

JSN

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
NOTICE OF MOTION NO.583 OF 2013
IN
SUIT NO.261 OF 2013

RAHUL MAHENDRA PATEL

trading under the name and style
of Patel Products,
having address at Room No.56,
Pocketwala Building, Station Road,
Kurla, Bombay – 400 070 and also at,
Sojitra Road, Opp.: New Fire Brigade,
Anand- 388 001.

... Plaintiff

versus

1. **M/S. F.S.K. ENTERPRISES**
having its place of business at 27,
C & D, Kandivali Co-Operative
Industrial Estate Ltd., Charkop,
Kandivali (West),
Mumbai – 400 067.
2. **MR. KETAN SHAH**
C/o. M/s. F.S.K. Enterprises,
27, C & D, Kandivali Co-Operative
Industrial Estate Ltd., Charkop,
Kandivali (West)
Mumbai – 400 067.

... Defendants

APPEARANCES

FOR THE PLAINTIFF

Mr. Rashmin Khandekar, with Rahul Dhote, Hemant Thadhani and Minesh Aadharia, i/b Krishna & Saurashtri Associates for the Plaintiff.

FOR THE DEFENDANT

None for the Defendants.

CORAM : G.S.Patel, J.

DATED : 14th June 2016

ORAL JUDGMENT:

1. This is a Suit for infringement and passing off. The ad-interim order dated 28th February 2013 granted reliefs in terms of prayers (b) and (c). On 8th April 2013, the 2nd Defendant moved to vacate the ad-interim order. The order of 22nd April 2013 sets out some of the defences and the rival contentions. Mr. Justice Kathawalla took the view that even a *prima facie* assessment demanded a fuller hearing and an opportunity to the Defendants to file a detailed Affidavit in Reply. He declined ad-interim reliefs and directed the filing of a further Affidavit in Reply.

2. There are now two Affidavits in Reply. The first, filed before the 22nd April 2013 order, is of 23rd March 2013.¹ There is an Additional Affidavit in Reply dated 27th May 2013.² There are on record Affidavits in Rejoinder to both these Affidavits in Reply.

1 Notice of Motion paperbook, *pp.* 1 to 35.

2 Notice of Motion paperbook, *pp.* 212 to 258.

3. On 29th March 2016, following a change in the proprietorship of the mark, the Plaintiff sought to amend the Complaint and the Motion. I allowed the amendments. On that day, M/s. DSK Legal, till then representing the 2nd Defendant, said they sought a discharge. I noted that they would have to make the necessary application for that purpose to the Registry, but while doing so they would have to give notice to the 2nd Defendant, at his last known address, of that day's order and of the amendments. I directed the Motion to be listed on 15th April 2016. It ultimately reached again on 25th April 2016. On that day, I found that M/s. DSK Legal had given notice to the 2nd Defendant only a few days earlier. I directed that a fresh notice be given to the 2nd Defendant, and posted the Motion for final hearing to 2nd May 2016. Due to the press of pending matters on the court docket, the matter did not reach hearing on its scheduled date. It was then listed for hearing and final disposal at Sr. No. 208 on the weekly board for this week. This list was notified well in advance, from 14th May 2016 onward, with a note that Motions listed this week would be taken up in serial order. The names of the Defendants are correctly shown. They are called out. None appears. The Defendants are unrepresented.

4. I have heard Mr. Khandekar for the Plaintiffs, and, with his assistance, considered the material on record. Mr. Khandekar has in fairness placed before me the various defences raised by the Defendants. He has, of course, responded to these but he has been careful to draw my attention to the Defendants' contentions. He has also been kind enough to furnish a spare copy of the Additional Affidavit in Reply dated 27th May 2013. The original seems not to be traceable in the Motion paperbook, possibly because the

Defendant mistyped the Suit number. The Registry is to immediately trace the original Affidavit and place it on file. In the meantime, I have proceeded on the basis of a copy provided to me by Mr. Khandekar.

