

(2014) 09 DEL CK 0049

Delhi High Court

Case No: CS (OS) No. 1584/2007

Ram Pal Chauhan

APPELLANT

Vs

County Apparels

RESPONDENT

Date of Decision: Sept. 9, 2014

Acts Referred:

- Civil Procedure Code, 1908 (CPC) - Section 10
- Trade Marks Act, 1999 - Section 27, 27(2), 28(3), 30(1)(d), 33

Hon'ble Judges: G.P. Mittal, J

Bench: Single Bench

Advocate: Sushant Singh, P.C. Arya and Tejinder Singh, Advocate for the Appellant

Judgement

G.P. Mittal, J.

This suit for permanent injunction, passing off, damages and delivery up has been filed by the Plaintiff against the Defendants with the averments that the Plaintiff is a proprietor of firm "M/s. Classic Apparels" and is carrying on business of readymade garments, particularly jeans under the trademark DEVIN.

2. The said trademark was adopted by the Plaintiff in the year 2003 and the goods were introduced in the market in the year 2004. The turnover in respect of the goods sold by the Plaintiff under the trade name DEVIN rose from Rs. 1,47,14,866/- in the year 2004-2005 to Rs. 11,48,57,719/- in the year 2006-2007.

3. It is averred that the Plaintiff also applied for registration of the said trademark by application no. 1322761 on 29.11.2004 in relation to readymade garments and the said application is pending registration. (It is urged that the application has since been stated to be abandoned by the order dated 02.09.2014 uploaded on the site of the Trade Mark Registry and the Plaintiff is taking steps for setting aside of abandonment).

4. It is alleged that in November, 2006, the Plaintiff came to know that Defendant no. 1 has started manufacturing readymade garments under the trade name DEVIN and is passing off its goods as those of the Plaintiff. Defendant no. 1 has also appointed Defendants no. 3 to 5 as its distributors. A legal notice dated 28.12.2006 (Ex. PW1/ 7) was issued to Defendant no. 1 requiring it to desist from using the trademark DEVIN and to render accounts of profits made by it by use of the trademark DEVIN. Defendant no. 1 gave reply dated 09.01.2007 (Ex. PW1/ 8) admitting that the Plaintiff was the prior user of the trademark DEVIN and also gave an undertaking not to use the said trademark in future.

5. It is the case of the Plaintiff that instead of abiding by the terms of the reply to the legal notice, Defendant no. 1 went on to file a suit for infringement of its trade mark in the District Court, Delhi which has since been dismissed by the learned Additional District Judge by an order dated 02.09.2009.

6. The Plaintiff thus, prayed for relief of permanent injunction restraining the Defendants from fabricating and marketing readymade garments under the trade name DEVIN and passing off their goods as those of the Plaintiff.

7. The Plaintiff also seeks a decree of delivery of the offending goods for the purpose of destruction and obliteration and a decree of damages to the tune of Rs. 20 lakhs.

8. Defendants no. 1 and 2 filed a joint written statement contesting the claim of the Plaintiff urging that the Defendants were the prior users of the trademark DEVIN. Defendant no. 3 also filed a written statement contesting the suit of the Plaintiff. Defendants no. 4 and 5 preferred not to contest the suit or file any written statement. They were ordered to be proceeded ex parte vide order dated 01.09.2009.

9. In the replication, the Plaintiff reiterated the averments made in the plaint and denied those in the written statements.

10. On the basis of the pleadings of the parties, following issues were framed by this Court by order dated 25.05.2010:-

"(i) Whether the proceedings of the present suit are liable to be rejected under Section 10 CPC? OPD.

(ii) Whether the Plaintiff is the proprietor of trade mark "DEVIN", if so, to what effect? OPP.

(iii) Whether the Defendants are using the mark "DEVIN" and passing off their goods under the said mark as that of the Plaintiff, if so, to what effect? OPD.

(iv) Whether the Plaintiff is entitled to damages of Rs. 20,00,000/-? OPP.

(v) Relief."

11. During evidence, the Plaintiff Ram Pal Chauhan filed his own Affidavit Ex. PW1/ A and reiterated the averments made in the plaint. The Plaintiff also proved various documents Ex. PW1/ 1 to Ex. PW1/11. The legal notice dated 28.12.2006 was proved as Ex. PW1/ 7 and its reply by Defendants no. 1 and 2 was proved as Ex. PW1/ 8.

12. Initially, adjournment was sought on behalf of Defendants no. 1 to 3 to cross examine PW1. However, these Defendants preferred not to appear in the Court on 28.09.2011 and the right to cross examine PW1 was closed. The Defendants also failed to produce any evidence and hence, the evidence of the Defendants was ordered to be closed.

13. Subsequently, Defendants no. 1 to 3 were also ordered to be proceeded ex parte.

14. I have heard the learned counsel for the Plaintiff and have perused the evidence produced and the documents proved on record.

Issue No. (i) :

15. Onus to prove this issue was on the Defendants. No evidence has been led by the Defendants to show that the matter in issue in this suit was also directly and substantially in issue in the previously instituted suit by Defendant no. 1 against the Plaintiff. Rather a statement was made by the learned counsel for the Plaintiff that the suit pending before the Additional District Judge, Tis Hazari Court was dismissed by the Court of learned Additional District Judge, Tis Hazari on 02.09.2009. The issue is accordingly decided against Defendant no. 1 in negative.

