

MANU/DE/0248/2011

Equivalent Citation: 177(2011)DLT508, 177(2011)DLT508, 2011(45)PTC524(Del)

IN THE HIGH COURT OF DELHI

FAO (OS) 461/2010

Decided On: 08.02.2011

Appellants: **Johnson Enterprises**
Vs.Respondent: **Johnson Appliances Pvt. Ltd. and Ors.****Hon'ble Judges/Coram:**

Pradeep Nandrajog and Suresh Kait, JJ.

Counsels:

For Appellant/Petitioner/plaintiff: S.K. Bansal, Adv.

For Respondents/Defendant: Pratibha M. Singh, Deepak Gogia and J.P. Karunakaran, Advs. for R-1

Subject: Intellectual Property Rights**Acts/Rules/Orders:**

Merchandise Marks Act 1958 ;Code of Civil Procedure (CPC) - Order 39 Rule 1, Code of Civil Procedure (CPC) - Order 39 Rule 2

Cases Referred:

Rubber Works (P) Ltd v. Collector of Customs MANU/WB/0297/1992 : 1994 (72) ELT 840

Citing Reference:Discussed ■ 1**Case Note:**

Intellectual Property Right - Injunction - Order XXXIX Rule 1 and 2 Code of Civil Procedure, 1908 (CPC) - Present appeal filed against order whereby allowed application under Order XXXIX Rule 1 and 2 CPC filed by respondent No. 1 against appellant and has confirmed ad-interim injunction restraining appellant and respondents Nos. 2 to 5 or any person acting under their authority from using trademark - Held, respondent No. 1 has very strong case in its favour on issue of proprietary rights in trademark in respect of storage type geyser for reason storage type geyser is included within expression "electric water heater in respect whereof Respondent No. 1 is registered proprietor of trademark - It is no doubt true that Single Judge has failed to notice that invoices, twelve in number, evidencing use of trademark by appellant in respect of geysers manufactured by him were filed by appellant along with written statement - Now, question is that whether invoices are sufficient to conclude that factum of use of trademark by appellant in respect of electric water geysers was within knowledge of respondent No. 1 - Out of 12 invoices filed by appellant, all invoices pertain to relevant different years - According to respondent No. 1, factum of use of trademark by appellant in respect of electric water geysers came to its knowledge - Prima facie, Twelve invoices spanning over period from period of 8 years is too insignificant number to conclude that respondent No. 1 had knowledge of fact that appellants has been using trademark in respect of electric water geysers (except instant type geysers) - Court find no infirmity in impugned judgment and order passed by Single Judge - Appeal is dismissed

Disposition:

Appeal dismissed

JUDGMENT**Pradeep Nandrajog, J.**

1. The above captioned appeal is preferred against the judgment and order dated 25.03.2010, whereby the learned Single Judge has allowed IA No. 5352/2008 under Order XXXIX Rule 1 and 2 Code of Civil Procedure filed by the Respondent No. 1 against the Appellant and has confirmed the ad-interim injunction restraining the Appellant and Respondents Nos. 2 to 5 or any person acting under their authority from using the trademark "JOHNSON in relation to electric water geysers (excluding the instant type geysers), directly or indirectly, in any manner whatsoever.

2. The backdrop facts leading to filing of the present appeal are that the Respondent No. 1 filed a suit inter-alia praying for a decree of permanent injunction restraining the Appellant and Respondents Nos. 2 to 5 or any person acting under their authority from using the trademark "JOHNSON in relation to electric water geysers (excluding instant type geysers). Prayer for rendition of accounts and damages was also made by said Respondent. I.A. No. 5352/2008 was filed by the said Respondent praying for an interim injunction till the disposal of the suit.

