* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **FAO (OS) No. 118/2009**

Reserved on : May 21, 2009
Date of decision : May 29, 2009

GOENKA INSTITUTE OF EDUCATION & RESEARCH ...Appellant

Through: Mr. Sudhir Chandra Agarwal, Sr. Advocate with Ms. Vrinda Sharma, Advocate.

VERSUS

ANJANI KUMAR GOENKA & ANR. ....Respondents

Through: Mr. Rajiv Nayar, Sr. Advocate with Ms. Nidhi Bisht, Mr. Kapil Wadhwa, Ms. Saya Chaudhary, Ms. Archna & Mr. J.P.Karunakaran, Advocate

CORAM:
HON'BLE MR. JUSTICE MUKUL MUDGAL
HON'BLE MR. JUSTICE VALMIKI J.MEHTA

1. Whether the Reporters of local papers may be allowed to see the judgment? yes

2. To be referred to the Reporter or not? yes

3. Whether the judgment should be reported in the Digest? yes

% **JUDGMENT**

VALMIKI J.MEHTA, J.

1. The dispute in this appeal centres around the use of the expression "Goenka" as a trademark and/or trade name. The respondents claim exclusive ownership/right to use the word "Goenka", whether per se or with other words or initials, as their trademark /trade name with respect to their educational institutions and which is disputed by the appellant. The learned Single Judge agreed with the respondents/plaintiffs and allowed their injunction application. Hence, this appeal filed by the defendants/appellant. Reference to trade mark hereinafter, in the facts of the present case, will include reference to trade name also wherever the circumstances so require.

2. The appellant claims the right to use the word "Goenka" on the basis of three basic contentions:-

(i) From the year 2000 they have been using "Goenka" for their school "Goenka Public School" and hence are owners being prior users of the trade mark. In fact the appellant is running since the year 1995 "Mohini Devi Goenka Mahila Mahavidyala" and, therefore, "Goenka" is very much a prominent part of

the name of this Mahavidyala. Though the respondents have registered "Goenka" as a trade mark in the year 2005 (w.e.f 2003 the year of the application), yet the respondents have never per se used "Goenka" i.e "Goenka" itself and have used the same only as part of "G D Goenka Public School" and therefore mere registration without actual use does not confer ownership of a trade mark.

(ii) The appellant had formed vide a trust deed in 1990 a trust in the name of "Shree Lal Goenka Charitable Trust" by the trustees Sh. Shyam Sunder Goenka & Sh. Ashutosh Goenka and which trust is also running various institutions including the institutions stated in (i) above. The adoption and user of the trademark is therefore claimed to be honest.

(iii) The word "Goenka" being a common surname is per se not distinctive and to acquire distinctiveness in such a common surname is not possible. It is further contended that even if distinctiveness can be achieved for such a common surname, it is contended that the respondents have not achieved such distinctiveness.

(iv) A further limb of the above argument is that the word "Goenka" is publici juris or at least in prior common use by other persons/institutions i.e. such other persons/institutions have used the word "Goenka" in the field of education even

prior to the use thereof by the respondents from 1995. It is, therefore, contended that the respondents cannot be said to be exclusive owners and entitled to exclusively use the trademark "Goenka" and they cannot prevent the appellant from using the same.

3. On the other hand, the stand of the respondents/plaintiffs is based upon three main counts:

(i) The respondents since the year 1994 have been running a school in the name of "G.D.Goenka Public School" and the word "Goenka" forms a prominent and distinctive part of the trademark "G.D.Goenka Public School" and, therefore, the respondents are prior users/owners of the trademark inasmuch as the appellant had set up "Mohini Devi Goenka Mahila Mahavidhyala" for the first time only later in the year 1995 and "Goenka Public School" much later in the year 2000.

(ii) The respondents are the owners of the word "Goenka" inasmuch as they have got the word "Goenka" registered in 2005 w.e.f 2003 in different classes under the Trademark Act, 1999.

(iii) The adoption of "Goenka" by the appellant was not honest inasmuch as the appellant adopted the word "Goenka" after one employee Mrs. S. C. Arora left the respondents and joined the appellant.

4. The learned Single Judge by the impugned order dated 24.2.2009 has restrained the appellant from using "Goenka Public School" and "Goenka College of Pharmacy" by granting four months' time to dis-continue the use of the said names. The learned Single Judge has held that on account of the use by the appellant of the word "Goenka" in the aforesaid two institutions the same leads to infringement of the registered trademark of the respondents/defendants and also passing off. The learned Single Judge also restrained the appellant from using "Goenka Girls School" since there was no use shown of the said name except in the website of the appellant. The learned Single Judge, however, permitted the appellant to use the names "Mohini Devi Goenka Mahila Mahavidyala", "Mohini Devi Goenka Girls B.Ed College", "Mohini Devi Goenka Girls Mahavidayala" and "Goenka Shiksha Avam Sodh Sansthan".

5. The conclusions of the learned Single Judge are basically as follows:

(a) There is an infringement of the registered trademark "Goenka" of the respondents/plaintiffs because the word "Goenka" forms an essential feature of

the trademark of the respondents/plaintiffs and the use of the said expression by the appellant leads to deceptive similarity and consequently infringement of the trademark of the respondents/plaintiffs.

(b) There arises passing off on account of the use of the word "Goenka" by the appellant in the names of their educational institutions because both the parties are in the same field viz of education. The learned Single Judge negated the arguments of the appellant that the respondents/plaintiffs cannot have monopoly of a common surname and further that the respondents did not have exclusive rights as there were other educational institutions in India which use the word "Goenka" as part of their name. The learned Single Judge held that unauthorized or un-consented use by other parties of "Goenka" is of no avail and in this regard with respect to the prior use than of both the appellant and the respondents viz of "M/s Goenka College of Commerce" by a third party, the learned Single Judge held as under:

> "Apart from one M/s Goenka College of Commerce whose present actual status could not be traced till date by the *Plaintiffs* there is no other institute on record showing use of the mark/word 'Goenka' per se, prior to that of the Plaintiffs or even otherwise"

The learned Single Judge also held with respect to other institutions using the word 'Goenka' by holding as under:

> "The Defendant in para 9 at page 7 of I.A.307/2009 has named a few institutions which are using the word 'Goenka' in their name. A perusal of the same list itself establishes that all these institutions are using their own/full name as the name of their institutes."

