

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Reserved on: 07th February, 2023
Pronounced on: 07th March, 2023

+ CS(COMM) 387/2022
CAMPUS ACTIVEWEAR LIMITED Plaintiff
Through: Mr. Kirti Uppal, Senior Advocate
with Mr. Zeeshan Hashmi, Mr. Ankit
Parashar and Mr. Shekhar, Advocates.

versus



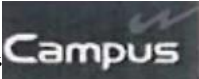
RAMA SHANKAR GARG & ORS. Defendants
Through: Mr. Avneesh Garg, Mr. Ajeet Kumar
Srivastava, Ms. Srika Selvam and Mr.
Kunal Gupta, Advocates for D-1 & 2.
Mr. Vineet Nagar and Mr. Kshitiz
Ahuja, Advocates for D-3.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA


J U D G M E N T

SANJEEV NARULA, J.

I.A. No. 8998/2022 (under Order XXXIX Rule 1 and 2 r/w Section 151 of CPC for ad-interim injunction)




1. Plaintiff, the registered proprietor of “CAMPUS”/ “”/
“”/ “”/ “CAMP” and other formative versions
thereof [*hereinafter collectively, “Plaintiff’s registered marks*], is into the
business of manufacturing wide-range of footwear, which are sold under the
afore-said marks. Their grievance arises from Defendants’ use of the






registered mark “CAMPS”, and its formative mark “” [hereinafter collectively, “*impugned marks*”], which are also used in respect of footwear.



2. The suit is proceeding towards trial due to parties’ inability to reach a settlement. Thus, through this judgement, the Court will determine Plaintiff’s request for grant of an interlocutory injunction, pending final adjudication.

3. Let us first give a brief introduction to the parties as well as their respective reasons for selecting the conflicting trademarks, as enumerated in the pleadings and accompanying documents presented before Court. Plaintiff’s predecessor-in-title adopted “CAMPUS” in 1990, and variations

of the logos “”/ “”/ “”, in 1997. The rights in said marks have been assigned to the Plaintiff and necessary formalities for change of name in the records of Trademarks Registry have also been initiated. Details of registration of Plaintiff’s registered marks have been set out in paragraph No. 10 of the plaint. In addition, Plaintiff also holds design

registrations for “”, “” and “” logos.


4. Defendant No. 1 – Mr. Rama Shankar Garg is the sole proprietor of Defendant No. 2 – M/s Baba Footwear and the registered owner of the mark

“CAMPS”,¹ which, along with the device/ logo “”, is used on footwear manufactured by them. Defendants No. 1 and 2 adopted the mark “CAMPS” in 1980. Later, from 1996, they started using “CAMPS” in a stylized manner viz. “”, which was devised by using the first letter of the name of Mr. Rama Shankar Garg in Devnagri script – “र” and placing it creatively over the word “CAMPS”. Defendant No. 3 is impleaded as a dealer of the impugned goods.

PLAINTIFF’S CONTENTIONS

5. Mr. Kirti Uppal, Senior Counsel for Plaintiff, argued that Plaintiff’s registered marks have been in continuous commercial use since 1984 and have acquired substantial goodwill. Plaintiff has about 20,000 retail outlets across India and also conducts online business operations through their website. Apart from domestic registrations, Plaintiff has secured protection in several other countries and thus, their registered marks possess all traits of a well-known trademark. Plaintiff’s earliest registration for mark “CAMPUS” relates back to 12th November, 1990.² On the other hand, Defendants No. 1 and 2 obtained registration of the impugned mark only in 2001, *i.e.*, much later to the Plaintiff. Defendants No. 1 and 2 have emulated Plaintiff’s original and unique logo, get-up/ trade dress as also footwear designs which has tarnished Plaintiff’s image and brand equity. Mr. Uppal

¹ Under application No.:1053648.

highlighted the striking similarities in the structure and pronunciation of “CAMPUS” and “CAMPS” and argued that the impugned marks are used in identical colour with reverse red double-tick on top of the letter ‘M’ [“”] only to ride on Plaintiff’s goodwill. Since the parties are in the same business, there is a strong likelihood of potential customers being confused and misled into believing that impugned goods are associated with or have a nexus in the form of franchise arrangements, with the Plaintiff.³ Plaintiff is suffering incalculable losses on account of Defendants’ infringing activities and thus, they must be restrained from using the impugned marks.

