

(2016) 05 DEL CK 0109

DELHI HIGH COURT

Case No: I.A. 21931 of 2014 in CS(OS) 3378 of 2014

Vardhman Properties
Ltd.

APPELLANT

Vs

Vardhman Realtech
Pvt. Ltd. & Ors.

RESPONDENT

Date of Decision: May 31, 2016

Acts Referred:

- Civil Procedure Code, 1908 (CPC) - Order 39 Rule 1, Order 39 Rule 2
- Trade Marks Act, 1999 - Section 17, 28, 29

Citation: (2016) 231 DLT 535 : (2016) 158 DRJ 685 : (2016) 3 MIPR 135 : (2016) 67 PTC 24 :
(2016) 6 RAJ 313

Hon'ble Judges: V. Kameswar Rao, J.

Bench: Single Bench

Advocate: Mr. Sanjay Goswami, Advocate, for the Appellant; Ms. Prachi Aggarwal,
Advocate, for the Respondent

Final Decision: Disposed Off

Judgement

V. Kameswar Rao, J.—I.A. 21931/2014 in CS(OS) 3378/2014

I.A. 14073/2013 in CS(OS) 1712/2013

As similar applications under Order 39, Rule 1 and 2 CPC read with Section 151 CPC have been filed by the plaintiff in both the Suits wherein the averments are identical and the plaintiff being same and the defendants belong to the same group of companies, the applications are being disposed of by this Common order noting the facts in each application, separately.

I.A. 21931/2014

In this application the plaintiff has made the following prayers:

"a) Restrain the defendants, their Principal officers. Promoters, Directors, Employees, Family Members, Partners/Proprietors, associates and Associate Companies/Sister concern as the case may be, servants, agents and anyone acting for and on their behalf of using the Mark/brand name VARDHMAN or VARDHMAN PLAZAS or the Corporate Name VARDHMAN or any other mark which is identical or deceptively similar to the plaintiff company's and by extension the Vardhman Plazas and Corporate Name VARDHMAN name in any manner whatsoever for any product or service or in relation to any activity thereby amounting to Passing Off, or from holding out to the public that they are in anyway connected with the plaintiff company and by extension, the Vardhman Plazas, and from doing anything that A may amount to unfair dealing, or from in any manner tarnishing or image of the Mark/Name VARDHMAN, by means of a ex-parte ad interim injunction in favour of the plaintiff and against the said defendants.

b) Pass any such other and further orders in favour of the plaintiff company as this Hon"ble Court may deem fit and proper in the facts and circumstances of the present case."

2. The plaintiff has filed a Suit for infringement of trade mark, permanent injunction, rendition of accounts and passing off etc.

3. The case of the plaintiff is that plaintiff and its associate companies compositely known as "VARDHAMAN PLAZAS" are Real Estate Developers and are engaged in the business of real estate since 1981. It had obtained the registration of trademark "Vardhman Group" in 2005. They have obtained the registration of the trade name/mark "VARDHAMAN PLAZAS" and Vardhman logo under Class 37 of the Trade Marks Act, 1999 in the year 2011. It is the case of the case of the plaintiff that it had come to know that the defendants have been offering their services under the trade name/mark VARDHMAN and using the same word as a part of their corporate name as M/s Vardhman Real Tech Pvt. Ltd. and Vardhman Infra Developers Pvt. Ltd. According to the plaintiff, the name/mark VARDHMAN as used by the defendants is phonetically and visually identical to the name/mark VARDHMAN used by the plaintiff. According to the plaintiff, the defendant Nos. 1 and 2 got registered as a Private Ltd. Companies in Delhi on 5th April, 2010 and 16th August, 2010, respectively, which is in violation of Section 22 of the Indian Companies Act, 1956 as the defendant no. 1 and 2/Companies have been registered with the name which closely resembles the name of the plaintiff and its associate companies, which is bound to cause confusion in the minds of a public and also of the trade as regards the defendants services and activities having somehow and in some manner association with the activities of the plaintiff and its associate companies under the banner of Vardhman Plazas and/or Vardhman.

4. It is averred that the plaintiff has been over the years carrying on an extensive advertising and publicity campaign in respect of its products in the form of advertisements in Print Media, Television, Radio, Outdoor signs, point of purchase

displays and through gifts and incentives to brokers etc. It is the case of the plaintiff that the sales promotional expenses of the plaintiff company for the year 2012-13 was Rs. 111.40 lacs. It is the case of the plaintiff that the defendants want to encash the reputation of the plaintiff and its associates under the Banner Vardhman Plazas. It is averred that plaintiff is one of the largest real estate development companies in Delhi & NCR with a turnover of Rs. 164.20 Crores in the year ending 31.3.2012 and Rs. 99.12 Crores approximately in the year ending 31.3.2013. The plaintiff and its associate group companies have till date constructed 141 projects in Delhi and around under the brand name VARDHMAN. All the buildings constructed by plaintiffs and its associate companies are by carrying their trade name/corporate name VARDHMAN as part of their name. They have been in the business for the last 30 years and have developed a reputation and the word VARDHMAN has been identified with the Plaintiff Company/group companies.

