

Delhi High Court

Anil Verma vs R.K. Jewellers Sk Group & Ors. on 25 April, 2019

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IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on: 13th February, 2019

in I.A 11678/18 & 14796/2018

Reserved on: 10th, April 2019 in

I.A.3735/2019

Date of decision: 25th April, 2019

+ CS (COMM) 1097/2018, I.A. 11678/18, I.A. 14796 /18 & I.A.
3735/2019

ANIL VERMA

..... Plaintiff

Through: Mr. Saurabh Kirpal, Mr. Raktim
Gogoi, Mr. Akshay Chandra, Mr.
Aditya Chandra, Mr. Kartikeya Singh,
Mr. Sarvaswa Chhajer and Mr.
Abhinay Dang, Advocates.
(M:9717444444) in I.A. 11678/18 &
I.A. 14796/18

Mr. Akshay Chandra, Mr. Raktim
Gogoi and Mr. Kartikeya Singh,
Advocates in I.A. 3735/2019

versus

R.K. JEWELLERS SK GROUP & ORS. Defendants

Through: Mr. Sai Krishna Rajagopal, Mr.
Munish Mehra, Mr. Kunal Seth and
Ms. Narayani Prakash, Advocates.
(M:7379852409)

CORAM:

JUSTICE PRATHIBA M. SINGH

JUDGMENT

Prathiba M. Singh, J.

I.A.11678/2018 (u/O XXXIX Rule 1 and 2 CPC) & I.A. 14796/2018 (u/S 124 of the Trademarks Act)

1. The Plaintiff has filed the present suit seeking permanent injunction restraining infringement of trademark and passing off, rendition of accounts, delivery up and damages. I.A.11678/2018 has been filed under Order XXXIX Rule 1 and 2 CPC and I.A.14796/2018 has been filed under Section 124 of the Trade Marks Act, 1999.

Plaintiff's case

2. The Plaintiff adopted the marks „CASH FOR GOLD , „WE BUY GOLD and „GOLD BUYERS in the year 2012 and has been using the same in respect of its gold and precious metals business. The Plaintiff has opened various stores in Delhi and Mumbai, where customers are entertained for sale of gold, silver, diamond, antiques, watches etc. and there is immediate payment of money for the value which is ascribed to the said goods. The Plaintiff has popularised and promoted the marks in

the print and electronic media along with the tagline „Get Instant Cash for Gold . The Plaintiff claims that the three marks have become well-known marks under Section 2(g) of the Trade Marks Act. The turnover of the Plaintiff for the year 2016- 17 is claimed to be in the vicinity of Rs.6 crores. The trademarks of the Plaintiff are registered, and details of the same are as under:

Mark	Registration No. and date	Class	User	Valid upto
CASH FOR GOLD	2626911 13.11.13	14	14.12.12	13.11.23
GOLD BUYERS	2660870 17.1.14	14	28.12.12	17.01.24
WE BUY GOLD	2660869 17.1.14	14	28.12.12	17.01.24

3. The Plaintiff has filed the present suit being aggrieved by the Defendants use of the marks „24 Karat Cash for Gold , „Sona Do Paise Lo , „24 Karat Cash for Gold , „Cash for Gold and „We buy Gold, Silver, Diamonds. . It is claimed that the Defendants are using identical marks for identical services and businesses. The Defendants had applied for the registration of four trademarks, all of which were objected by the Trademark Registry. The details of the said trademark applications are as under:

Trademark	Application No. & Date	Class	User	Status
CASH FOR GOLD	2792772 19.8.14	35	10.5.13	Objected
24 KARAT CASH FOR GOLD	2568012 22.7.13	14	24.4.13	Objected
24 KARAT CASH FOR GOLD	2792770 19.8.14	14	10.5.13	Objected
24 KARAT CASH FOR GOLD	2792771 19.8.14	35	10.5.13	Objected

4. It is further stated that the Defendants had also opposed the Plaintiff s trademarks. However, due to non-filing of evidence, the oppositions filed by the Defendants were abandoned and the Plaintiff s trademarks proceeded for registration. The order granting registration to the Plaintiff s marks was appealed in the Intellectual Property Appellate Board (hereinafter „IPAB) and the IPAB vide order dated 18th October, 2018 has upheld the registrations of the Plaintiff.

5. Thus, as on date, the Plaintiff s registrations are confirmed by the IPAB. The marks are identical and so are the businesses/class of goods and services. Accordingly, injunction and damages are sought.

6. Initially, when the suit was listed on 31st August, 2018, the Defendants had appeared on Caveat and after hearing the parties, the following order was passed:

"....

9. The case of the Plaintiff is that it coined the trademark „Cash For Gold in the year 2012 and began use of the same. The Plaintiff has three registered trademarks bearing registration nos. 2626911, 2660870 and 2660869 in class 14. The trademarks used and registered by the Plaintiff are for „Cash For Gold , „Gold Buyers and „We Buy Gold respectively.

10. According to the Plaintiff, the Defendants are carrying on an identical business of buying and exchange of precious metals such as gold, silver and diamonds in exchange for cash. The Defendants were one of the customers of the Plaintiff as is evident from page 143 of the Plaintiffs documents which is an invoice dated 1st February, 2013 showing that the Defendants had traded with the Plaintiff.

11. The Plaintiff s grievance is that the Defendants are using an identical mark „Cash for Gold in an identical colour scheme. Mr. Sibbal Ld. Senior Advocate submits that since the Plaintiff is a registered proprietor of the mark, the consequences and the protection under law has to be extended.

12. On the other hand, representing the caveators, Mr. Sindhwani, Ld. Senior Counsel, submits that his clients have been using the trademark „24 Karat Cash for Gold since April, 2013 openly. The Defendants have also been advertising the trademark in the national media as well as through social media. The Defendants further submit that the trademark application of the Plaintiff was opposed by the Defendants. However, the opposition was abandoned for various reasons and thereafter the registration was granted on the same day to the Plaintiff. The said order of granting registration is under challenge by the Defendants before the IPAB and listed on 10th September, 2018. Mr. Sindhwani has handed over documents to show the various online advertisements, the turnover of the Defendants and the advertisement in print media. It is also submitted that in response to the examination report of the Plaintiff s mark, the Plaintiff took a stand that the marks are not deceptively similar. However, the examination report is not available to both the parties as the same is not accessible on the trademark registry s website.

13. Having heard the counsels for the parties, it being the ad interim stage today, there is no doubt that the Plaintiff is the prior user of the mark „Cash For Gold . However, the Defendants have also been openly and extensively using the trademark „24 Karat Cash For Gold . The manner of use could be confusing to a customer, however, interim orders in respect of the same would be considered after the Defendants file their reply. The Defendants claim to have 19 centres under the name „24 Karat Cash For Gold in the Delhi and NCR region, a list of which has been

handed across today by Mr. Sindhwani. Considering that the Plaintiff is the prior user of the mark and the Defendants do not dispute that they are aware of the Plaintiff's mark prior to their adoption of the impugned mark, it is deemed appropriate that status quo shall be maintained by the Defendants. No new centres shall be opened by the Defendants till the next date. The matter shall be heard immediately after the IPAB hearing on 10th September, 2018. The Plaintiff is directed to place the examination report for their trademark No. 2626911 in class 14 on record. The Defendants shall file their reply within two weeks. Rejoinder be filed within 10 days thereafter. List on 28th September, 2018."

7. Thereafter, pleadings were completed by the parties. I.A.14810/2018 was filed by the Defendants, praying for permission to open two more stores under the name CASH FOR GOLD in addition to the 19 stores that were permitted by the Court on 31st August, 2018. However, on 30th January, 2019, Ld. counsel appearing for the Defendants submitted that the Defendants have adopted the name „24 Karat Sona Do Paise Lo for the said two stores. Thus, the said application was disposed of as infructuous.

Defendants' Case

8. Defendant No.1 - M/s R.K. Jewellers SK Group is a firm of which, Defendants No.2 and 3 - Mr. Suresh Kohli and Mr. Sahil Kohli, respectively are partners. In the written statement, the case of the Defendants is that the three marks are generic expressions for the services being rendered by both the parties. There is extensive third party use of these marks. There are more than 50 websites operating internationally which use the marks „CASH FOR GOLD , „GOLD BUYERS and „WE BUY GOLD and some of these websites have been operational since 1999. A list of such websites has been extracted in paragraph 4 of the written statement. Screenshots of the said websites have also been placed on record. It is thus averred that the attempt of the Plaintiff is to monopolise generic expressions, which cannot be permissible in law.

