Care Limited v. Cadila Pharmaceuticals Limited*, (2001) 5 SCC 73.

10. By way of rejoinder, learned senior counsel for the plaintiff made the following submissions:

(i) Mr.V.Prabakaran was neither a subscriber to the Memorandum and Articles of Association of the defendants nor a promoter director.

(ii) In answer to question no. 45, P.W.1 stated specifically that he had obtained a no objection certificate from his father for use of the trade mark VGN. Therefore, the plaintiff discharged the initial onus, which shifted to the defendants but was not discharged by them.

(iii) In the factual context of the plaintiff lodging the opposition to the trade mark application in class 37, an inference of acquiescence cannot be drawn. In response to question no. 84, D.W.1 admitted that the plaintiff was opposing the use of the mark by the defendants since 2003.



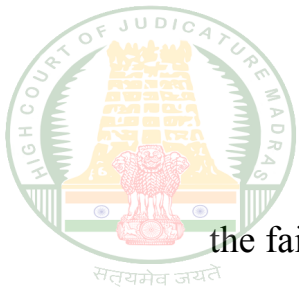
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(iv) Documents relating to the use of the mark by VGK Contractors and Promoters were exhibited through D.W.1, who is neither the author nor the recipient thereof. Therefore, those documents cannot be relied upon.

(v) Without prejudice, only the unregistered construction agreements, and not the registered powers of attorney or the registered sale deeds, refer to VGK Contractors and Promoters.

(vi) Since use by Mr.V.Prabakaran cannot be attributed to the defendants, the defendants do not qualify as successors-in-business of Mr.V.Prabakaran and, consequently, they cannot rely on Section 35 of the TM Act.

(vii) The plaintiff was justified in not resorting to pre-institution mediation under Section 12A of the Commercial Courts Act, 2015 (the Commercial Courts Act) in view of the issuance of a cease-and-desist notice prior to the institution of the suit and the failure by the defendants to exhibit any intention to resolve the dispute by mediation or otherwise upon receipt thereof. He also submitted that urgent interim relief was necessitated upon noticing the advertisement by the defendants of the impugned mark at



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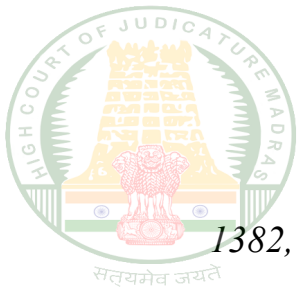
Discussion, analysis and conclusions:

11. Upon taking stock of the rival contentions, it becomes necessary to consider and dispose of the issues framed by this Court. The first issue framed by this Court relates to whether the suit is barred by Section 12A of the Commercial Courts Act, and the said issue is dealt with first.

Issue No.1

12. The suit was presented in August 2023. In the plaint, the plaintiff has referred to the trade mark applications filed by the defendants, including the last filings on 06.12.2022. The plaintiff has also referred to the cease-and-desist notice dated 06.1.2023 and stated that the cause of action is continuous and recurring since every use of the impugned mark by the defendants qualifies as a fresh cause of action. Interlocutory applications were submitted along with the plaint seeking interim relief.

13. In *Yamini Manohar v. T.K.D.Keerthi*, 2023 SCC OnLine SC



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1382, the Supreme Court examined whether the plaintiff can unilaterally determine whether a suit contemplates urgent interim relief. While holding that the plaintiff cannot make such determination unilaterally, the Supreme Court further held that the Court should examine whether the interim application was filed with a view to circumvent the requirement of Section 12A. In the context of an action for infringement and passing off in relation to intellectual property, as contended by the plaintiff, every use of the impugned mark constitutes a distinct cause of action. Although the plaintiff was not granted interim relief, the admitted position is that the plaintiff requested for such relief. I find no reason to conclude that such interim application was lodged only to circumvent the requirement of pre-institution mediation. Therefore, issue no.1 is decided in favour of the plaintiff.