(c) The learned Single Judge also held that the defence of the respondents that since the surname of their trustees is 'Goenka', so far as the claim of their being entitled to use the same under Section 35 of the Trademark Act, 1999 is concerned, is not correct because the defence of bona fide user of the name applies to use of the full name and that too by a natural person and not by institutions which can adopt different names.

(d) Balance of Convenience was held to be in favour of the respondents and delay in instituting the suit in 2008 was found to be not relevant in the facts of the case, inter alia as the suit was also for infringement.

6. In this present appeal, therefore, we are called upon to basically decide the following basic issues:

(i) In between the appellant and the respondents who is the prior user of the trade mark 'Goenka'?

(ii) If respondents are prior users of the trade mark 'Goenka' can the same make them owners of the trade mark 'Goenka' per se as the word 'Goenka' was only a part of their name 'G.D. Goenka Public School' and the word 'Goenka' per se has never been used independently in itself? Related to the above question is whether the 'Goenka' is an essential feature/prominent part/predominant part of their trade mark/trade name and has it achieved distinctiveness independently so as to enable the respondents to claim ownership rights in the name of 'Goenka' in itself?

(iii) Even if as between the appellant and the respondents, the respondents are prior users of the word 'Goenka', what would be the effect of others using the word 'Goenka' in the names of their institutions much prior to the adoption and user of 'Goenka' by the respondents? Will this make the trade mark 'Goenka' either lose distinctiveness or that it cannot achieve distinctiveness, more so as the same is a surname commonly used in India? Is the surname 'Goenka' publici juris?

(iv) Is not the appellant entitled to use the word 'Goenka' on account of being an honest concurrent user?

(v) Are the respondents entitled to claim infringement of their registered trade mark 'Goenka'? Is there passing off of the name 'G.D. Goenka Public School' when the appellant uses the word 'Goenka' in their institutions 'Goenka Public School' and 'Goenka College of Pharmacy'?

(vi) What is the effect of delay in filing the suit in 2008 when the appellant is using the word 'Goenka' in 'Goenka Public School' since the year 2000 and since 1995 in 'Mohini Devi Goenka Mahila Mahavidyalaya' and in whose favour is balance of convenience and who will be caused irreparable injury?

7. During the course of hearing of the present appeal, the appellant moved an application under Order 41 Rule 27 Code of Civil Procedure (CPC) for taking on record additional documents to show firstly that it has been running school under the name "Goenka Public School" since the year 2000. This was necessitated because the learned Single Judge found that the appellant's documentation with respect to the use of the name "Goenka Public School" was only from 2004-2005 only. Secondly, the application under Order 41 Rule 27 CPC has sought to bring in further documents of various other institutions using the word 'Goenka' in

their educational institutions much prior to the user by both the parties herein and the documents also sought to buttress the plea with regard to the earlier institution 'M/s G.D.Goenka College of Commerce' on which matter the arguments were urged before the learned Single Judge. This application was allowed by us on 14.5.2009 after calling for the reply from the respondents. The said order dated 14.5.2009 is reproduced below : -

> *" This is an application under Order 41 Rule 27 of the Code of Civil Procedure for taking on record the additional documents on behalf of the appellant. The additional documents sought to be filed are in order to show the user of the name "Goenka Public School" by the appellant since the year 2000 by referring to the register of the students, the secondary school admit cards, forms filled in by the wards of the students and so on. We find that prima facie these documents appear to be genuine/authentic. We note that the appellant has claimed that the school "Goenka Public School" started as a Lower K.G. in the year 2000. The second set of documents pertain to user of the surname "Goenka" by various other institutions, much prior to the user and registration of the same by the respondent.*
>
> *In order to determine the issue with regard to the user of the appellants and also the prior user by persons other than the respondent, the documents are relevant to determine the matter in controversy. We feel that in the interest of justice, in order to enable this Court to come to a decision with respect to the matters in controversy qua the grant of injunction, the additional documents sought to be filed are required to be taken on record. The respondent would be caused no prejudice inasmuch as the suit itself is at an initial stage and the present appeal arises only from the interim order of injunction. The respondents will have ample opportunity to meet these documents and the case sought to be urged thereon. We may note that the plea with respect to the prior user is*

already there in the pleadings and in fact, user of other persons is also a fact which is mentioned not only in the pleadings but also in the impugned order. In these circumstances, the application is allowed and the additional documents sought to be relied upon in this appeal are taken on record."

8. The basic facts which have emerged on record qua the appellant are : The appellant has been running "Mohini Devi Goenka Mahila Mahavidalaya" since the year 1995. The school is run by the society managed by the trust namely " Shree Lal Goenka Charitable Trust" which was formed by a trust deed of the year 1990. The trustees of the trust are Shyam Sunder Goenka and Ashutosh Goenka. The appellant started running the school "Goenka Public School" since the year 2000. Qua the respondents, the facts which have emerged on record are: They started running their school under the name of "G.D.Goenka Public School" from the year 1994, the first session being of 1994-95. The respondents applied for registration of the trademark 'Goenka' in different classes in the year 2003 and which registrations were granted to it in the year 2005 w.e.f. 2003. Though registrations have been obtained by the respondent with respect to the word 'Goenka', they have never used the word 'Goenka' per se with respect to their school i.e their school has been called not as "Goenka Public School" but has been called as "G.D.Goenka Public School". There is, therefore, no user of the word 'Goenka' per se i.e in itself without any other additions there to.

9. We may now take up one by one the issues which we are called upon to answer as stated in para 6 above.

Honest concurrent use – para 6(iv)

10. For the purpose of deciding this issue we will assume that respondents are the prior users of the trade mark 'Goenka'. We will also assume that 'Goenka' is an essential feature/prominent or predominant part of the full name 'G.D. Goenka Public School'. Making these assumptions let us examine whether the appellant is entitled to the benefit of the doctrine of honest concurrent use.