5. The defendants in their reply to this application have stated that the plaintiff has concealed material facts in as much as it has not mentioned the earlier use of "VARDHMAN" in the name of various companies of the defendant group and the existence of the "Vardhman Estates and Developers Pvt. Ltd." since 1996. The defendants have also referred to CS (OS) 1712/2013 filed by the plaintiff against the defendant group of companies "Vardhman Buildtech" before this Court but no injunction has been granted. The present suit is nothing but an attempt to harass the defendants by taking multiple actions against defendant group of companies for the same issue in controversy. It is stated that the submission of the plaintiff is clearly contrary to the well-established principles of trade mark law which requires a mark to be taken as a whole instead of dissecting it into individual parts. The trademark registrations relied upon by the plaintiff pertains to "VARDHMAN PLAZA" and "VARDHMAN GROUP". However, it is not the case of the plaintiff that the defendants are using any of the above mark. However, there is no evidence whatsoever of any goodwill and reputation to its credit in the mark "VARDHMAN" and the aforesaid registration are totally irrelevant in order to sustain the plaintiff's claim. Furthermore, it is relevant that the word "Vardhman" is used by number of parties for same or different sets of service or services either per se or in conjunction with other works. In view of above, the word "VARDHMAN" will be associated with each of such parties who have peacefully co-existing in the mark and on the Register, operating from various jurisdictions for their respective set of products. Hence the plea of the plaintiff claiming monopoly or exclusivity in the mark "VARDHMAN" is completely baseless, unfounded and misleading.

6. In reply the defendants have also made a reference to CS(OS) 2160/2000 wherein the plaintiff has agreed not to use "Vardhman Group". It is their case that the "Vardhman Group" is only registered in Class 16 and not Class 37 where the defendants are dealing in. Therefore their claim that they are exclusive user in real estate field in Class 37 is not supported legally.

7. The case of the defendants is that there is no cause of the action for the plaintiff to approach this Court. They referred to the Company of the defendants group in the name of "Vardhman Estate Developers Pvt. Ltd." which is in operation since 1996 and at no point of time during its operations since 1996, the defendant group has infringed the registered trademark(s) of the plaintiff. The defendants are carrying out its business with its own trademark which in any way and by no stretch imagination can be termed as deceptively similar to the one being use by the plaintiff. According to the defendants, it is a common knowledge that in order to establish a case of passing off, plaintiff must succeed in establishing three primary requirements, viz., reputation, deception and damage, commonly known as classical trinity. The defendants denied the exclusivity on the word "VARDHMAN". They referred to Section 17 of the Trademark Act, 1999. It is their case that the expression registered as trademark by the plaintiff is "VARDHMAN PLAZA". Therefore, the effect of registration of the two expressions is that the plaintiff has exclusive right only on the above two expressions and not individual words when used singularly. It is also the case of the defendants that multiple parties are using "Vardhman" and VARDHMAN formative marks. Hence, the plaintiff has no right in law or equity for the exclusive use of "VARDHMAN". It is also stated that nature of the mark-word "VARDHMAN" is not an invented name, but it is a name of God. Lord Vardhman is associated with the Jain Religion, worshipped and adored by millions of people in India, cannot be claimed exclusively by any person whatsoever. It is averred that as on 1st January, 2013, there are 319 companies registered all over India by the name of "Vardhman" with the Registrar of the Companies. According to the defendant in order to establish a case of passing off, the plaintiff must succeed in establishing three primary requirements, reputation, deception and damage commonly known as the classical trinity. It is averred that the plaintiff has not explained as to what misrepresentations on the part of the Defendants have culminated into the deception played by the Defendants upon the clientele of the Plaintiff and in what manner the acts of the Defendants have communicated to the Plaintiffs potential customers that the products and services offered by the Defendants are those of the Plaintiff. In fact, it is averred that the Director of the plaintiff company along with another director of the Plaintiff company had personally participated in the "Mata ki Chowki" during the Bhoomi Pujan of one of the Defendants Associate company i.e. Vardhman Estates Developers Pvt. Ltd. at Greater Noida in the year 2009. Defendant Nos. 1 to 5 have opposed the relief as sought for in the application filed by the plaintiff.