9. The further case of the Defendants is that the registrations were wrongly granted in favour of the Plaintiff as the manner in which the trademark certificates were issued on the same day when the order was passed shows that the trademark office did not give heed to the Defendants' submissions. It is further claimed that Defendant No. 1 is the prior applicant for the registration of the trademark - „24 Karat Cash for Gold, the said application having been filed on 22nd July, 2013. The Defendant places strong reliance on the Plaintiff's reply to the examination report of its trademark bearing no.2626911 wherein the Plaintiff's stand was that its mark „CASH FOR GOLD was not similar to the Defendant's applied mark „24 Karat Cash for Gold . Further, it is claimed that the Defendants' use of the mark is with the "Crown" device appearing with the word „24 Karat and is clearly distinguishable.

10. Defendant Nos.2 and 3 had started a partnership business in 2003 under the name and style of „Jewels by Sahil Kohli which was later changed to „Bhagat Raj S. Jewellers in August, 2008 and to „Raj Jewellers SK Group in June, 2011. The Defendants admitted that they started using the mark „CASH FOR GOLD from April, 2013. It is claimed that the Defendants have 19 stores in the

Delhi-NCR region which have already been opened and the turnover for the year 2016-17 is approximately Rs.17 crores. The Defendants use the domain name www.24karat.co.in for their business. Defendant No.4 is only a trademark agent of the Defendant and has no role in the business.

Submissions on behalf of the Plaintiff

11. The submission of Mr. Saurabh Kirpal, Ld. counsel appearing on behalf of the Plaintiff is that Defendant No.3 - Mr. Sahil Kohli was a customer of the Plaintiff, and was well aware of the Plaintiff's existence and its use of the mark „CASH FOR GOLD . He relies on an invoice dated 1st February, 2013 which shows a transaction between the plaintiff and defendant, in support of this submission. Further, it is submitted that the Defendants, having opposed the marks of the Plaintiff and having not filed the evidence in time, the oppositions were deemed to have been abandoned.

The Plaintiff's marks are thus registered and the IPAB has also dismissed the Defendants' appeal on 18th October, 2018. Since, the Plaintiff's marks are now registered, it is entitled to protection, as it has statutory rights in the marks. He further submits that this is a case of an identical mark for an identical business, and hence there is presumption of confusion. It is vehemently urged that the Defendants themselves having filed applications for trademark registrations are estopped from arguing that the Plaintiff's marks are descriptive/generic. He relies on the following judgments:

Automatic Electric Limited v. R.K. Dhawan & Anr 1999 (2) Raj 473 (Del);

Indian Hotels Company Ltd. v. Jiva Institute of Vedic Science & Culture 2008 (37) PTC 468 (Del);

Procter & Gamble Manufacturing (Tianjin) Co. Ltd. and Ors. v. Anchor Health & Beauty Care Pvt. Ltd. 2014 (5) Raj 706 (Del).

12. It is further submitted by Mr. Kirpal that in another suit filed by the Plaintiff against a third party, a Ld. Single Judge of this Court had granted interim protection. Moreover, the Plaintiff being the registered owner of the mark, mere delay cannot be a ground for non-grant of interim injunction. He relies on the following judgments:

i) Midas Hygiene Industries Pvt. Ltd. v Sudhir Bhatia 2004 (28) PTC (121) SC

ii) Hindustan Pencils v India Stationary Products Co & Anr. AIR 1990 Delhi 19
Submissions on behalf of the Defendant

13. On the other hand, Mr. Saikrishna Rajagopal, Ld. counsel appearing on behalf of the Defendants submits that the three trademarks/trade names being used by the Plaintiff are incapable of achieving trademark signification. According to him, the present case is a textbook example of marks which are generic. Even though the Defendants may have applied for registration of the marks under wrong advice, that by itself does not mean that generic marks should be allowed to be

monopolised. He submits that the Defendants, as on the date of making submissions before this Court, have withdrawn their trademark applications. Further, it is contended that an interim injunction ought not to be granted as the mark „CASH FOR GOLD is so descriptive that there is no other expression to describe the said service. He vehemently relies upon third-party use of the mark and the documents placed in support of this submission, namely, printouts of websites of third parties, invoices issued by third party shopkeepers and visiting cards, etc. to show the rampant use of the mark „CASH FOR GOLD and similar marks. It is further submitted that the year of the Plaintiff's adoption is of 2012 and the Defendants' user is of 2013, and hence though the Defendant was a customer of the Plaintiff, the Defendant would still be an honest and concurrent user of the marks. It is further argued that the mere fact that one of the Defendants was a customer of the Plaintiff, cannot block a generic mark such as „CASH FOR GOLD as the industry would need such a mark for its common use. Section 30(2)(a) of the Trade Marks Act is relied upon to submit that the mark describes the intended purpose of the business and a characteristic of the service provided. Reliance is placed on the judgment of the Bombay High Court in Pidilite Industries Limited and Ors. v. Vilas Nemichand Jain and Ors. 2015 (6) ABR 389 to argue that the mere use of the mark does not constitute distinctiveness of the mark. For a mark to acquire secondary meaning, the primary meaning ought to have been displaced. It is also submitted that the use by the Defendants of the words „24 Karat is sufficient to distinguish the two marks. The Plaintiff's whole case before the Trademark Registry in reply to the examination report was that the two marks can co-exist. When any business adopts a descriptive or a generic mark, it has to tolerate some degree of confusion and such a descriptive or generic expression cannot be expropriated. On the basis of the various third-party related documents, it is argued that the Plaintiff is not the originator of the mark. It is further submitted that in Automatic Electric Limited (supra), the Court arrived at the conclusion that the mark „DIMMERSTAT was not descriptive and it is on that basis that the Defendant was enjoined. In that case, there was no evidence of third-party use. Reliance is placed on Skyline Education Institute (Pvt.) Ltd. v. S.L. Vaswani and Ors. AIR 2010 SC 3221 and Asian Paints Limited v. Home Solutions Retail (India) Limited 2007 (35) PTC 697 (Bom) to argue that in cases where there was third party use, no injunction was granted.

Rejoinder submissions on behalf of Plaintiff

14. Ld. counsel for the Plaintiff, in rejoinder, submits that the stand of the Plaintiff before the Trademark Registry based on cyclostyled oppositions and cyclostyled counter statements, cannot be made the basis for refusing an injunction, if a case is made out. There was no cited mark in the examination report and hence there was no admission by the Plaintiff. The Defendants, having abandoned the oppositions cannot challenge the Plaintiff's registrations. Moreover, there are several alternatives that exist, which can be used by the Defendants and the Defendant being a customer of the Plaintiff, the adoption was mala fide. Moreover, it was argued that the use by the Defendant was a trademark and not as a description. The mere existence of websites does not mean that third party use is established as the sales and the extent of use is not shown. The Plaintiff operates a physical shop where the mark „CASH FOR GOLD is displayed, as does the Defendant.

Findings and conclusions

15. The Plaintiff is the registered proprietor of the trademarks „CASH FOR GOLD , „WE BUY GOLD and „GOLD BUYERS . The Plaintiff is also the prior user of the marks. The Defendants had opposed the Plaintiff's marks and for whatever reasons, the oppositions were abandoned. Thus, the Plaintiff's marks stand on the Register. The challenge by the Defendants to the said registrations by means of an appeal has also failed before the IPAB. It is also not disputed that the Defendant was a customer of the Plaintiff. The invoice dated 1st February, 2013 which was placed on record also establishes this fact. The above said facts are admitted on record.

16. However, what is argued by the Defendants is that the marks are descriptive/generic and are incapable of being exclusively monopolised by any party. The defence of descriptiveness/generic nature of the marks emanates from Section 30 (2)(a) of the Trademark Act, 1999. The said Section reads as under:

"(2) A registered trade mark is not infringed where--

(a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services."