5. The dispute is in relation to a brace of label marks used by the Plaintiff on unmanufactured tobacco products. Images of these labels are shown at Exhibit “A1”³ and Exhibit “A2”⁴ to the Plaintiff. The two labels are slightly different. The first, at Exhibit “A1”, is used on what appears to be a jumbo-sized pack. The label at Exhibit “A2” is for a sachet, more modest in size. Both labels are principally on a gold background. The material seems to be some sort of foil laminate. The large label at Exhibit “A1” has four circular devices at its top and bottom. These are in blue and red with some Devnagari text in a circle. In the centre of each sits a photograph of the original Plaintiff’s father’s (the present Plaintiff’s grandfather’s) face. This is a wizened and weathered visage crowned with a traditional white cap. Between these circular devices and their inset photographs is the word “Om” written in Devnagari in blue, red and orange. The main face of the large label at Exhibit “A1” is a square box with a brown border. Within this outer border is an inner frame, band or border with stellate devices in various colours, far too many to count. There is then a thicker brown border within. The label within this border is in two parts. The upper half has a circular device with the words “**Om Special Pandharpuri Tambaku No.1**” in Devnagari in a upward curve across the top and the words “**Patel Product**” towards the bottom. Inset in this is another circle with yet

3 Plaintiff, *p.* 37.

4 Plaintiff, *p.* 38.

another photograph of the present Plaintiff's grandfather. Diagonally across the upper left corner of the top panel are the words in "**Patel Product**" in Devnagari in blue on a white strip. Around the circular device on the top panel are a series of radiating bands in brown with a white border. The interstices between these rays are in various glossy colours. The bottom half of the panel contains again the words "**Om Special Pandharpuri Tambaku No.1**" in Devnagari in brown with a yellow shadow above the words "**Patel Product**" (in blue and also in Devnagari) and then the words "**Station Road, Kurla West, Mumbai - 70**" in Devnagari. On either side of the bottom half of the panel are again photographs of the grandfather. The bottom of the lower half also has stars and circular devices. There is a statutory warning printed at the very foot of the label.

6. This configuration is substantially the same as the one on the smaller sachet. There are some variations. Here, the rays do not have the white border, and the spaces between them are a uniform glittering gold. The bottom half of the central panel has a white background and there is a large red star device with "Rs.5/-" on it.

7. The Plaintiffs have three registration certificates. The first of these is Certificate No. 1546151 dated 3rd April 2007 with user claimed from 1st March 2007.⁵ The second, Certificate No. 1022824, is dated 3rd July 2001 with a user claimed from 1st January 1985⁶. The third, Certificate No. 536334, is dated 4th September

5 Plaint, Exhibit "D1", p. 39.

6 Plaint, Exhibit "D2", p. 41.

1990 with a user claimed from 1985.⁷ The corresponding legal certificates for two of these three registration are in a separate compilation.⁸

8. In this compilation, the Plaintiff has also set out certified statement of annual sales.⁹ This shows that from 1992 to 2012, the Plaintiff's sales grew steadily, and that in the year 2012, the Plaintiff achieved sale of Rs.5,28,90,000/-. Sample invoices are also annexed.¹⁰ The Plaintiff and his predecessors have diligently defended their rights in these marks: copies of some favourable orders are in the compilation as well.¹¹

9. The Suit is filed in respect of labels adopted or used by the Defendants. Representations of these are at Exhibit "D1"¹² (the small label) and Exhibit "D2"¹³ (the large label) to the Plaintiff.

10. On the face of it, I am unable to make out any meaningful difference between the Defendants' labels and the Plaintiff's. True, the Defendants' labels do not have any photographs of an individual but carry instead the Devnagari "Om". There is also an assertion of sorts at the foot of each label: "**TM Owner: Ketan Shah**". This is an matter of some consequence to the defence; I will return to this presently. Other than this, there are no points of distinction;

7 Plaintiff, Exhibit "D3", p. 41A.

8 Plaintiff's Compilation, pp. 12 to 14.

9 Plaintiff's Compilation, pp. 16 and 17.

10 Plaintiff's Compilation, pp. 18 to 38.

11 Plaintiff's Compilation, pp. 39 to 95.

12 Plaintiff, p. 43.

13 Plaintiff, p. 44.

certainly none as might enable the ordinary consumer to be able to tell one product from the other.