Issue Nos.2, 3 & 4:

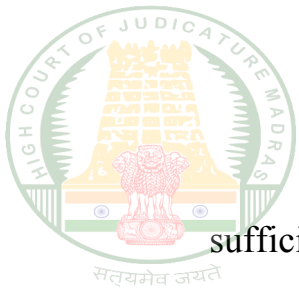
14. Issue no.2 relates to whether the plaintiff is entitled to claim proprietorship over the trade mark 'VGN' or its formative marks. The plaintiff has referred to various trade mark registrations in paragraph 3 of the plaint. These registrations are stated to be in the name of the plaintiff or



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its group companies. In support of the contention that the plaintiff is the registered proprietor, the plaintiff filed registration certificates. The said registration certificates were exhibited as Exs.P15 and P16. Ex.P15 relates to trade mark no.3411942 for the mark 'VGN creating assets since 1942' under classes 36 and 37, which was registered with effect from 17.11.2016. Ex.P16 is also in respect of an identical device mark, which was registered with effect from 24.03.2017. Therefore, without doubt, at least as regards Exs.P15 and P16, the plaintiff qualifies as the registered proprietor. In answer to question no. 45, P.W.1 stated that a no objection certificate was obtained by him from his father for the use of the trade mark 'VGN'. An annual turnover certificate showing turnover from financial year 2009-2010 is on record as Ex.P17. On balance, I conclude that the plaintiff is entitled to claim proprietorship over the trade mark 'VGN'.

15. Issue no.3 relates to whether the defendants are registered proprietors of the trade mark 'VGK Builders' under trade mark No.2430234 in class 36. The rectification petition of the plaintiff in respect of trade mark No.2430234 has been exhibited as Ex.P11. A mere perusal of this exhibit is



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sufficient to conclude that the 1st defendant is the registered proprietor of the trade mark 'VGK Builders' under trade mark no.2430234 in class 36. This leads to issue no.4, which is whether the suit is maintainable against a registered proprietor in view of Section 28(3) of the TM Act.

16. Section 28(3) of the TM Act is as under:

"28(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."

From the text of sub-section (3) of Section 28, it is clear that it is applicable where two or more persons are registered proprietors of trade marks, which are identical or nearly resemble each other. In such situation, it stipulates



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that, as between the two registered proprietors, neither can claim the exclusive right to the use of the mark merely by registration of such trade mark. It further stipulates that each registered proprietor will continue to have the rights conferred by registration as against all other persons, as if such registered proprietor was the exclusive registered proprietor.

17. In view of the conclusion that the 1st defendant is the registered proprietor of the trade mark 'VGK Builders', even if it were to be concluded that the two marks are identical, the 1st defendant would be entitled to rely on this provision to contend that the plaintiff is not entitled to exclusive use of its trade mark vis-a-vis at least the said defendant. Issue nos.2, 3 and 4 are disposed of on the above terms.

Issue Nos.5, 6 & 9:

18. In the written statement, the defendants set out the family tree and stated that Mr.V.Prabakaran adopted the abbreviation/initialism VGK from the name of his father V.G.Krishnan. Upon the proprietary concern of Mr.V.Prabakaran ceasing to carry on business, it is stated that the maternal



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grandchildren of Mr.V.G.Krishnan formed the 1st and 2nd defendants and

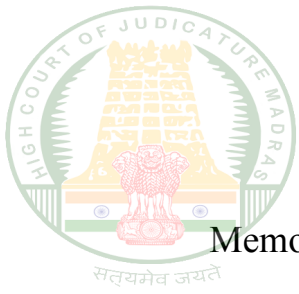
adopted the name of the business carried on by Mr.V.Prabakaran, which name is also an abbreviation of the maternal grandfather's name. As evidence of use of the trade mark 'VGK', the defendants have placed on record several sets of documents relating to the development of real estate. Each set consists of a power of attorney, construction agreement and a sale deed. By way of illustration, the defendants exhibited power of attorney dated 20.06.2001 as Ex.D1. This power of attorney relates to a vacant house site bearing plot no.12 in S.No.62/3 at Chitlapakkam village, Rajendran Avenue, Tambaram Taluk, Kanchipuram District. The corresponding agreement for sale of land and construction dated 24.06.2002 was exhibited as D2. The schedule to Ex.D2 tallies with the schedule in the power of attorney. The corresponding sale deed dated 29.11.2002 has been exhibited as D3. Once again, the schedule tallies with that in Ex.D1. Out of these documents, Ex.D2 contains a reference to VGK Constructors and Promoters, represented by Mr.V.Prabakaran.



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19. Learned senior counsel for the plaintiff submitted that the construction agreement is unregistered and could have been subsequently created so as to establish use of the mark 'VGK'. This contention cannot be countenanced for more than one reason. As noticed earlier, the description of the property in the schedules to all three documents tally. Secondly, in all three documents, Mr.V.Prabakaran is described as the son of Mr.V.G.Krishnan. Although it was contended that he was described as the son of the late Mr.V.G.Krishnan only in the construction agreement, it is likely that an inadvertent error was committed in this regard. Similar sets of documents have been exhibited in respect of other parcels of land as Exs.D5 to D25. It should be noticed that the first set (Exs.D1 to D3) pertains to the period 2001- 2002 and cumulatively these sets of documents broadly cover the period running from 2001 to 2013.