17. There are two dimensions to the defence of descriptiveness. The first, is the assessment as to whether the marks are descriptive. The second is as to whether the Defendants should be allowed to raise this defence. Insofar as the latter is concerned, the law in this Court is very well settled. The judgments in Automatic Electric Limited (supra), and Indian Hotels Company (supra), clearly lay down the proposition that a party that itself applies for the registration of a mark is estopped from contending that the mark is descriptive or generic. The relevant observations from Automatic Electric (supra) read as under:

"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 defense 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 Indian Hotels Company Ltd., the observations in Automatic Electric were considered and upheld by the Ld. Division Bench which observed as under:

"It was next argued by Mr. Rohtagi that the word 'JIVA' is a descriptive word which cannot be protected as a trade mark by a Civil Court. We do not think so, the appellant has itself applied for registration of the Jiva as a trade mark and cannot, Therefore, argue that the mark is descriptive. In Automatic Electric Limited. v. R.K. Dhawan and Anr. 1999 PTC (91) 81 this court has in similar circumstances repelled the contention and held that since the defendant had itself sought to claim a proprietary right and monopoly in "DIMMER DOT", the disputed trade mark it did

not lie in its mouth to say that the said mark was a generic expression."

The above proposition has also been reiterated in Procter & Gamble Manufacturing (Tianjin) Co. Ltd. and Ors. v. Anchor Health & Beauty Care Pvt. Ltd. 2014 (5) Raj 706 (Del)

18. The Defendants have attempted to wriggle out of this by arguing that their trademark application for the mark „24 Karat Cash for Gold has been withdrawn as of January, 2019. Does such withdrawal of the trademark application result in annulling the application of the above judgments to the Defendants? The answer would be no, at least at the interim stage as any withdrawal of the trade mark application does not obviate the fact that the Defendants thought that the same were capable of being registered as trademarks. The circumstances leading to the filing of the application and the withdrawal would have to be established at trial, for the Defendant to be able to escape the consequences of the filing of the trade mark application. Thus, the Defendants, are at this stage, estopped from arguing that the marks are descriptive/generic.

19. However, the matter does not end here. Since the argument of descriptiveness has been raised, the Court deems it appropriate to answer the question - Are the Plaintiff's marks actually descriptive/generic? Do they signify the description of the kind of service or the intended purpose of the business or characteristic of the business/service? In order to arrive at an answer, each of the expressions used by the Plaintiff „CASH FOR GOLD, „WE BUY GOLD and „GOLD BUYERS have to be analysed separately.

20. The descriptive nature of a mark can be determined by applying two tests as per McCarthy on Trademarks and Unfair Competition¹, namely the Degree of Imagination Test and the Competitors' Need Test.

Both of these are interlinked and a combined view has to be taken by the Court, after applying both these tests.

21. The Degree of Imagination test and the Competitors' Need test have to be applied in the facts of each case in order to adjudicate as to whether a particular mark describes the quality or characteristics of the product or service or is merely suggestive of the products or services offered. In a case whether the conclusion cannot be arrived at without evidence or whether there is a grey area, registration of marks would tilt the case in favour of the Plaintiff.

22. The Need of the Competitors and the Degree of Imagination tests are inversely proportional to each other. If the degree of imagination required is higher, then need of the competitors decreases. If the need of the competitors is not so high and there are alternate ways of describing some services, then the degree of imagination required would be higher.

23. The expressions Cash for Gold and Gold Buyers do not describe the entire gamut of services offered by the Plaintiff. As stated above, the Plaintiff carries out a wide range of business from its stores including the sale/purchases of gold, diamonds, silver, antique, watches etc. Some portion of the business could be buying of gold from the customers in return for money. Even the word „cash

does not denote what is understood in the J. Thomas McCarthy, "McCarthy on Trademarks and Unfair Competition", Third Edition, Vol.1, Thomson West, 2003, §11.21 actual sense by the Plaintiff, as the payment upon purchase of various commodities is made through the banking channels, demand draft or even by cheques. Thus, Cash for Gold could be suggestive of some part of the business of the Plaintiff but does not describe fully the complete range of services offered by the Plaintiff. The Defendants have not placed on record any independent market survey or evidence, which suggests that the term Cash for Gold is perceived as a descriptive expression. Even the term Gold Buyers cannot be held to be descriptive at the prima facie stage, by applying the Degree of Imagination test as, though the Plaintiff may be buying gold from customers, but it also is involved in buying various other commodities apart from gold. Moreover, in respect of the marks „CASH FOR GOLD and „GOLD BUYERS , as is evident from the various other third party user documents which have been placed on record by the Defendants, there are several alternative ways in which third parties have referred to identical businesses. Such alternative marks/names used are „CASH 4 GOLD , „GOLD BUYERS , „SELL YOUR GOLD , „CASH EXCHANGE , „GOLD EXCHANGE , „MONEY FOR GOLD , „MONEY 4 GOLD , „SELL GOLD , „POST GOLD FOR CASH , „EZY CASH GOLD , „GOLD-BUYER , „WE BUY GOLD , etc.

24. The Defendants themselves have adopted alternative names for their business such as „24 Karat Sona Do Paise Lo which they use for their two new stores opened after the filing of the suit. Thus, in the face of the Plaintiff's trademark registrations which vest the Plaintiff with statutory rights under the Act, without trial in the suit, it would not be possible to arrive at a conclusion that the marks of the Plaintiff are generic/descriptive. Applying the degree of imagination as also the competitors' need test, it cannot be held that the marks are descriptive. There are various ways in which the said business can be described.

25. Insofar as the expression „WE BUY GOLD is concerned, the same in fact is a complete sentence which describes what the Plaintiff does i.e. it buys gold. Thus, the mark „WE BUY GOLD is prima facie held to be descriptive in nature.

26. A perusal of the examination report issued for trademark no. 2626911 of the Plaintiff shows that there was not a single prior application or registered mark which was cited as an identical or a descriptively similar mark. However, in the search report filed by the Defendant, the defendant's mark is shown as a prior application. The stand of both the parties in the Trademark Registry has been self-defeating to say the least. The court agrees with the submission of Mr. Kirpal that cyclostyled oppositions and cyclostyled responses to examination reports, cannot be the basis for deciding valuable legal rights. The Plaintiff filed 'copy-paste' responses to the examination reports even when there was no conflicting mark which was cited. The response filed by the Plaintiff to the examination report is quite vague and ambiguous in as much as the Plaintiff merely stated as under:

"The said trade mark/logo is our own invention and there is no similarity with other registered or applied trademarks.

...

We submit that the Trademark of Our Client is "CASH FOR GOLD" Which is Taken as A Whole, Graphically and Structurally Different From The Mark Cited in The Report."

This response was not in respect of the Defendant's application for registration, but in response to a standard Examination report where no conflicting pending application or conflicting registered trade mark was cited. The Plaintiff has simply stated that the trade mark applied for is different from the cited marks - when there were in fact no cited marks. In fact the standard objection that the mark is similar to pending applications/registered trademarks, which appears in most examination reports, is absent in the case of TM. No. 2626911. The Defendants filed trade mark applications without anticipating that they would be taking a defence of descriptiveness. However, the filing of the trade mark applications by the Defendants has been a conscious act.

27. The third party user documents relied upon by the Defendants can be categorised as under:

- i) Printouts of websites using similar expressions;
- ii) Visiting cards of shops which have used similar expressions;
- iii) Printouts of domain names;

28. A perusal of these third party documents, which have been placed on record shows that at least insofar as the stores from where the Defendants claim to have made purchases are concerned, most of the said parties use their own shop names along with the expression/name „CASH YOUR GOLD , `Cash for Gold` etc. A perusal of the affidavit of Mr. Aman Prakash filed by the Defendants along with the Annexures thereof shows that the invoices and the visiting cards show use of the following marks/names:

- a) Cash Your Gold, GK-II, New Delhi;
- b) Baba Jewellers EnCash for Gold, Shop No.2, RBI Colony, Panchsheel Park, DDA Market, New Delhi-110017;
- c) SL Gold Buyer, Plot No.B-39, F/F, Main Najafgarh Road, Near Singla Cycles, Metro Pillar No.652, Uttam Nagar;
- d) Kundan G2P Gold Traders, B-2, Acharya Niketan, Mayur Vihar Phase-1, Delhi-91 and 150, 1st Floor, (Near SBI Bank) Ramphal Chowk Rd. Sector-7, Dwarka, Delhi-110077, Web: www.kundangoldbuyers.com;
- e) SS Jewellers for Gold, C-8/1, First Floor, Sai Baba Chowk, Sector-7, Rohini, Delhi-110085, Web: www.ssgoldbuyers.co.in.

