

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

% *Judgment Reserved On: 16th December, 2022*
Judgment Delivered On: 05th January, 2023

+ **CS(COMM) 606/2022 & I.A. 16403/2022 (u/S 151 CPC-for release of seized goods), I.A. 17064/2022 (for condonation of delay of 1 day in filing reply to I.A. 16402/2022), I.A. 17085/2022 (for exemption from filing notarized and apostilled copy of the Power of Attorney)**

AIWA CO. LTD.

..... Plaintiff

Through: Ms.Anuradha Salhotra with Mr.Sumit Wadhwa and Mr.Ayush Samaddar, Advocates.

Versus

AIVVA ENTERPRISES PRIVATE LIMITED & ORS.

..... Defendants

Through: Mr.S.K. Bansal and Mr.Pankaj Kumar, Advocates.

CORAM:

HON'BLE MR. JUSTICE AMIT BANSAL

JUDGMENT

AMIT BANSAL, J.

I.A. 14162/2022 (O-XXXIX R-1 & 2 of the CPC) & I.A. 16402/2022 (O-XXXIX R-4 of the CPC)

1. By way of the present judgment, I propose to dispose of the application filed on behalf of the plaintiff under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC) and the application filed on



behalf of the defendants under Order XXXIX Rule 4 of the CPC for vacation of the *ex parte* ad interim injunction granted by this Court.

GENESIS OF THE DISPUTE

2. The case set up by the plaintiff in the plaint is as follows:

2.1 The plaintiff company, which is incorporated in Japan, is the registered proprietor of the trademark 'AIWA' in various classes, including Class 9 (televisions and audio equipment).

2.2 The word 'AIWA' also forms part of the trading style, both as the corporate name as well as the email address of the plaintiff.

2.3 The plaintiff holds registration of the word mark 'AIWA' with effect from 19th October, 1982 and the stylized versions of the aforesaid trademarks  and  in Class 9 with effect from 12th September, 1991 and 29th January, 2003 respectively.



2.4 The plaintiff's trademark 'AIWA' has been included in the list of well-known marks maintained by the Trademark Registry since the year 2007.

2.5 The plaintiff holds worldwide trademark registrations in respect of its trademark 'AIWA' and its formative marks and the goods of the plaintiff have acquired a tremendous reputation and goodwill throughout the world.

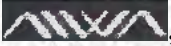

2.6 In August, 2022, the plaintiff became aware of the defendant no.1 using the word mark 'AIVVA' and the stylized version of the same i.e.,





through its brochure, both as a trademark in relation to its goods and as a part of its corporate name. The defendant no.1 was using not only the mark 'AIVVA' but had also copied the stylized manner adopted by

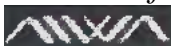

the plaintiff i.e., . As per the brochure, the defendant no.1 claimed to have registration in respect of the mark  with the alphabet 'R' placed in a circle on the top right corner to denote registration of the mark.

2.7 The plaintiff conducted a search in the Trademark Registry in the relevant class which revealed that there was no registration of the said mark in the name of the defendant no.1 or the defendant no.2.

2.8 The plaintiff arranged for the purchase of a TV set sold by the defendant no.1 and found that apart from the mark 'AIVVA', the defendants are also using the marks ,  and **aiwa**. The defendant no.2 was also involved in selling the aforesaid infringing products.

3. Accordingly, the present suit has been filed seeking the relief of permanent injunction restraining the defendants from using the trademarks 'AIVVA' /  /  / **aiwa** / 'AIVVA ENTERPRISES PRIVATE LIMITED', and/or any other marks which may be identical or deceptively similar to that of the plaintiff, thereby infringing the trademarks of the plaintiff or constituting passing off by use of the trademarks or any part of the trade name, corporate name or domain name of the plaintiff and other ancillary reliefs.

4. Vide order dated 2nd September, 2022, this Court had passed an *ex parte* ad interim injunction in I.A.14162/2022 in the following terms:

*“26. Accordingly, Defendants are restrained from using the impugned marks, i.e. AIVVA/  /  / **aiwa** / AIVVA ENTERPRISES PRIVATE LIMITED*

and/or any other mark/name identical/deceptively similar to Plaintiffs AIWA Marks, either by themselves or in conjunction with any other word, as a trademark or part of a trademark, a corporate name/trade name, a domain name or part of a domain name, an email address or part of an email address, or in any manner whatsoever in relation to their goods/services which are similar to those of the Plaintiff, amounting to infringement and passing off, till the next date of hearing.