20. In addition to the above documents, the defendants have exhibited the certificate of incorporation of the 1st defendant as Ex.D28. The Memorandum and Articles of Association of the 1st defendant also forms part of Ex.D28. On perusal, it is clear that the subscribers to the



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Memorandum and Articles of Association signed their names in the presence of Mr.V.Prabakaran. Such attestation by Mr.V.Prabakaran underscores that he was aware of and agreed to the formation of the company under the name and style of VGK Builders Private Limited. Form 32 in respect of his appointment as a director of the 1st defendant has also been included in Ex.D28. This document discloses that he became a director of the company on 04.03.2013. The defendants have proceeded to also exhibit documents relating to the use of the impugned mark by the 1st and 2nd defendants from the year 2013 to the year 2023. These documents are exhibited as Exs.D40 to D102. The list of projects of the 1st defendant has been exhibited as Ex.D39 and the sales turnover of the 2nd defendant is exhibited as Ex.D38.

21. On careful appraisal of documents referred to in the preceding paragraphs, the conclusion that follows is that the defendants honestly adopted the trade mark 'VGK' on the basis of the name under which Mr.V.Prabakaran carried on business, and this trade mark is an initialism of the name of the maternal grandfather of the promoters of the 1st and 2nd



defendants. This leads to the question whether the defendants are entitled to the benefit of Section 35 of the TM Act.

22. Section 35 of the TM Act is as under:

***"35.Saving for use of name, address or description
of goods or services-***

Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character of quality of his goods or services. "

The text of Section 35 reveals that a registered proprietor of a trade mark cannot interfere with the *bona fide* use by a person of any of the following:

- (i) his own name;
- (ii) the name of his place of business;
- (iii) the name of any of his predecessors-in-business;



(iv) the name of the place of business of any of his predecessors-in-

business; or

(v) the use by any person of a *bona fide* description of the character or quality of his goods or services.

23. As discussed above, the evidence on record leads to the conclusion that V.G.Krishnan was the name of the maternal grandfather of the promoters of the defendants. An initialism of the said name, VGK, was adopted as the trading name of Mr.V.Prabakaran, the son of V.G.Krishnan and maternal uncle of the promoters of the defendants. After he ceased to carry on business as the proprietor, his maternal nephews formed the 1st and 2nd defendants, and he was a witness to their subscription of the Memorandum and Articles of Association. He subsequently became a director on the board of the 1st defendant. When these facts and circumstances are considered holistically, the only reasonable conclusion is that the defendants have *bona fide* adopted and used the name of the predecessor-in-business. Consequently, the defendants are entitled to the



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protection offered by Section 35 of the TM Act. Issue nos.5, 6 and 9 are disposed of on the above terms.

Issue Nos.8 & 10:

24. Issue no.8 relates to whether the relief of restraining the defendants from using the trade name 'VGK' is barred by limitation. Section 16(1)(b) of the Companies Act, 2013 prescribes that a registered proprietor of a trade mark may apply to the Central Government for the rectification of the name of a company on the ground that such name is identical with or too nearly resembles the registered trade mark of such proprietor within a maximum period of three years from the date of incorporation. If this time limit runs out, the consequence is that an action for rectification of that company's name is not maintainable under Section 16. It does not follow from such conclusion, however, that a suit for infringement and passing off is not maintainable thereafter. These are two independent remedies. As narrated earlier in course of discussing issue no.1, every act of alleged infringement or passing off constitutes a fresh cause of action. Therefore, it certainly cannot be said that the suit is barred by limitation.



WEB COPY 25. Issue no.10 relates to whether the suit is liable to be dismissed on the grounds of laches and acquiescence under Section 33 of the TM Act. I first deal with laches. Mere delay will not non-suit a person seeking either statutory or common law remedies unless such delay either results in the action being barred by limitation or leads to an inference of acquiescence, waiver, estoppel or abandonment. Whether the plaintiff acquiesced falls for consideration next. Section 33 of the TM Act reads as under:

"33. Effect of acquiescence-(1) Where the proprietor of an earlier trade mark has acquiesced for a continuous period of five years in the use of a registered trade mark, being aware of that use, he shall no longer be entitled on the basis of that earlier trade mark-

(a) to apply for a declaration that the registration of the later trade mark is invalid, or

(b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used, unless the registration of the later trade mark was not applied in good faith.