29. Thus, none of these stores use the name/mark „CASH FOR GOLD per se as a mark. There are sufficient distinguishing elements that exist between the Plaintiff s marks and the said marks. Moreover, it is the settled position in law that a Plaintiff not expected to take action against every misuse. It is only when the Plaintiff apprehends that the Defendants use of the mark is going to have a negative impact on its business that the Plaintiff needs to take action. In Info Edge (India) Pvt Ltd. and Ors. v. Shailesh Gupta and Ors. 98 (2002) DLT 499 a Ld. Single Judge of this Court observed as under:

"It was also contended by the counsel for the defendant that there are many websites and domain names almost with similar name, which re existing and, Therefore, there cannot be any monopoly to the plaintiff and also that the plaintiff having not proceeded against them for similar reliefs, is not entitled to proceed only against the defendant. The said contention was refuted by the plaintiff by placing on record a chart that the other websites with almost similar names are either non- functional or are foreign language websites and they have nothing to do with jobs. It is thus prima facie established that those websites/domain names stand apart and on a different footing from the domain names of the plaintiff and the defendant. There is neither any occasion nor is there any immediate necessity for the plaintiff to proceed against those websites/domain names, which are non-functional and non-relatable to the activity of employment and jobs. The plaintiff, Therefore, cannot be denied relief and an injunction only because it has not proceeded against other similar names. As a matter of fact, when action is initiated, one similar domain name has to be always the first and that cannot be the reason for denying injunction to the plaintiff."

30. Insofar as the third party websites relied upon by the Defendants, are concerned, the extent of business of these international websites and stores is also not evident. Moreover, a perusal of the printouts filed on record shows that almost all the printouts were taken post the filing of the suit. It is thus clear that after the suit was filed, the Defendants have attempted to justify adoption and use of an identical mark under the garb of third-party use. Such third party use was clearly not within the knowledge of the Defendants at the time when they adopted the mark „24 Karat Cash for Gold .

31. Further, the Defendants do not dispute that they had knowledge of the Plaintiff s marks and business. The Plaintiff is clearly the prior user of the expression „CASH FOR GOLD registered in his favour. The Plaintiff uses the mark on a black background with gold coloured printing. The use of the mark „CASH FOR GOLD is extremely prominent. The Plaintiff s mark as used on the stores is depicted below:

The Defendant also uses an identical black background and black with gold colour combination, which is depicted below:

32. The use of the sun/crown device or the words „24 Karat , does not in any manner dispel the chances of confusion as gold is always described for purity as 24 Karat. The Defendants are also using the expression „WE BUY GOLD, SILVER, DIAMONDS in an identical fashion.

33. In matters of this nature, it is not just the competing rights of the parties that needs to be looked at, but also the consumers' interest. Any consumer who may be selling gold could be led to believe that the Defendants' business is the same as that of the Plaintiff. This one factor overrides all other objections that have been raised by the Defendants. The dishonesty in the adoption is also apparent due to the use of the identical colour combination, writing style, font, manner of usage and the prominence given to the various marks/expressions. This coupled with the knowledge of the Plaintiff's business, strengthens the Plaintiff's case that the adoption by the Defendants is dishonest. The pending trademark applications, the list of which has been filed also shows that none of them are registered.

34. The only mark which is registered is „CASH 4 GOLD“ which is for scrap dealership and precious metals refining in the Green Bullion Financial Services LLC Trading USA. None of the other marks are registered.

35. The judgment in Pidilite Industries Limited and Ors. (supra) lays down the test for determining as to whether a descriptive mark has acquired a secondary meaning. The said judgment does not deal with a case where the Defendants had knowledge of the Plaintiff's mark or was a customer of the Plaintiff. It was a case where the Court found that the Defendants had independently and bona fide adopted the mark „LEAKGUARD“ without knowledge of the Plaintiff's mark. In such a case, the Court held that since the Defendants were able to show open and notorious use by third parties as also the Defendant itself, no injunction was liable to be granted. On the basis of the above discussion, at the prima facie stage, it is held that the Plaintiff is entitled to interim protection for its registered trademarks.

36. This court while adjudicating the application for injunction at the interim stage, cannot ignore the registrations which stand in favour of the Plaintiff, the challenge to which has failed in the IPAB - albeit on technical/procedural issues. In "Venkateswaran on Trade Marks & Passing Off" the author opines:"

"It is well settled that validity of registration of mark cannot be considered in a motion for interim relief and so long as the mark continues to be on the register, the registered proprietor is entitled to the benefit of statutory protection.²"

This is also the settled legal position, that so long as the mark is on the Register, the Plaintiff's statutory rights ought to be protected, subject to the defences which are to be adjudicated.

37. All the above facts and the legal position support the case of the Plaintiff for grant of an interim injunction. In I.A.11678/2018 it is, accordingly, directed as under:

- a. The Defendants are restrained from opening any new stores using the trademark „CASH FOR GOLD“ or „GOLD BUYERS“. There shall be no injunction in the use of the mark „WE BUY GOLD“ ;
- b. Insofar as the existing 19 stores using the mark „CASH FOR GOLD“ as a trademark are concerned, since the said stores have been opened over the last few years, the Defendants are given six months' time to change

the name/mark on the said stores to any mark which is not identical or similar to the mark „CASH FOR GOLD or „GOLD BUYERS .

Dr. S. Venkateswaran Fifth Edition, Volume 1, 2010, Lexis, p. 923

38. The above injunctions, however, would not preclude the Defendants from using the words „CASH , „GOLD , „BUYERS to genuinely describe their business or services in a manner that does not constitute trademark use.

39. I.A. is disposed of.

I.A. 14796/2018

40. The present application is under Section 124 of the Trademarks Act wherein the Defendants seek stay of the suit for infringement and seek permission to approach the IPAB.

41. The findings in I.A.11678/2018 are prima facie that the two marks CASH FOR GOLD and GOLD BUYERS are not descriptive. However, the Court has concluded that WE BUY GOLD is prima facie descriptive in nature.

42. The submission of Mr. Sai Krishna Rajagopal, Ld. counsel as to whether the Defendants use of these expressions is in a descriptive form is an issue that requires adjudication post trial. It would also require adducing of oral evidence. The rights of the Defendants to use these expressions are to be decided by the Court on the basis of the defence contained in Section 35 of the Trade Marks Act. This defence is available to the Defendants despite the Plaintiff s mark being registered. In fact, Section 35 constitutes a defence to infringement of the trademark and would be required to be adjudicated by this Court.

43. This Court has arrived at prima facie conclusions in the application seeking interim relief, that the marks are not descriptive and are suggestive, on the basis of the material available on the record at this stage. However, that does not mean that the Defendants plea of descriptiveness of the Plaintiff s marks is either false, frivolous or untenable which is the standard laid down by the Supreme Court in Patel Field Marshal Agencies & Anr. v. P.M. Diesels Ltd. & Ors., (2018) 2 SCC 112. The observation of the Supreme Court is as under:

"41. Section 111 of the 1958 Act, and the corresponding Section 124 of the 1999 Act, nowhere contemplates grant of permission by the civil court to move the High Court or the IPAB, as may be, for rectification. The true purport and effect of Sections 111/124 (of the old and new Act) has been dealt with in detail and would not require any further discussion or enumeration. The requirement of satisfaction of the civil court regarding the existence of a prima facie case of invalidity and the framing of an issue to that effect before the law operates to vest jurisdiction in the statutory authority to deal with the issue of invalidity by no means, tantamount to permission or leave of the civil court, as has been contended. It is a basic requirement to further

the cause of justice by elimination of false, frivolous and untenable claims of invalidity that may be raised in the suit."

The plea of descriptiveness of the Plaintiff's marks, is of some seriousness and would require adjudication. The basis for grant of an interim injunction would include various factors such as registration of the marks, defences of the defendant, conduct of the parties, dishonesty if any by the defendants, use of similar get up, colour combination, and the three conditions of prima facie case, balance of convenience and irreparable injury. However, the standard for a plea of non-registrability is only tenability of the plea, which is not identical to the factors governing grant of interim relief. While holding a plea of non-registrability as being tenable, the Court can consider grant of an interim injunction under Section 124(5) of the Act. The standards for both are clearly distinct and different. In the facts of this case, considering the material on record, the Defendants' plea that the marks are descriptive would require proper adjudication at the final stage and accordingly the plea is not untenable.

