

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ CS(OS) 99/2013

% *Judgment reserved on 16.7.2014*
Judgment pronounced on November 14, 2014

M/S MAJA HEALTH CARE DIVISION Plaintiff
Through : Mr.Neeraj Grover and Ms.Meghna
Chandra, Advs.

versus

M/S TRANCE INTERNATIONAL & ANR Defendants
Through : Mr.H.P. Singh and Mr.Navroop Singh
Advs.

CORAM:
HON'BLE MR. JUSTICE G.S.SISTANI

G.S.SISTANI, J

I.A.907/2013

1. Plaintiff has filed the present suit for permanent injunction restraining infringement of registered trade mark, passing off, delivery up and rendition of accounts of profits.
2. Summons in the suit and notice in I.A.907/2013 filed under Order XXXIX Rules 1 and 2 CPC were directed to be issued on 21.1.2013. While issuing summons in the suit on 21.1.2013, the Court passed a partial *ex parte ad interim injunction order* restraining the defendants from selling perfumes, deodorants, cosmetics, etc. under the mark 'Velvet COBRA'. It may be noticed that on 21.1.2013 counsel for the plaintiff had made a statement that he was not pressing for any *ex parte* relief in

respect of defendants' mark 'Diamond COBRA' as at that stage representation for cancellation of the registration of the said trade mark in favour of the defendants was pending.

3. Learned counsel for the plaintiff submits that as of today the representation of the plaintiff stands accepted and the registration of the defendants with respect to the trade mark 'Diamond Cobra' stands cancelled vide Order dated 18.12.2013 and, thus, he not only seeks confirmation of the injunction Order dated 21.1.2013 but also prays that the order dated 21.1.2013 be extended to the trade mark 'Diamond Cobra' as a whole or any other similarly deceptive mark being used by the defendants.
4. As per the plaint, plaintiff claims itself to be a large business house manufacturing and selling cosmetics, hair oils, personal care products including perfumes and deodorants under a distinctive and well-known housemark(s) VI-JOHN and ST-JOHN and other trademarks for different products, which are sold throughout India. It is further averred in the plaint that in the early Seventies the trade mark COBRA was adopted by the plaintiff in respect of perfume spray, hanky perfumes and scents by M/s Maja Cosmetics, the parent firm of VI-John Group of Firms, which was a proprietorship firm of Sh.Suchet Singh, father of Sh.Bhupinder Singh and grandfather of Sh.Harshit Kochar and Sh.Achin Kochar, who are the present partners of the plaintiff firm. The said trade mark was continuously used till about 1979, when on account of death of Sh.Suchet Singh the business of M/s Maja Cosmetics was temporarily restricted. Subsequently, the perfumes, spray, hanky perfumes under the aforesaid trade mark COBRA were once again launched in the year 1999 under another family/group firm, M/s Vi-John Beauty Tech, which was a sole proprietorship of Mrs.Satinder Kaur. The aforesaid firm continuously and

extensively used the trade mark COBRA till 2006 when the group firm was re-aligned and a state of the art manufacturing facility was set up in the year 2005 in Himachal Pradesh as a license user and assignee of M/s Vi-John Beauty Tech by virtue of Assignment Deed dated 3.7.2007.

5. It is the case of the plaintiff that since the year 2006 through itself and since early Seventies, through its predecessor and group firms, the plaintiff has continuously and extensively been using the trade mark COBRA.
6. The plaintiff also claims to have spent tremendous time, effort and money in promoting, publicizing and popularizing the trade mark COBRA. It is also the case of the plaintiff that on account of the quality of the product the trademark has acquired tremendous, enviable and unreachable reputation and goodwill amongst the public at large. In these circumstances, in addition to the common law rights acquired in the aforesaid trademark by virtue of prior user, adoption, continuous and extensive use, the trademark St.John Cobra by virtue of registration granted under no.1581353 in Class 3 of the said trade mark granted under the Trade Marks Act, 1999, and also other registrations in some foreign countries, the plaintiff is entitled to statutory protection of its trademark.
7. Learned counsel for the plaintiff points out that in the month of June, 2012, the plaintiff joined hands with M/s S.H. Kelkar and Company Private Limited, Mumbai, who are the owners of several registrations of numerous COBRA label marks in Class 3, details of which have been extracted in the plaint.
8. As per the arrangement with M/s S.H. Kelkar and Company Private Limited, Mumbai, the plaintiff has been authorised to take action against all the infringers even on behalf of M/s S.H. Kelkar and Company Private Limited. Further the plaintiff has been granted exclusive right to use the

registered trademarks of M/s S.H. Kelkar and Company Private Limited. The plaintiff and M/s S.H. Kelkar and Company Private Limited, Mumbai, have further agreed to co-exist in their respective business. It has been agreed that M/s S.H. Kelker would be entitled to continue its activities in the industrial segment. The plaintiff has been granted exclusive right to exploit the retail segment i.e. perfumes, deodorants, hanky perfumes, etc. In terms of the aforesaid MOU, a power of attorney has also been executed in favour of Sh.Harshit Kochar, partner of the plaintiff empowering him to take legal action against third party infringers.

9. The plaintiff claims its trade mark to be a well-known mark in India, a mark which the plaintiff adopted forty years ago and the products being sold extensively in all corners of India for the past thirteen years.
10. It is also the case of the plaintiff that the goods are sold in the open market as also through defence canteen stores all over India. The plaintiff claims a huge turnover and also claims to have spent large sums of money on advertisement. The plaintiff claims to have spent over Rs.32 crores during the past four years over the publicity of its trade mark. The sale figures have been extracted in the plaint and the same are reproduced below:

Year	Sales Turnover (in Rs.)
2006-07	53,12,98,836/- (Over 53 crores)
2007-08	72,03,53,353/- (Over 72 Crores)
2008-09	96,09,54,500/- (Over 96 Crores)
2009-10	111,41,18,912/- (Over 111 Crores)
2010-11	132,03,49,282/- (Over 132 Crores)
2011-12	149,35,82,124/- (Over 149 Crores)
2012-13 (till 31 st)	118,66,02,586/- (Over 118 Crores)

December)	
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11. Plaintiff also claims registration of the trade mark St.John Cobra.
12. It is also the case of the plaintiff that the plaintiff has been extremely vigilant about violation of its intellectual property rights by any unscrupulous traders and have been constantly taking action to defend their marks.
13. The complaint of the plaintiff is that the defendants are also engaged in the manufacturing and marketing of identical goods as those of the plaintiff. Defendant no.2 is the distributor of defendant no.1
14. Plaintiff learnt in the third week of July, 2012, during a market survey conducted by the plaintiff's representative that the defendants were marketing goods under the name of Diamond Cobra. It was also learnt that defendant no.1 claim 'Diamond Cobra, to be registered under no.1467220. The plaintiff made enquiries and learnt that an application had been made by defendant no.1 in the year 2006 as a proposed user and the mark was advertised in the Trade Mark Journal no.1425 dated 1.10.2009.
15. It is the case of the plaintiff that the registration of defendant no.1 was illegal as no mandatory notice to the public at large was issued and the application was not advertised in the Journal much less in a proper and decipherable manner and, thus, the registration of defendant no.1 was unlawful and illegal and did not have any force of law.
16. The plaintiff issued a cease and desist notice to defendant no.1 and also requested defendant no.1 to furnish a copy of the Trade Mark Journal in which the application of defendant no.1 had been advertised and also to surrender the illegal registration obtained by it. Although a reply was sent yet the defendants did not cease or desist from using the trade mark