11. As to the “Om” symbol, Mr. Khandekar points out that in fact the Plaintiff’s original packaging too once had the very same letter. Some religious groups objected to this use. The Plaintiff replaced the letter with the present photograph. I do not think that there is any doubt about this because there are documents annexed to the Plaint to show this.¹⁴ Copies of the articles protesting the use are also included in the compilation.¹⁵

12. The Defendants raise three distinct defences. The first is that it they are prior users since 1982. That is, surely, a question of fact, and I must see what material is placed to show this. The second defence is that the Defendants are registered proprietors of the marks of which the Plaintiff complains, and that the suit on infringement cannot lie. The third defence is that equity does not warrant the grant of reliefs since there are proceedings and counter proceedings by the parties one against the other. I will consider each of these defences presently.

13. First, however, to a short history of the Plaintiff’s case of the adoption of his own mark. From paragraphs 4 to 7 of the Plaint, in which the Plaintiff sets out the factual background, it appears that in October 1984 the present Plaintiff’s paternal uncle, then the proprietor of Patel Products, adopted a label the top part of which contained a distinctive circular device with lines or rays radiating

¹⁴ Plaint, *p.* 41N.

¹⁵ Plaintiff’s Compilation, *pp.* 206–209

outward. The lower part of this label contained the words “**Om Special Pandharpuri Tambaku No.1**”. This is a substantially the label in question, except that it did not have the photograph of the Plaintiff’s father, but used instead the “Om” symbol in Devnagari; and the small star devices were missing. From January 1985 onward the Plaintiff’s uncle began using this mark on an extensive scale. On 22nd January 1992 he assigned the mark along with its goodwill and associated business to the Plaintiff’s father, who then continued the business. In March 2007, the Plaintiff’s father made a small change in the original label, using his father’s photograph in substitution of the “Om” symbol. The reasons for this are, as I have noted, the complaint or grievance made by certain sectarian groups. Since that time, the amended label has been used by the Plaintiff’s father. By a Deed of Assignment dated 11th July 2014, the Plaintiff’s father assigned all his right, title and interest along with the goodwill in the marks to the Plaintiff. Today, the Plaintiff is the proprietor of the mark. The assignment deed in question is on record.¹⁶

14. As to the question of use by the Plaintiff, the evidence before the Court is substantial. There are sample invoices from 1985 onward.¹⁷ There are certificates of the Chartered Accountant,¹⁸ and, finally, there is the record of various orders passed by this Court in favour of the Plaintiff.¹⁹ In addition, there is evidence that the

16 Plaintiff, Exhibit D4, *p.* 41D.

17 Plaintiff’s Compilation, *pp.* 18 to 38.

18 Plaintiff’s Compilation, *pp.* 16 to 17.

19 Plaintiff’s Compilation, *pp.* 39 to 95.

Plaintiff has issued public advertisements with caution notices in newspapers.²⁰

15. Thus, the Plaintiff's case is that he and his predecessors-in-title adopted the mark or label in 1984 and have used it extensively since 1985; that the label and marks as I have described earlier are now exclusively associated with the business that the present Plaintiff now manages; and, finally, that the Plaintiff and his predecessors-in-title, have always been vigilant in protecting the mark against infringers and those who would pass off their marks as those of the Plaintiff.

16. The case in the Plaint is that in January 2013, the Plaintiff came across the Defendants' marks. As I have noted, the similarities are far too striking to be either accident or serendipity. It is this that prompted the Plaintiff to bring suit in this Court. The Defendants' label shows that the Defendant No.1 has its office or address at Kandivli (West), Mumbai. The Defendants also initiated proceedings against the Plaintiff in the District Court at Bijnor, Uttar Pradesh. Although this forms a quite substantial portion of the discussion in Justice Kathawalla's order of 22nd April 2013, it is of not much significance today because that case apparently has since been dismissed for want of jurisdiction. In any case, even if that suit was still pending, it would not, merely for that reason, prevent this Court from passing suitable orders.