8. The defendants have also pleaded delay and latches inasmuch as the plaintiff was aware of the existence of the defendants business from the very inception of "Vardhman Estates Developers Pvt. Ltd." since 1996 and the plaintiff's founding Directors are also relatives of the defendants herein. They have also stated that the founding Directors of "Vardhman Estates Developers Pvt. Ltd." Mr. Rajinder Prasad and Mrs. Promila Jain were also subscribers of the plaintiff company. Hence the

present suit also suffers from undue delay. It is further submitted that the defendant group has been advertising its services both in print and transmission media openly and without any restraint. The defendant group is regularly inserting advertisement in National Newspapers like Hindustan Times, Times of India etc. and the plaintiff cannot claim ignorance of the same, specially because the plaintiff is also providing similar services in the same trade. Apart from this, the defendants have placed hoardings displaying details of their projects in and around the City of Delhi at conspicuous locations which in any case could not have escaped the attention of the plaintiff. It is strange that on the basis of the said advertisements, hoardings and the visual and audible publicity, the defendants' customers are approaching them regularly while the plaintiff continues to plead ignorance with regard to the same till as late as September, 2014. Further the plaintiff has been in transaction with "Vardhman Estates Developers Pvt. Ltd." during the period January, 2008 to 30th December, 2009, which are duly reflected in the books of accounts of the Company. In view of this fact, the plaintiff's submissions that it is not aware of the incorporation and activities of the defendants is totally farce and factually incorrect. Hence the defendants seek dismissal of the application.

IA 14073/2013 in CS(OS) 1712/2013.

9. The prayer in this application is as under:

"a) Restrain the defendants, their Principal officers. Promoters, Directors, Employees, Family Members, Partners/Proprietors, associates and Associate Companies/Sister concern as the case may be, servants, agents and anyone acting for and on their behalf from using the Mark/brand name VARDHMAN or VARDHMAN PLAZAS or the Corporate Name VARDHMAN or any other mark which is identical or deceptively similar to the plaintiff company's and by extension the Vardhman Plazas and Corporate Name VARDHMAN name in any manner whatsoever for any product or service or in relation to any activity thereby amounting to Passing Off, or from holding out to the public that they are in anyway connected with the plaintiff company and by extension, the Vardhman Plazas, and from doing anything that A may amount to unfair dealing, or from in any manner tarnishing or image of the Mark/Name VARDHMAN, by means of a ex-parte ad interim injunction in favour of the plaintiff and against the said defendants.

b) Pass any such other and further orders in favour of the plaintiff company as this Hon"ble Court may deem fit and proper in the facts and circumstances of the present case."

10. The plaintiff has filed a Suit for infringement of trade mark, permanent injunction, rendition of accounts and passing off etc. The plaintiff is same as in CS(OS) 3378/2014. I may state here that the averments in this suit as well as the application are identical to those averred in IA 21931/2014. Hence, I am not repeating the stand of the parties in their respective pleadings. The only extra

feature in so far as this suit/application is concerned is that when this suit was filed only 5 defendants were arrayed in the memo of parties. Later VARDHMAN ESTATES AND DEVELOPERS PVT. LTD. got itself impleaded as defendant no. 6 in the Suit. The said defendant has also filed a reply to this application. It is stated that the defendants are not using the trade name/mark "VARDHMAN GROUP" AND "VARDHMAN PLAZA". They relied upon the order passed dated 14th December, 2012 in CS(OS) 2160/2000, wherein the plaintiff herein agreed not to use "VARDHMAN GROUP". The trade mark "VARDHMAN GROUP" is registered in class 16 and not in class 37 where the defendants are dealing in. Therefore, the plaintiff's claim that they are exclusive user in Real Estate field is not supported legally. In other words, it is the case of the defendant no.6 that it is wrong on the part of the plaintiff to state that the word "VARDHMAN" has been exclusively registered in their name. The said defendant states that the plaintiff is only registered proprietor of "VARDHMAN PLAZA" under class 37, which therefore has no relevance. It is also stated that the outline, content, colour scheme and visual impact of the Trade Mark being used by the Defendants is totally distinct and dissimilar to the one used by the Plaintiff and therefore there is neither any possibility of infringement of the said Trade Mark(s) nor any scope for passing off of the same. The Plaintiff has itself asserted that their Logo is in a hut shape, whereas Defendants' logo does not in any manner resemble a hut nor any attempt has been made to ensure that it looks like a hut or residential unit in any manner whatsoever. The case of defendant no. 6 is that it was incorporated 17 years ago, i.e., in 1996 for carrying out construction/building works under the said trade name/corporate name. It is also averred that the plaintiff has been doing transaction of substantial amount with defendant no. 6 during the period, January, 2008 to December, 2009, which have been reflected in the books of accounts of the defendant no. 6. The Plaintiff and the founding directors of the defendant group of companies belong to the same family and their business had been together for a long time and the plaintiff chose to wait for almost 20 years to file the present petition.

