

MANU/DE/0951/2010

Equivalent Citation: 2010(43)PTC76(Del)

IN THE HIGH COURT OF DELHI

IA No. 5352/2008 in CS (OS) No. 816/2008

Decided On: 25.03.2010

Appellants: **Johnson Appliances (P) Ltd.**
Vs.

Respondent: **H.E. Industries and Ors.**

Hon'ble Judges/Coram:

Manmohan Singh, J.

Counsel:

For Appellant/Petitioner/plaintiff: Pratibha M. Singh and Deepak Gogia, Advs.

For Respondents/Defendant: S.K. Bansal, Adv.

Subject: Intellectual Property Rights

Acts/Rules/Orders:

Code of Civil Procedure, 1908 (CPC) - Section 35, Code of Civil Procedure, 1908 (CPC) - Order 39 Rule 1, Code of Civil Procedure, 1908 (CPC) - Order 39 Rule 2

Cases Referred:

Salem Advocate Bar Association v. Union of India (2005) 6 SCC 344

Citing Reference:

Discussed ■ 1

Case Note:

Trademark - Injunction - Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 - plaintiff claimed an interim injunction restraining defendants from using the mark as such use would result in infringement of plaintiff's registered trademark - Hence, this Petition - Whether, Defended could be restricted to from using trademark - Held, plaintiff has advertised mark throughout country - Therefore, said mark was associated exclusively with plaintiff - There was no distinction between two expressions, was evident from application for amendment Defendant No. 4 - However, there was a malafide intention on part of Defendant No. 4 by filing a fresh application for same items in the Trademark Registry after having knowledge that goods in question had already been assigned in favour of predecessor in interest of plaintiff - Therefore, any order passed or entry made in the Register of Trademarks in relation to assignment of trademark and/or change in constitution was null and void and is to be treated as against the law - Appeal disposed of.

Ratio Decidendi:

"Effect of proprietary rights acquired by party by means of valid document cannot be lost on the basis of wrongful entry if made."

JUDGMENT

Manmohan Singh, J.

1. The plaintiff filed IA No. 5352/2008 under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 ('CPC' for brevity) for an interim injunction restraining the defendants, their family members, promoters, officers, agents etc. from using the word/name/mark "JOHNSON" in relation to electric water heaters (including instant geysers) in any manner as such use would result in infringement of the plaintiff's registered trademark and passing off of the defendants' goods as those of the plaintiff's.

2. The brief facts of the case are that the mark "JOHNSON" was registered on 14.09.1960 vide registration No. 197998-B in class 11 in the name of the predecessors in interest i.e. M/s. Jain Industries of the plaintiff with regard to hot plates, toasters and water boilers.

3. The predecessors in interest M/s. Jain Industries was a partnership firm which was dissolved on

manupatra 01.04.1967 and on the same date a new partnership was constituted which continued business under the mark "JOHNSON".

4. A Trust Deed dated 26.06.1979 brought into existence a Trust by the name of Jain Youngsters Trust ('JY Trust' for brevity) who took over the business of M/s. Jain Industries by way of an assignment deed dated 22.12.1979.

5. Thereafter the mark "JOHNSON" which was by that time registered in Classes 9, 11 and 21 vide registration Nos. 197997-B, 197998-B and 195359 respectively and three pending applications being 319954, 319955 and 319953 for wider specification of goods in the afore-mentioned respective classes were also assigned to the JY Trust.

6. The understanding reached between the parties was that actual manufacturing and marketing of the "JOHNSON" products was to be done by M/s. Jain Industries.

7. By letter dated 21.03.1979 the JY Trust informed the Trademark Registry that as and when the pending application No. 319955 under class 11 was proceeded for registration, the same would be associated with the mark "JOHNSON" already registered in class 11 vide registration No. 197998-B.

8. Another Trust was created by trust deed dated 08.06.1984 by the name of M/s. C.L. Jain Trust ('CL Trust' for brevity) which was constituted of Sh. Chain Lal Jain, Smt. Laj Wanti Jain and Sh. Muni Lal Jain.

9. By way of an assignment deed dated 01.07.1984 the JY Trust assigned the mark "JOHNSON" to the CL Trust including the registered and pending trademarks. At this time, applications No. 398343 in class 7, Nos. 398341 and 390169 in class 9 and No. 398342 in class 11 were also pending in addition to the previously mentioned pending applications and all of these were assigned to the CL Trust.