20 Plaintiff's Compilation, *pp.* 190 to 192.

17. When stated broadly, the three defences seem plausible: prior user; that the Defendants are registered proprietors; and that there are proceedings pending between the parties *inter se*. However, a more careful scrutiny shows the entire structure of the defence to be very deeply flawed and without any substance whatever. For instance, take this case pleaded by the Defendants of being “prior registrants”. Prior registrants of what exactly? If the Defendants were prior registrants of the marks complained of, viz., those at Exhibits D1²¹ and D2²² to the Plaint, that would certainly be of significance. It is these marks of which the Plaintiff complains, and if, in fact, it is found that the Defendants have a prior registration of these marks, then, apart from anything else, the suit on infringement would at the very least be incompetent. But this is not what the Defendants claim at all. They do not claim to have registration of what I will call the offending marks, i.e., those at Exhibits D1 and D2. They claim to have registration of another mark altogether. A representation of this is shown in their Affidavit in Reply.²³ This assertion appears only in the Affidavit in Reply and even then in the most circuitous fashion. The Affidavit in Reply refers to an apparent assignment dated 7th November 1989.²⁴ Annexed to this Deed of Assignment are trade marks referred to in that agreement.²⁵ The “Om Pandharpuri Thambaku” trade mark is shown at the top of the page. This trade mark also appears on the top left of the letterhead of various invoices produced by the

21 Plaint, *p.* 43.

22 Plaint, *p.* 44.

23 Notice of Motion paperbook, *p.* 31.

24 Notice of Motion paperbook, Exhibit D-1, *pp.* 29–32.

25 Notice of Motion paper book, Exhibit D-1, *pp.* 29–32 at *p.* 31

Defendant.²⁶ The advertisement in the Trade Marks Journal in respect of this mark claimed by the Defendants is included in the Plaintiff's compilation.²⁷ Now this mark is not the mark complained of at all. It is a device of a sun or a stylised sun with the letter "Om" in it. The advertisement in the Trade Marks Journal is of 19th December 1989. It is issued by one Sanket Tobacco Products Pvt. Ltd. at Jalna, and it says that this mark is in respect of zarda, a chewing tobacco, not in respect of unmanufactured tobacco; and, more importantly, that the mark is *proposed to be used*. It is difficult, therefore, to see how this defence of prior registration can be said to have been validly invoked. The marks complained, viz., those at Exhibits D1 and D2 to the Plaint, have nothing whatever to do with the mark registered to Defendant. The product marks are different. The goods are different. The advertisement of the mark registered by the Defendant does not establish prior user either. The only possible connection is that the sun device appears in an inconspicuous and insignificant portion of the impugned labels. But the Plaintiff's grievance is not about the sun device at all. What do the Defendants have to say of the rest of the labels and how it is that they come to be so strikingly similar to those of the Plaintiff? To this, there is absolutely no answer in the Affidavits in Reply. Assuming, therefore, that there was any use by the Defendants of their registered mark, one that was ultimately registered under No.521508, this can never constitute use of the impugned labels or marks. I do not see how it is possible for the Defendants to journey from this distinct registration of a different mark, using a device that forms part of it, to a claim of registration of the entirety of the

²⁶ Notice of Motion paperbook, Exhibit F, *pp.* 47-54.

²⁷ Plaintiff's Compilation, *p.*142.

impugned labels only because that small device is also to be found on them. There is no principle in trade mark law akin to a synecdoche in language, i.e., that the registration of a distinct and different mark or label, against which there is no complaint, can equate to the registration of a wholly different label that is said to constitute infringement and passing off, merely because both labels share a single stylized device. What the Defendants seem to suggest is precisely that: i.e., because their registered mark No. 521508 has a sun device, and so do the impugned labels, therefore it must follow that the impugned labels are also registered to the Defendants; and that it matters not that the impugned labels are clearly an infringement of the Plaintiffs' labels with no evidence of prior user.