11. Mr. Sanjay Goswami, learned counsel for the applicant apart from reiterating the case set up by the plaintiff in its plaint would also rely upon the order passed by this court in CS(OS)1410/2006 dated 14th January, 2010, which was also filed by the plaintiff to contend that in similar circumstances and on similar cause of action as set up in the present case, the plaintiff had earlier filed a Suit against M/s Vardhman Developers and Infrastructure Pvt. Ltd., wherein this Court had granted injunction in favour of the plaintiff. He also denies that the plaintiff does not have exclusivity in the "Vardhman" which is a most essential part of the trademark of the plaintiff. He states that the Suit which has been filed by the plaintiff is for infringement of the trademark by the defendants and the plea that word "VARDHMAN" is having a generic significance and cannot be monopolised by the plaintiff is concerned, the plaintiff being registered trademark holder as regards word "VARDHMAN" in class 37 of the Trademark Act, the defendants have no right to use "VARDHMAN" as their

trade name/corporate name for any activity. In so far as plea of the defendant no. 6 is concerned, Mr. Goswami states that defendant no. 6 was never engaged in real estate development projects and was a company dealing only in investment and real estate brokerage at a very small level. The net worth of defendant No. 6 is only Rs. 12 lakhs as against the net worth of Vardhman Plaza Group of Companies was Rs.890 Crores as on 31.3.2012. He would submit that it would thus be seen that the defendant No. 6 has never dealt with any real estate development projects and in fact even as on today the defendant No. 6 M/s Vardhman Estate and Developers Pvt. Ltd. is marketing only one project known as I-Valley, Greater Noida, UP which is a project of another company M/s. Zestha Projects Pvt. Ltd. The defendant No. 6 has no other real estate promotion and development project and therefore, it cannot claim to be entitled to the use of Trade Mark "Vardhman" from 1996, as it started using the said Mark for advertising the project Vardhman I Valley, only as per its own case in the year 2011-2012. He would state that the defendants previously advertised their projects in Riwari Bhaskar Newspaper on 02.08.2008 and 03.08.2008 as BCPL Vardhman. The defendants now have started advertising only in the name of Vardhman and are en-cashing on the goodwill and reputation of the plaintiff company by issuing advertisements with 12% assured returns. This scheme is called "Ponzy Scheme" as per the SEBI. The defendants in this manner have by misrepresentation admittedly collected Rs. 172 Crores, as Deposits from public in response of such advertisements. It is stated that as per SEBI instructions and circulars such investments fall under collective investment schemes and are not permissible to NBFC and chit funds having corpus of more than Rs.100 Crores. The said activities are therefore not only illegal, but also tarnish the goodwill and name of the plaintiff company, which does not indulge in any such assured return schemes. The "VARDHMAN" is core and essential part of the registered trade mark and plaintiff being "VARDHMAN PLAZAS" as also "VARDHMAN GROUP" to the extent that the word Vardhman in real estate projects in Delhi and NCR is the registered Trade Mark of the plaintiff company, the defendants cannot be permitted to use the essential portion of the registered Trade Mark of the plaintiff.

12. To strengthen his arguments, Mr. Goswami has relied upon the following judgments:

1. Ramdev Food Products Pvt. Ltd. v. Arvinbhai Rambhai Patel and Ors. AIR 2006 SC 3304.
2. United Biotech Pvt. Ltd. v. Orchid Chemicals and Pharmaceuticals Ltd. and Ors. 2011 (5) R.A.J. 340 (DEL)
3. Metro institute of Medical Sciences Pvt. Ltd. v. Fahad Ishahi 2013 (196) DLT 734.
4. Satya Infrastructure Ltd. and Ors. v. Satya Infra and Estate Pvt. Ltd. 2013 (4) R.A.J. 503 (DEL)
5. Keshav Kumar Aggarwal v. NIIT Ltd. 2013 (199) DLT 527.

6. DRS Logistics Pvt. Ltd. v. Rajesh Aggarwal 2013 (199) DLT 527.
7. Macleods Pharmaceuticals Ltd. v. Procure Laboratories Pvt. Ltd. 2013 (199) DLT 202.
8. Midas Hygiene Industries Pvt. Ltd. v. Sudhir Bhatia 2004 (73) DRJ 647.
9. Power Control Appliances and Ors. v. Smit Machine Pvt. Ltd. (1994) 2 SCC 448 .
10. M/s. Hindustan Pencils Pvt. Ltd. v. M/s. India Stationary Products Co. & Anr. AIR 1990 Delhi 19.
11. The Timken Company v. Timken Services Pvt. Ltd. 200 (2013) DLT 453.

In addition he has placed reliance on the order dated 14th January, 2010 passed in CS(OS) 1410/2006 Vardhman Properties Ltd. v. Vardhman Developers and Infrastructures.