‘Diamond Cobra’. The plaintiff thereafter approached Trade Mark Registry and also filed an application under Right to Information Act and in response thereto the plaintiff learnt from the Trade Mark Registry in the month of October, 2012 that the application no.1467220 had not even been advertised and, thus, the same was in contravention to the provisions of Sections 20 and 21 of Trade Marks Act, 1999, which according to the plaintiff is a mandatory provision which cannot be dispensed with under any circumstances.

17. It is also the case of the plaintiff that the plaintiff was assured by the trade Mark Registry that suo moto action will be taken under Section 57(4) of the Trade Marks Act, 1999, for cancellation of the registration. Another ground raised in the plaint with regard to the registration of the trade mark ‘Diamond Cobra’ in favour of the defendants being *ex facie* illegal and unlawful was that the plaintiff had never been given an opportunity to oppose the impugned mark as the same had not been advertised in the Trade Mark Journal.
18. In the first week of January, 2013, the plaintiff came across another packaging under the mark Velvet Cobra manufactured by defendant no.1 and marketed by defendant no.2, which according to the plaintiff was yet another attempt on the part of defendants to expand the use of the mark Cobra by introducing another variant.
19. It is also the case of the plaintiff that adoption and use of the infringing marks Diamond Cobra and Velvet Cobra on the part of the defendants is malafide and the use is dishonest on the face of the record. The defendants have not only infringed the registered trade mark of the plaintiff but are also passing of their goods as that of the plaintiff to unwary class of purchasers, who are bound to be deceived and cheated into buying inferior quality goods of the defendants considering the same to be the quality

products of the plaintiff.

20. It is also the contention of counsel for the plaintiff that the trade mark COBRA of the defendants is identical/deceptively similar to the trade mark COBRA of the plaintiff and the use thereof amounts to passing off in respect thereto as the confusion and deception is inevitable, which in turn is likely to cause immense damage to the high reputation of the plaintiff with the purchasing public and members of the trade at large and the reputation earned by the plaintiff on account of sincere hardwork, high quality of the product and on account of the extensive marketing and publicity. It is also submitted that keeping in view the price range of the products, the product in question is purchased by a class of consumers including semi-literate, literate, children, housewives. It is, thus, contended that persons having average intelligence and imperfect recollection are bound to be misled.
21. It is also the case of the plaintiff that the plaintiff is the prior user of the trade mark COBRA, which is evident from the fact that this mark was initially adopted in the Seventies. Invoices of the years during the period 1970-1979 have been filed and thereafter invoices from the year 1999 onwards have been filed on record.
22. Learned counsel for the plaintiff has relied upon invoices for the period 1996 to 2006 and 2006 to 2013 of Vi John Beauty Tech, copies of which have been placed on record. Reliance has also been placed on invoices with respect to goods supplied to Canteen Store Department. Counsel has also placed reliance on documents with respect to Celebrity Endorsement Agreement to show that the goods were advertised and endorsed by celebrities. Counsel has also placed reliance on documents filed with respect to print advertisements.
23. It is also the case of the plaintiff that the trade mark of the plaintiff,

St. John Cobra stands duly registered. To the contrary the mark of the defendant, which was initially registered, stands duly cancelled.

24. Learned counsel for the plaintiff relies on *Ruston & Hornsby v/s The Zamindara Engineering Co.*, reported at [1970] 2 SCR 222 in support of his submission that mere addition of prefix or suffix can not make the mark distinct. For the same argument, reliance is placed on *Amar Singh Chawal Wala vs. Shree Vardhman Rice and General Mills*, reported at 2009 (40) PTC 417 (Del) (DB), more particularly paras 15, 16, 17, 20, 21, 22 and 23, wherein it was held by the Division Bench of this Court that the mark HARA QILLA was similar to LAL QILLA, GOLDEN QILLA of the plaintiff. This judgment was also relied upon by counsel for the plaintiff in support of his argument that delay is not fatal for grant of an injunction.
25. Paras 15, 16, 17, 20, 21, 22 and 23 read as under:

15. The submissions of the parties have been considered. It is not in dispute that the Plaintiff has in its favour registration of the four marks and devices as noticed hereinbefore. The suit filed by the Plaintiff is essentially one for infringement in respect of the Plaintiff's trade mark on the ground that the use by the Defendants of the mark and device HARA QILLA and QILLA respectively would cause confusion and deception among the users and the trade in general. The distinction between a suit based on infringement and that based on passing off was explained by the Supreme Court in Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories AIR 1965 SC 980. It was explained that "while action for passing off is a common law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the „exclusive right to the use of the trade mark in relation to those goods.“ The use by the Defendant of the trade mark of the Plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement." It was further

noticed that "where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide, in an action for infringement, the Plaintiff must, no doubt, make out that the defendant's mark is so close either visually, phonetically or otherwise and the Court should reach the conclusion that there is an imitation" in which event it would be established that the Plaintiff's rights are violated. The Supreme Court went on to further explain that "if the essential features of a trade mark of the Plaintiff have been adopted by the defendant, the fact that the get up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sales show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the Plaintiff." (emphasis supplied)

16. In *Amritdhara Pharmacy v. Satya Deo* the question of phonetic similarity between Amritdhara and Lakshmandhara was considered. It was said that "an unwary purchaser of average intelligence and imperfect recollection would not split the name into its component parts and consider the etymological meaning thereof or even consider the meaning of the composite words as "current of nectar" or "current of Lakshman". Where the trade relates to goods largely sold to illiterate or badly educated persons, it is no answer to say that a person educated in the Hindi language would go by the etymological or ideological meaning and see the difference between "current of nectar" and "current of Lakshman". It was emphasized that the whole word had to be considered. It was held that "the overall similarity between the two names in respect of the same description of the goods would likely to cause confusion within the meaning of Section 10(1) of the Trade Marks Act, 1940."