6. To exhibit dishonesty and maliciousness on Defendants’ part, Mr. Uppal relied upon screenshots of Defendants’ website to submit that besides copying Plaintiff’s registered marks, Defendants are also indulging in piracy by selling counterfeit goods which are imitations of several other well-known brands such as Nike, Adidas, FILA etc.

² Under application No. 539806.

³ Plaintiff has placed reliance on following judgements:

- (a) *Ruston and Hornsby Ltd. v. The Zamindara Engineering Co.*, (1969) 2 SCC 727.
- (b) *Audioplus v. Manoj Nagar*, dated 19th March, 2021 in CS(COMM) 193/2020.
- (c) *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.*, (2001) 5 SCC 73.
- (d) *Sun Pharmaceutical Industries Ltd. and Ors. V. Kinetic Lifescience (OPC) P. Ltd. and Ors.*, Neutral Citation No: 2022/DHC/001471.
- (e) *Vinita Gupta v. Amit Arora*, Neutral Citation No.: 2022/DHC/004060.
- (f) *K.R. Chinna Krishna Chettiar v. Shri Ambal and Co. Madras and Anr.*, (1969) 2 SCC 131.
- (g) *D.S. Confectionery Products Limited v. Nirmala Gupta and Ors.*, Neutral Citation No.: 2022/DHC/005036.
- (h) *Indchemic Health Specialities Pvt. Ltd. v. Naxpar Labs Pvt. Ltd. and Ors.*, dated 05th June, 2006 in Notice of Motion No. 1840/2001 in Suit No. 2594/2001.
- (i) *DLF Limited v. Sohum Shoppe Limited and Ors.*, dated 28th September, 2015 in CS(OS) No. 1236/2012.
- (j) *Parle Products (P) Limited v. JP and Co. Mysore*, (1972) 1 SCC 618.

DEFENDANTS' CONTENTIONS

7. Mr. Avneesh Garg, counsel for Defendants No. 1 and 2, argued that notwithstanding their registration date (22nd October, 2001), Defendants No. 1 and 2 are using the trademark "CAMPS" since 01st October, 1980. If the two marks are held to be deceptively similar, the Defendants being the prior user of the mark "CAMPS", have superior rights. Plaintiff has started using their mark "CAMPUS" only recently, after the Defendants' registration in 2001. He pointed out that Plaintiff's application was on a proposed-to-be-used basis and there is no document to show that their actual and commercial use precedes use of impugned marks by Defendants. In fact, Plaintiff commenced using the mark "CAMPUS" only after Defendants' mark "CAMPS" starting gaining popularity in the early 2000s. Plaintiff's allegation of infringement is hit by protection granted to prior user of a mark by Section 34 of the Trademarks Act, 1999 [*hereinafter*, "***the Act***"], which must be given precedence. Being a subsequent user, Plaintiff's market share is inconsequential and irrelevant. Plaintiff's intention to ride on popularity garnered by Defendants' marks is furthered by the fact that in 2002, Plaintiff applied for registration of an *ex-facie* deceptively similar mark "CAMP" on a proposed-to-be-used basis.

ANALYSIS

8. The Plaintiff, relying upon their revenue figures, asserted that they are the dominant player in the market and have a greater market-share than Defendants. Contending that Defendants have violated their intellectual property rights by engaging in deceptive business practices, Plaintiff prayed

that Defendants should be immediately restrained from continuing therewith. On a comparison, it is undeniable that there are structural and phonetic similarities between the two commonly used English words – “CAMPUS” and “CAMPS”. However, despite the resemblance and difference in parties’ market shares and revenue, they have an equal legal standing in terms of their statutory rights, which encompasses exclusivity and legal protection under the Act. This is because both parties have held their respective trademark registrations for a significant period of time. In fact, Defendants’ mark “CAMPS” was accorded registration as early as 22nd October, 2001.

9. The Plaintiff’s suit is for infringement as well as passing off. However, since Defendant’s mark is registered, suit for infringement can be entertained only if invalidity of Defendant’s trademark registration has been pleaded,⁴ which is not the case here. Additionally, Defendant’s mark “CAMPS” has remained on the register for more than two decades and no action for rectification has been disclosed in the pleadings. The website of the Trademarks Registry reflects that Plaintiff has filed a rectification to Defendant’s impugned mark on 01st December, 2022, however, this disclosure neither forms a part of the plaint, nor was it mentioned during the hearing. Be that as it may, in absence of plea of invalidity, Plaintiff, at this stage, cannot press for relief of temporary injunction on the anvil of infringement of Plaintiff’s registered trademarks, and the interim application has to be decided on the basis of the claim of passing off. In that light, in order to succeed on the issue of passing off, Plaintiff must satisfy the three-

pronged test of goodwill, misrepresentation and damages.