13. On the other hand, Mrs. Prachi Aggarwal, learned counsel for the defendants apart from reiterating the stand taken by defendants would submit that the defendant group of companies has been using "VARDHMAN" as part of corporate name since 1996 when the "VARDHMAN ESTATES AND DEVELOPERS PVT. LTD." was incorporated, which clearly establishes the rights of the defendant group of companies in the mark "VARDHMAN" for almost two decades. She states prior to the incorporation of the "VARDHMAN ESTATES AND DEVELOPERS PVT. LTD." the founding Directors of the said Company were also Directors of the plaintiff company when it was incorporated in 1981. She states that the plaintiff has concealed the material fact in as much as it has not made a whisper of an earlier use of "VARDHMAN" in the name of the various companies of the defendant group and about the existence of the "VARDHMAN ESTATES AND DEVELOPERS PVT. LTD." and the use of the mark "VARDHMAN" since 1996. She states that Mr. R.P. Jain and Ms. Promila Jain were part of the plaintiff group and related to the plaintiff at the time of incorporation of the same. According to her, defendant group of companies has been doing business of Real Estate and has been profusely advertising their projects in local and national newspapers, as also in other print and visual media. Therefore, it is not possible for the plaintiff to remain unaware of the activities and services of the defendants for such a long time. She also relies upon the plaintiff having personally attended the "Mata Ki Chowki" during Bhoomi Pujan of "VARDHMAN ESTATES AND DEVELOPERS PVT. LTD.". According to her, ledger account statements show the disbursal of loan by VEDPL to the plaintiff in 2008. She vehemently argued that the petitioner being aware of the existence of the defendants business from the very inception of "VARDHMAN ESTATES AND DEVELOPERS PVT. LTD." since 1996 and the fact that the plaintiffs have transaction with the "VARDHMAN ESTATES AND DEVELOPERS PVT. LTD." from 2008-2009 and even if the plaintiff was aware of the defendants using the word "VARDHMAN" in the year 2008-2009, the plaintiff stood by knowingly and let the defendants built up their business and venture, then the

plaintiffs would be estopped by acquiescence. She would rely upon the following judgments on the plea of acquiescence.

"Warner Bros. Entertainment Inc. v. Harinder Kohli, CS(OS) 1607 of 2008, Delhi High Court;

Khoday Distilleries v. Scotch Whisky, AIR 2008 SC 2737;

Gillette Company and Ors. v. A.K. Stationer and Ors. IAs. 12520/99 and 3572/2000 in Suit No. 2732 of 1999."

Similarly, she would rely upon the judgment Shri Gopal Engg. & Chemical Works v. M/s. POMX Laboratory, AIR 1992 Delhi 302 to contend that the plaintiff was sleeping over its rights.

14. According to her, delay amounting to laches or acquiescence, as well as delay coupled with suppression can be valid ground for refusal to grant interim relief to the plaintiff on the basis of the following cases:

1. Eveready Industries India Ltd. v. Sanjay Chadha and Anr. 2011 (45) PTC 22 Del.
2. Honda Motor Company Ltd. v. Kewal Brothers and Anr. 2002 (25) PTC 763.
3. Hearst Communications Inc. v. Dinesh Varyana and Anr. CS(OS) No. 458 of 2008. Delhi High Court 2009.

15. On merit, it is her submission that defendants are bona fide adopter and user of the Mark and logo incorporating "VARDHMAN". She would submit that the plaintiff and the founding directors of the Defendant group of companies belong to the same family and their business had been together for a long time. However, consequent upon resigning of one brother the family business was carried out in two separate groups. The business was originally in the name of Vardhman Properties Ltd. (the plaintiff herein) wherein Shri Ashok Kumar Jain, Shri Anil Kumar Jain, Shri Jagdish Prasad Jain, Smt. Jai Mala Jain, Shri Sunil Kumar Jain, Shri Rajendra Prasad Jain and Smt. Promila Jain were Directors. Shri Rajinder Prasad Jain and Shri Jagdish Prasad Jain, both sons of late Shri Duli Chand Jain were real brothers. After alienating from the business one brother Shri Rajinder Prasad Jain nurtured two Companies namely Vardhman Estates Ltd. and Vardhman Estates and Developers Pvt. Ltd. Two other Companies namely Vardhman Buildtech Pvt. Ltd. and Vardhman Infra Developers Pvt. Ltd. were also started wherein the said Shri Rajinder Prasad Jain was also a Director. The Group has been carrying out business of construction with full knowledge, consent and understanding of the plaintiffs group of companies and ever since early eighties the Defendant Group Companies are using the name "Vardhman" in their projects, logo, corporate and trade names. During all these years there has been no objection, protest or challenge from the Plaintiffs side to the use of the word "Vardhman" by the Defendant Group of Companies in any manner whatsoever. However with the retirement of said Shri Rajinder Prasad Jain