17. In the instant case as far as the registered marks in favour of the Plaintiff are concerned, applying the test laid down in *Kaviraj Pandit* it is seen that the essential feature of the mark is the word "QILLA". Whether the word is spelt as QILLA or KILLA, or even written in a different style or colour combination. To the customer who seeks to purchase the QILLA brand rice both names would sound phonetically similar. The customer is likely to ask the

retailer: "Can I have the QILLA brand rice?" In the considered view of this Court, it is this essential feature of the Plaintiff's mark, i.e the word QILLA, which has been adopted by the Defendant No.1. That the defendants have also used a pictorial representation of the device in the form of a fort also indicates that the Defendants too intended the same meaning to be assigned to the word, which is an Urdu one meaning "fort". Therefore, though the device QILLA is depicted in a slightly different way by the defendant, it is deceptively similar to the device used by the Plaintiff. Further the use is in respect of the same commodity, rice. Therefore there is every possibility of there being a confusion created in the mind of the purchaser of rice that the product being sold by the Defendant is in fact a product that has emanated from or has been manufactured by the Plaintiff.

20. In the considered view of this Court, the defendants have not been able to demonstrate prima facie honest use of the mark. They have also not been able to show concurrent user of the mark or device. The Plaintiff is right in pointing out that no invoices or bills since 1978 have been placed on record by the defendants to substantiate this plea. Whatever has been placed on record does not prima facie satisfy this requirement.

21. The next issue to be considered is whether the Plaintiff can be said to be guilty of laches in not approaching the court earlier particularly when the Defendants have been using the marks since 1978. In Hindustan Pencils Private Limited v. India Stationery Products Co. 1989 PTC 61 the complainant was the registered proprietor of trade mark "NATARAJ" and the device of "NATARAJ" on its pencils. The said marks have been adopted by the Plaintiff in the year 1961. In the middle of 1985 the Plaintiff got to know that the Defendants had got registered a copy right in respect of a label similar to that of the Plaintiff in respect of pins. The copy right in respect of pins was under the name „NATARAJ“ using also the device of the dancing Nataraj. The Court also considered the defence raised by the Defendant in that case that the Plaintiff had acquiesced in the use by the Defendant of the impugned mark. The Court then referred to the observation of Court in Whitman v. Disney Productions 263 F2d 229 and held that "delay by itself is not a sufficient defence to an action of interim injunction but inordinate delay would amount to laches." It was

further observed as under by the learned Single Judge in paras 28 and 29 of the said judgment:

"28. If an action is taken by the registered owner and no interim injunction is granted, the effect is that goods bearing the infringing mark or spurious goods would continue to be sold in the market. After a number of years when the case is finally disposed of, after trial, and the plaintiff succeeds and gets a permanent injunction then, possibly, the plaintiff may also be compensated by his being awarded damages or an account of profits, that sense of the non-grant of the interim injunction would not ultimately, prejudice the plaintiff for he may be compensated with payment of money but during this period when the defendant is allowed to continue to infringe the intellectual property it is the consumer or the purchaser who alone suffers and who ultimately cannot be compensated. Therefore, in order to curb the menace of manufacture, production and sale of spurious goods and the blatant violation of intellectual property it will be proper for the court to take into consideration the interest of the general public. In this regard reference may usefully be made to the following observations of McCARTHY at page 346, para 30.21 which deals with the protection of third parties;

"Some courts also consider the necessity of protecting third parties trade mark infringement cases, "third parties" means the buying public. If the equities are closely balanced, the right of the public not to be deceived or confused may turn the scales in favour of a preliminary injunction."

29. It would appear to be difficult to accept that relief of temporary injunction should not be granted, because of the delay on the part of the plaintiff, even though the court feels, at that point of time, that ultimately permanent injunction will have to be granted."

22. It was further held that acquiescence cannot be inferred merely by the reason of the fact that the Plaintiff had not taken any action earlier against the infringement of its rights. Acquiescence had to mean something more than mere silence on the part of the Plaintiff. The Court did not accept the contention that the delay and

acquiescence in the said case would defeat the right of the Plaintiff to seek interim injunction. The Court on comparison of the marks registered in the name of the Plaintiff and that used by the Defendant came to the conclusion that prima facie the adoption of the mark "NATARAJ" by the Defendant was clearly fraudulent." The injunction was accordingly granted to the Plaintiff.

23. In the instant case, the Plaintiff has explained the sequence of events preceding the filing of the suit. It first noticed the infringement in 1986 and immediately sent a legal notice. Thereafter when the defendants applied for registration, the plaintiff immediately filed an opposition before the statutory authority and prevented registration being granted in favour of the defendant. This can hardly be termed as acquiescence by the Plaintiff. Further, the suit was filed in 1989 itself, simultaneous with the opposition being filed to the grant of registration in favour of the defendant. Therefore there is no merit in this contention of the defendants that the Plaintiff either acquiesced in the defendants' use of the infringing mark and device or that there was delay in the plaintiff seeking protection of its registered marks from infringement.

26. Reliance is also placed on *Ansul Industries v/s Shiva Tobacco Company*, reported at 2007(34) PTC 392 (Del), more particularly paras 11 to 14, 29 to 31, 40 and 44, wherein it was held that Uda Panchhi was found to be similar to Panchhi. This judgment has also been relied upon by counsel for the plaintiff for the submission that the delay is not sufficient to defeat grant of injunction in cases of infringement of trade marks and also delay is not a bar to enforce a legal right.
27. Paras 11 to 14, 29 to 31, 40 and 44 read as under:

"11. Thus, it is well settled that when the question whether the mark causes or is likely to cause deception or confusion arises before a Court, the standard applied is not that of a vigilant consumer or a trader, but standard of an unwary normal customer of the said product. The Court has to consider and examine whether a consumer of the product is likely to be deceived or confused after examining broad and dominant features of the two marks and

whether there is overall similarity that is likely to mislead a purchaser. Both the marks have to be considered as a whole.

12. Question of confusion cannot be decided by keeping the two marks by each other and noting similarities and differences between the two marks. Right in a trade mark is with reference to trade and commerce. Question of deception and confusion has to be examined and dealt with from commercial point of view. The law gives protection to the proprietor of the trade mark if there is likelihood of deception or confusion. The impression created by looking at the two marks and the significant feature and idea behind the two marks that would be formed in the mind of the purchaser is the relevant criteria. Similarity and affinity in sound is also an important criteria. Ocular comparison is not decisive. Sound test is important as customers ask for the goods by name.

13. Even when action for passing off under common law is initiated, the essential features of both the marks are taken into consideration to examine whether the alleged infringer is passing off his goods as that of the other and causing injury to goodwill and business of the other.

14. Chewing tobacco is used by illiterate and semi literate consumers. We have to examine the question of deception or confusion or likelihood thereof, from the eyes of the said consumers. The word "Panchhi" in the mark 'Udta Panchhi' and 'Panchhi Chaap' enjoy prominence and is the focal point of the two marks. Colour of the packing may be different but likelihood of deception and confusions is likely to result due to phonetic similarity and the use of the word "Panchhi" in both the marks. The shop keepers selling chewing tobacco in many cases will be illiterate or semi literate. Invariably customers ask for product of this kind by its name "Panchhi". Some consumers are also likely to believe that the two products are from the same source. Picture of the flying bird is another essential feature of the two marks, which is common to both. Thus, there cannot be any doubt that deception or confusion is likely to arise in view of the similarity in the trade mark 'Udta Panchhi' and Panchhi Chaap'.