11. Section 12 of the Trade Mark Act, 1999 (equivalent of Section 13 of the Trade Merchandise Marks Act, 1957) contains the subject matter of honest concurrent use. The same reads as under :-

> *"**12. Registration in the case of honest concurrent use, etc.—**In the case of honest concurrent use or of other special circumstances which in the opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of the trade marks which are identical or similar (whether any such trade mark is already registered or not) in respect of the same or similar goods or services, subject to such conditions and limitations, if any, as the Registrar may think fit to impose."*

12. There are two parts of the doctrine of honest concurrent use. First part is that the adoption must be honest and the second part is that there is concurrent use of the trade mark with another trade mark. There is however a third salient feature on the applicability of this doctrine and which is that conditions and limitations can be imposed by the Registrar of Trade Marks while allowing registration of one or more trade mark which are identical or similar in case there is found a case of honest concurrent user. This third part will also, as will be seen, be an important aspect while issuing directions for disposing off the appeal.

13. Taking up the aspect of honesty in adoption we are clearly of the view that the adoption by the appellant by the word 'Goenka' in the name of its institution is honest. This is because the Trust Deed is of 1990, well before the 'G.D. Goenka Public School' was started in 1994 and that the name of the trustees of the trust have their surnames 'Goenka'. The institution 'Mohini Devi Goenka Mahila Mahavidyalaya' was started in 1995, in the District of Sikar in Rajasthan (well away from Delhi) just one year after the respondents started 'G.D. Goenka Public School'. In one year it is not possible that 'G.D. Goenka Public School' became so famous that its name and fame spread well beyond Delhi into Sikar District of Rajasthan, that it can be said that appellant would have liked to copy the same to pass off its institute as that of the respondents. Nothing so categorical

and clinching has been placed on record by the respondents to this effect. Also as stated above the appellant had a valid reason to us 'Goenka' in their institution in 1995 as the trustees were Goenkas themselves. So far as use of 'Goenka' in the name 'Goenka Public School' in the year 2000 is concerned the arguments as stated in favour of the appellant as stated above will hold good and additionally also that the respondents had till 2000 admittedly called their school 'G.D. Goenka Public School' and had never used 'Goenka' in itself/per se. Therefore, we have no reason to hold that adoption of 'Goenka' per se by the appellant in the year 2000 was in any manner mala fide. A feeble argument was sought to be raised that one Mrs. S.C. Arora was working with the respondents left them in around 1996 and joined the appellant immediately thereafter and then in the year 2000 'Goenka Public School' was started by the appellant and therefore the adoption is stated not to be honest. We find this argument wholly devoid of merit as there is absolutely nothing on record to substantiate these facts of joining of Mrs. S.C. Arora with the appellant prior to the year 2000. We asked the counsel for the respondents to refer to documents to substantiate this contention and chain of facts chronologically and he was not able to do so. Further, admittedly the respondents applied for registration only in the year 2003 i.e. well after 2000. We also feel that if respondents feel that 'Goenka' is a prominent/essential part of

their name then the same argument will logically favour the appellant also who is running 'Mohini Devi Goenka Mahila Mahavidyalaya' since 1995. We therefore hold that the appellant is entitled to the benefit of the doctrine of honest concurrent user for use of the word 'Goenka' in the name of their institutions.

However, to avoid any confusion in the minds of the public, we are passing certain directions in the later part of this judgment by exercising powers similar to those vested in a Registrar under Section 12 of the Trade Marks Act, 1999.

Prior use paras 6(i) & (ii), Infringement & Passing off Paras 6(v), Surname and Distinctiveness para 6(iii)

14. The respondents started their school 'G.D. Goenka Public School' in 1994. Therefore, as between the appellant and the respondents, they are prior users so far as the word 'Goenka' as part of their trade mark/trade name. But, are they 'prior users' within the meaning of the term as understood in the law of infringement of trade mark and passing off to get an injunction in their favour? Further can the respondents be said to be prior users of 'Goenka' though the user is not of 'Goenka' in itself but it is only a part of their trademark/trade name 'G.D. Goenka Public School'?

15. Section 34 of the Trade Marks Act, 1999 provides that priority of use prevails as compared to registration and deals thus with principle well established

in the law of trade mark that ordinarily it is the prior user of a trade mark who is the owner of the trade mark. Section 34 reads :

> *"34.* ***Saving for vested rights.—****Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior—*
>
> *(a) to the use of the first-mentioned trade mark in relation to those goods or services by the proprietor or a predecessor in title of his; or*
>
> *(b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor of a predecessor in title of his;*
>
> *Whichever is the earlier, and the Registrar shall not refuse (on such use being proved), to register the second mentioned trade mark by reason only of the registration of the first mentioned trade mark."*

16. Prior user has been sufficiently pronounced upon and we need to refer to only two Division Bench Judgments of this Court in the case of **N.R.Dongre & others Vs. Whirlpool Corporation and others, AIR 1995 Delhi 300** and **Century Traders VS. Roshan Lal Duggar & Co. & others, AIR 1978 Delhi 250.** In N.R.Dongre's case, the relevant paras holding that prior user prevails over subsequent registration are as under:

> "29. Thus the right created by Section 28 (1) of the Act in favour of a registered proprietor of a trade mark is not an

absolute right and is subservient to other provisions of the Act namely Sections 27(2), 33 etc. Neither Section 28 nor any other provision of the Act bars an action for passing off by an anterior user of a trade mark against a registered user of the same. In other words registration of a trade mark does not provide a defence to the proceedings for passing off as under Section 27(2) of the Act a prior user of trade mark can maintain an action for passing off against any subsequent user of an identical trade mark including a registered user thereof. Again this right is not affected by Section 31 of the Act, under which the only presumption that follows from registration of a mark is its prima facie evidentiary value about its validity and nothing more. This presumption is not an unrebuttable one and can be displaced. Besides Section 31 is not immune to the over-riding effect of Section 27(2)."