27. *Defendants are directed to take down their webpage from the e-commerce platform India MART <https://www.indiamart.com/usha-electrotradeagencies/> and not to advertise the trademark AIWA or any other mark deceptively similar thereto.”*

5. Aggrieved by the aforesaid injunction order, the defendants filed I.A.16402/2022. Notice in this application was issued on 10th October, 2022 and reply thereto has been filed on behalf of the plaintiff.

SUBMISSIONS OF THE DEFENDANTS

6. The counsel for the defendants made the following submissions:

6.1 It has wrongly been stated in the plaint that the plaintiff learnt of the defendants' use of the impugned marks in August, 2022 and have approached the Court without any delay. As is evident from the legal notice dated 17th August, 2020, the plaintiff was aware of the user of the mark 'AIVVA' in August, 2020 by the defendants no.1 and 2, who were selling and marketing their products under the mark 'AIVVA' and the said products are also available for purchase on e-commerce platforms like IndiaMART.

6.2 The plaintiff has deliberately not disclosed the legal notice or its reply in the plaint.

6.3 A reading of the aforesaid legal notice shows that the plaintiff was

aware about the use of the 'AIVVA' trademark by Mr. Ajjaay Advani as well as the registrations of the trademark 'AIVVA' in his favour in the year 2015.

6.4 The aforesaid legal notice was copied to a Hong Kong based entity, Nu-World Global, which has been described in paragraph 2 of the aforesaid notice as an entity to which rights to manufacture and sell products under the 'AIWA' trademark have been assigned by the plaintiff. Further, the aforesaid Nu-World Global assigned the rights in favour of Aiwa Consumer Products LLP, a partnership firm in India on whose behalf the aforesaid legal notice was sent. Therefore, the plaintiff cannot claim ignorance of the aforesaid legal notice. This fact has also been stated in paragraph 5 (ii) of I.A. 16402/2022 and no specific denial thereto has been made on behalf of the plaintiff.

6.5 It has further been stated in the aforesaid legal notice that the defendants no.1 and 2 are acting in connivance with Mr. Ajjaay Advani. The aforesaid legal notice was duly replied to on behalf of Mr. Ajjaay Advani, wherein it was stated that the mark 'AIVVA' has been registered by him under Classes 7, 9 and 11 as far back as in December, 2015. It was also stated in the reply that the domain name 'www.aivva.com' has been registered by Mr. Ajjaay Advani in February, 2017.

6.6 The plaintiff was aware of the registration of the mark 'AIVVA' in favour of Mr. Ajjaay Advani but has failed to challenge the same. Despite alleging connivance between Mr. Ajjaay Advani and the defendants, Mr. Ajjaay Advani has not been made a party in the suit.

6.7 In the affidavit filed on behalf of Mr. Ajjaay Advani filed along with the written statement, it has been stated that Mr. Ajjaay Advani has given

permission to the defendants no.1 and 2 to use the trademark 'AIVVA'.

6.8 No written authorization was required to be given by a registered proprietor of a trademark for use of the aforesaid trademark. Reliance in this regard is placed on the judgment of the Supreme Court in *Cycle Corporation of India Ltd. v. T.I. Raleigh Industries Pvt. Ltd. and Ors.*, (1996) 9 SCC 430.

6.9 It has wrongly been stated in the plaint that the defendants have been selling TVs under the mark 'AIWA' as the defendants have only been selling TVs under the mark 'AIVVA'. Reliance has been placed on the various invoices of the defendants from May, 2016 in this regard.

6.10 No documents have been filed on behalf of the plaintiff showing user of the trademark 'AIWA' prior to the user of the defendants. On the other hand, defendants have filed invoices to show their user of the trademark 'AIVVA' since 2016.

7. Counsel for the defendants has also placed reliance on the judgments in *Micolube India Ltd. v. Maggon Auto Centre &Anr.*, 2008 (36) PTC 231 (Del.), *Thukral Mechanical Works v. Nitin Machine Tools P. Ltd. &Anr.*, (1998) 18 PTC 767, *Standipack Private Limited &Ors. v. Oswal Trading Co. Ltd. &Ors.*, 1999 PTC (19) 479, *B.L. and Co. and others v. Pfizer Products Incl.*, (2001) 93 DLT 346 (DB) and *Kent Ro System Ltd. v. Gattubhai*, 2022 SCC OnLine Del 791.