(B) Whether injunction should be denied on the ground of delay and laches.

29. In Midas Hygiene Industries (P) Limited v. Sudhir Bhatia , it was held that in cases of infringement of trade mark, normally an

injunction order must follow and mere delay in bringing an action was not sufficient to defeat right to injunction. Grant of injunction also follows when prima facie it was established that adoption of mark itself dishonest. It may be relevant to state here that in the case *Midas Hygiene Industries (P) Limited*, Division Bench of this Court had held that delay and laches and dis-entitled the plaintiff to grant of interim injunction.

30. This Court in the case of *Hindustan Pencils Limited v. India Stationery Products Co. and Anr.* 1989 (9) PTC 61 (Del) had observed that inordinate delay by itself was not analogous or similar to laches. Mere passage of time cannot constitute laches but if, the alleged infringer was lulled into a false sense of security and the alleged infringer had acted relying upon the said lapses, question of laches can be examined and gone into as the Court always has discretion to pass an interim injunction order. While dealing with the concept of acquiescence, it was explained that the same was different from delay and laches. Reference was made to the explanation given by Kerly on Trade Marks, wherein it was observed that in a classic case of acquiescence, the proprietor knowing his rights does nothing, that the infringer ignores them. The Proprietor had encouraged the infringer with the result that the infringer acts upon his mistaken belief and worsens his position. Kerly held that until and unless the conduct of the proprietor was unconscionable, defense of acquiescence or laches was not sufficient. Kerly, however, made a distinction between the defense based on delay and laches and cases where a mark has become "public juric" Reference was also made to *Electrolux v. Electrix*, 71 RPC 23 wherein five different pre-requisites for establishing acquiescence in the nature of fraud were required to be considered and satisfied before relief of injunction could be denied to the proprietor. The Court, however, noticed that the question of acquiescence and laches was a grey area and sometimes Courts had refused to grant interim injunction on the said ground, though it cannot be a valid ground to deny relief of permanent injunction. This distinction between interim injunction and permanent injunction did not find favor with the Court.

31. Distinction was also made in a case of a fraudulent infringer, who has knowingly and deliberately violated the rights of the proprietor. A person who had deliberately infringed upon another's mark, it was held, cannot complain and hide behind defense of delay laches or acquiescence, as the infringement at the very initial

stage itself was fraudulent. Delay and laches by itself would not bestow, fraud with character of legality. Reference was also made to McCARTHY on Trade Marks wherein it was observed that the Court must also take into consideration necessity to protect third party interest i.e. the general public or the buyer of the goods. It was the right of the public not to be deceived and confused. After examining various aspects this Court held as under:

30. It would appear to be difficult to accept that relief of temporary injunction should not be granted, because of the delay on the part of the plaintiff, even though the Court feels, at that point of time, that ultimately permanent injunction will have to be granted.

31. Even though there may be some doubt as to whether laches or acquiescence can deny the relief of a permanent injunction, judicial opinion has been consistent in holding that if the defendant acts fraudulently with the knowledge that he is violating the plaintiffs rights then in that case, even if there is an inordinate delay on the part of the plaintiff in taking action against the defendant, the relief of injunction is not denied. The defense of laches or inordinate delay is a defense inequity. In equity both the parties must come to the Court with clean hands. An equitable defense can be put up by a party who has acted fairly and honestly. A person who is guilty of violating the law or infringing or usurping somebody else's right cannot claim the continued misuse of the usurped right. It was observed by Romer, J. in the matter of an application brought by J.R. Parkington and Coy. Ltd., 63 RPC 171 at page 181 that "in my Judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently". It was further noted by the learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history. In other words, the equitable relief will be afforded only to that party who is not guilty of a fraud and whose conduct shows that there had been, on his part, an honest concurrent user of the mark in question. If a party, for no apparent or a valid reason, adopts, with or without modifications, a mark belonging to another, whether registered or not, it will be difficult for that party to avoid an order of injunction because the Court may rightly assume that such adoption of the mark by the party was not an honest one. The Court would be justified in concluding that the defendant, in such

an action, wanted to cash in on the plaintiffs name and reputation and that was the sole, primary or the real motive of the defendant adopting such a mark. Even if, in such a case, there may be an inordinate delay on the part of the plaintiff in bringing a suit for injunction, the application of the plaintiff for an interim injunction cannot be dismissed on the ground that the defendant has been using the mark for a number of years. Dealing with this aspect Harry D. Nims in his "The Law of Unfair Competition and Trade-Marks". Fourth Edition, Volume Two at page 1282 noted as follows: Where infringement is deliberate and willfull and the defendant acts fraudulently with knowledge that he is violating plaintiffs rights, essential elements of estoppel are lacking and in such a case the protection of plaintiffs rights by injunctive relief never is properly denied. "The doctrine of estoppel can only be invoked to promote fair dealings.

40. While examining question of convenience, delay in initiating action for infringement by itself is not fatal. Delay may be fatal for claiming damages. Difference has been made between mere delay and laches. Laches being prolonged delay with inaction. Laches alone is not normally considered to be a ground to reject an injunction application. There should be something in addition to and more than laches that will tilt the balance of convenience in favor of a third party viz a registered proprietor of a mark. Court will in these circumstances and in addition to laches examine whether the said delay has caused prejudice to the third party. When a proprietor allows his good will to be used by a third party and allows him to grow and expand and thereby makes the third party believe that he has no objection to use of the mark, then the third party who has built up his sales will suffer prejudice, if he is suddenly asked to stop. However, on the question of prejudice, the onus is on the defendant.

44. In view of the entire case law discussed above, the following principles of law emerge:

- (i) Mere delay is not sufficient to defeat grant of injunction in cases of infringement of trade mark. Delay is not a bar to enforce and claim a legal right.
- (ii) Consent in addition to other statutory defenses is a complete defense to action for infringement.

(iii) Consent may be expressed or implied but inaction in every case without anything more does not lead to an inference of implied consent. Implied consent means conduct inconsistent with claim of exclusive right over the trade mark, trade name etc. Implied consent implies standing by or allowing the defendant to invade rights and by conduct encouraging the defendant to expend money, expand business, alter their condition etc. in contravention of the rights of the proprietor. In the case of Power Control Appliances v. Sumeet Machines (P) Limited (supra), Supreme Court has held that acquiescence implies positive act and not merely silence or inaction as is involved in laches.

(iv) defenses under the common law are also available to the defendant.

Prior user is a valid defense.

(v) Balance of convenience between the parties should be taken into consideration by the Court, while deciding the question of grant of injunction. Unexplained laches accompanied by prejudice and/or other reasons can be a ground to deny injunction. However, prejudice in such cases does not mean mere simplicitor delay. Onus in this regard is on the defendant.

