

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

+ FAO (OS) No.48/2004

% Reserved on: 31.10.2008
Date of decision: 06.11.2008

Mr.Kiran Jogani & Anr. ...APPELLANTS
Through: Mr.Amarjit Singh and Ms.Sheetal
Dang, Advocates.

Versus

George V.Records, SARL ...RESPONDENT
Through: Mr. Pravin Anand and Mr.Dhruv
Anand, Advocates.

CORAM:
HON'BLE MR. JUSTICE SANJAY KISHAN KAUL
HON'BLE MR. JUSTICE MOOL CHAND GARG

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| 1. | Whether the Reporters of local papers
may be allowed to see the judgment? | Yes |
| 2. | To be referred to Reporter or not? | Yes |
| 3. | Whether the judgment should be
reported in the Digest? | Yes |

SANJAY KISHAN KAUL, J.

1. The claim of the respondent-plaintiff to a trans-border reputation in the mark BUDDHA-BAR for music albums and the allegation of an infringement thereof by the appellants/defendants gave rise to legal proceedings inter-se the parties.
2. The respondent-plaintiff filed a civil suit on the Original Side of this Court. An interlocutory application for injunction under Order 39 Rules 1 and 2 of the Code of Civil Procedure, 1908 ('the said Code' for short) was filed along with the plaint. The respondent-plaintiff was granted an ad

interim ex parte injunction and thus the appellants-defendants moved an application under Order 39 Rule 4 of the said Code for vacation of the interim injunction. The learned Single Judge in terms of the impugned order dated 11.03.2004 has confirmed the interim injunction.

3. It is the case of the respondent-plaintiff that the trademark BUDDHA-BAR was first adopted and used in the year 1996 as the name of a restaurant in Paris by the respondent's affiliate company George V Restauration. The name is stated to have acquired immense reputation. The music albums played at the restaurant by the well-known Disco Jockeys were compiled into CDs as they became extremely popular. These CDs were sold under the name BUDDHA-BAR from the year 1999 onwards by the respondent-plaintiff. It is thus the plea of the respondent-plaintiff that the mark BUDDHA-BAR is connected with the respondent-plaintiff inasmuch as its affiliate ran the restaurant business under the said trademark while the respondent-plaintiff on its own has been using the said mark in relation to music albums after three years. It is also the case of the respondent-plaintiff that this trademark has been registered by the respondent-plaintiff in many countries such as the European Community, USA, Canada, Japan, New Zealand, France, Hong Kong etc. in Classes 9 and 41 and that the reputation generated by the respondent-plaintiff has spread across the world and has spilled over to India prior to the adoption of the mark BUDDHA-BAR by the appellants-defendants in February, 2002. The respondent-plaintiff

pleaded that the adoption of the mark BUDDHA-BAR by the appellants-defendants is dishonest. The mark BUDDHA-BAR has been constituted by a unique combination of two words which would otherwise have no correlation with each other and the adoption of an identical mark in relation to identical goods being music albums without any explanation by the appellants-defendants as to why and how they came to have adopted the mark BUUDHA-BAR itself shows the dishonest intent on the part of the appellants-defendants. The plea raised is that the only object was to play on the goodwill of the mark of the respondent-plaintiff.

4. The respondent-plaintiff has filed material in the form of paper cuttings of magazines and other publications to establish that not only is the mark BUDDHA-BAR well known all over the world, but it has been so known even in India through circulation of its material. The appellants-defendants have relied upon a single advertisement dated 14.02.2002 to demonstrate their adoption of this mark prior to the respondent-plaintiff's adoption of the mark. It has been stated that there has been blatant copying of the artistic features of the inlay card of the music album BUDDHA-BEATS of the respondent-plaintiff released in 2001 by the appellants-defendants when the release was under a licence of the respondent-plaintiff.
5. The impugned Order shows that the following defence raised by the appellants-defendants has been considered:
 - i)The respondent-plaintiff has failed to establish proprietary rights in the mark BUDDHA-BAR as the

restaurant business was owned by its affiliate company which is not a party in the suit;

ii) The respondent-plaintiff failed to prove the user for the year 1999-2000 since such user is of Claude Challe of Chall'O Music;

iii)The respondent-plaintiff had failed to establish user rights in India and the first invoice is of 21.02.2002 after the release of the album by the appellants-defendants in January, 2002;

iv)The material relied upon by the respondent-plaintiff in the form of newspaper reports and magazines is hearsay evidence and thus is not admissible;

v)The mark BUDDHA-BAR is being used by third parties both in relation to restaurant and music business;

vi)The delay in filing the suit for injunction disentitles the respondent-plaintiff to any injunction.