SUBMISSIONS OF THE PLAINTIFF

8. *Per contra*, counsel for the plaintiff made the following submissions:

8.1 The plaintiff duly conducted a search of the Trademark Registry before filing the present suit and has filed the search report along with the



plaint, in terms of which the mark 'AIVVA' is registered in the name of Mr. Ajjaay Advani.

8.2 The defendant companies have failed to show that they have a license or any other written authorization in their favour from Mr. Ajjaay Advani. There is nothing to suggest that the defendants are related to Mr. Ajjaay Advani.

8.3 The very premise of the application under Order XXXIX Rule 4 of the CPC is based on a wrong assumption that the legal notice dated 17th August, 2020 was sent on behalf of the plaintiff.

8.4 The aforesaid notice was neither sent by the plaintiff/on behalf of the plaintiff, nor did the plaintiff have any knowledge about the aforesaid notice being sent to Mr. Ajjaay Advani.

8.5 The present suit has been filed only against the defendants no.1 and 2 as it is the said defendants who were selling goods that were infringing the trademark of the plaintiff.

8.6 The use and adoption of the trademarks 'AIVVA', ,  and **aiwa** by the defendants, including as a part of their corporate name, is not only infringement of the trademarks of the plaintiff but also an attempt to ride on the reputation and goodwill of the plaintiff's well-known trademark.

8.7 It is wrong to state that the defendants are not selling TVs under the plaintiff's trademark 'AIWA'. Attention of the Court is drawn to page 16 of the additional documents filed on behalf of the plaintiff to show that the defendants are selling TVs with the mark **aiwa** on the website 'www.indiamart.com'.

8.8 In their brochure, the defendant no.1 is also using the word 'aiwa' as a part of its email address.

8.9 The reliance placed by the defendants on the affidavit of Mr. Ajjaay Advani is completely misplaced as the aforesaid affidavit is dated 29th September, 2022, after the interim order was passed by this Court on 1st September, 2022.

8.10 In terms of Section 2(1)(r)(ii) of the Trade Marks Act, 1999, '*permitted user can only be by way of a written agreement*'. The defendants have failed to place on record any written agreement between them and Mr. Ajjaay Advani permitting the use of the trademark 'AIWA' by the defendants with effect from 2015.

8.11 Reliance placed on the judgment in *Raleigh Industries* (supra) is misplaced as the aforesaid judgment was under the Trade and Merchandise Marks Act, 1958 (old Act). In any case, the defendants have failed to show an unbroken trade connection between the defendants and Mr. Ajjaay Advani and therefore, the judgment in *Raleigh Industries* (supra) is not applicable.

8.12 The defendants in their brochure have wrongly claimed registration of the mark 'AIVVA', when in fact, they were not the registered proprietors of the aforesaid trademark. In any event, the defendants were not authorized to use the stylized imitation of the plaintiff's trademark as there was no registration in respect of such stylized version.

ANALYSIS & FINDINGS

9. I shall now proceed to deal with the rival contentions raised by the counsels appearing on behalf of the parties.

10. Since the case of the defendants is primarily premised on the legal notice dated 17th August, 2020, I propose to deal with the same first.

11. The aforesaid legal notice has been sent on behalf of one Aiwa Consumer Products LLP, a partnership firm having its corporate office at A-62, Naraina Industrial Area, Phase-I, New Delhi-110028. There is nothing on record to suggest any connection of the aforesaid entity with the plaintiff company or the fact that the plaintiff company was aware of sending of the aforesaid legal notice.

12. Counsel for the defendants has vehemently submitted that the term 'my client' in the aforesaid notice would include the principals of the entity sending the notice. However, nothing has been placed on record to show that the plaintiff company is the principal of the aforesaid entity. Merely because the entity sending the legal notice uses the name 'AIWA' or that the plaintiff company has not initiated any legal action against the aforesaid entity for having sent the legal notice using the name of the plaintiff company, it cannot be contended that the aforesaid notice was sent with the knowledge and consent of the plaintiff company. It was for the defendants to show that there was a connection between the said entity and the plaintiff company or that the plaintiff company was aware of the aforesaid legal notice.