(vi) Where initial adoption by the defendant itself is vitiated by fraud and/or is dishonest, delay is no a valid ground to allow misuse. If user is at the inception is tainted by fraud and dishonesty, continuous use does not bestow legality.

(vii) Interest of general public who are the purchasers and buyers has to be protected. In case to protect general public/consumers, injunction order is required to be passed, delay by itself is not un-surpassable obstacle.”

28. Reliance has also been placed by counsel for the plaintiff on the case of *Midas Hygiene Industries Pvt. Ltd. v/s Sudhir Bhatia*, reported at 2004 (28) PTC 121 (SC), wherein it has been held that in cases of infringement of trade mark or copyright normally injunction must follow and mere

delay in bringing an action is not sufficient to defeat the grant of injunction in such cases. It has also been argued on the basis of aforesaid judgment that grant of injunction also becomes necessary after *prima facie* it appears that adoption of the mark is itself dishonest. Para 5 of the judgment reads as under:

“5. The law on the subject is well settled. In cases of infringement either of Trade Mark or of Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it *prima facie* appears that the adoption of the Mark was itself dishonest.”

29. On the question of delay, reliance is also placed by counsel for the plaintiff on the case of *Hindustan Pencils (P) Ltd. v/s India Stationery Products Co. and Anr.*, reported at AIR 1990 DELHI 19, wherein it has been held that if the defendant acts fraudulently with the knowledge that he is violating the Plaintiff's rights then in that case even if there is inordinate delay on the part of the plaintiff the relief of injunction is not denied. Paras 30 to 32 read as under:

“(30) It would appear to be difficult to accept that relief of temporary injunction should not be granted, because of the delay on the part of the plaintiff, even though the court feels, at that point of time, that ultimately permanent injunction will have to be granted.

(31) Even though there may be some doubt as to whether laches or acquiescence can deny the relief of a permanent injunction, judicial opinion has been consistent in holding that if the defendant acts fraudulently with the knowledge that he is violating the plaintiff's rights then in that case, even if there is an inordinate delay on the part of the plaintiff in taking action against the defendant, the relief of injunction is not denied. The defense of laches or inordinate delay is a defense in equity. In equity both the parties must come to the Court with clean hands. An equitable defense can be put up by a

party who has acted fairly and honestly. A person who is guilty of violating the law or infringing or usurping somebody else's right cannot claim the continued misuse of the usurped right. It was observed by Romer, J. in the matter of an application brought by J.R Parkington and Coy. Ltd" 63 R.P.C. 171 at page 181 that "in my judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently". It was further noted by the learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history. In other words, the equitable relief will be afforded only to that party who is not guilty of a fraud and whose conduct shows that there had been, on his part, an honest concurrent user of the mark in question. If a party, for no apparent or a valid reason, adopts, with or without modifications, a mark belonging to another, whether registered or not, it will be difficult for that party to avoid an order of injunction because the Court may rightly assume that such adoption of the mark by the party was not an honest one. The Court would be justified in concluding that the defendant, in such an action, wanted to cash in on the plaintiff's name and reputation and that was the sole, primary or the real motive of the defendant adopting such a mark. Even if, in such a case, there may be an inordinate delay on the part of the plaintiff in bringing a suit for injunction, the application of the plaintiff for an interim injunction cannot be dismissed on the ground that the defendant has been using the mark for a number of years. Dealing with this aspect Harry D. Nims in his "The Law of Unfair Competition and Trade-Marks". Fourth Edition, Volume Two at page 1282 noted as follows:

"WHERE infringement is deliberate and willfull and the defendant acts fraudulently with knowledge that he is violating plaintiff's rights, essential elements of estoppel are lacking and in such a case the protection of plaintiff's rights by injunctive relief never is properly denied. "The doctrine of estoppel can only be invoked to promote fair dealings".

(32) It would appear to me that where there is an honest concurrent user by the defendant then inordinate delay or laches may defeat the claim of damages or rendition of accounts but the relief of

injunction should not be refused. This is so because it is the, interest of the general public, which is the third party in such cases, which has to be kept in mind. In the case of inordinate delay or laches, as distinguished from the case of an acquiescence, the main prejudice which may be caused to the defendant is that by reason of the plaintiff not acting at an earlier point of time the defendant 'has been able to establish his business by using the infringing mark. Inordinate delay or laches may be there because the plaintiff may not be aware of the infringement by the defendant or the plaintiff may consider such infringement by the defendant as not being serious enough to hurt the plaintiff's business. Nevertheless, if the Court comes to the conclusion that prejudice is likely to be caused to the general public who may be misled into buying the goods manufactured by the defendant thinking them to be the goods of the plaintiff then an injunction must be issued. The Court may, in appropriate cases, allow some time to the defendants to sell off their existing stock but an injunction should not be denied.”

30. Reliance is also placed by counsel for the plaintiff on **Laxmikant V. Patel Vs. Chetanbhat Shah & Anr.**, reported at 2002 (24) PTC 1 (SC), in support of his argument that honesty and fair play are the basic policies in the world of business. Para 10 reads as under:

“10. A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that the goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to

himself and thereby resulting in injury.”

31. While relying on *Kaviraj Durga Dutt Sharma vs Navaratna Pharmaceutical Labs*, reported at PTC (SUPPL) (2) 680 (SC), learned counsel for the plaintiff has been able to establish beyond any element of doubt that the defendants’ mark is likely to deceive and further similarity between the two marks is so close visually, phonetically or otherwise and, thus, it is a fit case for grant of injunction.
32. It is also the case of the plaintiff that the customer base of the plaintiff and defendants are the same, the mark is phonetically similar and the nature of goods are such that they are purchased mainly by all classes of consumers including semi-literate, illiterate, children, house wives & other persons having average intelligence & imperfect recollection and thus not only the plaintiff will suffer, the customers shall also be misled.
33. In support of his argument that once the defendant himself claims exclusivity in the mark it cannot claim that the mark is not distinctive or common to trade, counsel for the plaintiff has relied upon *Automatic Electric Ltd. Vs. R.K. Dhawan & Anr.*, reported at 1999 PTC (19) 81, more particularly para 16, which reads as under:

“16. The defendants got their trade mark “DIMMER DOT” registered in Australia. The fact that the defendant itself has sought to claim trade proprietary right and monopoly in ‘DIMMER DOT’, it does not lie in their mouth to say that the word “DIMMER” is a generic expression. User of the word “DIMMER” by others cannot be a defence available to the defendants, if it could be shown that the same is being used in violation of the statutory right of the plaintiff. In this connection, reference may be made to the decision of this Court in *Prakash Roadline Ltd. vs. Prakash Parcel Service (P) Ltd.*; reported in 1992 (2) Arbitration Law page 174. Reference may also be made to the decision in *P.M. Diesels Ltd. Vs. S.M. Diesels*; reported in 53 (1994) Delhi Law Times 742. It was held in

those decision that if the plaintiff is a proprietor of the registered trade mark, the same gives the proprietor of the registered trade mark the exclusive right to use the trade mark with relation to goods in respect of which the trade mark is registered under the provisions of Section 28 of the Trade and Merchandise Marks Act. It was also held that such statutory right cannot be lost merely on the question of principles of delay, laches or acquiescence. It was also held that in general mere delay after knowledge of infringement does not deprive the registered proprietor of a trade mark of his statutory rights or of the appropriate remedy for the enforcement of those rights so long as the said delay is not an inordinate delay. In my considered opinion, the ratio of the aforesaid decisions are squarely applicable to the facts of the present case.”