44. If the Defendants succeed in their challenge to the registration of the marks of the Plaintiff, then they are entitled to rely upon the same before this Court.

45. I.A. 14796/2018 under Section 124 is, accordingly, disposed of in the following terms:

i. The following issue is, accordingly, framed: "Whether the Plaintiff's marks „CASH FOR GOLD , „GOLD BUYERS and „WE BUY GOLD are liable to be cancelled?" ii. The suit is adjourned by three months, permitting the Defendants to file cancellation petitions before the IPAB. iii. Subject to the said petitions being filed, the suit qua the relief of infringement shall remain stayed.

46. The views expressed above in both the applications shall not bind the final adjudication of the cancellation petitions by the IPAB or the present suit.

I.A.3735/2019 (to be numbered as CCP)

47. This is an application under Sections 12 & 15 of the Contempt of Courts Act, 1971. Let the same be numbered as a CCP.

48. The present application was filed after orders were reserved in the injunction application. The application was mentioned before the Court and listed on 13th March, 2019. The allegations in this application are that the Plaintiff had filed a criminal complaint against the Defendants, which was registered as FIR No.0291/2018. Pursuant to the registration of the said FIR, proceedings were initiated under Section 153 Cr. P.C. against the Defendants before the Court of Shri Sumit Kumar Sethi, Ld. Chief Judicial Magistrate, Dwarka, seeking registration of a FIR. The allegations in the criminal complaint were in respect of filing of forged postal receipts before the Trade Mark Registry, showing dispatch of evidence in support of the opposition as also falsification of the trademarks by the Defendants. The judgment was reserved in the injunction application on 13th February, 2019. Investigating Officer („IO) from the office of the Assistant Commissioner of Police, DIU, Dwarka

District, Police Station, Dwarka North issued summons/notices from time to time to the Defendants and the Defendants were cooperating in the investigation. The Plaintiffs were suddenly called by the IO pursuant to summons dated 26th February, 2019, in which the IO called upon Defendant No.3 to produce the original courier receipt of M/s. B. S. Courier. Defendant No.3 is stated to have met the IO on 6th March, 2019 and thereafter again on 11th March, 2019 when Defendant No.3 submitted a copy of the order dated 31st August, 2018 passed by this Court along with a covering letter dated 11th March, 2019.

49. However, on 12th March, 2019, the IO along with a large team conducted a search and seizure operation at two outlets of the Defendants i.e.

i) Shop Nos.4,5,6,7, Ground Floor, N-1, South Extension Part-I, New Delhi and

ii) Shop No.3, property bearing No.24/1-4, Ground Floor, Village Yusuf Sarai, New Delhi.

During the said search and seizure operation, the IO along with various representatives of the Plaintiff, seized various bill books, invoice books, display boards, posters, sign boards and caused disturbance in the business activity of both these stores. The Defendants tried to explain to the IO that the use of the marks in these two stores is fully protected by order dated 31st August, 2018. However, without paying any heed to the same, it is alleged that illegal and arbitrary action was taken on the ground that this was misuse of the Plaintiff's mark. Along with the contempt, a copy of the FIR, various summons issued to the Defendants and photographs taken during the search and seizure operation and stills, which was recorded by the CCTV have been attached. The contempt petition has also been filed with a CD containing some recording of the operation carried out at the two stores. When the application was listed on 13th March, 2019 the Court passed the following order:

"5. The present application was mentioned in the morning by Ld. Counsel for Defendants, in view of the sudden raids, which were conducted by the police on two of their showrooms in South Extension and Yusuf Sarai. The said two showrooms were mentioned in the written statement in paragraph 9 at page 19, as two of the centres of the Defendants, which were already running. The same are located at shop nos.4, 5, 6, 7, Ground Floor, N-1, South Extension, Part-I, New Delhi - 110049 and property no.24/1-4, Ground Floor, Village Yusuf Sarai, New Delhi-110016. Both these properties appear at serial numbers 9 & 17 of paragraph 9 of the written statement.

6. The use by the Defendants of the mark "24 KARAT CASH FOR GOLD" in these premises was not to be disturbed in terms of the order dated 31st August, 2018. The allegations in the application are that a criminal complaint was filed by the Plaintiff, which was registered as an FIR and on 12th March, 2019, raids were conducted at both these showrooms. Representatives of the Plaintiff were accompanying the police during the conduct of these raids and the video of the same, which has been seen by the Court, as also the photographs, show that all the boards, hoarding, etc. have either been removed completely or have been mutilated.

7. The application was mentioned in the morning by Ld. Counsel appearing for the Defendants. Considering the nature of allegations, it was directed to be listed at 2:30 pm today. Ld. Counsel for the Defendants was also directed to serve a copy of the application on Ld. Counsel for the Plaintiff and to inform them that the matter is being taken up at 2:30 pm. The notice of motion, clearly, shows that the application has been served upon Ld. Counsel for Plaintiff. Despite the same, none has appeared for the Plaintiff.

8. A perusal of the FIR reveals that the allegations therein are in respect of forgery of two courier receipts before the Trademark Registry. Under the garb of the said FIR, the functioning of both these offices/showrooms of the Defendants appear to have been obstructed and brought to a stand still. Photographs also show the presence of three officers of the Plaintiff, namely Mr. Krishna, Mr. Aatar and Mr. Manoj during the raid.

9. While the judgement was reserved by the Court, after hearing the parties, such disruptive action was completely unwarranted and not called for. Accordingly, show cause notice is issued to the Plaintiff as to why contempt action should not be initiated against him, and his representatives. It is directed that all three officers of the Plaintiff, namely Mr. Krishna, Mr. Aatar and Mr. Manoj, as also the Plaintiff - Mr. Anil Verma, who is the sole proprietor, shall remain present in Court on the next date.

10. Notice be also served on the Office of the Assistant Commissioner, DIU, Dwarka District, police station Dwarka North Complex, 1st Floor, Sector-17C, Dwarka, New Delhi for deputing a senior official, who was part of the raid conducted on 12th March 2019, to be present in Court on the next date. Notice be served dasti in addition. Ld. Counsel for the Defendants would inform in writing, the Ld. Counsel for the Plaintiff as also the DIU, of the order passed today.

11. List on 15th March, 2019. Copy of the order be given dasti under signature of the Court Master."

50. Pursuant to the above order, on 15th March, 2019, the Plaintiff Mr. Anil Verma was present along with three employees, who were identified as having rendered complete assistance to the IO during the search and seizure operation. The order dated 15th March 2019 records as under:

"The Plaintiff Mr. Anil Verma is present. Mr. Manoj Malkhani, Mr. Atar Singh and Mr. Krishna are present in Court today. They are field officers working with the Plaintiff - Mr. Anil Verma. They submit that they received a call from Mr. Anil Verma on 12th March, 2019 and were sent to the Police Station to help the Police in carrying out the action which they had planned. They had accompanied the Police to both the locations"

The statement of Mr. Anil Verma was recorded, and the same reads as under:

"Statement of Mr. Anil Verma, S/o Mr. Shadi Lal Verma, R/o D-308, Defence Colony, New Delhi-24 (M-989100034) On S.A.

I received the phone call from the Investigating Officer - Mr. Pravin Kumar who is in DIU, Dwarka on 12th March, 2019. We had filed a complaint against the Defendants and an FIR was registered based on the said complaint sometime in October, 2018. The I.O. used to be on leave on several occasions. I received a telephone call from the I.O. on 12th March, 2019, that he has come back from his leave and he asked me to send 3 to 4 persons to help him in the investigation on that date. I was not aware as to what kind of investigation he was planning to do. The order of this Court was already given to him. I informed him about the order dated 31st August, 2018, but did not tell him not to do the investigation he was planning, because I did not know what he was going to do. I had sent three persons from my office and few persons who were labour, etc. I was informed by the I.O. that under Section 103 and Section 104 of the Trademark Act, the Defendant had infringed the trademark and hence the boards were removed and the bill books were seized. The two show rooms at South Extension and Yusuf Sarai are part of the 19 show rooms of the Defendants, which were permitted by the Court to use the trademark 24 Karat Cash for Gold . The Court order stated that the Defendants cannot open more stores and hence there was a confusion in respect of the status quo order issued by the Court."

The statement of the IO was also recorded, which reads as under:

"Statement of Inspector Pravin Kumar, S/o Late Mr. Jai Parkash, R/o 1119, Sector 8, R.K. Puram, New Delhi.