On prior use

10. With the two marks being similar, the principle of prior use – an essential aspect of trademark law, takes centre stage. The rights of a prior user of a trademark are legally superior and take precedence over those of a registered proprietor who obtained registration later. Thus, it is necessary to establish which party is the prior user. Plaintiff asserted that its use and adoption of “CAMPUS” predates Defendants’ use of “CAMPS” and claimed user since 1990 through its predecessor-in-title; whereas, Defendants asseverated use since 1980. Plaintiff’s first registration application dated 12th November, 1990 was made on a proposed-to-be-used basis, indicating that the mark had not been put to use at that time. It needs no reiteration that mere registration without intention to use the mark does not give one exclusivity over the mark. It has to be shown that their mark has been actively used in commerce for the relevant goods or services, which is the starting point for determining ownership rights or use in a trademark. Mere adoption of the mark for future use does not suffice to claim ownership or use of the mark. Thus, to debilitate Defendants’ claim of prior use, Plaintiff must illustrate their prior use on the basis of documents which can validate the claimed user date. Having perused the documents on record, the Court is unable to discern use by Plaintiff since 1990. The earliest invoice and advertisement showing commercial use of “CAMPUS” for footwear is of the year 1998. Court’s attention was also drawn to Plaintiff’s website which proclaims that “CAMPUS” was introduced in 2005

⁴ See: *Marico Limited v. Agro Food Limited*, 2010 SCC OnLine Del 3806.

as a life-style oriented sports and athleisure brand. There are also certain third-party media reports citing the above fact. *Per contra*, Defendants' application for registration, albeit made later than Plaintiff in 2001, had claimed user since 01st October, 1980. To make good their claims, Defendants No. 1 and 2 have placed on record several invoices dating back to 1986 as well as affidavits of certain suppliers/ distributors who have affirmed business transactions in "CAMPS" since 1980. Although Defendant's invoices for the period up to 2002 are not tax paid, nevertheless, considering the overall facts of the case, their authenticity cannot be doubted at this stage.⁵ Furthermore, in order to demonstrate continuous prior use of the impugned marks, voluminous sales are not required. If the Defendants can satisfy the Court of their *bona fide* continuous use since 1980, Plaintiff's prior registration may become inconsequential. Determination of prior user and user dates of competing marks would require both parties to present evidence in the form of sales records, advertising material etc. demonstrating that they were using the mark in the relevant market, prior to the other. If Defendants can prove use of their trademark in commerce for a duration longer than that of Plaintiff as also the consequent accrual of a reputation and goodwill in the market, their defence of prior use may have some force.

11. To sum up, there is a significant contest to Plaintiff's assertion of prior use. The contesting claims will have to be hammered out at trial. For the purpose of deciding the interim relief, there is sufficient material on

⁵ As is discernible from bill/ invoice filed by Defendants at Page No. 215 of their documents filed *vide* Index D.No. 1172210.

record to show actual sale and use in trade and commerce of concerned goods under the impugned marks by Defendants, depicting familiarity of the public with said marks. Therefore, at this stage, no reason is made out to disregard Defendants' user claim since 1980, as mentioned in its trademark certificate. Thus, *prima facie*, the Court is not satisfied with the Plaintiff's claim of prior use.

On honesty in adoption

12. Next, coming to another key element of trademark law – the principle of honest adoption. Here, the Court would like to observe that since *prima facie*, the adoption of impugned marks and their use in commerce precedes Plaintiff's registrations, adoption thereof by Defendants No. 1 and 2 cannot be considered to be dishonest. Nonetheless, since the rival marks are being used for same category of goods and Defendants No. 1 and 2 applied for registration at a time when Plaintiff's trademark had already entered the Register, the Court has further delved into the question of dishonest adoption. This is particularly necessary as Plaintiff's case is for passing off.