(2) Where sub-section (1) applies, the proprietor of



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the later trade mark is not entitled to oppose the use of the earlier trade mark, or as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark may no longer be invoked against his later trade mark. "

26. As is evident from the above, in order to rely on Section 33, the party placing reliance thereon should discharge the onus of establishing that the proprietor of the earlier trade mark acquiesced for a continuous period of five years in the use of the registered trade mark by a later user. Section 33 is, however, not applicable if the registration of the later trade mark was not applied in good faith. In the case at hand, it was earlier concluded that the adoption and use by the defendants and the defendants' predecessor-in-interest was *bona fide*. Therefore, the exception does not apply.

27. On account of lodging the opposition in respect of the application by the 1st defendant in class 37, it becomes clear that the plaintiff was aware of use of the trade mark by the defendants at least as of January 2013. The present suit was instituted in 2023. Undoubtedly, a period in excess of



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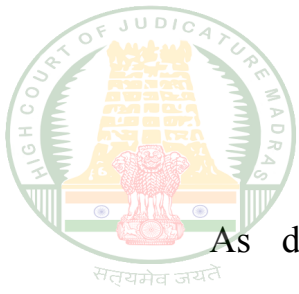
five years had lapsed. Learned senior counsel for the plaintiff, however, contended that the filing of opposition proceedings militates strongly against any inference of acquiescence. Put differently, his contention is that the plaintiff did not merely stand by while its rights were infringed and instead chose to challenge the application for registration. As regards the registration in class 36, he submitted that such registration was challenged in rectification proceedings shortly after the plaintiff became aware of such registration. These contentions cannot be completely brushed aside. Sub-section (1) of Section 33, however, places emphasis on acquiescence in the use of the registered trade mark. It also imposes the condition that the person acquiescing should be aware of such use. In the opposition proceedings, the defendants filed evidence of use of the impugned trade mark. Therefore, the plaintiff cannot deny knowledge or awareness of such use. In effect, it appears that the plaintiff did not acquiesce in the registration of trademarks by the defendants, but appears to have acquiesced in the use of such trade mark. In any event, in view of the conclusions drawn on other issues, a definitive finding with regard to acquiescence may not be necessary for the adjudication of this dispute.



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Issue No.7

28. On account of the conclusion that the defendants are entitled to protection both under sub-section (3) of Section 28 and Section 35 of the TM Act, it becomes immaterial as to whether the trade marks 'VGN' and 'VGK Builders' and 'VGK Property Developers' are phonetically, visually or structurally deceptively similar. The contention of learned counsel for the defendants, on this issue, that the nature of business and the manner of decision-making is material while deciding an action for infringement and passing off is not devoid of merit. As contended by him, the purchase of immovable property is a big ticket or high value transaction, which is typically preceded by due diligence by the intending purchaser both on the property and on the developer. The defendants' predecessor was in business since 2001, and the two defendants ever since their respective incorporation. There is no evidence of actual deception or confusion over this considerable period. While such evidence is not necessary in an action for infringement and passing off, in the facts and circumstances, it is a relevant consideration.



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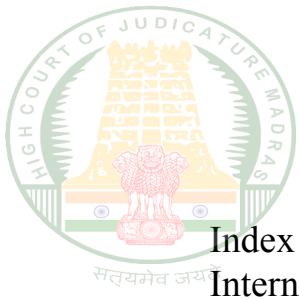
As discussed earlier, the evidence on record also points towards acquiescence by the plaintiff at least in the use of the impugned trade marks by the defendants. Therefore, notwithstanding the fact that the plaintiff and the defendants are engaged in the same line of business and that the trade marks are similar, the plaintiff is not entitled to relief. Issue no.7 is disposed of accordingly.

Issue Nos.11 and 12:

29. For reasons set out while disposing of the other issues, the plaintiff is not entitled to the relief claimed. Since costs follow the event, as the successful party, the defendants are entitled to costs. The plaintiff is directed to pay a sum of Rs.2,00,000/- as costs to the defendants towards lawyer's fees and other expenses.

30. In the result, C.S(Comm.Div)No.205 of 2023 stands dismissed by directing the plaintiff to pay an aggregate sum of Rs.2,00,000/- (Rupees Two lakhs only) as costs to the defendants.