34. The present application has been opposed by counsel for the defendants. It is submitted by Mr.H.P. Singh, learned counsel for the defendants that Defendant no.1, M/s Trance International, is a partnership firm consisting of various partners including M/s Hertz Chemicals as its partner and claim user for the trademark COBRA since 1.1.1986.
35. It is submitted by Mr.H.P. Singh, counsel for the defendants that the the Defendants have been honestly and bonafidely selling perfumes and cosmetic preparations in Class 3 of the Schedule IV of the Trade Marks Act, 1999 under the trademarks DIAMOND COBRA, VELVET COBRA and GREEN COBRA for the last 27 years and thus claim protection under Section 12(3) of the Trade Mark Act, 1999.
36. It is further contended that the Defendants have a huge sales turnover of its products. A chart showing its turnover for the period 1998-2012 has been filed. A product-wise chart has also been filed.
37. The Defendants has also filed on record details of excise duty paid by it from 2006 till 2013 as the said goods are excisable goods which the plaintiff in the present case has failed to produce.
38. It is further contended that the defendants entered into a partnership

agreement with M/s Hertz Chemicals Pvt. Ltd on 01.03.1993 copy of which has been placed on record.

39. Learned counsel for the defendants further submits that the defendants have been using the trade mark COBRA since the year 1986. Reliance is placed on the application filed by M/s Hertz Chemicals before the Registrar of Trade Marks, Mumbai, for registration of the trade mark COBRA in Class 3. Reliance is also placed on the license to manufacture goods including COBRA of M/s Hertz Chemicals dated 3.5.1994 along with declaration, which have been filed on record to show user since 1986.
40. Learned counsel next contends that M/s Hertz Chemicals being the partner of the defendants assigned the mark COBRA under no.554078 in Class 3 to the defendants by a deed of assignment dated 6.5.1997. A notarised photocopy of the said deed of assignment has been placed on record.
41. In support of his arguments that the defendants have been manufacturing and selling goods under the trade mark COBRA since the year 1997 reliance is placed on drug licenses granted in favour of the defendants since the year 1997. The defendants have also relied upon various sales invoices placed on record from the year 2006 to the year 2012 showing sale of its product. Reliance is also placed on photocopies of printouts to show that the defendants have been advertising its products as well. It is also the case of the defendants that they are exporting their products under the mark COBRA to Saudi Arabia. Supporting documents have been placed on record.
42. I have heard learned counsel for the parties and considered their rival submissions.
43. Submission of learned counsel for the plaintiff can be summarised as

under:

- (i) The plaintiff is the prior user of the trade mark COBRA, which was adopted as far back as in the year 1970;
- (ii) The mark was initially used from the year 1970 to 1979 and thereafter from the year 1999 onwards continuously and uninterruptedly. Copies of invoices in support of above submission have been placed on record;
- (iii) Plaintiff, in addition to common law rights, holds a registration of the mark, St.John Cobra in No.1581353 in Class 3;
- (iv) Plaintiff has been extensively advertising its goods under the mark COBRA. Various endorsements have been made by the celebrities. Huge amount has been spent by the plaintiff on print advertisement, TV channels, etc.;
- (v) Plaintiff joined hands with M/s S.H. Kelkar and Company Private Limited, Mumbai, who are the owners of several registrations of numerous COBRA label marks in Class 3 for perfumery related goods and MOU was executed;
- (vi) Power of attorney in favour of the plaintiff granted by Sh.S.H. Kelkar empowering plaintiff to take action against third parties. Copy of Special Power of Attorney has been placed on record;
- (vii) It is also the case of the plaintiff that the defendant has failed to place a single document on record that defendant or its purchaser was selling goods under the trade mark COBRA upto the year 2007;
- (viii) It is further the case of the plaintiff that reliance of the defendant on the application for the mark COBRA applied to

M/s Hertz Chemicals under 55078 can be of no help to the defendant as the said application was withdrawn by the attorney of M/s Hertz Chemicals on 27.10.2001. The same was not even filed with respect to perfumery goods. Further the applicant was required by the Registrar to submit function of M/s Hertz Chemicals, which was not submitted till the hearing, which would show that the mark was never used by the M/s Hertz Chemicals.

- (ix) Reliance by the defendant for the drug licenses obtained cannot be relied upon as it is undated and further mere license by itself and without proof that the goods were sold by the trade mark COBRA and further mere license is by itself no proof that the goods were sold by the trade mark COBRA.
- (x) Reliance by the defendant on assignment deed dated 6.5.1997 between M/s Hertz Chemicals and defendant no.1 is misplaced as the said document is ante-dated and inspires no confidence as it is shown to have been originally notarised in the year 1997 and the photocopy of the same is claimed to have been attested in the year 2013 by the same notary. Further even the said assignment does not claim that the mark COBRA was ever used and it only assigns the pending application under no.554078 but the defendant never got the application assigned to itself before the Registrar of Trade Mark by filing an amendment request while the application was listed for hearing on at least 5 dates in the year 2000.
- (xi) The fire in the factory of defendant is also of no relevance as there is nothing on record to show what was burnt in the

factory whereas punchnama only talks about finished and unfinished goods.

44. Arguments of Mr.H.P. Singh, learned counsel for the defendants, is summarised as under:

- (i) Defendants are the prior user of the trade mark COBRA;
- (ii) One of the partners of the defendants M/s Hurtz Chemicals are prior user of the trade mark and an application for registration was made in the year 1986, which is prior, whereas in the case of the plaintiff the application was made in the year 2007 and there are no reliable documents to show that the goods were sold prior thereto.
- (iii) It is also the case of the defendants that the defendants have honestly and bonafidely sold perfumes and cosmetics under the trade mark DIAMOND COBRA, VELVET COBRA, GREEN COBRA and, thus, claim protection under Section 12(3) of the Trade Marks Act. Defendants have also paid excise duty from the year 2006 to 2014.
- (iv) Prior user is also established on the basis of photocopy of the license;
- (v) Mark was assigned by M/s Hurtz Chemicals to the defendants by deed of assignment dated 6.5.1997;
- (vi) It is also the case of the defendant that the plaintiff itself has admitted that there was a gap of 20 years between the first alleged user;
- (vii) It is further the case of the defendant that the plaintiff has admitted that the mark was not used for a period of 20 years and it is during this period that the defendants was able to establish themselves, which fact is disputed by counsel for

the plaintiff, who submits that the defendants only started using the mark in the year 2007 as per the documents placed on record by the defendant and, thus, the gap in use of the trade mark COBRA is not vital to the case of the plaintiff.