On S.A.

The FIR against the Defendant was registered on 25th September, 2018. Prior to 12th March, 2019, no seizure or search operation was conducted by the Police, qua the Defendants. I have read the FIR. The FIR mentions the order dated 31st August, 2018 passed in the present suit, however, I have not read the said order.

I did the search and seizure operation on 12th March, 2019 on my own volition. I was not very busy on that date and so decided to take action under this FIR. I called Mr. Anil Verma before 11:00AM in the morning and asked him to send some persons to help in removal of the boards, banners etc. Mr. Anil Verma sent 6 to 7 people for helping me in the search and seizure operation. From the Police Station, four persons had accompanied me, namely, ASI Satya Vir, Head Constable Anoop, Constable Surinder and Constable Parveen. We went to the South Extension premises and the Yusuf Sarai premises of the Defendant. We got the boards removed and seized the bill books from the both the premises. The show room was open after the operation. We

concluded the operation at both premises around 3:30 PM.

I was not informed by Mr. Verma that there was Court case which was pending. He informed me that in the Trademark office, there was an opposition which was decided. This was challenged by the Defendant, which was dismissed and there was an appeal pending in the High Court. I was not informed of this pending litigation by Mr. Verma.

I had summoned the Defendant on 11th March, 2019. They had served the order dated 31st August, 2018. I read the order which directed that status quo should be maintained. There was no direction in respect of the Police authorities in that order."

51. After recording the above statements, this Court passed the following orders:

"7. Considering the averments in the applications as also the statements made in the Court today, prima facie it appears that there has been an attempt to over reach the orders of this Court. The Police authorities clearly had notice of the order dated 31st August, 2018 passed in the suit. The Plaintiff was aware that the judgment was reserved in the injunction application and the two centres where the search and seizure operation was conducted in respect of the infringement of the trademark, were covered by status quo order. The Plaintiff took no steps to inform the I.O. of the factual position that the present suit was pending in respect of the allegations of the infringement of trade mark and judgement was reserved. In fact, the Plaintiff has lent support and cooperation by deputing his officials and labour, in breaking down the banners, boards and the display window, etc. at the Defendants premises, when clearly the Defendants were under the protection of this Court for use of the mark 24 Karat Cash for Gold in these centres. The conduct of the Plaintiff prima facie constitutes contempt. Issue show cause notice to the following persons as to why contempt action should be taken against them:

i) The Plaintiff, Mr Anil Verma (S/o Mr. Shadi Lal Verma, Registered Prop of CASH FOR GOLD, address: A-12, Lajpat Nagar-II, New Delhi - 110024);

ii) Mr. Manoj Malkhani (S/o Mr. G.S. Malkhani, R/o C, Pachim Vihar Ext., New Delhi-110063, Mob:

9811726464)

iii) Mr. Atar Singh (S/o Mr. Ram Saaye, R/o, G-

41, Lal Kuan, New Delhi-110044, Mob:9560587516)

iv) Mr. Krishna (S/o Mr. Namdev, R/o A-12, Lajpat Nagar-II, New Delhi-110024, Mob:9999813515)."

52. All the contemnors were directed to be present in Court on the next date and notice was also issued to the Standing Counsel (Criminal), NCT of Delhi. On 10th April, 2019, submissions were heard on behalf of all the parties.

53. The main submission of the Defendants is that both the South Extension and Yusuf Sarai offices i.e. stores of the Defendants were protected under the order of this Court. They were part of the 19 centres, which were mentioned in the written statement filed by the Defendants and appear at serial numbers 9 & 17 of the list contained in paragraph 9 of the same. The IO took action in active collusion with the Plaintiff, who even deputed his employees to carry out the seizure operation. The destructive nature of the seizure operation is clear from viewing all the photographs and videos, which show that the window panes were broken, display boards were pulled out and broken and an atmosphere of absolute fear was created, in both these stores. It is submitted on behalf of the Defendants that the Plaintiff has shown no remorse, either in the statement made before the Court or in the reply to the contempt application. Despite the initial paragraph purporting to be an unconditional apology, the Plaintiff admits that he deputed staff to cooperate with the IO. It is submitted that the search and seizure operation carried out at the instigation of the Plaintiff is in the teeth of the order passed by this Court. The Plaintiff and the IO are, therefore, liable to be punished under the Contempt of Courts Act.

54. On the other hand, it is submitted by Mr. Akshay Chandra, Ld. counsel for the Plaintiff that there was never any intention to mislead the IO. However, the search and seizure operation was carried out to give effect to the order of the Ld. Metropolitan Magistrate in the criminal complaint, which has been filed by the Plaintiff. The Defendants are guilty of committing forgery, for which the Plaintiff is entitled to take action. The Plaintiff has merely availed its remedies in law and nothing more. From September, 2018 till 12th March, 2019, there was no active follow up by the Plaintiff leading to the raid, in fact, a copy of the order passed by this Court on 31st August, 2018 has been placed before the IO as is evident from the complaint filed and FIR itself. No misrepresentation was made by the Plaintiff. In any event, Mr. Chandra submits that he tenders an unconditional apology on behalf of his client for any infraction that may have been caused. He further submits that the IO's action was purely of the IO's own volition and not with any coordination or instigation by the Plaintiff or its employees.

55. The present suit has been filed seeking protection of three trademarks of the Plaintiff. In the plaint, apart from the merits, averments have been made in respect of oppositions filed by the Defendants and the proceedings before the Trademark Registry. It is stated that the Defendants had filed false and forged receipts in the oppositions. Paragraph 25 & 26 of the plaint are set out herein below:

"25. That it is humbly submitted that the Defendants had also filed the false & frivolous oppositions against the aforesaid registrations of the Plaintiff. The plaintiff has filed the counter statements in all three oppositions. The Defendants have not filed the Rely Upon Letter under Rule 45 of the Trade Marks Rules 2017 within the stipulated time and filed the false and fabricated courier receipts in the aforesaid oppositions. In view of the aforesaid circumstances the oppositions were declared as

abandoned vide orders dated 06.08.2018 respectively and the registration were granted to the plaintiff. The defendants have not filed any documentary evidence to prove their user as claimed in the oppositions.

26. That the defendants have challenge the aforesaid order before the Intellectual Property Appellate Board and the same is pending for proper adjudications."

56. Further, in paragraph 38 of the plaint the Plaintiff had pleaded that it is in the process of filing a complaint in accordance with law to highlight the conduct of the Defendants. Paragraphs 38 and 39 are set out herein below:

"38. The defendants in order to gain undue advantage of his failure deliberately filed false & fabricated courier receipts to show dispatch of Rely Upon Letter as being within the time frame. That it Is very pertinent to mention hereunder that recently on enquiry it was revealed that the Defendant to override the trademarks not only deceptively adopted the aforesaid impugned marks but also used forged/ fabricated courier receipts in the Trade Mark Registry at the time of filing of Rely Upon Letter to the trademark registration of the Plaintiff. The Plaintiff as also recorded telephonic conversation had with the person on the mobile number "9899362532" mentioned on the aforesaid fabricated/ forged courier receipts wherein that person has simply denied to have ever commenced work in the name & style "B.S. Courier, Coronation Building, Fatehpuri, Ch. Chowk, Delhi-6".

39. That the acts of defendants are completely dishonest and malafide with sole intentions to trade upon the enormous goodwill and reputation being enjoyed by the plaintiff within civil society at large. It is most humbly submitted that the act of the Defendants of filing forged & fabricated receipts of courier before the trade mark registry is also an act of shaking administration of justice and deliberate act to have caused the registry to pass an adverse order on registration of the trademarks of the Plaintiff. The conduct of the defendant in circumventing the process of law is not worth pardonable and ought to be condemned. It is submitted that Plaintiff is in the process of filing complaint or availing recourses available in law in order to highlight the highhandedness of the defendants. The said complaint or application or petition shall be brought on record before this Hon'ble Court with the permission of this Hon'ble Court."

57. The suit was instituted on 27th August, 2018. However, even before it was listed before Court on 31st August, 2018, the Plaintiff filed a criminal complaint on 29th August, 2018 with the police station at Lajpat Nagar, however, the Plaintiff was informed that the said police station is of wrong jurisdiction and that it had to approach the Dwarka North police station. On 31st August, 2018 the status quo order came to be passed by this Court in the following terms.