"The rights of action under Section 27(2) are not affected by Section 28(3) and Section 30(1) (d). Therefore, registration of a trade mark under the Act would be irrelevant in an action for passing off. Registration of a trade mark in fact does not confer any new right on the proprietor thereof than what already existed at common law without registration of the mark. The right of good will and reputation in a trade mark was recognized at common law even before it was subject of statutory law. Prior to codification of trade mark law there was no provision in India for registration of a trade mark. The right in a trade mark was acquired only by use thereof. This right has not been affected by the Act and is preserved and recognized by Sections 27(2) and 33."

(Emphasis added)

In the case of Century Traders, the Division Bench of this court had also similarly held that prior user prevails over subsequent registration as under:-

> "14. Thus, the law is pretty well settled that in order to succeed at this stage the appellant had to establish user of the aforesaid mark prior in point of time than the impugned user by the respondents. The registration of the said mark or similar mark prior in point of time to user by the appellant is irrelevant in an action for passing off and the mere presence of the mark in the register maintained by the trade mark registry did not prove its user by the persons in whose names the mark was registered and was irrelevant for the purposes of deciding the application for interim injunction unless evidence had been led or was available of user of the registered trade marks."

17. The question which follows now is that whether 'Goenka' being only a part of the trade mark/trade name 'G.D. Goenka Public School' whether even such part of larger trademark is entitled to protection. Putting it differently, if there is prior use of a larger trade mark will there be a prior use also for a part of the trade mark?

18. The law in this regard is stated in para 34 to 39 of the impugned judgment. Some of the paras are reproduced below:-

> 34. A trade mark is infringed if a person other than the registered proprietor or authorized user uses, in relation to goods covered by the registration, one or more of the trade mark's essential particulars. The identification of an essential feature depends partly upon the Court's own judgment and partly upon the burden of the evidence that is placed before the Court.

35. In **James Chadwick & Bros. Lid. V. The National Sewin Thread Co. Ltd., MANU/MH/0063/1951** the Court ruled as under:

"in an action for infringement what is important is to find out what was the distinguishing or essential feature of the trade mark already registered and what is the main feature or the main idea underlying the trade mark. In Parle Products (f) Ltd. v. J.P. & Co. Mysore. :MANU/SC/0412/1972 the Supreme Court took the same view."

36. In the judgment of the Supreme Court in **Ruston and Hornby Ltd. v. Zamindara Engineering Co.,** MANU/SC/0304/1969. The High Court, in appeal, held that the offending trade mark infringed the appellant's trade mark "Ruston", and restrained the respondent from using the trade mark "Rustam", but further held that the use of the words "Rustam India" was not an infringement of the registered trade mark, as the appellant's goods were manufactured in England and not in India and the suffix of the word "India" constituted a sufficient distinguishing factor. The Supreme Court, white upholding the first part of the High Court Judgment and reversing the second part, held that an infringement of a registered trade mark takes place not merely by exact imitation but by the use of a mark so nearly resembling the registered mark as to be likely to deceive.

39. As observed by the **Privy Council in De Cordova and others Vs. Vick Chemical Company, 68 R.P.C. 103, 106** it was held as under:

"it has long been accepted that, if a word forming part of a mark has come in trade to be used to identify the goods of the owner of the mark, it is an infringement of the mark itself to use that word as the mark on part of the mark of another trader, for confusion is likely to result.".

19. Therefore, subject to facts and circumstances of each individual case, no one can copy an essential part or predominant part of a trade mark and the benefit of prior use doctrine will also be available to an essential/prominent/predominant part of trade mark i.e. an important part of a trade mark of another person, but, that is however not the end of the matter. When two marks are identical nothing further needs to be seen in the cases of infringement, but if the marks are not identical but only deceptively similar, then, the tests of passing off are to be applied to see if user of a trade mark by a person other than the registered proprietor infringes the trade mark of the registered proprietor i.e. if after adopting an essential feature of a trade mark of a registered proprietor by another person, in the peculiar facts of that case, it is to be seen whether there is deceptive similarity by applying the tests of passing off, and in case there is no passing off of the trade mark, then it cannot be said that there is infringement. The learned Single Judge referred to the judgment in **Ruston's** case (*infra*) but has overlooked the relevant part thereof which lays down the ratio that once the two trademarks are not identical, the question which arises is the question of deceptive similarity and the tests to be applied for seeing existence of deceptive similarity in an action for passing off.

Reference is invited to para 7 of the judgment in ***Ruston & Hornsby Ltd. v. Zamindara Engineering Co., (1969) 2 SCC 727,*** which holds as under:-

> "In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the Court will not enquire whether the infringement is such as is likely to deceive or cause confusion. But where the alleged infringement consists of using **not the exact mark** on the register, **but something similar to it**, ***the test of infringement is the same as in an action for passing-off***. In other words, the test as to likelihood of confusion or deception arising from similarity of marks is the same both in infringement and passing-off actions."

The ratio of this judgment in respect of the test for infringement and passing off being the same on the issue of deceptive similarity when the two competing trade marks are not identical has been again reiterated by the Supreme Court in the case of ***Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel,(2006) 8 SCC 726,*** **at page 765** in which judgment in paragraph 91,the Supreme Court has held as under:

> "……..In an action for infringement where the defendant's trade mark is **identical** with the plaintiff's mark, the court will not enquire whether the infringement is such as is likely to deceive or cause confusion. The test, therefore, is as to likelihood of confusion or deception arising from similarity of marks, and is the same both in infringement and passing-off actions."

20. The tests for passing off are : -

(*1*) a misrepresentation,

(*2*) made by a trader in the course of trade,

(*3*) to prospective customers of his or ultimate consumers of goods or services supplied by him,

(*4*) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence), and

(*5*) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so."

***See Heinz Italia v. Dabur India Ltd.,(2007) 6 SCC 1*, para 15. Following Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd., 2001(5) SCC 73.**

21. Before we however give our decision on the issue of passing off and deceptive similarity in view of the law stated above, it is further necessary to concomitantly refer to the related issue of distinctiveness of a surname.