45. Learned counsel for the defendant has placed reliance on *Century Traders vs Roshan Lal Duggar & Co*, reported at *AIR 1978 Delhi 250 (DB)*, in support of his submission with regard to prior user.
46. In support of his argument on *honest concurrent use*, counsel for the defendants has relied upon *Procter & Gamble vs Satish Patel*, reported at *1996 PTC (16) (Del.)*
47. In support of his argument on the delay reliance is placed by counsel for the defendants on *Pfizer vs B.L. & Co.*, reported at *2002 (25) PTC 262 (Del)*; *Intel vs Anil Hada*, reported at *2006 (33) PTC 553 (Del.)*.
48. The plaintiff has also filed the present suit for protection of its registered trade mark COBRA. An order of restraint was also sought on the defendants from using deceptively similar trade marks Diamond Cobra and Velvet Cobra in respect of identical goods that is perfumes. While issuing summons in the suit and notice in the application the defendants were restrained from using the trade mark Velvet Cobra. The plaintiff did not press an *ex parte* relief against the defendants with respect to the mark Diamond Cobra as the said mark stood registered in favour of the defendants, however, during the pendency of the suit the registration in favour of the defendants stand cancelled. As noticed hereinabove, the plaintiff has prayed that the interim order be confirmed and also be extended with respect to the Velvet Cobra.
49. The first submission of learned counsel for the plaintiff is that the trade mark COBRA was initially adopted by the plaintiff in the early 1970s. The said mark was adopted by M/s Maja Cosmetics, which was a

proprietorship firm of Sh.Suchet Singh, who was none else but the father of Sh.Bhupinder Singh and grandfather of Sh.Harshit Kochar and Sh.Achin Kochar, who are present partners of the plaintiff firm.

50. The trade mark was used continuously till the year 1979. The mark was again launched in the year 1999 under another family group firm M/s Vi John Beauty Tech. which firm used the mark until the year 2006 whereafter the business was consolidated in the plaintiff firm and M/s Vi John Beauty Tech. assigned the rights in the mark COBRA to the plaintiff firm vide assignment deed dated 3.7.2007.
51. In addition to the common law rights the plaintiff holds registration of the mark St.John Cobra under no.1581353. The plaintiff has placed copies of invoices on record for the period 1974-75 and 1999 to 2006 of M/s. Vi-John Beauty Tech. and copies of invoices of the plaintiff firm from the years 2006 to 2013 including copies of some purchase orders from the defence canteen store department. Based on the abovesaid invoices the plaintiff claims prior user to the trade mark COBRA, Diamond Cobra and Velvet Cobra. Reliance is also placed by the plaintiff on a MOU executed between M/s S.H. Kelkar and Company and the plaintiff.
52. According to the plaintiff M/s S.H. Kelkar and Company are owners of several COBRA registrations in Class 3 for perfumery related goods. The plaintiff and M/s S.H. Kelkar and Company agreed to co-exists. The plaintiff was to sell goods in retail perfumery segment and M/s S.H. Kelkar and Company in industrial perfumery segment. The plaintiff has also been granted the rights to utilise the registrations of M/s S.H. Kelkar and Company. M/s S.H. Kelkar and Company has also executed a Special Power of Attorney in favour of the plaintiff to the partner of the plaintiff empowering him to take action against their party in retail segments on the basis of M/s S.H. Kelkar and Company registrations.

53. Learned counsel for the defendants on the other hand has argued that the defendants are prior user of the trade mark COBRA claiming user since the year 1991. It is also the case of the defendants that the user claimed by the plaintiff since the year 1970 is based on forged and fabricated documents. An objection has also been raised by the defendants with regard to non-joinder of the parties as according to the defendants merely filing of MOU with M/s S.H. Kelkar and Company was not enough and M/s S.H. Kelkar and Company should have been made a party to the present suit.
54. The defendants claim prior user since the year 1991 and also claim selling their products with the mark COBRA since the year 1986 through their partner M/s Hertz Chemicals Limited. In support of this contentions, defendants have relied upon an application for the mark COBRA applied by M/s Hertz Chemicals Limited under no.554078. Reliance is also placed by the counsel for the defendants upon drug licenses granted to the defendants. The third document, sought to be relied upon by the defendants, is a deed of assignment dated 6.5.1997 between M/s Hertz Chemicals Limited and defendant no.1. Thus, the first question, which comes up for consideration before this Court is as to who is the prior user of the trade mark COBRA. Plaintiff has placed on record invoices dated 25.7.1974, 9.11.1974, 2.9.1975, 11.1.1975 and 8.10.1975. Large number of invoices for the period 1999 onwards have also been placed on record. Invoices on record would establish that this mark was adopted by M/s Maza Cosmetics but the mark was continuously used only till 1979. Thereafter, it is the case of the plaintiff that this mark was re-launched from the year 1999. According to the defendants they have been using the mark COBRA since the year 1986 through their partners M/s Hertz Chemicals. Reliance has been placed on three documents i.e. (1)

application for registration of the mark COBRA applied for by M/s Hertz Chemicals; (2) drug licenses; and (3) deed of assignment dated 6.5.1997.

55. A copy of the application for registration of the mark COBRA applied by M/s Hertz Chemicals under no.554078 has been placed on record. Documents placed on record by the defendants also show that the application was withdrawn on 27.10.2001. What is more important is that the applicant was called upon to submit evidence of use by the Registrar Trade Mark which was not submitted and which could have been the reason for withdrawal of the application. Since no proof was submitted by M/s Hertz Chemicals with the Registrar and mere application which was subsequently withdrawn on 27.10.2001 would not pass any right in favour of the defendants and neither can it be considered to show that the mark was used by the defendants. The drug license sought to be relied upon by the defendants, a copy of which has been placed on record can also be of no benefit to the defendants as drug licenses was granted with respect to as many as 32 marks and no supporting document has been filed along with this undated license with regard to use of the trade mark COBRA by the defendants. The third document relied upon by the defendant is a deed of assignment dated 6.5.1997 entered into between M/s Hertz Chemicals and defendant no.1. This deed of assignment is also suspicious for the reason as the document shows that it was originally notarised in the year 1997, photocopy of the same has been attested in the year 2013 and also by the same notary. To my mind, this is a strong coincidence but surely casts a doubt on this document. Moreover, this document also does not suggest in any manner that the mark COBRA was ever used. The document assigns the pending application but there is nothing on record to suggest that the defendant got the application assigned to itself before the Registrar of Trade Mark by filing a request for amendment when on the

own showing of the defendant the application was listed on at least five dates in the year 2000. In case, the marks stood assigned and the defendant was using the mark, logically the defendant would have made such a request for assignment.