"13. Having heard the counsels for the parties, it being the ad interim stage today, there is no doubt that the Plaintiff is the prior user of the mark „Cash For Gold .

However, the Defendants have also been openly and extensively using the trademark „24 Karat Cash For Gold . The manner of use could be confusing to a customer, however, interim orders in respect of the same would be considered after the Defendants file their reply. The Defendants claim to have 19 centres under the name „24 Karat Cash For Gold in the Delhi and NCR region, a list of which has been handed across today by Mr. Sindhwani. Considering that the Plaintiff is the prior user of the mark and the Defendants do not dispute that they are aware of the Plaintiff's mark prior to their adoption of the impugned mark, it is deemed appropriate that status quo shall be maintained by the Defendants. No new centres shall be opened by the Defendants till the next date. The matter shall be heard immediately after the IPAB hearing on 10th September, 2018. The Plaintiff is directed to place the examination report for their trademark No. 2626911 in class 14 on record. The Defendants shall file their reply within two weeks. Rejoinder be filed within 10 days thereafter. List on 28th September, 2018."

58. The Plaintiff made a representation on 13th September, 2018 to the DCP, Dwarka. Further representations were made by the Plaintiff on 15th September 2018 to the SHO, PS, Dwarka North. The allegation in the said representation was that offences had been committed by the Defendants under Sections 420, 468 and 471 of the IPC as well as under Section 103/104 of the Trade Marks Act. Reference is made to "falsification" of the Plaintiff's marks in the following terms:

"The accused persons as such falsely apply the trademarks of the applicant to his business, goods and services."

Reference to falsification of the marks, albeit tangentially, could not have been made as the question of the use of the marks by the Defendants was being gone into by this Court in the present suit. On 27th September, 2018, in a letter to the Commissioner of Police, Delhi Police Head Quarters it was again brought to notice that no investigation was being carried out and, therefore, there was enormous delay in the same. Representations were also made to various police authorities in September, 2018 to speeden the investigation. The complaint dated 29th August, 2018, and the follow up thereof, thus, clearly was not merely for the forgery but also relating to the falsification of the trademark, which was subject matter of the present suit.

59. On the basis that the police did not take any action, an application was moved on 18th September, 2018 before the Ld. MM, Dwarka seeking the following directions.

"It is therefore ... humbly prayed that this Hon ble Court may be pleased to direct SHO PS Sector-13 Dwarka to lodge FIR against the accused persons and investigate the matter."

60. In this application, on 24th September, 2018, the Ld. MM passed an order directing the SHO to register the FIR. In the said order, reference is given of the order dated 31st August, 2018 passed by this Court. However, there is no mention about the specific portion of the order permitting the Defendants to continue using the mark in respect of 19 centres. Thereafter, FIR No.291/2018 was

registered by the Dwarka North police station. In the said FIR, there are various allegations in respect of the alleged forgery of the courier receipts. In addition, there is a mention of the interim order dated 31st August, 2018 passed in this suit. Further inquiry, after registration of the FIR, continued. The IO filed a status report on 31st October, 2018, which reads as under:

"Hon ble Sir, It is submitted that the above mentioned case has been registered on the complaint of Sh. Anil Verma S/o Sh. Sadi Lal Verma R/o A-12, Lajpat Nagar, Part-II, New Delhi. The investigation of the case has been transferred to DIU/Dwarka Distt. and conducted by the undersigned. As per the contents of complaints section 467 IPC and 103/104 T.M Act has been in-corporated. The investigation of the case is as initial stage. Further progress of the case will be informed accordingly."

61. Thus, in the status report, the IO specifically mentions that Sections 103/104 of the Trade Mark Act have also been incorporated in the FIR.

Strangely, vide notice dated 26th February, 2019, the Defendant Nos. 2 and 3 were directed to appear before the IO. Pursuant to the said notice, Defendant No. 3 appeared before the IO on 6th March, 2019 and on 11th March, 2019. On 11th March, 2019 Defendant No. 3 handed over a covering letter along with a copy of the order dated 31st August, 2018 passed by this Court.

62. However, in a sudden twist of events, a day later, i.e., on 12th March, 2019 a search and seizure operation was conducted with a huge contingent of police officials and plaintiff's representatives, in both the stores i.e. the South Extension store and the Yusuf Sarai store. The manner in which the said search and seizure operation was conducted clearly shows that the said operation was not in respect of alleged forgery in the Trademark Registry but was in respect of use of the trademarks themselves. In fact, from the photographs and videos it is clear that the search and seizure operation has been carried out in respect of misuse of the trademarks.

63. Ms. Prabhsahay Kaur, Ld. counsel appearing for the IO submits that the IO had no personal interest in the matter. In fact, the Plaintiff was moving repeated applications before the Ld. MM seeking status of the investigation in the FIR, which was lodged by it. The application itself repeatedly refers to falsification of the trademarks. In view of the observations in the application and the order of the Ld. MM, the IO was constrained to conduct the search and seizure operation. A perusal of the application and the order of the Ld. MM, clearly, shows that it was not just the allegations of forgery that were being investigated. The said criminal complaint has, clearly, gone into the issue of falsification of the marks when admittedly, the same very issue in respect of legality of the use of the marks by the Defendants was pending before this Court. The order dated 31st August, 2018, is clear and categorical that it permits the Defendants to use the mark for 19 centres in Delhi and NCR region. The Defendants were merely injuncted from using the mark for any newly opened centres. This order continued even when the judgment was reserved on 13th February, 2019 in the interim injunction application.

64. A perusal of the photographs, videos and the contempt application shows that there were at least three persons, who were deputed by the Plaintiff to support the search and seizure operation

namely, Mr. Krishna, Mr. Atar Singh and Mr. Manoj Malkhani. The Plaintiff himself was well aware of the fact that the Defendants' use of the mark could not be disturbed in 19 centres. He has clearly over-reached the Court by not explaining the correct facts to the IO. Even if it is presumed that the IO took action of his own volition, pursuant to the order of the Ld. MM, the Plaintiff had a duty to clearly tell the IO that no action ought to be taken in view of the order passed by this Court. The Plaintiff has not done so. He, in his reply to the contempt admits that he got a call from the IO on 12th March, 2019 and he then, upon the request of the IO, deputed 3 to 4 persons to help him in the investigation. Forgery of a courier receipt did not require investigation in the manner as has been conducted in the present case. A large contingent of police personnel supported by the Plaintiff's employees have visited two of the showrooms of the Defendants and created enormous commotion in the said showrooms. The Plaintiff submits that he had given a copy of the order to the IO and that he was not aware as to what the IO was planning to do. In his statement, he also states that he was informed by the IO that the Defendants had infringed the trademark under Sections 103/104 of the Trademark Act, which clearly was not within the jurisdiction of the IO owing to the pendency of the present suit. He admits that the two showrooms are part of 19 centres, which were permitted by the Court at the interim stage. He, however, concludes his statement by saying that there is some confusion in the Court order that no new stores could be opened. The question, as to whether the Defendants are infringing the Plaintiff's trademarks or not, is not to be gone into in the criminal complaint or FIR but in this suit.

65. The IO admits that he got the search and seizure operation done on 12th March, 2019. He also admits that he called the Plaintiff seeking help and for deputing 6 to 7 persons to help in the search and seizure operation. He was accompanied by four police personnel. He admits that sign boards were removed and that all the bill books were seized. He categorically states that he was not informed that there was a court case pending. However, he was aware of the proceedings in the trademark office. He, then, admits that he read the order dated 31st August, 2018 and there was no direction in the said order against the police authorities.

66. In the reply affidavit filed by the three employees, they have all confirmed that the IO had removed the sign boards. All of them state that they did not instigate or dictate terms to the IO. They submit that it was on the direction of the Plaintiff Mr. Anil Verma that they accompanied the IO for conducting the search and seizure operation. In the reply filed by the Plaintiff himself, apart from giving the entire sequence of events, it is stated that the Plaintiff did not have any hint as to what was the nature of the proposed action planned by the IO. He further submits that he had no deliberation with the IO in violation of the order of the Court. Though, in the initial paragraph, there is an apology tendered, the reply completely seeks to justify the conduct of the Plaintiff.

67. The order dated 31st August, 2018 was clear and categorical. There could not have been any confusion in the said order. The said order clearly records that 19 centres of the Defendants were using the name '24 Karat CASH FOR GOLD'. Status quo was directed to be maintained, and it was directed that no new centres would be opened. Thus, clearly, the 19 running centres could not be disturbed for use of the impugned marks, while the interim injunction application was being heard. Only new centres could not be opened under the impugned marks.