22. Lack of distinctiveness of a common surname 'Goenka' and the issue of publici juris.

The learned counsel for the appellant has placed strong reliance on the provision of Section 9 of the repealed Trade and Merchandise Marks Act, 1957 and more particularly sub-section 1(d) and sub-section 2 and also the provision of Section 9 of the new Trademarks Act, 1999 to contend that a common surname such as 'Goenka' is devoid of distinctive character and to achieve distinctiveness in such a common surname, should not be easily accepted, he has relied upon in this regard, on the commentary of **Law of Trade Marks and passing off by P.Narayanan, Sixth Edition (2004)** and para 8.20 thereof which reads as under:-

"8.20. Surnames are commonly used as trade marks. Although it is not specifically mentioned in the definition of mark, the word name would include surname and personal name.

A mere surname of an individual, though it may be adapted to distinguish or capable of distinguishing the goods or services of all persons, taken collectively, who bear the surname from those of other persons bearing a different surname, is not adapted to distinguish or capable of distinguishing the goods or services of one person from those of another having the same surname. Every trader has a right to trade in his own name and ought not to be hampered in its use. One has therefore to consider the interests of other persons having the same surname who might at any time carry on trade in the same goods or services. A surname therefore is considered *prima facie* not adapted to distinguish nor capable of distinguishing. For the same reason a personal name or the name of a caste, sect or tribe is also considered having the same built-in disability. Common abbreviations of surname, or personal name is to be considered on the same footing as a surname or a personal name."

(emphasis added)

(ii) The counsel for the appellant also relied upon the following passage in **The Law of Trade Marks and Passing off by Dr. S.Venkateshwaran** (Fourth Edition (1999 Reprint) for the same purpose:-

"Surname according to ordinary signification.---The word "according to ordinary signification" qualify the words surname, personal names, etc. A word which according to its ordinary signification is a surname, is excluded under clause *(d)*. "The right to the surname that a man uses", said

> Neville, J., "is shared with every other person who has the same name, and, consequently, he has got about as much monopoly in it as he has in the air that he breathes; he has to share it in common with all this fellow-citizens".

23(i). Though what has been urged by counsel for the appellant, is no doubt correct, however, the argument of the counsel for the appellant is answered by the argument raised by the counsel himself inasmuch as once it is held that a surname has become distinctive, normally such a surname can in fact be owned and used as a trademark. Reference in this regard is invited to the judgment of the Hon'ble Supreme Court in the case of **Mahendra and Mahendra Paper Mills Ltd. Vs. Mahindra and Mahindra Limited 2002 (2) SCC 147**. The relevant portion of this judgment is at para 24 which reads as under:

> 24. Judging the case in hand on the touchstone of the principles laid down in the aforementioned decided cases, it is clear that the plaintiff has been using the words "Mahindra" and "Mahindra & Mahindra" in its companies/business concerns for a long span of time extending over five decades. The name has acquired distinctiveness and a secondary meaning in the business or trade circles. People have come to associate the name "Mahindra" with a certain standard of goods and services. Any attempt by another person to use the name in business and trade circles is likely to and in probability will create an impression of a connection with the plaintiffs' Group of Companies. Such user may also affect the plaintiff prejudicially in its business and trading activities. Undoubtedly, the question whether the plaintiffs' claim of "passing-off action" against the defendant will be accepted or not has to be decided by the Court

after evidence is led in the suit. Even so for the limited purpose of considering the prayer for interlocutory injunction which is intended for maintenance of status quo, the trial court rightly held that the plaintiff has established a *prima facie* case and irreparable prejudice in its favour which calls for passing an order of interim injunction restraining the defendant Company which is yet to commence its business from utilizing the name of "Mahendra" or "Mahendra & Mahendra" for the purpose of its trade and business. Therefore, the Division Bench of the High Court cannot be faulted for confirming the order of injunction passed by the learned Single Judge.

(ii) Another relevant judgment in this regard is the judgment of a Division Bench of this court in the case of **Montari Overseas Ltd Vs. Montari Industries, 1996 PTC (16) 142 (Del).** The relevant portions of this judgment are as under:

> **"**When a defendant does business under a name which is sufficiently close to the name under which the plaintiff is trading and that name has acquired reputation and the public at large is likely to be misled that the defendant's business is the business of the plaintiff, or is a branch or department of the plaintiff, the defendant is liable for an action in passing off. Even if the word "MONTARI" as part of the corporate name of the appellant was derived from the names of the father and father-in-law of the M.D. of the appellant company it would still be liable for an action in passing off as the use of the word "MONTARI" in its corporate name is likely to cause confusion and injure the goodwill and reputation of the respondent, in the sense that this is a reasonable and foreseeable consequence of the appellant's action. We find from the record of the trial court, which contains the Memorandum of Association of six Montari group of companies and annual reports of Montari

Industries Ltd., that Montari group of industries have large operations and some of them have been in business for a long time. The members of the public are likely to mistakenly infer from the appellant's use of the name which is sufficiently close to the respondent's name that the business of the appellant's company is from the same source, or the two companies are connected together."

"It is well settled that an individual can trade under his own name as he is doing no more than making a truthful statement of the fact which he has a legitimate interest in making. But while adopting his name as the trade name for his business he is required to act honestly and bonafidely and not with a view to cash upon the goodwill & reputation of another. An individual has the latitude of trading under his own name is in recognition the fact that he does not have choice of name which is given to him. However, in the case of a Corporation the position is different. Unlike an individual who has no say in the matter of his name, a company can give itself a name. Normally a company can not adopt a name which is being used by another previously established company, as such a name would be undesirable in view of the confusion which it may cause or is likely to cause in the minds of the public. Use of a name by a company can be prohibited if it has adopted the name of another company.

It is well settled that no company is entitled to carry on business in a manner so as to generate a belief that it is connected with the business of another company, firm or an individual. The same principle of law which applies to an action for passing off of a trade mark will apply more strongly to the passing off of a trade or corporate name of one for the other. Likelihood of deception of an unwary and ordinary person in the street is the real test and the matter must be considered from the point of view of that person. Copying of a trade name amounts to making a false representation to the public from which they have to be protected. Besides the

> name of the company acquires reputation and goodwill, and the company has a right too to protect the same. A competitor cannot usurp the goodwill and reputation of another. One of the pernicious effects of adopting the corporate name of another is that it can injure the reputation & business of that person".