10. By way of a further assignment, the CL Trust by assignment deed dated 05.10.1987 assigned the mark "JOHNSON" registered in three classes as well as all the pending registration applications to M/s. Johnson Sales (India) which was a partnership firm consisting of Mr. Subhash Chand Jain S/o Sh. Chain Lal Jain, Mrs. Gunmala Jain W/o Mr. Muni Lal Jain and Mrs. Shashi Jain W/o Sh. Vinod Kumar Jain.

11. The ownership of the trademark "JOHNSON" was once again shifted by agreement dated 02.04.1992 by way of which M/s. Classic Equipment Pvt. Ltd. (promoted by the Jain family) took over M/s. Johnson Sales (India) the partnership firm along with all its assets and liabilities and became the proprietor of the said trademark.

12. By assignment deed dated 09.03.1994, the trademark "JOHNSON" in relation to electric storage water heaters (excluding instant geysers) covered under No. 197998-B in class 11 was assigned to a partnership firm M/s. Vidyut Udyog by M/s. Classic Equipment Pvt. Ltd.

13. The assignment was accepted by the Trademark Registry vide order No. PR/985 dated 20.01.1995 and the mark "JOHNSON" registered in class 11 was split in a way that in relation to the item electric water heaters (excluding instant geysers), the mark "JOHNSON" became the proprietary concern of M/s. Vidyut Udyog.

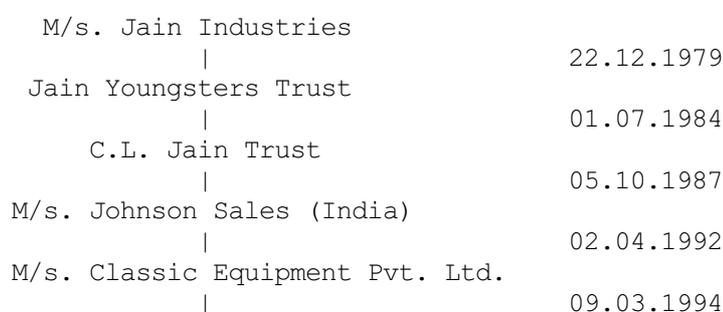
14. By agreement dated 02.04.1997 M/s. Johnson Appliances (P) Ltd., the plaintiff herein, took over the business of M/s. Vidyut Udyog along with all assets and liabilities and consequently, the said trademark with relation to electric water heaters (excluding instant geysers) became the property of the plaintiff.

15. The Trademark Registry issued a certificate on 26.09.1997 recording the plaintiff as the proprietor of the trademark "JOHNSON" in relation to the electric water heaters (excluding instant geysers).

16. The said mark was renewed from time to time except on 14.09.2002 after which a TM-13 for renewal was filed but disallowed as time barred.

17. An appeal was filed in the IPAB and the Registrar's order of refusal was set aside vide order dated 10.02.2005. An application for renewal is filed and is pending as per the case of the plaintiff.

18. The flow chart hereunder indicates as to how the said mark over the years has travelled from predecessors in interest of the plaintiff to the plaintiff company:



19. As per the plaintiff, it has been the sole and exclusive owner of the mark "JOHNSON" in relation to electric water geysers (except instant geysers) since 02.04.1997 and the plaintiff and its permitted user being Johnson Sales (India) have together been manufacturing/trading the said products under the name "JOHNSON" all over the country through their distributors/dealers.

20. It is averred by the plaintiff that the plaintiff has advertised the mark "JOHNSON" throughout the country and the said mark is now associated exclusively with the plaintiff. The sales figures of the plaintiff and its permitted user for the last six years are given in the plaint.

21. The plaintiff has alleged that the inter-se disputes between the four brothers of the Jain family (of which M/s. Classic Equipment Pvt. Ltd. and defendant No. 4 were part) resulted in a Memorandum of Partition dated 12.03.1999 to which all the brothers were signatories. The assignment deed dated 01.04.1999 was a result of and in consonance with the Memorandum of Partition.

22. It is the plaintiffs submission that the said Memorandum and assignment deed had nothing to do with the mark "JOHNSON" in relation to electrical water geysers as the rights of M/s. Classic Equipment Pvt. Ltd. in the same had ceased to exist vide its assignment deed dated 09.03.1994 with M/s. Vidyut Udyog which was taken over by the plaintiff and as such, the said disputes etc. do not in any way relate to the subject matter of this suit.