18. This takes us directly to the next point, the claim of prior user since 1982. Of this, there is simply no evidence at all. The invoices annexed to the Affidavit in Reply do not show the use of the impugned labels; they only show the sun device. There is some discussion before me about the authenticity of these invoices, but for the present it is enough to note that the invoices themselves do not support the Defendants' case.

19. Paragraph 8 of the Affidavit in Reply sets out a summary of the Defendants case regarding use of the mark.²⁸ The Defendants' case appears to be that in 1982 one Vinod Shah, trading as M/s. Sanket, adopted the mark shown at Exhibit A to the Affidavit in Reply.²⁹ This is not the mark or label registered to the Defendants under No.521508; it is a label that very closely resembles the

28 Notice of Motion paperback, *pp.* 8–9.

29 Notice of Motion paperback, *p.* 18.

Plaintiffs' marks and labels, but has the sun device on it. It is said that Mr. Vinod Shah used this mark at Exhibit A from 1982 until 1989, and that, on 7th November 1989, he assigned the mark to Sanket Food Products Pvt. Ltd. It is then said that Sanket Food Products used this mark until sometime in 1991, when it assigned the mark to Sanket Tobacco Products Pvt. Ltd. This entity in turn used the mark from 1991 until 10th May 1992, when it assigned the mark back to Sanket Food Products Pvt. Ltd. It is then alleged that Sanket Food Products made an application for registration of the mark on 19th December 1989 vide No.521508 and that this mark was registered on 16th January 1995. It is alleged that the Sanket Food Products used the mark from 10th May 1992 to 3rd December 2012, when there was a partial assignment of the mark for certain territories to the 2nd Defendant Mr. Ketan Shah. This is the explanation for his name appearing in the marks at Exhibit A and Exhibit D1 to the Affidavit in Reply.

20. Carefully read, this entire version strains credulity. To say that in 1982 Vinod Shah adopted the mark at Exhibit A to the Affidavit in Reply is difficult to believe. Exhibit A has the name of Ketan Shah. Even on the Defendants' own narrative, Ketan Shah did not enter the frame till 2012. It is impossible to understand how Exhibit A, said to be the mark or label in use in 1982, could bear the name of a person who acquired some rights over it only 30 years later in 2012. Further, to allege that Vinod Shah used the mark from 1982 to 7th November 1989 is dubious at best. The mark in question is, as I have noted, the one with no. 521508 at page 142 of the Plaintiffs' Compilation, viz., the sun device. It is not the impugned label at all. Even that mark was advertised in the Trade Marks

Journal as one that was *proposed* to be used; and that advertisement was of 19th November 1989, well after the date when Vinod Shah is said to have *stopped* using it. This hardly demonstrates prior user. The advertisement in the Trade Marks Journal is, in any case, a fatal inconsistency with the story propounded by the Defendants.

21. There are other problematic areas as well, not the least of which is the so-called assignment of 10th May 1992. This document has appended to it references to annexures prepared and drawn under the Trade Marks Act, 1999 and referencing the registered trade mark no.521508.³⁰ This cannot be. In 1992, the Trade Marks Act, 1999 was not in force, and the registration under No. 521508 was not granted till 16th January 1995. The application for registration was also not made by Sanket Foods but by Sanket Tobacco. This is apparent from the advertisement in the Trade Marks Journal, one that mentions the name of the applicant for registration.

22. All these inconsistencies remained unexplained. There may be others as well. But unless these inconsistencies are resolved to the satisfaction of the Court, what remains is this: that the Defendants have today adopted the labels at Exhibits D1 and D2 for which they have no plausible, let alone compelling, explanations. I am not at this stage prepared to go into the other questions of the various oppositions and applications made by one party against the other and *vice versa*. I fail to see their relevance. All that may be of

30 Notice of Motion paperback, *pp.* 37–39.

consequence if the Defendants are able to get over the threshold issues.