(iii) The ratio of Montari is also the ratio of the judgments of this court in **Dr. Reddy's Laboratories** cases which are reported as **Dr. Reddy's Laboratories Ltd. VS. Reddy Pharmaceuticals Ltd. 2004 (29) PTC 435 (Del)** and **Reddy Pharmaceuticals Ltd. Vs. Dr. Reddy's Laboratories Ltd. 2007 (35) PTC 868 (Del.) (DB).** Paras 15 and 16 of the learned Single Judge's Judgment in the above decision read as under:-

> "15. The plea raised by the defendant that it has a bona fide statutory right to use the trade name "Reddy" as its Managing Director is Mr. Reddy is also liable to be rejected for the reason that the trade mark "Dr. Reddy" in spite of not being registered has acquired considerable trade reputation and goodwill in the community dealing with drugs and pharmaceutical not only in India but abroad also. This trade mark is now distinctively associated with the plaintiff's company. Its long and continuous user by the plaintiff is *prima facie* established. The use of trade name/mark "Reddy" by the defendant is capable of causing confusion and deception resulting in injury to the goodwill and reputation of the plaintiff company. No other "Reddy" has a right to start a rival business by using the same trade name on the plea that it is his surname. This would encourage deception. If such a plea is allowed, rivals in trade would be encouraged to associate in their business ventures persons having similar surnames

with a view to encash upon the trade reputation and goodwill acquired by others over a period of time. In **Bajaj Electrical Limited, Bombay v. Metals & Allied Products, Bombay and another, AIR 1988 Bombay 167**, the user of a family name by the defendants was held to be an act of passing off the goods and it was observed that the use of such family name as a trade mark was not permissible. The plea of the defendants that the surname of the partners of its firm could be used to carry on trade in their own name was rejected. It was held that prima facie the defendants were intentionally and dishonestly trying to pass off their goods by use of name "Bajaj" and as such the plaintiff had made out a case for grant of injunction.".

"16. In the case of Kirloskar Diesal Recon Pvt. Ltd. and another v. Kirloskar Proprietary Ltd. and others, AIR 1996 Bombay 149 also, it was held that the use of surname was not saved by Section 34 of the Trade and Merchandise Marks Act, 1958 for an artificial person like incorporated Company. It was also held that the mark 'Kirloskar' used by the plaintiffs had acquired a secondary meaning and had become a household word and as such Section 34 of the Act could not come to the rescue of the defendants."

The view of the learned Single Judge has been accepted by the Division Bench in the judgment reported as **Reddy Pharmaceuticals Ltd. Vs. Dr. Reddy's Laboratories Ltd. 2007 (35) PTC 868 (Del.) (DB**).

(iv) We may incidentally state that the aforesaid ratio of Division Bench judgment of this court in the Montari case answers one of the contentions raised by the counsel for the appellant that the appellant is entitled to use the name

'Goenka' by virtue of Section 35 of the Trademark Act, 1999. Clearly, the arguments of learned counsel for the appellant are not well founded because the defence under Section 35 will only apply to a full name and that also by a natural person and not by a legal entity which can choose a separate name. Also, once distinctiveness is achieved or secondary meaning acquired with respect to a surname, then, another person cannot use that surname for an artificial person or entity. The appellant, therefore, only on the strength of Section 35 cannot successfully contend that it is entitled as of right to use the name 'Goenka' merely because it happens to be the surname of its original and present trustees. Of course, nothing turns strictly on this issue in the facts and circumstances of this case, so far as the relief with respect to infringement or passing off or prior user issue is concerned because, we have otherwise held that appellant is an honest concurrent user and we have given later in this judgment sufficient directions for bringing about distinction in both the trademarks so that there is no confusion in the minds of the public.

24. We now answer the issue (as stated in para 21 above) of deceptive similarity and passing off. We are of the view that in the facts and circumstances of the case, there would not arise any deceptive similarity or passing off between

the two names of "Goenka Public School" and "G D Goenka Public School" for the following reasons:-

(i) The respondents began their educational institutions in the year 1995 in Delhi by opening a single school. No doubt it can be urged that the respondents could have earned distinctiveness with respect to their name so far as the region of Delhi or in and around Delhi concerned, but it cannot be said that respondents have achieved such amount of distinctiveness or secondary meaning that such distinctiveness would be applicable throughout the country in a period of a year in 1995 or in five years in 2000 that anyone else who in a different district in a different State starts using 'Goenka' as part of its name, it would result in passing off, other institutions as that of the respondents. Nothing has been for the present, placed on record that in one year respondents user has spread so extensively throughout India that respondents can prevent the appellant from using the surname 'Goenka' more so as 'Goenka' is a common surname in India.

(ii) Secondly, students studying in a school in Sikar district of Rajasthan would not be led into believing that they are studying or applying for any school which is the same as the respondents' school in Delhi.

(iii) There is sufficient and noticeable difference between 'Goenka Public School' and 'G.D. Goenka Public School' when taken in context that respondents are Delhi based and appellant is based in Sikar, Rajasthan.