23. The plaintiff has also submitted that there was a Registered User Agreement dated 23.04.1992 between M/s. Classic Equipment Pvt. Ltd. and a M/s. Blumac Electricals India ('M/s. Blumac' for brevity) as per which the latter was allowed to use the name "JOHNSON" against payment of royalty and further get agency commission as distributors.

24. Even in the Memorandum of Partition (Clause 1.3 of addendum) it was mutually agreed that the assignment would not affect the registered user rights of M/s. Blumac and that the same would not be pressed to pay royalty and with effect from 01.04.1998 M/s. Blumac was mutually held to be not liable to pay any royalty and not entitled to any agency commission.

25. However, defendant No. 4 in contravention of the said Memorandum interfered with the registered user rights of M/s. Blumac due to which M/s. Classic Equipment Pvt. Ltd. revoked the assignment deed dated 01.04.1999 vis-à-vis defendant No. 4 vide its letter dated 15.05.2000 to the Registrar of Trademarks.

26. The matter was decided and appealed repetitively and finally the said assignment deed was stayed by this Court vide order dated 18.03.2008 in WP (c) No. 2157/2008. Meanwhile, defendant No. 4 violated the Memorandum of Partition by terminating the registered user agreement to which Classic Equipment Pvt. Ltd. and M/s. Blumac were party.

27. Thereafter defendant No. 4 instituted a suit for infringement, passing off etc. against M/s. Blumac in this Court being CS (OS) No. 166/2004. No interim order as per the record has been made in favour of defendant No. 4 yet.

28. Another suit being CS (OS) No. 1399/2006 was filed by M/s. Blumac for declaration etc. The plaintiff has submitted that all this litigation has no bearing on the present case.

29. It is the plaintiff's averment that defendant Nos. 1 and 2 are engaged in manufacturing electric water geysers (except instant geysers) under the mark "JOHNSON" and the same are being marketed by defendant Nos. 3 and 4. Defendant No. 5 is a distributor of defendant No. 3 and the latter claims to be a licensed user of the mark "JOHNSON" in relation to the above-mentioned products due to a license/permitted user agreement dated 27.05.2006 executed in its favour by defendant No. 4.

30. As per the plaintiff, the assignment deed entered into between M/s. Classic Equipment Pvt. Ltd. and defendant No. 4 does not relate to the mark "JOHNSON" with regard to the products in question which came into the share of the plaintiff. The same has been stayed by this Court in order dated 18.03.2008 in WP (c) No. 2157/2008.

31. In view of these averments, the plaintiff has contended that the defendants' use of the mark "JOHNSON" for electric water geysers (except instant geysers) is illegal and unlawful and constitutes the acts of infringement and passing off as the defendants are attempting to ride on the goodwill and reputation created by the plaintiff in the country for its products.

32. The acts of the defendants are alleged to be causing grave and irreparable injury to the plaintiff and thus it is prayed that the interim injunction as sought be allowed.

33. The defendants have contended that the suit filed by the plaintiff is bad in law and ought to be dismissed. The submissions of the defendants can be enumerated as under:

I. The plaintiffs entire case is built on a fraudulent and doctored document i.e. the deed of assignment dated 09.03.1994 has been fabricated and manipulated in order to portray certain things to this Court. A photocopy of the actual document as it was originally has been filed by the defendants and as per the defendants a comparison of the deed filed by the plaintiff with this copy of the deed will prove the alleged fabrication. Details of the differences are given by the defendants on page 1 and 2 of the written statement.

II. Without prejudice to the above-stated contention, Counsel for the defendants has sought to highlight the difference in the product which was assigned to M/s. Vidyut Udyog by the deed dated 09.03.1994 and the product in relation to which the plaintiff is contending that the product is being used by it. M/s. Vidyut Udyog was assigned the mark "JOHNSON" with respect to "electric storage type water heaters (excluding the instant type geysers)" but the said mark was obtained by the plaintiff as regards "electric water heaters (excluding the instant type geysers)". It is the defendants' submission that the difference in the two is that the words "storage type" have been omitted in the second type of products and without the said words, the plaintiff's product is only what is known in the trade as 'immersion rods' which are used to heat up water. Even otherwise if it is believed that the two products are the same and are used for storing hot water, the plaintiff's product is a 'hammam' or a 'boiling chamber' which is a portable drum where water is stored and then heated through an electric element. This type of product is very different form the electric geyser which is mounted on the wall. In fact, the plaintiff's brochures and the defendant's predecessors has also been filed showing the 'hammam' product.