from the Defendant Group on health grounds in 2012 ♦ 2013, the plaintiff has come up with all these objections against the Defendants with regard to the use of the word "Vardhman" by them. She also states that defendants are regularly inserting advertisements in National Newspapers namely Hindustan Times, Times of India and the plaintiff cannot claim ignorance about the same, especially because the plaintiff is also providing similar services in the same trade. She also states that there is no deceptive similarity in the trademark. According to her, as per the established principle of trade mark law, a mark has to be seen as a whole instead of dissecting it into individual parts. The trademark registration relied upon by the plaintiff are pertaining to "VARDHMAN GROUP" and "VARDHMAN PLAZA". However, it is not case of the plaintiff that the defendants are using any of the above marks, i.e., "VARDHMAN GROUP" and "VARDHMAN PLAZA" but they are constantly claiming rights in the mark "VARDHMAN". However, there is no evidence whatsoever of any good will and reputation to plaintiff's credit in the mark "VARDHMAN" and their registrations are irrelevant in order to sustain the plaintiff's claim. At last it is her case the mark used by many-public juris. In this regard she would state there are multiple parties in the country co-existing with the use of the mark "VARDHMAN". Furthermore the mark and various variants of the same have been registered by multiple users in various classes including 37 for goods/services in which both the plaintiff and defendants are doing business.

16. Having heard, learned counsel for the parties, there is not dispute that this Court vide this order is considering the applications under Order 39, Rule 1 and 2 CPC. The relevant considerations for considering the application under Order 39, Rule 1 and 2 CPC is whether the plaintiff has been able to make a prima facie case, balance of the convenience is in its favour and a irreparable loss shall be caused to the plaintiff, if the prayer in the application is granted.

17. There is no dispute that the plaintiff has a registration in the trade mark "VARDHMAN PLAZA" and "VARDHMAN GROUP".

18. It is the case of the plaintiff that it has come to know for the first time in July, 2013 that the defendants are offering their services under the name/mark "VARDHMAN", which aspect has been denied by the defendants primarily by stating that one of the Group Companies of the defendant being "VARDHMAN ESTATES AND DEVELOPERS PVT. LTD." has been registered in the year 1996 and this fact was aware to the Directors of the plaintiff company, who had attended the "Mata Ki Chowki" of the "VARDHMAN ESTATES AND DEVELOPERS PVT. LTD." in the year 2009. The said Company also refers to certain loan transactions effected between the plaintiff and VARDHMAN ESTATES AND DEVELOPERS PVT. LTD. Meaningfully read the case of the defendants primarily is that the Suit is barred by delay and acquiescence as the plaintiff was aware of the position which was existing, to which the answer of the plaintiff is that it has never dealt with the Real Estate Projects and in fact even as on today, the defendant no. 6 is only marketing one project known as

I Valley, Greater Noida. Even defendant nos. 1 to 5 would contest the application on similar lines that the plaintiff was aware of the incorporation of the defendant company as also of the trade/ business being carried out by the defendant since 2007. But the fact remains, the knowledge of the defendants using the mark "VARDHMAN" or the issue of delay, laches, acquiescence are mixed questions of fact and law and the same can be decided only after trial when better evidence would come on record. The fact there is already a decision in favour of the plaintiff herein wherein this Court under similar circumstance has granted injunction in favour of the plaintiff, wherein similar plea on delay was also taken against the plaintiff and this Court by relying upon the Judgment of the Supreme Court in *Midas Hygiene v. Sudhir Bhatia*, 2004 (3) SCC 90 had rejected the plea of the defendant and held that once such a test is established in infringement actions, the Courts ordinarily should not withhold relief. I note the Supreme Court in the *Midas Hygiene* (Supra) held that in actions for injunction, based on infringement of registered trademarks, the Courts would be entirely wrong in refusing the relief merely on the basis of delay and laches. Acquiescence would classically arise where the registered proprietor knows his rights and also knows that the infringer is ignorant of them and does something to encourage infringer's misapprehension with the result the infringement continues upon such mistaken belief and the infringer worsens his position. However, in this case, the defendants are not urging lack of knowledge of plaintiff's mark; rather what is put forward is that it continued to advertise despite the plaintiff's statutory rights. Acquiescence prima facie does not arise in such situation because there is nothing to show the plaintiff's action, overt or otherwise encouraging defendant to continue using the mark.

19. In view of the aforesaid conclusion of the Supreme Court which has been relied upon by this Court, the Suits filed by the plaintiff more particularly the plea that the plaintiff was aware of one of the Group Companies of the defendants "VARDHMAN ESTATES AND DEVELOPERS PVT. LTD." was incorporated in the year 1996 and the defendants no.1 and 2 were incorporated in 2007-2008/2010 (in both the Suits), its effect need to be seen after the evidence is recorded. But at this stage noting the fact that the plaintiff has registered mark in the "VARDHMAN PLAZA", it is clear that plaintiff has established a prima facie case for grant of injunction/relief as sought for and the said relief need to be granted.