(iv) No doubt the field of operation of both the appellant and the respondents is the same, viz education, however, the issue of deceptive similarity will also have to be negated not only on account of 'Goenka' being a common surname but also because of the fact that other educational institutions using the name 'Goenka' either per se or with other words already existed prior to the respondents establishing the institutions in the year 1994. Furthermore the promoters of the appellant's institute do bear the surname 'Goenka' and such user is thus bona fide. It has been found on record that the following institutions have been operating in different parts of India using the word 'Goenka' in their trademark or trade name viz the name of the institution and which are as under:-

(a) Goenka College of Commerce, Kolkatta since 1951 (P.388 of appeal)

(b) Goenka Vidya Mandir, Pilani, since 1983 (P.397 of appeal), and

(c) Goenka Sanskrit Mahavidyalaya, Banaras, since 1957 (P.403/405 of appeal)

We, therefore, prima facie find that there is merit in the contention of the appellant that various other institutions have been using the word 'Goenka' as part of their trademark and trade name even prior to the use of the word 'Goenka' by the respondents as part of their trade mark and, therefore, it cannot be said that 'Goenka' has become distinctive or acquired a secondary meaning so far as the respondents are concerned. Therefore, neither the appellant nor the respondents can be said to be the first user or prior user for the purposes of becoming exclusive owners of the word 'Goenka' to prevent others from using 'Goenka'. In fact, the number of institutions run by different parties may, after trial, lead to the word 'Goenka' being publici juris.

Publici Juris, Para 6(iii)

25. The subject of a publici juris trade mark in same part can be traced to Section 9(1) (a) & (c) and Section 13 of the Trade Marks Act, 1999. The said sections are reproduced below:-

> **"9. Absolute grounds for refusal of registration**.—(1) The trade marks—
>
> (*a*) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;
>
> (*b*) xxxxxx

(*c*) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade,
shall not be registered:

13. Prohibition of registration of names of chemical elements or international non-proprietary names.—No word—

(*a*) which is the commonly used and accepted name of any single chemical element or any single chemical compound (as distinguished from a mixture) in respect of a chemical substance or preparation, or

(*b*) which is declared by the World Health Organisation and notified in the prescribed manner by the Registrar from time to time, as an international non-proprietary name or which is deceptively similar to such name,
shall be registered as a trade mark and any such registration shall be deemed for the purpose of Section 57 to be an entry made in the register without sufficient cause or an entry wrongly remaining on the register, as the circumstances may require."

26. On the issue with regard to a trade mark becoming common to the trade and hence publici juris the law in this regard is contained in a Division Bench judgment of this court reported as **Astrazeneca UK Limited & Anr. Vs. Orchid Chemicals & Pharmaceuticals Ltd. 2007 (141) DLT 565 (DB)** : **2007 (34) PTC 469**. The relevant portion of this judgment is as under:

"We are informed that there are a number of such other similar names with the prefix 'Mero' which are in the market. They were also taken notice of by the learned Single Judge while dealing with the injunction application. In the decisions of the Supreme Court and this Court also, it has been clearly

> held that nobody can claim exclusive right to use any word, abbreviation, or acronym which has become publici juris. In the trade of drugs, it is common practice to name a drug by the name of the organ or ailment which it treats or the main ingredient of the drug. Such an organ ailment or ingredient being publici juris or generic cannot be owned by anyone exclusively for use as trade mark."

On the aspect of publici juris however we do not want in any manner to pronounce one way or the other because we do not think that on the strength of the documents as available at the present stage, it can be authoritatively said that the word 'Goenka' has become publici juris. It will be open to the appellant to establish its case at the trial and accordingly, urge at the time of final arguments its contention with regard to the word 'Goenka' having become publici juris. At this stage, one aspect of the judgment of the learned Single Judge needs mention where the learned Single Judge seems to hold that user of third person is not relevant to the issue of ownership of a plaintiff. The impugned judgment is incorrect to the extent it holds that user by the third party of a trademark **prior** to the user claimed by the plaintiff is not relevant. In fact, in such a case, prior user by third parties of the trademark in certain facts and circumstances of a case, may throw considerable light on, the existence or not, of exclusive ownership claim of a plaintiff/respondent with respect to a trademark.

27. Now taking up the case as regards the issue of infringement on account of registration of the trade mark in favour of the respondents and which has been held by the learned Single Judge in favour of the respondents and against the appellant, we are of the view that in view of the additional documents having come on record of the appellant's having started in 2000 we cannot hold the appellant guilty of infringement of the registered trademark 'Goenka' of the respondent because the admitted fact is that the trademark 'Goenka' has been registered only in the year 2003 whereas the appellant has been carrying on its institution with the word 'Goenka' per se from the year 2000. Also mere registration, will be of no avail to the respondents as they have never used 'Goenka' per se and mere registration without actual user cannot confer ownership rights in a trade mark.

28. Since, however, education of students is involved in order to ensure that there is no deceptive similarity between the institutions of the appellant and the respondents and so that no student or his/her ward is led into believing that two institutions are similar, we would seek to invoke the rationale of the provision of Section 13 of the Trade Marks Act, 1999 which deals with the principle of honest concurrent user. Under this provision at the time of registration of trademarks which are found to be deceptively similar, power has been vested in the Registrar

to allow such registration in case of honest concurrent user subject to certain conditions and limitations i.e. such restrictions and directions which the Registrar may impose. The object of this provision is that if there are similar trademarks in the market then in such circumstances, in order to ensure that there is no confusion amongst the public, directions can be issued to ensure that the public in general do not confuse the goods and services of one trademark with that of another, at the same time allowing rival traders who have carried on their business under their trade marks because such trade Marks have been used by both such persons for such time that it has become distinctive qua such traders.

Accordingly, we direct that the appellant should take such steps that while writing the name of its school namely, "Goenka Public School" it shall add such information of disclaimer or distinction that enough distinction would be maintained with respect to the names of the appellant and that of the respondents. We also direct that the appellant should put the name of their trust in brackets below the name of its school so that it is clear that the appellant's school is of a trust based in Sikar, Rajasthan. Further, in public advertisements, literature or brochures which are issued by the appellant the name of its trust must be mentioned and the appellant is also directed to state that it is not affiliated to any other institution using 'Goenka' as a trademark or trade name. Since we are

dealing with the case at the stage of interim injunction and subject to any final judgment which may otherwise be passed in the suit, we have noted the plea of the appellant that it is at the moment is confining its activities to Sikar in Rajasthan. In case, it seeks to extend its activities beyond Sikar in Rajasthan, it may move an application bringing appropriate facts on record thereby seeking permission from the court and the court will dispose of such application as per the facts and circumstances stated in the application.