13. Once again, the fact that the aforesaid legal notice is copied to Nu-World Global, who is stated to be an assignee of the plaintiff company, would not be sufficient to attribute knowledge of the aforesaid legal notice to the plaintiff company. To make good the allegations of suppression and concealment, the defendants would have to show that it was within the knowledge of the plaintiff company that the aforesaid legal notice was sent on their behalf. This has not been done in the present case and therefore, I do


not find merit in the submission of the defendants that the plaintiff was aware of the legal notice or that they had deliberately suppressed the aforesaid legal notice in order to obtain an *ex parte* ad interim injunction against the defendants.

14. In view of the above, there is no reason to disbelieve the submission made in the plaint that the plaintiff company became aware of the defendants no.1 and 2 infringing its trademark only in August, 2022, upon coming across the brochure of the defendants and soon thereafter, the present suit was filed. In other words, there is no basis to contend that the interim order passed by this Court on 2nd September, 2022 was passed on the account of concealment and suppression on behalf of the plaintiff or that there was any delay on behalf of the plaintiff in filing the present suit. In view thereof, the judgments relied upon by the defendants in respect of concealment i.e., *Micolube India Ltd.* (supra), *Thukral Mechanical Works* (supra), *Standipack Private Limited* (supra) and *Kent Ro System Ltd.* (supra) would not have any application to the facts and circumstances of the present case. Further, the judgment in *B.L. and Co.* (supra) in respect of delay would also be of no aid to the defendants.

15. A perusal of the Company Master Data in respect of the defendant no.1 and 2 companies, as available on the website of Registrar of Companies (ROC), would show that Mr. Ajjaay Advani is neither a Director, nor a shareholder of the defendant companies. Nor have the defendants placed any license or other document assigning the mark 'AIVVA' in their favour from Mr. Ajjaay Advani so as to justify their use of the said mark. Therefore, the reliance placed by the defendants on the registration granted in favour of Mr. Ajjaay Advani is completely misplaced.

16. The defendants have submitted that they were permitted to use the mark 'AIVVA' by Mr. Ajjaay Advani, the registered proprietor thereof. In this regard, reliance is placed on an affidavit dated 29th September, 2022 allegedly affirmed by Mr. Ajjaay Advani, the registered proprietor of the trademark 'AIVVA' under Classes 7, 9 and 11. The relevant part of the affidavit is extracted below:

- “4. That I have granted permission to M/s. Aivva Enterprises Private Limited, Usha Agencies, Shop No. 9-10, Tilson Shopping Centre, Ulhasnagar, Thane-421003, Maharashtra and M/s. Usha Electrotrade Agencies (India) Pvt. Ltd., Trading as Usha Agency/ Usha Agencies, Shop No. 2 & 3, Sai Vihar, Shivaji Path Kalyan, Thane-421003, Maharashtra (which are group companies) to use my aforesaid said trademark "AIVVA" in relation to said goods and business from the very beginning.
5. That the directors of aforementioned group companies namely M/s. Aivva Enterprises Private Limited and M/s. Usha Electrotrade Agencies (India) Pvt. Ltd. are my friends and known to me.”

17. In my considered view, the aforesaid affidavit cannot form the basis of the defendants using the mark 'AIVVA' since 2016. The defendants have failed to place any contemporaneous document executed by Mr. Ajjaay Advani in their favour that authorized them to use the aforesaid trademarks from the year 2016. Further, the defendants have wrongly projected themselves in their brochure as being the registered proprietors of the trademark  by using the symbol of the letter 'R' in a circle. Even if it is assumed that they were permitted by Mr. Ajjaay Advani to use the aforesaid trademarks, the brochure should have indicated that the user was on the basis of permission or license granted by Mr. Ajjaay

Advani. By way of the aforesaid affidavit, a right cannot be created in favour of the defendants to use the trademark 'AIVVA' retrospectively. Clearly, the aforesaid affidavit has been executed at this belated stage only to support the defendants in the present case. In this regard, reference may be made to Section 2(1)(r)(ii) of the Trade Marks Act, 1999, which defines "permitted use" as under:

- “(r) “permitted use”, in relation to a registered trade mark, means the use of trade mark—*
- (ii) by a person other than the registered proprietor and registered user in relation to goods or services—*
- (a) with which he is connected in the course of trade; and*
- (b) in respect of which the trade mark remains registered for the time being; and*
- (c) by consent of such registered proprietor in a written agreement; and*
- (d) which complies with any conditions or limitations to which such user is subject and to which the registration of the trade mark is subject”*