vii)The CDs of the respondent-plaintiff do not bear its name for the earlier albums BUDDHA-BAR and BUDDHA-BAR II and thus the consumers are unable to associate the product with the respondent-plaintiff. The mark thus cannot be said to be distinct of the respondent-plaintiff and

viii) The trading activity of the restaurant business is completely different from the music album.

6. It would naturally be presumed that these were the pleas advanced on behalf of the appellants-defendants as there was no review application filed by the appellants-defendants seeking to contend that there were other pleas raised which had not been dealt with by the learned Single Judge.

7. The pleas raised by the appellants-defendants, as mentioned aforesaid, have been comprehensively dealt with by the learned Single Judge in the impugned order. The learned Single Judge has emphasized that passing off is an action of deceit and thus prior adoption and use of the

mark as also it having acquired reputation and goodwill distinctive of the goods of the plaintiff in the country of origin is a necessity. There should be connection in the course of trade between the goods of the two parties by use of identical or a deceptively similar mark.

8. Learned Single Judge has relied upon large amount of published material placed on record by the respondent-plaintiff in the form of newspaper reports and magazines which would show that there was even television coverage beamed to India on satellite television of a fashion show held by Indian designer Ritu Beri in the BUDDHA-BAR restaurant which had brought awareness of the mark in India in relation to its music albums. Learned Single Judge has also found that there was sufficient evidence on record of the user of the mark BUDDHA-BAR in relation to the music albums by the respondent-plaintiff and the music album business is owned by the affiliate of the sister companies of the respondent-plaintiff who constitute single company entity. At the stage of interlocutory injunction, the learned Single Judge has taken a prima facie view on the material brought on record.
9. The defence of the appellants-defendants in respect of failure of the part of the respondent-plaintiff to produce sufficient evidence regarding any agreement with Chall'O Music has been rejected on account of the translated copy of an agreement being brought on record and the original document having been shown in the Court. It is recorded that the agreement shows that the licence was earlier

granted to the Chall'O Music by George V Records for production of the first double compilation of the music under the trademark BUDDHA-BAR free of cost. Article 7 of the agreement specifically stipulates that any proceedings pertaining to infringement of trademark against any third party would be instituted by the licensor-respondent in its name and at its own expense with the technical help of the licensee and the proprietary rights have been acknowledged by the licensee. The music album was first released in the year 1999 and thereafter in the year 2000 by Claude Challe/Chall'O Music as per the trademark licence agreement. The plea raised by the appellants-defendants of respondent-plaintiff having infringed certain provisions of The Copyright Act, 1957 ('the said Act' for short) has been rejected only by observing that the same shall be considered at the stage of trial. It has also been further observed that though the respondent-plaintiff may have filed the first invoice dated 21.02.2002, it is always open to the respondent-plaintiff to produce documents at a later stage during the trial. The factum of the failure of the appellants-defendants to give any satisfactory explanation in relation to adoption of the mark BUDDHA-BAR has been emphasized. It has been held not to be honest.

10. It may be noticed at this stage that after the casting of issues, the trial in the suit proceedings and part of the evidence of the respondent-plaintiff has been recorded. It was suggested to learned counsel for the parties that in view of the lapse of time of almost four years since the

stage of the interlocutory injunction, the more advisable course of action would be to expedite the hearing of the suit. Learned counsel for the appellants-defendants, however, was of the view that recording of evidence would take some time and thus he would like to invite a judgment on the appeal against the decision on the interlocutory application.