12.03.2025



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Index : Yes / No

Internet : Yes / No

Neutral Citation: Yes / No

kj

Plaintiff's witness:

Mr.Pratish Vedhappudi – P.W.1

Defendants witness:

Mr.H.Manoj Krishnan – D.W.1

Documents exhibited by the plaintiff:

<i>Exhibits</i>	<i>Documents</i>
Ex.P1	Printout of the plaintiff's balance sheet starting from the period 2011 to 2021.
Ex.P2	Printout of the plaintiff's invoice evidencing the use of trademarks for the period 2012 to 2023.
Ex.P3	Photocopy of the notice of opposition of the plaintiff in opposition No. MAS-817485 dated 11.07.2014.
Ex.P4	Photocopy of the counter statement filed by the 1st defendant in opposition No. MAS-817485 dated 10.11.2014.
Ex.P5	Photocopy of the Rule 50 Application filed by the plaintiff opposing the 1 st defendant registration - opposition No. MAS 817485 dated 05.03.2015.
Ex.P6	Photocopy of the Rule 51 (Evidence in support of the Application) filed by the 1 st defendant in Opposition No. MAS 817485 dated 04.06.2015.
Ex.P7	Photocopy of the Rule 52 (Evidence in support of the



<i>Exhibits</i>	<i>Documents</i>
	Application) filed by the 1 st defendant in Opposition No. MAS 817485 dated 05.08.2015.
Ex.P8	Printout of the plaintiff's invoice No.88002812 dated 30.11.2018.
Ex.P9	Office copy of the cease & desist notice issued by the plaintiff to the defendants dated 06.01.2023 along with postal receipt.
Ex.P10	Photocopy of the notice of opposition filed by the plaintiff No.5326849 against the 2 nd defendant's mark dated 09.01.2023.
Ex.P11	Photocopy of the application for rectification of the 1 st defendant's mark - rectification proceedings No.2430234 dated 13.01.2023.
Ex.P12	The original certified true copy of the Board Resolution of the plaintiff company dated 30.01.2023.
Ex.P13	The original side by side comparison of the plaintiff and the 2 nd defendant's mark in an advertisement published in The Hindu dated 17.02.2023.
Ex.P14	The original side by side comparison of the plaintiff and the 2 nd defendant's mark in an advertisement published in The Times of India dated 17.02.2023.
Ex.P15	The photocopy of the legal proceedings certificate issued by the Trademark registry of the trade mark no.3411942 dated 24.04.2023.
Ex.P16	The photocopy of the legal proceedings certificate issued by the Trademark registry of the trade mark no.3513745 dated 24.04.2023.
Ex.P17	The original certificate issued by the chartered accountant of the plaintiff detailing the turnover the plaintiff company dated 16.06.2023.



<i>Exhibits</i>	<i>Documents</i>
Ex.P18	Original certificate issued by the chartered accountant of the plaintiff detailing the marketing expenses dated 16.06.2023.
Ex.P19	Original defendant's reply notice to the cease & desist notice issued by the plaintiff.
Ex.P20	Photocopy of the term sheet between the plaintiff and Piramal Finance Private Limited.
Ex.P21	Printout of the images of awards received by the plaintiff.
Ex.P22	Printout of the images of the advertisements and Billboards of the plaintiff.
Ex.P23	Printout of the images of the flyers issued by the plaintiff for various promotional! activities undertaken by them.
Ex.P24	Printout of the images of the Chennai Super King's Jersey showing the plaintiff's mark.

Documents exhibited by the defendants:

<i>Exhibits</i>	<i>Documents</i>
Ex.D1	Photocopy of the Power of Attorney dated 20.06.2001. (Original is produced, compared and returned to the defendant's counsel.)
Ex.D2	Photocopy of the Sale of Land and Constructive agreement dated 24.06.2002.
Ex.D3	Certified copy of the Sale deed dated 29.11.2002.
Ex.D4	Photocopy of the Power of Attorney dated 7.02.2003. (Original is produced, compared and returned to the defendant's counsel.)
Ex.D5	Photocopy of the Power of Attorney dated 7.02.2003. (Original is produced, compared and returned to the defendant's counsel.)
Ex.D6	Photocopy of the Builders Agreement dated 9.07.2004.