3. The case projected by Respondent No. 1 before the learned Single Judge was that it is engaged in the business of manufacture of electric water geysers (except the instant type geysers). Vide certificate of registration No. 197998-B dated 14.09.1960 trademark "JOHNSON was registered in the name of M/s Jain Industries in class 11 in respect of hot plates, toasters and water boilers. Vide certificate of registration No. 319955 trademark "JOHNSON dated 02.11.1976 was registered in the name of M/s Jain Youngsters Trust in class 11 in respect of hot plates (electric), toasters (electric), water boilers, hot cases, cooking ranges and baking ovens. On 26.10.1982 M/s Jain Youngsters Trust filed application No. 398342 before Trade Marks Registry for registration of trade mark "JOHNSON in its name in class 11 in respect of electric fans

manupatra installations for cooking, electrically operated cooking apparatus, water filters, refrigerators and cooling apparatus AIR conditioning apparatus, electric geysers for hot water, heaters and parts and accessories for the foregoing. Trademark "JOHNSON was assigned in favour of various concerns before finally being assigned in favour of M/s Classic Equipment Private Limited.

4. Vide assignment deed dated 09.03.1994 M/s Classic Equipment Private Limited assigned trademark "JOHNSON to M/s Vidyut Udyog, the predecessor-in-interest of Respondent No. 1, in respect of electric storage type water heaters (excluding the instant type geysers). The relevant portion of the assignment deed dated 09.03.1994 reads as under:

DEED OF ASSIGNMENT OF TRADE MARKS

THIS DEED OF ASSIGNMENT is made on this 9th day of March 1994 by M/s Classic Equipment Private Limited,....., hereinafter called the Assignor in favour of M/s Vidyut Udyog,....., hereinafter called the Assignee.

Whereas the Assignor is the owner and proprietor of the trade mark JOHNSON duly registered under the trade and Merchandise Marks Act 1958 as per details given hereunder:

| Trade Mark | Regn. No. | Class | Goods |
|----------------|----------------|-----------|---|
| JOHNSON | 197997B | 9 | Electric Flat Irons |
| <u>JOHNSON</u> | <u>197998B</u> | <u>11</u> | <u>Hot Plates, Toasters & Water Boilers.</u> |
| <u>JOHNSON</u> | <u>319955</u> | <u>11</u> | <u>Hot Plates (electric), Toaster (electric), Water Boilers, Hot Cases, Cooking Range and Baking Ovens.</u> |
| JOHNSON | 195359 | 21 | Frying Pan, Jug & Jar (domestic utensils not of Precious metal nor coated Therewith) not included in Other classes. |
| JOHNSON | 319953 | 21 | Frying Pan, Jug & Jar (domestic utensils not of Precious metal nor coated Therewith) not included in Other classes. |

The Assignor also filed applications for the registration of the trade mark JOHNSON in respect of wider specification of goods, which are still pending in the Registry as per details given below:

| Application | Class |
|---------------|-----------|
| 398343 | 7 |
| 319954 | 9 |
| 398341 | 9 |
| 390169 | 9 |
| <u>398342</u> | <u>11</u> |

....

NOW THIS DEED WITNESSES that in pursuance of the said agreement and in consideration of the said sum of Rs. 1000/- paid by the said Assignee to the said Assignor, receipt thereof the said Assignor hereby acknowledges, the Assignor hereby assigns upon the terms hereinafter mentioned the exclusive use and all benefits of the aforesaid trade marks in relation to Electric Storage Type Water Heater (excluding the instant type geysers).....

(Emphasis Supplied)

5. On 18.01.1995 the attorney of M/s Classic Equipments Private Limited filed an application before Trade Marks Registry for the amendment of goods specified under certificate of registration No. 197998B, the relevant portion whereof reads as under:

We, M/s Classic Equipment Pvt. Ltd., ...being the applicants in the above matter hereby request 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 the instant type geysers).

(Emphasis Supplied)

6. Pursuant thereto, vide order No. PR/985 dated 20.01.1995, Trade Mark Registry bifurcated the goods "water boiler specified under certificate of registration Nos. 197998B and 319955 into "Water Heaters (electric) (excluding instant type geysers) and Water Heaters (instant type geysers) and registered trademark "JOHNSON relating to registration No. 197998B in the name of M/s Vidyut Udyog, the predecessor-in-interest of the Respondent No. 1, in respect of Water Heaters (electric) (excluding the instant geysers) and trademark "JOHNSON relating to registration No. 319955 in the name of M/s Classic Equipments in respect of Water Heaters (Instant type geysers), which order was reaffirmed by the Registry vide order No. PR/25 dated 14.02.1997.