68. Despite, complete knowledge of this order, the Plaintiff has taken active steps after the filing of the present suit, to exert pressure on the Defendants by filing a criminal complaint, writing repeated representations to the police authorities, approaching the MM in respect of falsification of the marks in addition to the allegation of forgery. The allegation of forgery was being gone into by the IPAB and the IPAB's order mentions the telephonic conversation, which was recorded with the employee of the courier agency. The IPAB came to the conclusion that the letter of the Defendants had not reached the Trademark Registry in time and accordingly, grant of trademark registration was upheld in favour of the Plaintiff. The issue of forgery and issue of use of the marks were, thus, pending in two separate forums i.e. the IPAB and this Court. The IPAB gave findings in favour of the Plaintiff in its order dated 18th October, 2018. This Court had permitted 19 centres to use the mark on 31st August, 2018. A combined reading of these two orders, clearly shows that the allegation of forgery was pressed before the IPAB which had held that the evidence of the Defendants was not submitted in time. This Court had, after hearing the matter at the ad-interim stage, granted protection to the Plaintiff after hearing the Defendants on 31st August, 2018.

69. However, subsequent to the order of this Court, the Plaintiff has, as revealed from various facts mentioned in the reply, approached multiple police authorities on various occasions and moved applications before the Ld. MM seeking to put pressure on the police authorities to take action against the Defendants. The IO, in fact, attempted to resist the same by filing the status report to the effect that the Plaintiff should take action under Section 340 Cr. P.C. This is contained in the order dated 24th September, 2018 passed by the Ld. CMM. The Ld. CMM, however, strangely, without considering the order dated 31st August 2018, refers to the falsification of the trademark and directs registration of the FIR. The relevant paras of the order of the Ld. CMM dated 24th September, 2018 are set out below:

"Complaint in this regard was lodged at PS Lajpat Nagar on 29.08.2018. However, the complainant was told- that the jurisdiction for the said matter lies at Dwarka. Complaint was made to PS Dwarka North on 15.09.2018 and copy of same was sent to DCP Dwarka, Delhi on 15.09.2018. However, no action has- been allegedly taken on the basis of said complaint. In the status report filed today, the IO has reiterated the allegations of complainant and pointed out that the alleged person has filed an appeal in the IPAB and the next date of hearing is 26.09.2018. It has also been mentioned that the IPAB is competent to decide the present dispute and take necessary action on the allegations of the complainant. The IO has gone to the extent of advising the complainant to file appropriate application u/s 340 Cr.P.C. before the concerned authority.

It is noteworthy that while calling for the ATR vide order dated 19.09.2018, the Court had given specific directions to the SHO concerned to conduct preliminary enquiry regarding the authenticity of the courier service in question and also whether the allegations levelled by the complainant disclose commission of cognizable offences. Unfortunately, both these aspects have been skipped by the IO in the status report filed before the Court. However, the IO has submitted in Court that as per the inquiry conducted by the previous IO at PS Lajpat Nagar, the courier receipts relied upon by

the alleged persons were found to be forged and he has no reason to disbelieve the version of the said IO. As a necessary corollary, the facts of the case disclose commission of various cognizable offences including cheating, forgery as falsification of trademarks.

Police investigation is required in the present case to ascertain the origin of the receipts and further investigate the alleged courier company. It is also required to seize the allegedly infringing material, if any, which would prove falsification of trademarks of the complainant. Certainly, the complainant cannot be expected to do all this on his own.

The last ingredient required for action u/s 156(3) Cr.P.C. is that the complainant should have approached the local police and higher police officials before approaching the Court. The counsel for the complainant has already pointed out that complaint was made at PS Lajpat Nagar, PS Dwarka North and to the DCP Dwarka but no action has been taken thereon so far. Copies of these complaints have been annexed on record. It is observed here that when the police comes across allegations which point out to the commission of a cognizable offence, they are duty bound to register an FIR and investigate the same. It is not the prerogative of the police to give legal advise to the complainant for filing application u/s 340 Cr.P.C. or to resort to any other measure. By doing this, the police are stepping into the shoes of advocates rather than doing their duty.

Therefore, SHO concerned is directed to register an FIR under appropriate provisions of law and investigate the allegations levelled by the complainant. Copy of the order be sent to the SHO for compliance. Be put up for report on 14.11.2018.

Copy of the order be given dasti to counsel for complainant."

70. This order thus definitely creates the confusion that the question of falsification is to be gone into by the IO. The MM's order directs that seizure should be effected to prove falsification of the trade marks. The Plaintiff has, in fact, been responsible for the said confusion. Even on the final date of 12th March, 2019, when the IO contacted the Plaintiff for proper assistance to execute the search and seizure operation, the natural bonafide reaction of the Plaintiff ought to have been to properly intimate the IO about the purport and intent of the order dated 31st August, 2018. The fact that the judgment was reserved in the injunction application was not communicated to the IO. The IO also did not properly read the order dated 31st August, 2018, which is clearly on record. Together, the Plaintiff and the IO have, therefore, conducted the search and seizure operation contrary to the orders passed by this Court and in fact, in wilful violation of the same. This is nothing but contempt on the face of the Court. The Plaintiff rendered active assistance to the IO by deputing three to four employees for helping the IO to cause disturbance and destruction, including seizing the bill books using the trademark. Such conduct was completely unnecessary and avoidable and in fact, was against the purport and intent of the order dated 31st August, 2018. This constitutes contumacious conduct on behalf of the Plaintiff.

71. Recently, in the case of National Lawyers Campaign for Judicial Transparency and Reforms and Ors. v. Union of India [W.P.(C) No.191/2010 decision dated 12th March, 2019], the Supreme Court observed as under:

"13. When contempt is committed in the face of the Court, judges' hands are not tied behind their back"

A Id. Single Judge of this Court in Louis Vuitton Malletier v. Omi & Anr. (2018) 251 DLT 472 observed as under:

"36. In any event, the Apex Court in Leila David v. State of Maharashtra, (2009) 10 SCC 337 has held, "Although, Section 14 of the Contempt of Courts Act, 1971, lays down the procedure to be followed in cases of criminal contempt in the face of the Court, it does not preclude the court from taking recourse to summary proceedings when a deliberate and willful contumacious incident takes place in front of their eyes and the public at large....."

37. In the opinion of this Court, the present case is a case of contempt in the face of the Court and therefore, Section 14 of the Act, 1971 applies."

Thus, the contempt of court by the Plaintiff is punishable by this Court.

72. Insofar the IO is concerned, he has primarily gone by the order of Ld. CMM that he should conduct seizure to prove the use of the impugned trademark by the Defendants which constituted falsification. Under these circumstances, the Plaintiff is held guilty of civil contempt. The IO is issued a warning which would be communicated to the respective Police authorities. The Plaintiff having not fully informed the IO of the complete facts including that orders were reserved in the interim injunction application, as also having rendered active assistance, is held guilty of contempt. Enormous disturbance was caused to the Defendants' showrooms including breaking of boards, window panes, loss of face, loss of business etc.,

73. During the course of arguments however, repeatedly, the Plaintiff has apologised and Ld. Counsel for the Plaintiff has tendered unconditional apology to the court on behalf of his client. The Plaintiff is held guilty of contempt but due to the unconditional apology which is tendered, the same is accepted subject to the condition that the Plaintiff pays to the Defendants a sum of Rs. 10 lakhs for each showroom (total of Rs. 20 lakhs) to the Defendants, within a period of two weeks.

74. CCP is, accordingly, disposed of with the following directions:

(i) The Plaintiff, Sh. Anil Verma is held guilty of contempt.

(ii) The apology tendered on behalf of the Plaintiff is however accepted subject to the condition that the Plaintiff pays a sum of Rs. 20 lakhs to the Defendants in view of the destruction caused to the Defendants' showrooms. If the said amount is not paid within 2 weeks the Plaintiff shall undergo

civil imprisonment for one month.

(iii) The I.O. Sh. Pravin Kumar is issued a warning which shall be communicated to the police authorities.

75. CCP is disposed of in the above terms. List for reporting compliance on 20th May, 2019.

PRATHIBA M. SINGH JUDGE APRIL 25, 2019 Rahul/dk