56. The documents placed on record by the plaintiff show that the predecessor of the plaintiff, which was a proprietorship firm of the father and grandfather of the present partners of the plaintiff firm was selling goods from the year 1974-79 onwards. As per the plaintiff, the business was carried out only till 1979 and re-launched in the year 1999. In contrast except for a bald statement that the defendants have been using the mark COBRA since the year 1986 through their partners, Hertz Chemicals Private Limited, is unacceptable. The application made by the defendants, M/s Hertz Chemicals Private Limited to the Trade Mark Registry is also of no use and benefit to the defendants as the defendants have failed to establish actual sale of the product.
57. In the case of *Corn Products refining Co, vs. Shangrila Food Products Ltd.*, reported at AIR 1960 SC 142, it has been held that, firstly, presence of mark in the register does not prove its user, thus, it is relevant as it is the case of the plaintiff that the defendants' application for registration had stated 'proposed to be used' and, secondly, the search report relied upon by the defendant can be of no help as there is nothing on record to show that the mark has actually been used by the third party. Relevant portion of the judgment reads as under:

“17. The series of marks containing the common element or elements therefore only assist the applicant when those marks are in extensive use in the market. The onus of proving such user is of course on the applicant, who wants to rely on those marks. Now in the present case the applicant, the respondent before us, led no evidence as to the user of marks with the common element. What

had happened was that Deputy Registrar looked into his register and found there a large number of marks which had either 'Gluko' or 'Vita' as prefix or suffix in it.”

58. Since the plaintiff has been able to establish prior user, I am of the view that it creates proprietary rights in the trade mark in favour of the plaintiff and advertisements without any proof of use is not enough to sell goods.
59. Prior use alone is relevant for creation of proprietary rights in a trade mark and use of the mark in advertising media by itself is not enough unless and until goods are offered for sale concurrently with such advertisement [*Usha Intercontinental Ltd. and Ors. v/s Usha Television Ltd.*, reported at 1987 PTC 240 A, more particularly para 18. Also see **Pioneer Nuts and Bolts Pvt. Ltd v/s Goodwill Enterprises**; 2009 (41) PTC 362 (DEL) (DB)].
60. Learned counsel for the plaintiff has submitted that the deed of assignment relied upon by the defendants is most unreliable and the same is anti-dated as this document was originally notarised in the year 1997 and a photocopy thereof has been attested again in the year 2013 by the same notary public, M.H. Chaudhary. The photocopy reflects both the stamps of 1997 and 4.3.2013, which in my view is an extremely strange coincidence if the defendants are to be believed. Moreover, this deed of assignment does not show that the mark COBRA was ever used. Thus, in my view, the defendants have failed to establish user of the mark COBRA since the year 1986 as claimed by them. It may also be noticed that in response to seize and desist notice dated 30.7.2012 the defendant relied upon the registration and claimed that it had been using the marks since the year 2006. Thus, in my view, the stand taken by the defendant in these proceedings that they are using the marks since the year 1986 is an afterthought. The only argument raised for absence of any document

placed on record is that a fire had broken out in the factory of the defendants in the year 2004. Newspaper report and panchnama written by the fire department is relied upon. The documents placed on record simply shows that finished and raw goods were gutted. Thus, the argument with regard to absence of supporting documents i.e. invoices, etc. for the year 2004 on account of fire in the factory is not convincing. Even the sale figures, sought to be relied upon by the defendants, pertaining to the year 2006 and the invoices showing the trade mark COBRA are filed for the year 2007 onwards and not for the year 1986. Based on the documents placed on record by the plaintiff and in the absence of convincing documents placed on record by the defendants *prima facie* I am of the view that the plaintiff is the prior user of the trade mark COBRA. The plaintiff also holds registration of the mark St.John Cobra since the year 2007.

61. There is no force in the submission made by counsel for the defendants that since M/s S.H. Kelkar and company, who owned the trade mark COBRA, having not been made a party, the present suit should be dismissed as the present suit has been filed by the plaintiff on the basis of prior user and adaptation and even otherwise the documents including Special Power of Attorney has been placed on record.
62. The defendant has further argued that as M/s Maja Cosmetics which used the mark till 1979 was a proprietorship concern of Mr.Suchet Singh, the benefit of use cannot be claimed after his death in the absence of assignment deed. The said argument is misconceived as immediately upon the death of Suchet Singh on 24th January, 1979, his legal heirs being his wife and two sons became partners in M/s Maja Cosmetics and in case of rights by the use of the mark COBRA devolved upon them. The business of M/s Maja Cosmetics was continued and the same is reflected

from partnership deed dated 3rd February 1979 and various trade mark registrations of M/s Maja Cosmetics filed in 1979 itself showing the wife and sons of Suchet Singh as partners of M/s Maja Cosmetics.

63. The defendant further relied on a search report taken from the record of the Registrar of Trademarks showing existence of various entities who have filed for registration of the mark COBRA and thus claiming that the mark has become common to trade. Such a search report reveals that most of the registrations are of SH Kelkar, who have already acknowledged the rights of the plaintiff. Further most of the applications have been withdrawn and/or opposed on the behest of the plaintiff. Many of the applicants have already executed undertakings in favour of the plaintiff. Further it is a settled principle of law that mere presence of the mark on register does not prove its use and thus there is nothing on record to prove that the mark shown as registered in the search report are used by the applicants.
64. The defendants have further claimed that Hertz Chemicals Private Limited is a partner with the defendant but the said contention is proved wrong by their own document i.e. a deed of partnership dated June 2007 filed at pages 363 to 365 of the defendants documents which does not show the name of Hertz Chemicals P. Ltd. as a partner. Further even the application for registration of the mark DIAMOND COBRA filed by the defendant in the year 2006 does not mention the name of Hertz Chemicals P. Ltd. as its partner.
65. In view of the settled position of law mere delay is not sufficient to defeat the grant of injunction in case of infringement of trade mark as held in *Amar Singh Chawal Wala* (supra), *Ansul Industries* (supra) and *Hindustan Pencils (P) Ltd.* (supra), this argument of learned counsel for the defendants must also fail.

66. In the absence of cogent documents on record, I am of the view that the defendants have failed to establish that they are the prior user of the marks 'DIAMOND COBRA' and 'VELVET COBRA'. On the contrary, the plaintiff has been able to make out a strong *prima facie* case, balance of convenience is also in favour of the plaintiff and in case the defendants are allowed to continue to use the impugned marks, the plaintiff shall suffer irreparable loss.
67. Accordingly, present application filed under Order XXXIX Rules 1 and 2 is allowed. Defendant is also restrained from using the marks 'DIAMOND COBRA' and 'VELVET COBRA' till the disposal of the suit.
68. Application stands disposed of.

CS(OS) 99/2013

69. List this matter before Court for framing of issues on 11.2.2015, when parties shall bring suggested issues to Court.

NOVEMBER 14, 2014
msr

G.S.SISTANI, J