<i>Exhibits</i>	<i>Documents</i>
Ex.D7	Certified copy of the Sale Deed dated 27.08.2004.
Ex.D8	Photocopy of the Power of Attorney dated 8.09.2004.
Ex.D9	Certified copy of the Sale Deed dated 30.09.2005.
Ex.D10	Certified copy of the Sale Deed dated 25.01.2006.
Ex.D11	Photocopy of the Power of Attorney dated 30.06.2006. (Original is produced, compared and returned to the defendant's counsel.)
Ex.D12	Certified copy of the Sale Deed dated 6.06.2007.
Ex.D13	Photocopy of the Power of Attorney dated 23.02.2006.
Ex.D14	Photocopy of the Builders Agreement dated 30.12.2009.
Ex.D15	Certified copy of the Sale Deed dated 10.02.2010. (The counsel for the plaintiff objects on the ground that the document now produced was not filed along with the written statement.)
Ex.D16	Photocopy of the Builders Agreement dated 15.12.2010.
Ex.D17	Photocopy of the Sale deed dated 8.03.2011.
Ex.D18	Photocopy of the Builders Agreement dated 3.11.2010.
Ex.D19	Certified copy of the Sale deed dated 24.01.2011.
Ex.D20	Photocopy of the Builders Agreement dated 14.06.2013.
Ex.D21	Certified copy of the Sale deed dated 28.09.2012.
Ex.D22	Photocopy of the Construction Agreement dated 26.10.2012.
Ex.D23	Certified copy of the Sale deed dated 30.11.2012.
Ex.D24	Photocopy of the Construction Agreement dated 5.05.2012.
Ex.D25	Certified copy of the Sale deed dated 13.07.2012.
Ex.D26	Photocopy of the Letter From Tamil Nadu Mercantile Bank dated 19.04.2011.
Ex.D27	Photocopy of the Letter from Tamil Nadu Mercantile Bank



<i>Exhibits</i>	<i>Documents</i>
	dated 3.06.2015. (Original is produced, compared and returned to the defendant's counsel.)
Ex.D28	Printout of the Certificate of incorporation of the 1 st defendant dated 28.12.2012.
Ex.D29	Photocopy of the PAN CARD dated 28.12.2012. (Original is produced, compared and returned to the defendant's counsel.)
Ex.D30	Printout of the Electronic Record of the WHOIS printout details of the domain name www.vgkbuilders.com dated 5.06.2013.
Ex.D31	Photocopy of the Income Tax Returns of the 1 st Defendant dated 2013-2014 To 2022-2023.
Ex.D32	Photocopy of the Sanction letters from various banks /financial institutions to be 1 st defendant dated 2018-2023.
Ex.D33	Original of the Sales turnover of the 1 st defendant.
Ex.D34	Printout of the Certificate of incorporation of the 2 nd defendant dated 22.11.2013.
Ex.D35	Photocopy of the PAN CARD dated 22.11.2013. (Original is produced, compared and returned to the defendant's counsel.)
Ex.D36	Photocopy of the Income tax Returns of the 2 nd defendant dated 2014-2015 to 2022-2023.
Ex.D37	Photocopy of the Sanction letters from various banks/financial institutions to the 2 nd defendant dated 2012-2023.
Ex.D38	Original of the Sales turnover of the 2 nd defendant.
Ex.D39	Original of the List of Projects by the 1 st defendant with details.
Ex.D40	Certified copy of the sale deed and the photocopy of the Construction Agreement for VGK JASMINE along with original brochure dated 17.04.2013 To 15.07.2013.
Ex.D41	Certified copy of the Sale deed and photocopy of the Sale Agreement for VGK RAM along with original brochure dated



<i>Exhibits</i>	<i>Documents</i>
	18.04.2016 To 8.06.2016. (The counsel for the plaintiff objects on the ground that the certified copy of the sale deed attempted to be marked is not filed along with the written statement by the defendant.)
Ex.D42	Certified copy of the sale deed and photocopy of the Construction Agreement for VGK LOTUS along with the original brochure dated 21.05.2016 & 15.07.2016.
Ex.D43	Certified copy of the sale deed and photocopy of the Construction Agreement for VGK SNOWDROP along with original brochure dated 26.09.2013 & 29.09.2013.
Ex.D44	Certified copy of the sale deed and Construction Agreement for VGK BLUE BELL along with original brochure dated 3.07.2014.
Ex.D45	Certified copy of the sale deed and construction agreement for VGK SUNSHINE VILLA along with original brochure dated 27.11.2014 & 10.12.2014.
Ex.D46	Certified copy of the sale deed and construction agreement and sale deed for VGK HAJARAH VILLA along with original brochure dated 03.08.2021.
Ex.D47	Certified copy of the sale deed and construction agreement and sale deed for VGK SUMANGALI along with original brochure dated 28.04.2014 & 17.01.2018.
Ex.D48	Certified copy of the sale deed and photocopy of the construction agreement and sale deed for VGK BARBERRY along with original brochure dated 25.05.2018 & 13.06.2018.
Ex.D49	Certified copy of the sale deed and construction agreement and sale deed for VGK LOTO along with original brochure dated 28.02.2015 & 04.03.2015.
Ex.D50	Certified copy of the sale deed and construction agreement and sale deed for VGK SPEEDWEL along with original