7. On 02.04.1997 the Respondent No. 1 took over the business of M/s Vidyut Udyog and thus consequently the Respondent No. 1 became the proprietor of trademark "JOHNSON registered under certificate of registration No. 197998B in relation to electric water heaters (excluding the instant type geysers).

8. On 01.04.1999 an assignment deed was executed between M/s Classic Equipments Private Limited and the Appellant, the relevant portion whereof reads as under:

DEED OF ASSIGNMENT OF TRADE MARKS

THIS DEED OF ASSIGNMENT is made on this 1st day of April 1999 by M/s Classic Equipment

Whereas the Assignor is the owner and proprietor of the trade mark JOHNSON duly registered under the trade and Merchandise Marks Act 1958 as per details given hereunder:

| Trade Mark | Regn. No. | Class | Goods |
|------------|-----------|-------|---|
| JOHNSON | 195359 | 21 | Frying Pan, Jug and Jar (domestic utensils not of Precious metal nor coated Therewith) not included in Other classes. |
| JOHNSON | 197997B | 9 | Electric Flat Irons |
| JOHNSON | 319955 | 11 | Toasters (electric), Water Boilers, Hot Cases and Baking Ovens |

The Assignor also filed applications for the registration of the trade mark JOHNSON in respect of wider specification of goods, which are still pending in the Registry as per details given below:

| Application | Class |
|-------------|-------|
| 398341 | 9 |
| 398342 | 11 |
| 398343 | 7 |
| 319954 | 9 |
| 310169 | 9 |

....

NOW THIS DEED WITNESSES that in pursuance of the said agreement and in consideration of the said sum of Rs. 1000/- paid by the said Assignee to the said Assignor, receipt thereof the said Assignor hereby acknowledges, the Assignor hereby assigns upon the terms hereinafter mentioned the exclusive use and all benefits of the aforesaid trade marks in relation to the aforesaid goods along with the goodwill of the business concerned....

(Emphasis Supplied)

9. It was alleged by Respondent No. 1 that on the strength of the afore-noted assignment deed dated 01.04.1999 executed between M/s Classic Equipments Private Limited and the Appellant, the Appellant and Respondents Nos. 2 to 5 are using the trademark "JOHNSON in respect of electric water geysers (except instant type geysers). In view of the fact that Respondent No. 1 is the registered proprietor of trademark "JOHNSON in respect of electric water heaters (excluding instant type geysers) which includes electric water geysers, the Appellant and Respondents Nos. 2 to 5 use of the trademark "JOHNSON in respect of electric water geysers (except instant geysers) is illegal and unlawful and constitutes the acts of infringement and passing off as they are attempting to ride on the goodwill and reputation created by the Respondent No. 1 for the electric water geysers manufactured by it.

10. The prayer of ad-interim injunction in favour of the Respondent No. 1 was opposed by the Appellant and the Respondents Nos. 2 to 5 on following four grounds:

I. Assignment deed dated 09.03.1994 which forms the very basis of the suit of the Respondent No. 1 is a forged and fabricated document.

II. Under the assignment deed dated 09.03.1994, trade mark "JOHNSON was assigned in favour of the Respondent No. 1 in respect of the electric storage type water heaters (excluding instant type geyser). However, in terms of order No. PR/985 dated 20.01.1995 passed by Trade Marks Registry, the Respondent No. 1 was granted proprietary rights in trademark "JOHNSON only in respect of electric water heaters (excluding instant type geyser) and not electric storage type water heaters (excluding instant type geyser). The very omission of "storage type from the expression "electric storage type water heater connotes that the Respondent No. 1 was not granted any proprietary rights in trademark "JOHNSON in respect of storage type water heaters and thus the Respondent No. 1 cannot claim any proprietary rights in trademark "JOHNSON in respect of storage type geyser manufactured by him.