Issues No. (ii) And (iii) :

16. Plaintiff in his evidence by way of Affidavit Ex. PW1/ A has testified that he was carrying on the business of readymade garments of various kinds particularly jeans under the trademark DEVIN adopted by him in the year 2003. He testified that readymade garments including jeans were introduced in the market in the beginning of year 2004 with the said trademark. He testified that by virtue of long use of the said trademark DEVIN, the Plaintiff has earned a valuable goodwill and the trademark has acquired high level of distinctiveness with the goods of the Plaintiff. He deposed that the Plaintiff's sales in the year 2004- 05 were of Rs. 1,47,14,866/- which rose to over Rs. 11 crores in a span of three years. He deposed that he also filed application no. 1322761 for registration of the trademark DEVIN in relation to readymade garments on 29.11.2004, copy of the said application was proved as Ex. PW1/ 2. PW1 further proved various advertisements of the Plaintiff's goods with the trademark DEVIN as Ex. PW1/ 3 collectively. He stated that Defendant no. 1 was the Plaintiff's fabricator from the period 2004 to 19.10.2006. Defendant no. 1 started fabricating readymade garments under the trademark DEVIN sometimes in November, 2006 and started approaching the Plaintiff's customers to pass on Defendant no. 1's goods as those of the Plaintiff. PW1 also

proved on record the legal notice dated 28.12.2006 as Ex. PW1/ 7 and its reply given by Defendant no. 1 as Ex. PW1/ 8 wherein Defendant no. 1 admitted and acknowledged use of the Plaintiff's mark and undertook not to infringe the same. Instead of abiding by the undertaking given in the reply Ex. PW1/ 8, Defendant no. 1 proceeded to get the trademark DEVIN registered in his name. When reply to the notice Ex. PW1/ 8 was put to Defendant no. 1 for admission and denial, Defendant no. 1 admitted his signature upon the same but denied its contents. This was clearly a dishonest denial of the contents on the part of Defendant no. 1. PW1 went on to add that on 19.07.2007, he purchased one of Defendant no. 1's product through cash memo Ex. PW1/ 10. As stated earlier, no one appeared on behalf of the Defendants to cross examine PW1. No evidence was produced by Defendants no. 1, 2 or 3 to rebut the evidence produced by the Plaintiff. It is true that the Plaintiff has not obtained registration of his trademark, but that will not debar him from seeking an action of passing off the goods against the Defendants. In this connection, a reference may be made to Section 27 of the Trade Marks Act, 1999 (the Act) . Section 27 reads as under:

"27. No action for infringement of unregistered trade mark.-(1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark.

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof."

17. In the case of [N.R. Dongre and Others Vs. Whirlpool Corporation and Another](#), , a Division Bench of this Court held that the right of action under Section 27(2) of the Act is not affected by Section 28(3) and Section 30(1)(d) . The relevant portion of the report is extracted hereunder:

"29.A reading of Section 28(3) with Section 30(1)(d) shows that the proprietor of a registered trade mark cannot file an infringement action against a proprietor of an identical or a similar trade mark. While Section 28(3) and 30(1)(d) on the one hand deal with the rights of registered proprietors of identical trademarks and bar action of infringement against each other. Section 27(2) on the other hand deals with the passing off action. The rights of action under Section 27(2) are not affected by Section 28(3) and Section 30(1)(d) . Therefore, registration of a trade mark under the Act would be irrelevant in an action for passing off. Registration of a trade mark in fact does not confer any new right on the proprietor thereof than what already existed at common law without registration of the mark. The right of goodwill and reputation in a trade mark was recognised at a common law even before it was subject of statutory law. Prior to codification of trade mark law there was no provision in India for registration of a trade mark. The right in a trade mark was acquired only by use thereof. This right has not been affected by the Act and is preserved and recognised by Section 27(2) and 33."

18. From the unchallenged and un rebutted evidence produced by the Plaintiff, it is established that the Plaintiff is the proprietor of trademark DEVIN and Defendant no. 1 is passing off its goods with the mark DEVIN as those of the Plaintiff.

19. The case of the Plaintiff is that Defendants no. 3, 4 and 5 were Defendant no. 1's dealers and stockists. However, no evidence was produced by the Plaintiff to prove that Defendants no. 3 to 5 were dealing with the goods with the trademark of the Plaintiff and thus, passing off the goods as that of the Plaintiff. Hence, it cannot be said that Defendants no. 3 to 5 are using the mark DEVIN and passing off their goods as that of the Plaintiff. Issues no. 2 and 3 are therefore, decided accordingly.

Issue No. (iv) :

20. The learned counsel for the Plaintiff has withdrawn the relief of damages. Consequently, the issue has become redundant.

Issue No. (v) (Relief) :

21. In view of my discussion upon issues no. 2 and 3 above, suit of the Plaintiff is hereby decreed in terms of para 18 (a) of the plaint with costs.

22. Decree sheet be drawn accordingly.

23. Pending applications stand disposed of.