<i>Exhibits</i>	<i>Documents</i>
	brochure dated 01.06.2017 & 23.06.2017.
Ex.D51	Certified copy of the sale deed and construction and sale deed for VGK SAMUDRA along with original brochure dated 02.08.2016 & 29.08.2016.
Ex.D52	Certified copy of the Sale Deed for VGK ORANGE COURT dated 11.04.2017
Ex.D53	Certified copy of the sale deed and photocopy of the construction agreement for VGK SNOWBERRY along with original brochure dated 01.08.2018 & 17.09.2018.
Ex.D54	Certified copy of the sale deed and photocopy of the construction agreement for VGK ADIDEV along with the original brochure dated 21.08.2017 and 24.11.2017.
Ex.D55	Certified copy of the sale deed and construction agreement for VGK ADHIRA along with original brochure dated 31.08.2017 & 25.10.2017.
Ex.D56	Certified copy of the sale deed and photocopy of the Construction Agreement CUM Sale Deed for VGK DIKSHA along with original brochure dated 27.10.2018.
Ex.D57	Certified copy of the sale deed and photocopy of the construction agreement for VGK YOGMAYA along with original brochure dated 17.01.2019 & 22.02.2019.
Ex.D58	Certified copy of the sale deed and construction agreement for VGK ARKITA along with original brochure dated 30.08.2018.
Ex.D59	Certified copy of the sale deed and photocopy of the construction agreement for VGK SRINIKHA along with original brochure dated 11.10.2018 & 12.12.2018.
Ex.D60	Certified copy of the sale deed and construction agreement for VGK DHRUVAH along with original brochure dated



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<i>Exhibits</i>	<i>Documents</i>
	13.06.2019.
Ex.D61	Certified copy of the sale deed and construction agreement for VGK RAKSHAN along with original brochure dated 06.02.2019.
Ex.D62	Certified copy of the sale deed and construction agreement for for VGK MAHITA along with original brochure dated 28.11.2020.
Ex.D63	Certified copy of the sale deed and construction agreement VGK ADITI along with original brochure dated 10.11.2021
Ex.D64	Certified copy of the sale deed and construction agreement for VGK AKSHITA along with original brochure dated 23.07.2021.
Ex.D65	Certified copy of the sale deed and construction agreement for VGK PRAGATHI along with original brochure dated 25.01.2021.
Ex.D66	Certified copy of the sale deed and Construction agreement for VGK DHARIKA along with original brochure dated 4.3.2022.
Ex.D67	Certified copy of the sale deed and Construction agreement for VGK AKRITI along with original brochure dated 29.11.2020.
Ex.D68	Certified copy of the sale deed and Construction agreement for VGK ADHVAY along with original brochure dated 7.2.2020.
Ex.D69	Certified copy of the sale deed and Construction agreement for VGK ADHVAY along with original brochure dated 7.2.2020.
Ex.D70	Certified copy of the sale deed and Construction agreement for VGK SADHANA along with original brochure dated 8.09.2021.



<i>Exhibits</i>	<i>Documents</i>
Ex.D71	Certified copy of the sale deed and Construction agreement for VGK SAINDHAVI along with original brochure dated 28.12.2022.
Ex.D72	Certified copy of the sale deed and Construction agreement for VGK SANGAMITHRA along with original brochure dated 01.02.2023.
Ex.D73	Certified copy of the sale deed and Construction agreement VGK UNITY KINGDOM with original brochure dated 07.11.2022.
Ex.D74	Photocopy of Joint Development agreement for VGK SPRING FIELD along with original brochure dated 07.07.2023.
Ex.D75	Certified copy of the sale deed and photocopy of the Construction agreement for VGK DIVINE LIGHT along with original brochure dated 17.08.2016 & 28.11.2016.
Ex.D76	Certified copy of the sale deed and photocopy of the Construction agreement for VGK PRIME ROSE along with Original brochure dated 27.03.2018 & 20.04.2018.
Ex.D77	Certified copy of the sale deed for VGK BRINDAVAN along with original brochure dated 19.11.2017.
Ex.D78	Certified copy of the sale deed and photocopy of the Construction agreement for VGK MATHURA along with original brochure dated 10.07.2018 & 20.08.2018.
Ex.D79	Certified copy of the sale deed and photocopy of the Construction agreement for VGK Sai Gurus than along with original brochure dated 06.12.2018.
Ex.D80	Certified copy of the sale deed and photocopy of the Construction agreement for VGK ISHANI along with original brochure dated 15.12.2018 & 18.01.2019.