III. By way of assignment deed dated 01.04.1999 M/s Classic Equipments Private Limited who was the registered proprietor of trademark "JOHNSON registered under certificate of registration Nos. 197998B and 319955 in respect of water boilers assigned the said trademark to the Appellant in respect of the same goods. Not only that, M/s Classic Equipments Private Limited assigned trademark "JOHNSON which formed the subject-matter of application bearing No. 398342 pending registration of Trade Marks Registry in respect of electric geysers for hot water to the Appellant in respect of the same goods. In that view of the matter, the Appellant has acquired exclusive proprietary rights in trademark "JOHNSON in respect of electric water geysers as the electric water geysers fall within the water boiler specified under certificate of registration Nos. 197998B and 319955 and in particular within electric geyser for hot water specified in application No. 398342.

IV. The Respondent No. 1 is not entitled to the relief of ad-interim injunction on account of delay and laches for the reason the Appellant has been continuously using trademark "JOHNSON in respect of electric water geysers since the execution of the assignment deed dated 01.04.1999, which fact was within the knowledge of the Respondent No. 1 yet the Respondent No. 1 has filed the present suit only in the year 2008.

11. As already stated in foregoing paras, vide impugned judgment and order dated 25.03.2010 the Single Judge allowed the application No. 5352/2008 under Order XXXIX Rules 1 and 2 filed by the Respondent No. 1 and granted ad-interim injunction restraining the Appellant and the Respondents Nos. 2 to 5, their servants, agents or anyone acting on their behalf from using the trademark "JOHNSON in relation to electric water geysers (excluding the instant type geysers), directly or indirectly, in any manner whatsoever. With respect to ground (I), it was held by the Single Judge that during the course of arguments the counsel for the Appellant

and the Respondents Nos. 2 to 5 had given up the argument pertaining to the genuineness of the assignment deed dated 01.04.1999. With respect to ground (II) it was held by the Single Judge that the documents filed by the Respondent No. 1 and the Appellant, particularly the advertisement material and catalogues of the product of the Appellant, and the application dated 18.01.1995 filed by the Appellant before Trade Marks Registry show that the two terms "electric storage type water heaters and "water heaters are one and same thing, which circumstance stands corroborated by the fact that the Respondent No. 1 was using trademark JOHNSON in respect of geysers manufactured by him since the year 1994 openly to the knowledge of the Appellant; that two types of geysers are available in the market namely instant type and storage type and thus the expression "excluding instant type geyser itself connotes that the expression "water heater refers to storage type geyser, which is the product of the Respondent No. 1 as evident from the screen shot of the product of the Respondent No. 1 taken from the website of the Respondent No. 1 and that the terms "geyser and "heater are one and same thing is also evident from the fact that the Appellant has been using the said terms interchangeably in the documents filed by him. With respect to ground (III), it was held by the Single Judge that vide assignment deed dated 09.03.1994 M/s Classic Equipments Private Limited had assigned trademark "JOHNSON in respect of water boilers and electric geysers for hot water covered under registrations Nos. 197998B and 319955 and application No. 398342 in favour of M/s Vidyut Udyog, the predecessor-in-interest of the Respondent No. 1 thus having lost proprietary rights in trademark "JOHNSON in respect of said goods in the year 1994 M/s Classic Equipments Private Limited could not have assigned the same in favour of the Appellant in the year 1999. With respect to ground (IV) it was held by the Single Judge that no document was produced by the Appellant to show that it was using trademark "JOHNSON in relation to electric water geysers since the year 1999.