III. Defendant No. 4 acquired all proprietary rights in the mark "JOHNSON" by way of the deed dated 01.04.1999 with relation to all the goods specified therein and as regards goods with wider specifications also. Further, defendant No. 4 acquired the said rights from M/s. Classic Equipment Pvt. Ltd. itself whereas the plaintiff has claimed to have acquired its rights from M/s. Vidyut Udyog which obtained the rights from M/s. Classic Equipment Pvt. Ltd.

IV. The plaintiff has been aware of the defendants' rights and use of the mark "JOHNSON" from the year 1999 as the parties are all closely related and are part of the same family. The defendants have established formidable goodwill and reputation and the plaintiff is trying to take advantage of the same.

V. The plaintiffs alleged rights in the product derived from registration No. 197998-B in Class 11 which was split with regard to "water boilers" as the assignment dated 09.03.1994 was amended by a TM-16 application dated 18.01.1994 and "Electric water heaters" was changed to "Electric water boilers".

34. The defendants have argued that balance of convenience does not lie with the plaintiff as the defendants cannot be restrained from exercising their rights.

35. According to the defendants, in case the plaintiffs claimed goods 'Electric Water Heaters' are the same as 'Electric Storage Type Water Heaters', even then these products in the trade, market and consumer parlance and in local language are commonly referred to as "hammams" or "boiling chambers". The product "hammam" is a different type of geyser which is mounted on the wall and is fixed and stationery thereon. The term 'instant type geyser' refers to fixed or portable geysers which are not hammams. In the hammam, water is stored and heated, while in a geyser water flows in from one inlet then passes through an element and flows out from another. Therefore, the two set of products i.e. hammams and geysers are different as per the written statement.

36. It is contended that defendant No. 4 acquired all proprietary rights in the trademark "JOHNSON" under the written Deed of Assignment dated 01.04.1999 executed in its favour by Classic Equipment Pvt. Ltd. Under the Deed of Assignment, Defendant No. 4 was assigned the trademark "JOHNSON" registration Nos. 195359, 197997B and 319955 as per the goods specified therein as well as the pending application bearing Nos. 398341 in Class 9, 398342 in Class 11, 398343 in Class 7, 319954 in Class 9 and 390169 in Class 9.

37. The application No. 398342 in Class 11 being Electric Geysers for hot waters and heaters and parts and accessories besides a whole lot of other electrical items have been assigned to the Defendant No. 4 besides the trademark registrations for the goods mentioned. These assigned goods include water boilers.

38. The contention of the Defendant No. 4 is that since the date of assignment deed dated 01.04.1999, the Defendant has been using the trademark "JOHNSON" continuously and commercially in relation to the goods falling in Class 7, 9, 11 and 21 except in relation to hammams, within the knowledge of the plaintiff and therefore, valuable rights in the said goods has been built up by the Defendant.

39. It is also alleged in the written statement that the plaintiff was fully aware about the said right of the defendant from the year 1999 itself as well as of the pending litigation between the defendant and M/s. Blumac wherein all these claims are claimed by the defendant pertaining to the goods in Class 11 also. The plaintiff is therefore, guilty of concealing the said fact from this Court and has deliberately manipulated the cause of action to read as from the year 2006 although the defendant has been carrying on business since

JOHNSON	197998 B	11	Water Heaters (electric) (excluding the instant geysers)	M/s Vidyut Udyog
JOHNSON	197998 B (Split)	11	Hot Plats (electric), toasters	M/s Classic Equipments
JOHNSON	319955	11	Toasters (electric), Water Heaters (instant type geysers), Baking Ovens	M/s. Classic Equipments
JOHNSON	319955 (Split)	11	Hot Plates (electric) (Coil Stoves), Electric Cooking Range	M/s. Jain Associates

50. It appears from the preceding paragraph wherein the description of goods is mentioned that both, the trademark registered under Applications No. 197998B and 319955, covered the item 'water boiler'. It appears that when the abovementioned two trademarks were split by the Trademark Registry by virtue of assignment deed dated 09.03.1994, the item water boiler got bifurcated into "Water Heaters (electric) (excluding the instant type geysers) and "Water Heaters (instant type geysers)". The description of goods mentioned as Water Heaters (electric) (excluding the instant type geysers) went to M/s. Vidyut Udyog under the registered No. 197998B (which was subsequently taken over by the plaintiff) and the remaining description of goods/item Water Heaters (instant type geysers) remained with Classic Equipments Pvt. Ltd. under registered No. 319955.