13. The impugned mark "CAMPS" was granted registration on 01st April, 2005 *w.e.f.* 22nd October, 2001, which has been renewed up to 22nd October, 2031. When this mark was advertised, it was not opposed by Plaintiff, despite their registration. Further, while processing Defendants' application, the Registrar of Trademarks also did not cite Plaintiff's registered marks under Section 11 of the Act in the examination report. There is no material on record to conclude that Defendants No. 1 and 2 had knowledge of Plaintiff's registered marks and deliberately indulged in copying or imitating

said marks in order to deceive consumers and profit from Plaintiff's reputation. On the contrary, documents on record in fact suggest that the Defendants' use was open, long and continuous with statutory protection. Pertinently, it is only after the filing of the present suit *i.e.*, on 01st December, 2022 that the Plaintiff filed a rectification application to Defendants No. 1 and 2's mark.⁶ Thus, till 2022, Defendants have continuously, uninterruptedly and commercially traded under the mark "CAMPS". They have produced financial statements and Chartered Accountant's certificates along with their written statement, providing *prima facie* evidence of their significant revenue generation and market establishment. In these circumstances, from the material before it, Court is unable to impute dishonesty in adoption upon the Defendants. The precedents cited by Plaintiff, in the opinion of the Court, are of no assistance. In all those cases, adoption of a deceptively similar mark by the infringer was found to be dishonest and calculated to deceive, intended to take advantage of Plaintiff's goodwill. Since Plaintiff has failed to demonstrate misrepresentation, either intentional or inadvertent, the judgements relied upon are of no avail. Moreover, this aspect too, would require comprehensive examination of documents and evidence led by parties for final determination.

14. At this juncture, it cannot be said that Defendants fraudulently and dishonestly adopted the mark "CAMPS", pertinently in view of their date of adoption.

⁶ Per the website of the Trademarks Registry.

On delay and acquiescence

15. Next, comes the issue of delay and acquiescence. In *Power Control Appliances and Ors. v. Sumeet Machines Pvt. Ltd.*,⁷ the Supreme Court explained that “*acquiescence is sitting by when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches.*” Therefore, in order to rely upon the doctrine of acquiescence, Defendants must establish that Plaintiff had knowledge of their marks or that they, through some positive action, permitted Defendants to invade their statutory rights.

16. Although the duration required to establish acquiescence would depend on specific facts of the case, but typically, longer the period of use without any protest, the more likely it is for aggrieved owner of a mark to be deemed to have acquiesced to infringer’s actions. In the instant case, parties’ registered marks are operating in the same field/ class. Defendants have, as discussed above, openly and continuously traded under impugned marks for a significant time period (since 1986). There is another interesting fact that needs to be noticed here. Plaintiff had preferred an application for mark “CAMP” in 2005, evidently after Defendants No. 1 and 2’s registration. At that stage, Plaintiff would have certainly gotten to know of Defendants’ registration as the marks “CAMP” and “CAMPS” are nearly identical, with the only difference being that one is singular and the other is in plural form. The Court cannot endorse the notion that a prospective registrant of a mark

did not conduct a search of the Trademarks Registry for identical or similar registrations as a prudent and cautious measure. Given Plaintiff's extensive experience in trademark registrations and active prosecution of infringement actions,⁸ it is reasonable to assume that the Plaintiff performed a search of the Trademarks Registry and it is quite probable that they were aware of the Defendants' mark prior to the date claimed in the pleadings, but chose not to take any action on it. Therefore, considering the close similarity and concurrent existence of the marks in question, at this stage, it is plausible that the Plaintiff has been aware of the Defendants' use of the impugned marks for a long period of time. This contention has also not been successfully refuted by the Plaintiff.

17. The principle that statutory rights cannot be defeated merely due to delay in bringing an infringement action is widely accepted and Plaintiff strongly relied upon the same. They further argued that they were unaware of the impugned marks until recently, and never condoned their use. However, in the opinion of the Court, substantial delay in filing the present action would tilt the scales of balance of convenience in favour of the Defendants as the impugned mark has been registered and used without interruption for more than two decades. Ultimately, even if the Plaintiff were to succeed on the plea of prior user, yet Defendants can successfully resist the injunction if they can prove that Plaintiff was aware of impugned use of the marks and chose not to take any legal action to address the issue. Lastly, as delay and laches and acquiescence are mixed questions of law and facts,

⁷ 1994 SCC (2) 448.

⁸ In paragraph No. 30 of the plaint, Plaintiff has averred that they have been vigilant in protecting the rights

the ultimate view can only be formed after trial is concluded and better evidence comes on record.