11. The first aspect to be considered, rightly emphasized by learned counsel for the respondent-plaintiff, is the scope of scrutiny by the appellate Court in matters of grant or refusal of such interim injunction. The position has been succinctly set out by the Apex Court in Wander Ltd. & Anr. v. Antox India P.Ltd; 1990 Supp (1) SCC 727. The aforesaid legal position crystallized and relevant for the present appeal is that it is not the function of this Court as an appellate Court to substitute its own discretion with the exercise of discretion by the Trial Court except where the discretion has been shown to be exercised arbitrarily, capriciously and perversely or where the Court has ignored the settled principles of law regulating the grant or refusal of interlocutory injunctions. It is not for this Court to re-assess the material and seek to reach conclusion different from one reached by the courts below as long as the conclusion already reached by the courts below is a reasonably plausible one. It is not for this Court to put itself in the shoes of the Trial Judge to decipher as to what conclusion it would have reached if it was the Trial Judge. Thus, so long as the exercise of discretion by the Trial Court

is reasonable and in a judicial manner, no interference is called for. It is within this limited scope that the scrutiny in an appeal has to be made. Interestingly it is the aforesaid judgment which has also been relied upon by the learned counsel for the appellants-defendants to plead that the exercise of discretion by the learned Single Judge was arbitrary, capricious and perverse. One such example given is of a finding reached that the respondent-plaintiff could file additional documents of prior use at the time of framing of issues and thus it cannot be said that the absence of documents is fatal to the respondent-plaintiff.

12. We have noted the aforesaid submission for the reason that we are unable to agree with this line of reasoning of the learned Single Judge. The grant or refusal of injunction has to be on the triple criteria of a prima facie case, balance of convenience and irretrievable loss and injury. The prima facie case is established on the basis of the material placed on record by both the parties. The material documents relied upon by the respondent-plaintiff have to be filed along with the suit. Thus, the mere fact that the parties may have opportunity to file additional documents subsequently is not a relevant ground to form a prima facie opinion.
13. The result of the aforesaid is that it would have to be considered whether the prima facie view formed by the learned Single Judge on the basis of the evidence placed on record by the respective parties can be said to be arbitrary, capricious or perverse. The learned Single Judge has, in

fact, dealt with the evidence brought on record in depth. It cannot be disputed that the trademark BUUDHA-BAR has a uniqueness to it as it is a combination of two words which otherwise would have no connection with each other. The material on record shows that the trademark BUDDHA-BAR was adopted for use in the restaurant business. The success of the music played by the Disco Jockeys in the restaurant gave another business opportunity of making CDs of the music and selling the same. Learned Single Judge has discussed the agreements filed on record as also the original documents produced before it to come to the conclusion that the respondent-plaintiff had established a link and a commonality of interest between the two businesses as also the right in the respondent-plaintiff to carry on the business. To that extent, the findings of the learned Single Judge cannot be faulted.

14. We are unable to accept the plea of the learned counsel for the appellants-defendants that the material in the form of newspaper reports, magazines and other publications has to be ignored because it is in the nature of secondary evidence. No doubt, the plaintiff would have the duty to prove the evidence on record by leading appropriate evidence, but that stage had not arisen. The reference by the learned counsel for the appellants-defendants to the judgments of the Supreme Court are in relation to a final trial of a matter where hearsay or secondary evidence cannot be considered. However, at the interlocutory stage, where the parties are yet to have the opportunity to

produce witnesses to prove the documents, such material cannot be shut out especially taking into consideration the nature of controversy in the present matter.

15. What would be the best material which the respondent-plaintiff could have produced to establish its trans-border reputation? In our considered view, it would be material akin to the one produced by the plaintiff which would be relevant. It is not as if there is a motivated article in one newspaper or magazine, but the vast coverage given to the restaurant and the music in international press and the magazines including transmission of programs through television channels to show even the participation of Indian designers. It is this which seems to have awakened the appellants-defendants to think of utilizing the trademark BUDDHA-BAR as it has failed to give any other justification as to how it deciphered the mark BUDDHA-BAR.
16. It is not necessary that only an invoice of sale would be the relevant evidence and thus merely because the invoice is just after the alleged propagation of the CD album by the appellants-defendants cannot by itself defeat the rights of the respondent-plaintiff on the face of other voluminous prima facie material in support of its trans-border reputation. Similarly, the findings about there being a single economic entity is in the context of agreements referred to aforesaid and relationship would be between the licensor and licensee giving rights to the respondent-plaintiff.