12. Having abandoned ground (I) before learned Single Judge, the learned Counsel appearing for the Appellant challenged before us the decision of the Single Judge with respect to grounds (II), (III) and (IV). With respect to ground (I), the counsel urged that while holding that the geyser manufactured by the Respondent No. 1 falls within the ambit of expression "electric water heater (excluding instant type geyser) the Single Judge did not appreciate the factum of deletion of words "storage type from the expression "electric storage water type water heater. With respect to ground (III), the counsel urged that the learned Single Judge did not correctly appreciate the tenor of the assignment deed dated 01.04.1999 executed between M/s Classic Equipments Private Limited and the Appellant. With respect to ground (IV), the counsel urged that the learned Single Judge failed to appreciate that invoices, twelve in number, evidencing the use of trademark "JOHNSON by the Appellant in respect of geysers manufactured by him were filed by the Appellant along with the written statement.

13. It is not in dispute that the Respondent No. 1 had proprietary rights in trademark "JOHNSON in respect of "electric water heater (excluding instant type geyser). The question which needs adjudication is that whether the storage type geyser manufactured by the Respondent No. 1 is included within the expression "electric water heater (excluding instant type geyser).

14. The words "excluding instant type geyser occurring in expression "electric water heater (excluding instant type geyser) hold the answer to the above question. The fact that instant type geyser are specifically excluded from electric water heater throws light as to the meaning of the word "electric water heater. The fact that instant type geyser was specifically excluded from the expression "electric water heater shows that geyser was included within the expression "electric water heater. If geyser did not include within the expression "electric water heater, in that event, there was no necessity to exclude the same from the expression "electric water heater. Furthermore, the fact that only instant type geyser was excluded from the expression "electric water heater necessarily implies that other type of geyser i.e.

15. In said regards, it is most apposite to refer to the decision of Calcutta High Court reported as New India Rubber Works (P) Ltd v. Collector of Customs MANU/WB/0297/1992 : 1994 (72) ELT 840 (Cal). In the said case, one of the entries in the Import Policy for the years 1985-1988 relating to permissible items of import read as "footwear components including unit soles and heels. In the Import Policy for the years 1988-1991 the aforesaid entry was amended to read as "footwear components including unit sole and heels but excluding shoe uppers. The Petitioners consignments of shoe uppers pertaining to the Import Policy 1985-1988 was confiscated by the customs authorities on the grounds that the shoe uppers did not fall within the definition of footwear components in the Import Policy for the years 1985-1988. While quashing the action of the customs authorities of confiscating the aforesaid consignments of the Petitioner it was held by the Court that the very fact that shoe uppers was specifically excluded from the definition of footwear components in the Import Policy for the years 1988-1991 necessarily implies that shoe uppers was included within the definition of footwear components. The relevant portion of the decision is being quoted herein under:

...Shoe upper amounts to footwear components and that at the relevant time the entry was footwear without any exclusion of footwear components. But in subsequent years in the Import and Export Policy, it was clearly provided that footwear components exclude shoe upper. When shoe upper has been specifically excluded in the subsequent policy period, in that event, the intention of the policy for the year was clear. The subsequent change by which shoe upper was excluded from the shoe components, throws light as to the meaning of the word "shoe components". As the authorities concerned were fully aware that shoe upper is treated as shoe component that's why, shoe upper is specifically excluded in the subsequent policy period. If it was the case of the Respondents that shoe upper did not include within the expression "shoe component, in that event, there was no necessity for changing the definition of the expression shoe component. In my view, from the language used in the relevant provision of the policy, shoe upper, cannot be said to fall outside scope and ambit of the expression shoe component...

16. In view of the aforesaid, it has to be held that the Respondent No. 1 has a very strong case in its favour on the issue of the proprietary rights in trademark "JOHNSON in respect of storage type geyser for the reason storage type geyser is included within the expression "electric water heater (excluding instant type geyser), in respect whereof the Respondent No. 1 is the registered proprietor of trademark JOHNSON.