18. Plaintiff also argued that Defendants sell pirated/ counterfeit goods of several other well-known brands on their website, which fact has been vehemently denied. The bearing of this fact, if proven, will have to be seen at the final stage, after parties are afforded opportunity to prove their case by leading evidence. Moreover, the *lis* before Court is constrained to infringement or passing off of Plaintiff's registered marks.







Developments post filing of the suit

19. The hearing held on 02nd December, 2022 witnessed a significant development that must be mentioned. On the said date, Mr. Uppal, while referring to the documents placed on record and impugned products, illuminated upon the similarities persisting in Plaintiff's and Defendants' goods. He also informed that in addition to the "CAMPS" mark, Defendants have been using "CAMPASS" and "कैम्पस शूज", in an attempt to come close to Plaintiff's registered marks. Taking note of the similarities between the trade dress/ logos of the parties, the Court made few *prima facie* observations to the follow effect:

"4. Be that as it may, the logos are being used by both parties in advertisements and products in conjunction with their primary trademarks "CAMPUS" or "CAMPS". Thus, on comparison, following manifests:


Trademark of the Plaintiff	Trademark of Defendant No. 1 and 2
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in their registered marks and mentioned details of successful actions.

5. The above-noted competing marks utilise the same colour scheme and are being used in same trade. Thus, prima facie, visual and phonetic similarity can be made out in their trade dress/ logo. In view thereof, in order to avoid any confusion, Mr. Garg states that he will take instructions if Defendants are agreeable to make changes. “

20. Given the circumstances described above, without prejudice to his rights and contentions, Mr. Garg, counsel for Defendants No. 1 and 2,

indicated willingness to modify the mark “” in order to eliminate proximity with Plaintiff’s mark. Considering this, on the next date (13th December, 2022), with an intent to amicably resolve the matter, apart from not using the marks “CAMPASS” or “कैम्पस शूज”, Mr. Garg, on instructions, also suggested changes to the impugned logo, such as removal of the reverse red double tick, which were shared with Mr. Uppal. However, Mr. Uppal ignored the same and pressed for an interim injunction.


CONCLUSION

21. The principles for exercise of discretionary power to grant an interlocutory injunction are well-known. Apart from *prima facie* case, in

order to succeed, the Plaintiff must demonstrate that balance of convenience lies in their favour. Further, Court's perspective on comparative hardship or inconvenience that would result from withholding the injunction, as against the benefits of granting it, has to be weighed in. What also needs to be looked at is whether grant of injunction would protect the party from potential harm, including irreparable harm, till the time their legal right is established in trial. Criteria for ascertaining occurrence of irreparable injury is not that there is no possibility of repairing the damage, but that there must be a substantial injury that cannot be adequately compensated by monetary damages.

22. In the case at hand, although there are substantial similarities in the competing marks, there is no material on record for the Court to conclude that Defendants' adoption was dishonest or so to say, that Defendants have misrepresented their marks to be that of the Plaintiff's. On the contrary, adoption of the impugned mark *prima facie* appears to be in good faith and same has been in long and continuous use, without any protest or opposition from the Plaintiff. Thus, the Plaintiff has failed to satisfy the classic trinity test of passing off.

23. For the foregoing reasons, after weighing the competing probabilities and likelihood of injury, the Court is of the opinion that the facts of the case do not warrant a grant of temporary injunction. The Plaintiff has failed to establish a *prima facie* case; balance of convenience does not lie in Plaintiff's favour and no irreparable harm or injury has been sufficiently demonstrated.

24. Nonetheless, since Mr. Avneesh Garg has stated that Defendants No. 1 and 2 shall not use “CAMPASS”, “कैम्पस शूज” and reverse red double-tick viz. “” in impugned mark, Defendants are bound to the counsel’s statement and restrained from using the afore-said marks, during the pendency of the suit. Further, the mark “CAMPS” in Devnagri script will only be used as “कैप्स”.

25. Although the instant application also seeks injunctive relief against infringement/ piracy of registered designs of Plaintiff that are marked as Suit Products No. 1 and 2, neither party has addressed arguments on this issue for the Court to adjudicate.

26. Accordingly, subject to the conditions imposed in paragraph No. 24, the application is dismissed.

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27. List for case management and framing of issues on 17th April, 2023.

SANJEEV NARULA, J

MARCH 07, 2023

as