51. In fact subsequent to the order No. PR-985 by the Registry, the requisite TM-24 and TM-36 applications pertaining to the assignment deed dated 09.03.1994 in favour of M/s. Vidyut Udyog were filed by the same trademark attorney. The said order was reaffirmed by the Trademark Registry vide its order No. PR-25 dated 14.2.1997. There was a further split in the trademark No. 319955 on the same very date i.e. 09.03.1994 between Classic Equipment Pvt. Ltd. and M/s. Jain Associates pertaining to items Electrical Coil Stoves, Electric Hot Plates and Electric Cooking Ranges.

52. The case of the Defendant No. 4 is that the expression 'Electric storage type water heaters (excluding instant type geysers)' that has been used in the assignment deed dated 09.03.1994 entered into between M/s. Classic Equipments Pvt. Ltd. and M/s. Vidyut Udyog is in fact a 'Hammam' which is different from the product 'Electric water heaters (excluding instant type geysers)' in which the plaintiff has no right as the plaintiff who has acquired the right from M/s. Vidyut Udyog is using the same as water heater in the market on commercial scale.

53. The documents filed by the plaintiff as well as the description of goods referred by the Defendant No. 4 in their respective catalogues and advertising material clearly shows that the two terms 'electric storage type water heaters' and 'water heaters' are one and the same thing. This is further fortified from the fact that the said item has been acquired by the plaintiff by virtue of assignment deed dated 09.03.1994 and the same is being used openly with the knowledge of the Defendant. However, no action was taken by the Defendant against the plaintiff in case the said item was merely "Hammam" and not water heater.

54. I agree with the learned Counsel for the plaintiff that the Electric water heater/geyser in the market is classified in two categories i.e. the instant type and the storage type. While the former is the one wherein water is not stored, in fact it gets heated instantly as and when it enters the heater/geyser and passes through the heating element before it exists in the heater/geyser, the latter gets stored and then gets heated. The expression 'excluding instant type' itself connotes that the said product is storage type.

55. This fact is also proved from the printout of the screen shot taken from the website of the plaintiff which is available at Page114. The plaintiff has also filed a printout of the website of the Defendant No. 4 which indicates that the expressions "geyser" and "heater" are one and the same.

56. Even the Defendants are using the expressions "geyser" and "heater" interchangeably as appears from the various documents filed by the Defendant No. 4. The same nomenclature is used by the Defendant in ISI specification i.e. IS 2082 as is apparent from the documents filed by the Defendant No. 4 for the product in question is Stationary Storage Type Electric Water Heaters.

57. Therefore, the contentions of the Defendants have no force when it is mentioned that in the assignment deed dated 09.03.1994 entered into between M/s. Classic Equipments Pvt. Ltd. and M/s. Vidyut Udyog the term Electric Storage Type Water Heater is used as 'Hammams' and then is distinguished from the product Electric Water Heater.

manupatra 58. From the documents filed by the parties, it is clear that there is no distinction between the two expressions namely 'Electric storage type water heaters (excluding instant type geysers)' and 'Electric water heaters (excluding instant type geysers)' as is also evident from the TM-16 application for amendment dated 18.01.1995 filed on behalf of M/s. Classic Equipments Pvt. Ltd. by M/s. Delhi Registration Service, Trade Marks Agent representing Defendant No. 4 in the present case. The operative portion of the prayer in the said application reads as under:

to read the expression Electric storage type water heaters (excluding instant type geysers) that was used in the assignment deed dated 09.03.1994 entered into between M/s. Classic Equipments Pvt. Ltd. and M/s. Vidyut Udyog, be read as "Electric water heaters (excluding instant type geysers).

59. As far as the items in question are concerned, the same had been assigned by M/s. Classic Equipments Pvt. Ltd. in favour of M/s. Vidyut Udyog by virtue of assignment deed dated 9.3.1994. M/s. Vidyut Udyog was taken over by the plaintiff company vide agreement dated 2.4.1997 along with all assets and liabilities.