20. No doubt, learned counsel for the defendants has relied upon the judgments on acquiescence, separation, delay and laches but at this stage, noting the registration in favour of the plaintiff and the delay, laches are mixed question of law and fact, the same needs to be conclusively proved in the evidence, but till such time, as I have held that the plaintiff has been able to establish a prima facie case, the plaintiff is entitled to the interim relief as prayed for in the application and as such defendants, their principal officers, promoters, directors, employees, family members, partners/proprietors, associates and associate companies/sister concern as the case may be, servants, agents and anyone acting for and on their behalf are

restrained from using the Mark/brand name VARDHMAN or VARDHMAN PLAZAS or the Corporate Name VARDHMAN or any other mark which is identical or deceptively similar to the plaintiff company's and by extension the Vardhman Plazas and Corporate Name VARDHMAN name in any manner whatsoever for any product or service or in relation to any activity thereby amounting to Passing Off, or from holding out to the public that they are in any way connected with the plaintiff company and by extension, the Vardhman Plazas from doing anything that may amount to unfair dealing, or from in any manner tarnishing or image of the Mark/Name VARDHMAN.

21. Insofar as the plea of the learned counsel for the defendants that in a suit CS(OS) 2160/2000, this Court had granted an interim relief against the plaintiff not to use the trade mark wherein this Court had restrained the plaintiff herein not to use the word "VARDHMAN GROUP" is concerned, such issue has been dealt by this Court in its order dated 14th January, 2010 in CS(OS) 1410/2016 in  Vardhman Properties Ltd. v. M/s. Vardhman Developers and Infrastructures, which I reproduce as under wherein such a plea taken was rejected.

"12. Now it is apparent that the plaintiff is a registered proprietor of the mark in relation to the building and construction industry under the relevant class. It is also equally a fact that it was enjoined from using the term "VARDHMAN GROUP" and use of "HOUSE OF VARDHMAN"  that interim injunction is subsisting in the pending proceedings. The significant aspect here is that the plaintiff in that suit was not engaged in construction business but in textile and clothing. That the enactment of the Trademarks Act, 1999, which was brought into force in the year 2005, the Parliament has articulated clear standards for infringement, by dilution of trademarks possessing distinctiveness, is a matter of fact.

13. The concept of dilution had previously been evolved on a case-to-case basis by the Courts in India, as a result of which there was a kind of nebulousness and flexibility in its application. With the advent of Section 29, which articulates the right to registered trademark proprietor to sue for infringement, the statutory remedies are delineated with more clarity.

Sections 29(1) to (3) of the Act, deal with infringement of trademarks, by the use of similar or identical marks (by the alleged infringer), in relation to same or similar goods or services. Significantly, Section 29(3) mandates the presumption ("shall") in relation to such class of infringement. However, infringement arises in relation to dissimilar goods or services only if certain essential ingredients are proved, i.e. (1) the senior mark being a registered; (2) the identity or close similarity of the junior mark with that of the registered proprietor's; (3) the existence of a distinctive reputation of the registered proprietor's mark's; (4) use of the mark by the junior mark or the infringer in relation to dissimilar goods or services; (5) that such use being without due or reasonable cause; and (6) the use by the infringer causing detriment to the registered proprietor. Section 29 (4) is extracted pertinently for this

purpose:

"XXXXXX XXXXXXXX XXXXXX

29(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

XXXXXX XXXXXXXX XXXXXXXX"

Significantly, Parliament has not extended the presumption of infringement to these classes of civil action, i.e. dilution and tarnishment of registered marks.

14. In relation to infringement of trademarks on account of use of similar corporate or trade-names too, Parliament has articulated a clear standard in Section 29(5); such class of statutory infringement was not provided for previously-explicitly. The said provision reads as follows:

"XXXXXX XXXXXXXX XXXXXX

29(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

XXXXXX XXXXXXXX XXXXXXXX"

15. As is evident, the essential condition for trademark infringement through use by the alleged infringer, of a trade-name or corporate name or part of it is that he or his business concern should deal in goods or services "in respect of which trademark is registered". Unlike in the case of main part of Section 29, i.e. the trademark infringement in respect of similar goods and services [where presumption exists by virtue of Section 29(3)], once similarity or identity is established, here, however, no presumption exists. The primary concern obviously in the case of trademark infringement, through dilution and trademark infringement, through use of similar or corporate trading names was to ensure that these two species were treated differently ♦ therefore, the necessity of separate standards and the absence of any presumption on trademark infringement.

16. Now, on a facial application of the above principles, it would be apparent that the plaintiff in the previous case had alleged trademark infringement by the present plaintiff ♦ arrayed as a defendant ♦ on account of use of a similar corporate name. Concededly, the new Trademarks Act had not come into force. The Court, on an application of then existing standards, mandated a conditional order whereby the present plaintiff was prevented from using "VARDHMAN" in conjunction with other expressions to denote any linkage with the plaintiff in that case. This point of distinction is important because with the enactment of the Act and its being brought into force in 2005, a new development has taken place. Another detail which cannot be ignored here is that the plaintiff's applications for registration, though made in 1998 and 2000, were granted in 2005; they relate back to the date of such applications. Therefore, this Court cannot be unmindful of the fact that as on the date when the present suit was filed, the plaintiff is indeed the registered trademark proprietor in relation to the marks, which are the subject matter of the present suit. Lastly, the plaintiff there was dealing with textiles; and the defendant (present plaintiff) in construction industry.