<i>Exhibits</i>	<i>Documents</i>
Ex.D81	Certified copy of the sale deed and Construction agreement for VGK CHETHANA along with original brochure dated 27.04.2019.
Ex.D82	Certified copy of the sale deed and photocopy of the Construction agreement for VGK MITHILA along with original brochure dated 10.04.2019 & 23.05.2019.
Ex.D83	Certified copy of the sale deed and Construction agreement for VGK AATHMIKA along with original brochure dated 1.11.2019.
Ex.D84	Certified copy of the sale deed and construction agreement for VGK AVYUKTA along with original brochure dated 10.01.2020 & 22.01.2020.
Ex.D85	Certified copy of the sale deed and Construction agreement for VGR ARADHANA along with original brochure dated 15.09.2019 & 11.09.2019.
Ex.D86	Certified copy of the sale deed and Construction agreement for VGK ADVAITHA along with original brochure dated 15.04.2021.
Ex.D87	Certified copy of the sale deed and Construction agreement for VGK LAVANTHIKA along with original brochure dated 09.12.2019.
Ex.D88	Certified copy of the sale deed and Construction agreement for VGK SAMYUKTHA along with original brochure dated 11.01.2021.
Ex.D89	Certified copy of the sale deed and Construction agreement for VGK SAKSHI along with original brochure dated 20.10.2020.
Ex.D90	Certified copy of the sale deed and Construction agreement for VGK AARUNYA along with original brochure dated



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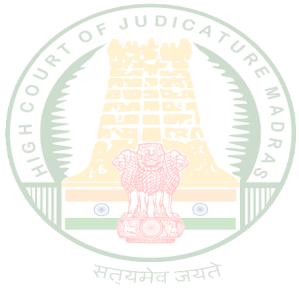
<i>Exhibits</i>	<i>Documents</i>
	09.09.2021.
Ex.D91	Certified copy of the sale deed and Construction agreement for VGK VAINAVI along with Original brochure dated 16.07.2021.
Ex.D92	Certified copy of the sale deed and Construction agreement for VGK MITHRAN along with Original brochure dated 14.10.2020.
Ex.D93	Certified copy of the sale deed and photocopy of the Construction agreement for VGK SAI KRIPA along with Original brochure dated 02.12.2021 & 11.02.2022.
Ex.D94	Certified copy of the Sale Deed for VGK GREEN CITY along with Original brochure dated 23.11.2022.
Ex.D95	Certified copy of the Sale Deed for VGK GREEN CITY II along with Original brochure dated 23.02.2023.
Ex.D96	Certified copy of the sale deed and Construction agreement for VGK SUMMER GARDEN along with Original brochure dated 24.08.2023.
Ex.D97	Certified copy of the Power of Attorney for VGK SRI SAI ENCLAVE along with Original brochure dated 27.07.2022.
Ex.D98	Certified copy of the sale deed and photocopy of the Construction agreement for VGK SRI SAI ENCLAVE along with Original brochure dated 10.4.2023 & 4.5.2023.
Ex.D99	Certified copy of the Power of Attorney VGK SAI AROOGYA along with Original brochure dated 27.07.2022.
Ex.D100	Certified copy of the Power of Attorney VGK SAI SHRISHTI along with Original brochure dated 27.07.2022.
Ex.D101	Certified copy of the Power of Attorney VGK SAI AKSHAYA along with Original brochure dated 27.07.2022.
Ex.D102	Certified copy of the Power of Attorney VGK SAI SUROOPA



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<i>Exhibits</i>	<i>Documents</i>
	along with Original brochure dated 27.07.2022.
Ex.D103	Printout of the Advertisement flyers of the defendants.
Ex.D104	Original of Promotional material in newspapers, brochures, calendars.
Ex.D105	Photocopy of Membership Registrations of the defendants.

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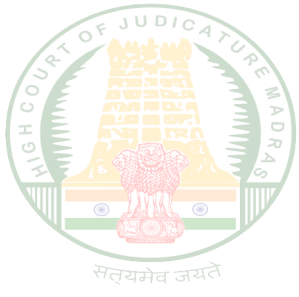


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SENTHILKUMAR RAMAMOORTHY,J

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