23. Even the case of prior user, said to be supported by the Defendants' invoices, is not credible. These invoices³¹ do not, in fact, show the use of the label itself. We are not looking to the use of the name "Pandharpuri Tambaku No.1". We are concerned with the trade dress and the label marks. The invoices annexed to the Affidavit in Reply do not reflect any use of the impugned label marks at all. In fact, they do not even seem to show the use of the same goods, because these invoices refer to "Om Pandharpuri Tambakhu Pudi 50 x 40" not "Om Pandharpuri Tambaku No.1".

24. The Plaintiff contends, and this was also the matter of some controversy before Mr. Justice Kathawalla, that the invoices are false and fabricated. He claims this on the basis of certain assertions regarding the application of excise duty to unmanufactured tobacco. I see no reason to examine this aspect of the matter at all at this *prima facie* stage, although the further Affidavit filed by the Defendants and the further Affidavit in Rejoinder filed by the Plaintiff seem to be focused on this. The reason I believe this to be of no consequence today, is that any such enquiry becomes material only if the invoices show, on their face, use by the Defendants of the impugned labels prior to the Plaintiff's use (or by his predecessors-in-title). If that is not shown, any enquiry into the authenticity of the invoices is an exercise in futility. To put it another way, even if the invoices are assumed to be genuine, they still do not bear out the

31 Notice of Motion paperbook, *pp.* 47-54.

Defendants' case. At this stage, I am only required to see whether the invoices produced by the Defendants establish what the Defendants say they do, i.e., whether they show prior use of the impugned labels at Exhibits D1 and D2 to the Plaintiff or even Exhibit A to the Affidavit in Reply. Clearly, they do not.

25. What I have before me, therefore, is a case where every single plea taken by the Defendants is found to be without substance. The Defendants are also, for reasons best known to themselves, and despite my having been cautious to ensure that they were given notice not once, but repeatedly, absent today.

26. The consequence is inevitable. The Notice of Motion succeeds. There will be an order in terms of prayer clauses (b) and (c) which are set out below. Prayer (a) for the appointment of receiver no longer survives.

- (b) that pending the hearing and final disposal of the suit, that the Defendants by themselves and / or through their servants, agents, dealers, manufacturers, partners, owners, packers, proprietors and / or otherwise howsoever be restrained by an order an injunction of this Hon'ble Court from in any manner using, in relation to chewing tobacco and / or any other tobacco products, the trade mark OM / OM SPECIAL / OM SPECIAL PANDHARPURI TAMBAKU NO.1 and / or impugned wrapper / labels as shown in Exhibits – D1 and D2 to the Plaintiff and / or any other word and / or mark and / or wrapper / labels which is / are identical with and / or

deceptively similar in any manner whatsoever to that of the Plaintiff's said trade mark OM / OM SPECIAL / OM SPECIAL PANDHARPURI TAMBAKU NO.1 and / or artistic work and design, inter-alia containing the said expressions and / or device of sun with rays, layout, get up and colour scheme as shown in Plaintiffs wrapper / labels including that shown in Exhibits -A1 and A2 to the plaint respectively so as to pass off and / or enable others to pass off the Defendants' goods and impugned product as and for that of the Plaintiff.

- (c) that pending the hearing and final disposal of the suit, the Defendants by themselves and / or through their servants, agents dealers, manufacturers, partners, owners, proprietors, packers and / or otherwise howsoever be restrained by an order and injunction of this Hon'ble Court from in any manner using, in relation to chewing tobacco and / or any other tobacco products, the wrapper / labels inter alia containing the expressions OM / OM SPECIAL / OM SPECIAL PANDHARPURI TAMBAKU NO.1 and design, layout and get up as shown in Exhibits – D1 and D2 to the Plaint and / or any other design, layout and get up which is identical with and / or deceptively similar in any manner whatsoever to the Plaintiff's trade marks OM SPECIAL PANDHARPURI TAMBAKU NO.1 and / or Plaintiffs wrapper / labels so as to infringe Plaintiff's trade mark bearing nos. 1546151 and / or 1022824 and / or 536334 being Exhibits – B1 and B2 and B3 colly respectively to the Plaint.

27. The Notice of Motion is disposed of in these terms with no order as to costs.

(G. S. PATEL, J.)