17. As to what are the standards applicable to such actions claiming infringement is no longer open to debate; they have evolved and applied through a series of decisions of the Supreme Court and other High Courts in India, starting with the judgment reported as *Kaviraj Pandit Durga Dutt Sharma v. Navratna Pharmaceutical Laboratories*, AIR 1965 SC 980; *Corn Product Refinding Co. v. Shangrila Food Products Ltd.*, AIR 1960 SC 142; *Amritdhara Pharmacy v. Satya Deo Gupta*, AIR 1963 SC 449 onwards.

18. That use of the word "VARDHMAN" by the defendant without a prefix or suffix, or any other dissociative mark, which would distinguish it from the plaintiff's corporate name and trademarks, would undoubtedly, tend to confuse and deceive unwary customers into believing that its company or services are linked with the plaintiff's. The plaintiff has, in this Court's opinion, *prima facie* established long usage, at least since 1998-99, till date, of the mark and the corporate name. The defendant does not dispute that the plaintiff was incorporated in 1986 or that it is engaged in an identical business activity, i.e. building and construction business. In these circumstances, when both the parties are engaged in the same trade, the likelihood of confusion is not only great but logical and natural. Such confusion is also likely as apparent from the facts of the case since the plaintiff urges that it has several sister concerns in relation to specific projects. The defendant, on the other hand, was not primarily engaged in property construction or building business, and has entered it only in 2005. The claims by its use of the said mark pertained to allied services, such as booking, real-estate consultancy etc.

19. As far as the defendant's claim that the plaintiff is estopped by pleadings is concerned (on account of its averments in the previous pending suit), this Court is of the opinion that the later development of the plaintiff's acquiring trademark

registration in 2005, the enactment, bringing into force of the new Act, in 2005, and the fact that in this case, both parties are engaged in the same business (as opposed to the plaintiff in the other pending case who is engaged in the textile business), provide a sufficient answer and constitute elements of distinction that the plaintiff can legitimately rely on. While there can be no dispute about the proposition that a litigant who approaches the Court for equitable relief has to do so with clean hands, at the stage where the Court is examining where the plaintiff is a registered trade mark proprietor ♦ as in this case, the alleged non-disclosure is not as material, considering the overall circumstances of the case.

20. The argument by the defendant that the plaintiff could have acquainted itself about its (the defendant's existence) in support of which reliance is placed upon certain advertisements placed by both parties in the same journal is concerned, the Court is of the opinion that the standard for evaluating assessment by a plaintiff alleging infringement is quite different from that in relation to a passing-off action. Being possessor of a statutory right, the Courts have recognised that registered proprietors have some flexibility in assessing the level of threat perceived from infringers and are not expected to fight each and every alleged infringement or violation of their rights. It would be useful here to articulate the decision of the Supreme Court in *Midas Hygiene v. Sudhir Bhatia*, 2004 (3) SCC 90, where it was held that in actions for injunction, based on infringement of registered trademarks, the Courts would be entirely wrong in refusing the relief merely on the basis of delay and laches. Acquiescence would classically arise where the registered proprietor knows his rights and also knows that the infringer is ignorant of them and does something to encourage infringer's misapprehension with the result that infringement continues upon such mistaken belief and the infringer worsens his position. However, in this case, the defendant is not urging lack of knowledge of plaintiff's mark; rather what is put forward is that it continued to advertise despite the plaintiff's statutory rights. Acquiescence prima facie does not arise in such situation because there is nothing showing the plaintiff's action, overt or otherwise encouraging defendant to continue using the mark.

21. On a consideration of all the above aspects, the Court is of the opinion that the plaintiff has established a prima facie case for grant of temporary injunctive relief sought for. According to the holding in *Midas Hygiene* (supra), once such a test is established in infringement actions, the Courts ordinarily should not withhold relief. In these circumstances, the applications for injunction are allowed. The defendant is hereby restrained from using the mark and word "VARDHMAN" in relation to their trade or corporate name or the services offered by it or on its behalf by anyone else, so as to indicate a linkage with the plaintiff's corporate name or trademark. IA 7674/2009 is allowed in the above terms, in this view no orders are called for in IA 6139/2008."

22. Accordingly, this plea of the defendants is rejected.

23. The applications are allowed. The order at Para 20 above shall continue till the disposal of the suits.

24. List both the suits for plaintiff's evidence before the Joint Registrar on September 5, 2016.

25. The aforesaid is a prima facie view. Anything said here must not be constructed as a final expression on merit.