17. There is yet another aspect urged by learned counsel for the appellants-defendants arising from the allegation of violation of the provisions of Section 52A of the said Act by the respondent-plaintiff and the consequent punishment which may follow under Section 68A of the said Act. This plea has been brushed aside by the learned Single Judge to be considered at the time of trial and one can have some reservation about such a conclusion. The prima facie finding on the effect of the same is liable to be given and thereafter one can observe that the parties would have the rights to produce the evidence in that behalf.
18. Learned counsel for the respondent-plaintiff has sought to explain in respect of the aforesaid plea that the same was not the focus of the submissions advanced by learned counsel for the appellants-defendants before the learned Single Judge as the focus was only on the issue of trans-border reputation. It is also the plea of the respondent-plaintiff that there has, in fact, been no lack of compliance with the said provision. The provisions of Section 52A of the said Act read as under:

“52A. Particulars to be included in sound recordings and video films - (1) No person shall publish a sound recording in respect of any work unless the following particulars are displayed on the sound recording and on any container thereof, namely :-

(a) The name and address of the person who has made the sound recording;

(b) The name and address of the owner of the copyright in such work; and

(c) The year of its first publication

(2) No person shall publish a video film in respect of any work unless the following particulars are

displayed in the video film, when exhibited, and on the video cassette or other container thereof, namely:-

(a) If such work is cinematograph film required to be certified for exhibition under the provisions of the Cinematograph Act, 1952 (37 of 1952), a copy of the certificate granted by the Board of Film Certification under Section 5-A of that Act in respect of such work.

(b) The name and address of the person who has made the video film and a declaration by him that he has obtained the necessary licence or consent from the owner of the copyright in such work for making such video film, and

(c) The name and address of the owner of the copyright in such work.”

19. Learned counsel for the respondent-plaintiff pleads that the BUDDHA-BAR albums may have been sold in India, but they are not published in India and thus Section 52A of the said Act would not be attracted. In support of this plea, learned counsel has sought to draw distinction between the provisions of Section 52A of the said Act and Section 51(b)(i) of the said Act. The relevant portion is re-produced as under:

“51. When copyright infringed - Copyright in a work shall be deemed to be infringed –

.....

(b) When any person –

.....

(i) Make for sale on hire, or sells or lets for hire, or by way of trade displays or offers for sale or hire any infringing copies of the work.”

20. The attention of this Court has also been drawn to Section 5 of the said Act which specifies when a work is first deemed to be published in India. The work is deemed to be

simultaneously published in India and other country if the time between the publication in India and publication in such country does not exceed 30 days. Since this has not happened factually, it is submitted that there is no publication in India so as to infringe the provisions of Section 52A of the said Act.

21. The most material aspect is that the penalty for contravention of Section 52A of the said Act is provided under Section 68A of the said Act of imprisonment extending up to 3 years and fine. It is nobody's case that there has been any prosecution of the respondent-plaintiff for infringement of the provision of Section 52A of the said Act. Learned counsel for the respondent-plaintiff has rightly emphasized that if there was such an infringement, the appellants-defendants would have taken steps in respect of the same. In any case, this fact is sufficient to prima facie come to the conclusion that even the appellants-defendants do not appear to have thought that there was any such infringement by the respondent-plaintiff. The object of Section 52A of the said Act also appears to be clear i.e. to prevent piracy and counterfeiting. That is not so in the present case and the dispute is one relating to passing off. The focus of the appellants-defendants before the learned Single Judge and before this Court has largely been on the claim of a prior user by the appellants-defendants coupled with the failure of the respondent-plaintiff to produce appropriate evidence in support of its prima facie case.

22. We thus are unable to agree with the learned counsel for the appellants-defendants that this plea in any way has any effect in grant of injunction in favour of the respondent-plaintiff.
23. We having clarified the aforesaid two aspects in respect of the impugned order of the learned Single Judge, feel that the conclusion drawn by the learned Single Judge for grant of injunction and dismissing the application for vacation of injunction cannot be doubted. The material has been rightly appreciated by the learned Single Judge to come to a prima facie view. In fact, even if we were to weigh this material again, there would be no different prima facie conclusion. We must also emphasize that the object of grant or refusal of interim injunction is to protect the inter se rights of the parties till the Trial Court is able to reach a final conclusion post-trial. The trial in the matter has already commenced and is regularly in progress. The injunction has operated for four years. In view of our aforesaid observations, we see no reason to vary the impugned order.
24. We find the appeal is without merit and dismiss the same with costs of Rs.25,000/-.

SANJAY KISHAN KAUL, J.

NOVEMBER 06, 2008
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MOOL CHAND GARG, J.