60. As a matter of fact, pursuant to the assignment deed dated 09.03.1994 M/s. Classic Equipments Pvt. Ltd. itself made the application to the Trademark Registry in the prescribed form TM-36 dated 17.05.1995 through the same trademark attorney for striking off the goods i.e. Water Heaters (electric) (excluding the instant type geysers) from the category of goods under their registered trademark No. 197998B in Class 11.

61. The inter se dispute, if any, between the assignor of the plaintiff i.e. M/s. Classic Equipments Pvt. Ltd. and Defendant No. 4 or any other third party subsequent to the assignment deed dated 09.03.1994 in relation to the goods in question has no concern with the present litigation. Admittedly, the necessary entries have been made by the Trade Mark Registry on the basis of the execution of the assignment deed between M/s. Classic Equipments Pvt. Ltd. and M/s. Vidyut Udyog. The term 'water boiler' is also deleted from the description of goods vide orders dated 20.01.1995 and 14.02.1997.

62. In view of the aforesaid reasons, I am of the considered view that any subsequent action by the assignor or third party in relation to the items contrary to the assignment dated 9th March, 1994 in the registered trade mark or pending applications or any entries made thereon was uncalled for and contrary to the law and orders dated 20.01.1995 and 14.02.1997 already passed.

63. The important aspect of the matter is that all the relevant parties who were involved in the various assignment deeds and agreements and filing the necessary application for making the amendment were represented by the same Trade Mark attorney. It appears from the documents filed by the parties that the assignor M/s. Classic Equipments Pvt. Ltd. after the assignment of items in favour of the plaintiff has made subsequent application in the Trademark Office claiming its rights for the same items owned by it and incorrectly got the order passed on 26.09.1997. It appears from the order/letter dated 26.09.1997 issued by the Trade Mark Office the item water boiler is still shown in the name of M/s. Classic Equipments Pvt. Ltd. under the trademark No. 319955 in Class 11, despite earlier orders already passed by according the assignment dated 9.3.1994 in favour of the plaintiff. Thus, order/letter issued by the Trade Marks Registry vide order/letter dated 26.9.1997 is contrary to the orders already passed.

64. The learned Counsel for the Defendant No. 4 Mr. Bansal has argued that in any case Defendant No. 4 has acquired the right by virtue of the assignment deed dated 01.04.1999 between M/s. Classic Equipments Pvt. Ltd. and Defendant No. 4, another application No. 398342 in Class 11 which was filed in respect of electric geyser. One cannot but come to the conclusion that once the right pertaining to the water heaters has already been assigned in favour of M/s. Vidyut Udyog by virtue assignment deed dated 09.03.1994, the question of reassignment of the same goods under application No. 398342 by the same company M/s. Classic Equipments Pvt. Ltd. in favour of Defendant No. 4 does not arise unless mala fide intentions are there.

65. Learned Counsel for the plaintiff submits that the application No. 398342 in Class 11 was already obtained by the Defendant, factum of which is mentioned in suit bearing No. CS(OS)166/2008 and despite having knowledge about the abandonment which is referred in the said suit the said application was assigned in favour of M/s. Jain Industries.

66. It is clear from the facts that the expression 'water boiler' was already split in the year 1994 on the basis of the assignment deed dated 09.03.1994. By the assignment deed dated 01.04.1999 between M/s. Classic Equipments Pvt. Ltd. and Defendant No. 4, the assignor could not have under any circumstances assigned the items after the execution of deed of assignment dated 9.3.1994 as item/products 'water boiler' was already deleted from the said registration No. 319955 by virtue of the assignment deed dated 09.03.1994.

67. The items which are subject matter of assignment deed dated 09.03.1994, the assignor or Defendant No. 4 cannot subsequently claim any rights in pending applications or registered Trade Marks whether those are specifically mentioned or not in the deed of assignment otherwise, the very purpose of assignment of the mark is defeated.

68. It is also pertinent to mention that Defendant No. 4 was aware of the assignment made in favour of M/s. Vidyut Udyog by M/s. Classic Equipments Pvt. Ltd. on 09.03.1994. The said Defendant No. 4 was also aware

manupatra about the taking over of M/s. Vidyut Udyog by the plaintiff on 02.04.1997 as the said Defendant was one of the Directors in the plaintiff company at that point of time and only resigned from the Directorship of the plaintiff company on 01.10.1997. Claiming any right on the basis of assignment deed dated 01.04.1997 after the retirement from the Directorship of the plaintiff company on 01.10.1997 shows the mala fide intention of the Defendant No. 4.