17. In dealing with ground (III) raised by the Appellant, it is important to note the interplay between the assignment deed dated 09.03.1994 executed between M/s Classic Equipments Private Limited and M/s Vidyut Udyog, the predecessor-in-interest of the Respondent No. 1, and the assignment deed dated 01.04.1999 executed between M/s Classic Equipments Private Limited and the Appellant.

manupatra 18. As already noted in the foregoing paras, assignment deed dated 09.03.1994 records that M/s Classic Equipments Private Limited is the proprietor of trademark "JOHNSON registered under certificate of registration Nos. 197998B and 319955 and has also filed application No. 398342 for registration of the said mark in respect of wider specification of goods. By way of assignment deed dated 09.03.1994 M/s Classic Equipments Private Limited assigned trademark "JOHNSON in favour of M/s Vidyut Udyog, the predecessor-in-interest of the Respondent No. 1, in respect of electric storage type water heaters (excluding instant type geysers). There was no recital in the assignment deed regarding the coverage of electric storage type water heaters (excluding instant type geysers) under which of particular certificate of registration or pending application. In absence thereof, electric storage type water heaters (excluding instant type geysers) was covered under water boilers specified under certificate of registration Nos. 197998B and 319955 and electric geyser for hot water specified under application No. 398342. Pursuant thereto, vide order No. PR/985 dated 20.01.1995 Trade Mark Registry bifurcated the goods "water boiler specified under certificate of registration Nos. 197998B and 319955 into "Water Heaters (electric) (excluding instant type geysers) and Water Heaters (instant type geysers) and registered trademark "JOHNSON relating to registration No. 197998B in the name of M/s Vidyut Udyog, the predecessor-in-interest of the Respondent No. 1, in respect of Water Heaters (electric) (excluding the instant geysers) and trademark "JOHNSON relating to registration No. 319955 in the name of M/s Classic Equipments in respect of Water Heaters (Instant type geysers), which order was reaffirmed by the Registry vide order No. PR/25 dated 14.02.1997. Thus, as a result of execution of assignment deed dated 09.03.1994, M/s Classic Equipments Private Limited lost proprietary rights in trademark JOHNSON in respect of water boilers specified under certificate of registration Nos. 197998B and 319955 and electric geysers for hot water specified under application No. 398342. Notwithstanding the same, by way of assignment deed dated 01.04.1999 M/s Classic Equipments Private Limited assigned trademark JOHNSON in favour of the Appellant in respect of water boilers specified under certificate of registration Nos. 197998B and 319955 and electric geysers for hot water specified under application No. 398342. In that view of the matter, prima facie, no proprietary rights flowed in favour of the Appellant in trademark JOHNSON in respect of water boilers specified under certificate of registration Nos. 197998B and 319955 and electric geysers for hot water specified under application No. 398342 by virtue of the assignment deed dated 01.04.1994.

19. With respect to ground (IV) raised by the Appellant, it is no doubt true that the learned Single Judge has failed to notice that invoices, twelve in number, evidencing the use of trademark "JOHNSON by the Appellant in respect of geysers manufactured by him were filed by the Appellant along with the written statement. Now, the question is that whether the said invoices are sufficient to conclude that the factum of use of trademark JOHNSON by the Appellant in respect of electric water geysers (except instant type geysers) since the year 1999 was within the knowledge of the Respondent No. 1.

20. The answer to the aforesaid is No. Out of 12 invoices filed by the Appellant, two invoices pertain to the year 2001, five invoices pertain to the year 2004, three invoices pertain to the year 2005 and two invoices pertain to the year 2006. According to the Respondent No. 1, the factum of use of trademark JOHNSON by the Appellant in respect of electric water geysers (excluding instant type geysers) came to its knowledge only in the year 2006. Prima facie, Twelve invoices spanning over a period from the year 1999 to the year 2006 i.e. a period of 8 years is too insignificant a number to conclude that Respondent No. 1 had knowledge of the fact that the Appellants has been using trademark JOHNSON in respect of electric water geysers (except instant type geysers) since the year 1999 prior to the year 2006.

21. In view of above, we find no infirmity in the impugned judgment and order dated 25.03.2010 passed by the Single Judge. The instant appeal is accordingly dismissed.

22. Needless to state view expressed by us are limited for purposes of interim relief and nothing said by us would be construed as an expression on the merits of the controversy between the parties and thus we observe that the suit would be decided finally with reference to the evidence led at the trial and our observations herein would not influence the final verdict.