Balance of Convenience and Delay para 6(vi)

29. We are also of the view that the balance of convenience is in favour of the appellant and against the respondents. Irreparable injury which cannot be compensated in money will be caused to the appellant if the injunction as granted by the learned Single Judge is not vacated and the respondents can be compensated monetarily in case they finally succeed. The appellant is running its educational institution being 'Goenka Public School' from the year 2000 and the suit has been filed only in the year 2008. Object of an injunction is to be looked at differently when a business is about to start and as against a business which has been going on from a long time. In the latter category of cases injunction is not ordinarily granted whereas in the case of the former where the business is about to start or has just recently started, the court favourably considers the grant of

pendent lite injunction. Furthermore several students are studying in the school run by the appellant and it would cause serious inconvenience and undue trouble to the appellant if so necessitated by the order of the learned Single Judge. The object of an injunction is not create a new state of affairs but to maintain status quo with regard to the position emerging for a long time before filing of the suit. Reference in this behalf is invited to a judgment of Single Judge of this court in **QRG Enterprises & Anr. Vs. Surendra Electricals & Ors, 2005 (120) DLT 456: 2005 (30) PTC 471**. Paras 30 , 31 & 39 of the said judgment are relevant wherein the Single Judge has relied upon the Supreme Court judgments for this purpose, and which paras read as under:

> "30. Interlocutory remedy is normally intended to preserve in *status quo* rights of the parties which may appear of a prima facie case. As observed by Their Lordships of the Supreme Court in the decision reported as 1990 (Supp.) SCC 727, **Wander Ltd. & Anr v. Antox India Pvt. Ltd:**
>
> "Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The Court at this stage acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated, "… is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be made against the corresponding need of

the defendant to be protected against injury resulting from his having been preventing from exercising his own legal rights for which he could not be adequately compensated. The Court must weigh one need against another and determine where the 'balance of convenience' lies."

31. As observed by Their Lordships in Mahendra & Mahendra Paper Mills Ltd. (supra):

"The Court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendants has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted."

39. I am required to preserve a status quo, the rights of the plaintiffs and defendants which may appear on a prima facie case. Protection of the interest of the plaintiffs has to be weighed vis-a vis the corresponding interest of the defendants. It is not a case where the defendants have to commence enterprise. Real challenge is to defendants 5 and 6 who have been in business since 1956 and 1974 respectively. In the light of the prima facie facts noted above, balance of convenience and irreparable loss and injury, I am of the opinion that the ex parte ad interim injunction granted to the plaintiffs on 25.11.2004 requires to be vacated."

We may make a passing reference to Section 33 of the Trade Marks Act, 1999 which now for the first time statutorily provides a period of five years with respect to acquiescence. Though, Section 33 is with reference to the right of an unregistered user and a subsequent registered user, however indication of a period

for acquiescence which is provided as a defence under Section 30(2) (c) (i) can be said to have been provided by the statute for the first time. The appellant started 'Goenka Public School' in the year 2000 and suit has been instituted in the year 2008, however, we will not go further into this issue or pronounce upon it as no arguments have been addressed on the basis of acquiescence, and also because appellant will have to prove knowledge of the respondents since long of their existence and other requirements qua the defence of a acquisence.

30 In view of the above, our conclusions are as under:

(i) The respondent cannot successfully contend infringement of its trade mark 'Goenka' because the trade mark has been registered w.e.f. 2003, but the appellant have used the trademark 'Goenka' per se w.e.f. 2000 when it started its 'Goenka Public School'. Mere registration cannot confer right on the respondents as registration without user is of no effect and respondents have never used the trade marks 'Goenka' in itself per se.

(ii) The respondents can be said to be prior user of the trademark 'Goenka' as against the appellant on the ground that the word 'Goenka' forms a prominent part of its name 'G.D.Goenka Public School' on their establishing distinctiveness/secondary meaning after trial of the case but as of today no

injunction can be granted to the respondents because the two trademarks are not identical and when the tests for deceptive similarity are applied there is enough material to hold that there is no deceptive similarity especially because, whereas the appellant is based in Sikar, Rajasthan, the respondents are based in Delhi and both the parties have started using the word 'Goenka' as part of the name of their institutions near about each other so that it can be said that the appellant is an honest concurrent user of a word 'Goenka', because since 1995 it was using 'Goenka' as part of "Mohini Devi Goenka Public School" and for which it had a bona fide reason to adopt because the surname of its trustees was 'Goenka'. Directions have however been issued by us as stated in para 28 above so as to ensure that there is no confusion between the names of the separate institutions using their trademarks/ trade names.

(iii) Though the appellant is correct that a common surname like 'Goenka' cannot easily achieve distinctiveness but this can be established in a given case. We find that this issue in the facts of the present case need not be pronounced upon by us for the present inasmuch as we have permitted the respondent to use the name 'Goenka Public School' with certain minor restrictions as stated above. Similarly, we do not hold one way or the other with

respect to whether the word 'Goenka'is publici juris and which is left for decision after the trial in the case.

(iv) On account of the appellant's running its institution as 'Goenka Public School' from the year 2000 i.e. 8 years before filing of the suit, the relief of injunction on the ground of passing off is to be declined on the ground of delay also, because the balance of convenience is in favour for the appellant whose institutions having several students were not just recently established before filing of the suit in 2008 or were to be established after filing of the suit.

(v) It is doubtful that the respondents can claim to be exclusive and sole owners of the word 'Goenka' because third parties have been using the word 'Goenka' as part of their trademark/ trade name in the name of their institutions much prior to the user of the word 'Goenka' by the respondent.

31. Accordingly, we allow the appeal and vacate the injunction order granted by the learned Single Judge in the impugned judgment. We permit the appellant to use the name 'Goneka Public School' with respect to its school but with the condition that during the pendency of the suit it will use the name 'Goenka Public School' subject to directions in para 28.

32 With these observations, the appeal is disposed of, leaving the parties to bear their own costs. Needless to state that our findings are prima facie and will not affect the final decision on merits of the case after trial.

VALMIKI J.MEHTA, J

MUKUL MUDGAL, J

MAY 29, 2009

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