69. There is a malafide intention on part of defendant No. 4 by filing a fresh application for the same items in the Trademark Registry in the year 2009 after having knowledge that the goods in question had already been assigned in favour of the predecessor in interest of the plaintiff.

70. This Court is of the considered view that any order passed or entry made in the Register of Trademarks in relation to the assignment of the trademark and/or change in the constitution contrary to the valid written document/assignment is null and void and is to be treated as against the law. The Court dealing with the dispute can ignore the said entry if found that the party has obtained the same by making misrepresentation or by any other illegal manner. An entry made in the Register on the basis of misrepresentation or fraud, cannot disentitle the valid rights of a party who has become the lawful owner of the trademark by virtue of a valid document. In other words, the effect of proprietary rights acquired by the party by means of valid document cannot be lost on the basis of wrongful entry if made.

71. The next submission of the learned Counsel for the Defendants is that Defendant No. 4 has been using the trademark "JOHNSON" in relation to water heater since 1999 after the assignment deed dated 01.04.1994.

72. The documents filed by the Defendants have been examined by this Court. One more opportunity was given to the parties to produce cogent evidence in order to show that they have been using the trademark "JOHNSON" in relation to water heater during the course of hearing, since 1999. Prima facie there is no cogent evidence produced by the defendants to show the continuous use of the mark in relation to the goods in question. From the document, no doubt, it appeared that the defendants have been using the trademark "JOHNSON" in relation to various electric and electronic goods, however, except vis-à-vis the product water heater.

73. On the other hand, the plaintiff has been able to establish a prima facie case in its favour as there was a valid assignment deed in favour of M/s. Vidyut Udyog which was acquired by the plaintiff. The plaintiff has become the subsequent registered proprietor of the trademark "JOHNSON" in relation to the goods in question. Necessary entry in this regard has already been made in the register of Trademarks.

74. The balance of convenience also lies in favour of the plaintiff and against the Defendants as the Defendants were fully aware from day one that the item in question had been assigned in favour of the plaintiff's predecessor in interest. On the other hand, the Defendant No. 4 is using the trademark "JOHNSON" in relation to electric kettles, toasters, ceiling fans, pressure cookers, mixer grinders, vacuum cleaners, hand blenders, electric tandoors, heat convectors etc. as per the documents filed by the Defendant No. 4 for which the plaintiff has raised no objection.

75. The Defendant No. 4 if authorized by M/s. Classic Equipments Pvt. Ltd. is also entitled to use the mark "JOHNSON" in respect of instant type geysers. However, the Defendants are not entitled to use the trademark "JOHNSON" in relation to the water heaters (electric) in any manner.

76. From the aforesaid reasons, this Court is of the view that if the injunction is not granted in favour of the plaintiff, the plaintiff will suffer irreparable loss and injury in its business.

77. Therefore, till the disposal of the suit, the plaintiff is entitled to an injunction restraining the Defendants, their servants, agents or anyone acting on their behalf from using the trademark "JOHNSON" in relation to electric water heaters (excluding the instant type geysers), directly or indirectly, in any manner whatsoever.

78. By following the decision of the Apex Court in terms of paragraph 37 of the judgment of the Supreme Court in the case of Salem Advocate Bar Association v. Union of India MANU/SC/0450/2005 : (2005) 6 SCC 344 wherein the Supreme Court has said that it is high time that actual compensatory costs be imposed with respect to legal proceedings as well as in light of Section 35 of the Code of Civil Procedure, which provides that costs have to follow. In view of the fact that the defendant No. 4 has in this case knowingly contested the interim application for injunction despite having the knowledge that the mark in question in relation to the particular goods has already been assigned in favour of the plaintiff's predecessors in business by virtue of assignment deed dated 09.03.1994 and the necessary entry has been made in the Register of Trade Marks by the Trade Marks Registry still he had chosen to raise false and frivolous pleas in the written-statement and reply to the injunction application. In lieu of this Defendant No. 4 shall bear costs of Rs. one lac to be deposited in the name of Registrar General of this Court within two weeks from today, who will make the total amount available for utilization of Juvenile Justice.

79. It is made clear that any observation made herein shall be treated as tentative in nature and shall not constitute any expression of final opinion on the issues involved and shall have no bearing on the final merit of the case and submissions of the parties in the suit.

List before the Roster Bench on 27th April, 2010.

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