18. The term “permitted use” was defined in the old Act as under:

“2. Definitions and interpretation.—(1) In this Act, unless the context otherwise requires—

(m) “permitted use”, in relation to a registered trade mark, means the use of a trade mark—

(i) by a registered user of the trade mark in relation to goods—

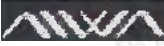

(a) with which he is connected in the course of trade; and

(b) in respect of which the trade mark remains registered for the time being; and

(c) for which he is registered as registered user; and

(ii) which complies with any conditions or restrictions to which the registration of the trade mark is subject;”

19. A comparison of the two definitions of “permitted use” as set out above reflects that the Trade Marks Act, 1999 requires “permitted use” of a registered trademark to be founded on the written consent of the registered proprietor, which condition was not contemplated under the old Act.

20. There is merit in the submissions of the counsel for the plaintiff that the judgment in *Raleigh Industries* (supra) is not applicable in the present case as the same was in the context of the definition of “permitted use” under the old Act, wherein the permitted use did not include written agreement. Therefore, the defendants have failed to show that they are either the registered proprietors of the trademark ‘AIVVA’ or are permitted users thereof since 2015. Further, there is no justification for the defendants to use the stylized marks  and  in respect of which there is no registration in favour of the defendants or Mr. Ajjaay Advani.

21. The contention of the defendants that the plaintiff has filed the present suit without conducting any search of the Trademark Registry, which would have shown that the mark ‘AIVVA’ is already registered, is also completely misplaced. The plaintiff company has duly averred in paragraph 14 of the plaint that the aforesaid mark ‘AIVVA’ is registered in the name of Mr. Ajjaay Advani and has also filed the Trademark Registry search report in this regard.

22. Once again, there is no merit in the contention of the defendants that the plaintiff has deliberately not made Mr. Ajjaay Advani a party in the present suit. It is for the plaintiff to decide against whom he wishes to litigate and cannot be compelled to sue a person against whom he does not wish to seek any relief. The defendants cannot dictate to the plaintiff which

party to make a party in the suit. In the present case, the grievance of the plaintiff is against the defendants no.1 and 2 for selling TVs infringing the trademarks of the plaintiff and therefore, it cannot be said that Mr. Ajjaay Advani was a necessary or a proper party in the present suit.

23. Counsel for the defendants has contended that the plaintiff has wrongly stated in the plaint that the defendants are using the trademark **aiwa** in respect of its products, whereas the defendants have only used the trademark 'AIVVA'. However, a perusal of the listing of the products of the defendants on the website 'www.indiamart.com' clearly shows that the TVs being sold by the defendants bear the trademark **aiwa** of the plaintiff (page 16 of the additional documents filed by the plaintiff company). The dishonest conduct of the defendant no.1 is writ large inasmuch as the defendant no.1 is using the word 'aiwa' as part of its email address as shown in its product catalogue (page 29 of the documents filed by the defendants). Therefore, it cannot be said that the plaintiff has wrongly stated that the defendants are using the trademark 'AIWA'.

24. A comparison of the marks of the defendants with those of the plaintiff shows that the marks being used by the defendants are visually and phonetically similar to the plaintiff's marks. The products being sold by the defendants are similar to the products of the plaintiff. The plaintiff has placed on record various trademark registrations obtained in different jurisdictions including India. On account of the publicity and long use of the 'AIWA' mark and its stylized versions by the plaintiff and the expenses incurred for advertising and promoting the products carrying the said marks, the plaintiff has acquired enormous goodwill and reputation worldwide. The

plaintiff has also placed on record sufficient material to demonstrate prior use of the trademarks in India. The defendants' use of the impugned marks is *prima facie* dishonest and nothing but attempt to ride on the goodwill and reputation of the plaintiff's marks as also to cause confusion in the market.

25. In view of the above, the plaintiff has made out a *prima facie* case in its favour. Balance of convenience is in favour of the plaintiff. Irreparable harm would be caused not only to the plaintiff but also to the public if the defendants are not enjoined from using the impugned trademarks.

26. Therefore, the interim order dated 2nd September, 2022 passed by this Court is confirmed till the final adjudication of the suit.

27. Consequently, I.A. 14162/2022 succeeds and I.A. 16402/2022 is dismissed.

CS(COMM) 606/2022

28. List along with pending applications on 20th April, 2023.

JANUARY 05, 2023
at

AMIT BANSAL, J.