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# IN THE HIGH COURT OF JUDICATURE AT BOMBAY
## ORDINARY ORIGINAL CIVIL JURISDICTION
## NOTICE OF MOTION NO. 1897 OF 2011
## IN
## SUIT NO. 1486 OF 2011

Dr. Ashok M. Bhat ... Plaintiff

*Versus*

Beauty Palace & 3 Ors. ... Defendants

**APPEARANCES**

**FOR THE PLAINTIFF** **Dr. V. V. Tulzapurkar, Senior Advocate,** *with Mr. Vinod Bhagat, Mr. Dhiren Karania & Mr. Punit Jani i/b M/s G.S. Hegde & V. A. Bhagat.*

**FOR DEFENDANTS NOS. 3 & 4** **Mr. R. M. Kadam, Senior Advocate,** *with Mr. Rashmin Khandekar, Mr. Rahul Dhote, Mr. Hemant Thadani and Mr. Minesh Andharia i/b M/s Krishna & Saurashtri.*

**CORAM : G.S.Patel, J.**

**DATED : 15th March 2016**

**P.C.:**

**1.** This order will dispose of Notice of Motion No.1897 of 2011, an application for the usual injunctions in an action in trade mark infringement combined with a cause of action in passing off in relation to a mark "**NOVA**" used on cosmetics. There is also a prayer for the appointment of a Receiver, but this is neither necessary nor pressed. I have heard Dr. Tulzapurkar for the Plaintiff and Mr. Kadam for Defendants Nos.3 & 4 (the contesting Defendants; hereafter, collectively, "**McBride**"), both foreign companies.[1] Defendant No.3 has applied for registration of the rival mark in India.

**2.** I am inclined to allow this Notice of Motion in terms of prayers (a) and (b), viz., the injunctions. My reasons, in summary, are these:

**(a)** First, there is an ad-interim *ex parte* injunction that has controlled the matter since 30th June 2011. Although that order expressly reserved liberty to McBride to move for a variation, modification or recall, it did not. No appeal was filed. Mr. Kadam is correct in saying that *actus curiae neminem gravabit*, an act of a Court should prejudice none, and that no litigant can benefit from law's delays, this is not a case that fits that description. It is McBride that, though given the liberty, chose not to act on it from 2011, and I imagine it would be most inequitable, following the well-settled

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1 Defendants Nos. 1 and 2 are said to be stockists.

principles in *Wander Ltd v Antox India P. Ltd.*[2] of the duty of a Court of equity 'to preserve in *status quo* the rights of the parties which may appear on a *prima facie* case', and the principles in *M/s. Power Control Appliances & Ors. v Sumeet Machines Pvt. Ltd.*[3] to now cause a disruption in that very *status quo* that McBride has allowed to continue all this time. That maxim speaks of prejudice; that prejudice must be shown, at least *prima facie*. Where it is not, i.e., where a defendant suffering a restraint has done nothing to shake off those shackles, there is no reason to disrupt that *status quo*.

**(b)** The second reason is one furnished by McBride itself. It refers, among other things, to certain email correspondence in negotiation of the year 2007. The Plaintiff did not refer to this correspondence claiming that this was all on a without prejudice basis, though the letters are not so marked. When McBride brought it up, the Plaintiff rejoined and pointed to a letter dated 30th April 2007,[4] in which McBride expressly says "we cannot sell in the Indian market due to your registration". This is a reference to the Plaintiff's prior registration in India. If McBride chooses to refer to this correspondence, it must refer to all of it, and it cannot escape the consequences of its own statements.

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[2] 1990 Supp SCC 726

[3] (1994) 2 SCC 448

[4] Affidavit in Rejoinder, Notice of Motion paper book, *p.* 26.

**(c)** Third, I am inclined to agree with Dr. Tulzapurkar that it is not for me at this interim *prima facie* stage to draw the overly nice distinctions between the rival *types* of products and their likely consumer bases as Mr. Kadam would have me do. The marks are clearly rivals. The word in question is "NOVA". Both the Plaintiff and McBride use it. Both use it in relation to cosmetics and, specifically, hair product. To say, as Mr. Kadam does, that one is cheap and the other high-end, that the users of one are unlikely to use the other, that one is a cream and the other a spray, or that the packaging of one in one era is different from a more contemporary packaging of the other today, is, frankly — and I should be pardoned for this; it is simply irresistible — splitting hairs. I do not see how or why, in these circumstances, I should accept Mr. Kadam's submission that a 'niche' should be carved out for McBride.

**(d)** Four, I am not prepared to accept Mr. Kadam's case on 'abandonment' by the Plaintiff of his registration. He may not have used it for some period of time, but he kept the registration alive. That is sufficient evidence of his intention to use the mark.

**(e)** Finally, I have found no evidence or material of any acquiescence on the part of the Plaintiff; at least none to warrant an order vacating the ad-interim injunction and a disruption of the *status quo* since then.

**3.** Both counsel have referred to a fair amount of learning on various aspects of the case. Not all of it is necessary, and the facts need only be set out to the extent necessary.

**4.** The Plaintiff's mark is "NOVA". It is written thus on dark green and black packaging that is clearly distinctive.[5] McBride uses the same word, but in a different stylization and container.[6] The Plaintiff is a sole proprietor. He says that his mark was first adopted by his maternal grandmother in 1935. She applied for registration of the word mark in Class 05 on 16th December 1946, claiming user from 1st January 1939.[7] She made another application on the same date in Class 03 claming user from 1st December 1935[8] and of a label mark with NOVA as its essential feature and user claimed from 1st December 1937.[9] Other registrations followed in 1978,[10] 1997,[11] and 2001.[12] All these registrations have been periodically renewed. The Plaintiff's name has been brought on record as a subsequent user. In 2004, one Raisuddin Mohd Rafique obtained registration of "NOVA STYLING GEL". The Plaintiff acquired that mark by a

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[5] Plaint, *p.* 25.

[6] Plaint, *p.* 488.

[7] Plaint, Ex.B, *p.* 27.

[8] Plaint, Ex.B, *p.* 31.

[9] Plaint, Ex.B, *p.* 36.

[10] Plaint, Ex.B, *p.* 40; of a device mark with user from 1st August 1978.

[11] Plaint, Ex.B, *pp.* 42-43; of a label mark with user from 12th January 1967; Ex. B, *p.* 45, of a label mark with user claimed from 12th January 1996.

[12] Plaint, Ex.B, *p.* 48, of a label mark in Class 03 with user claimed from 1st January 1943; also at Ex.B, *pp.* 51-52.

formal assignment and his name is now on record as a subsequent proprietor of it.[13]

**5.** Figures of sales and of expenses are produced,[14] as are sample invoices from 21st November 1978 onward[15] and advertisements.[16] Copies of orders obtained by the Plaintiff between 2008 and 2011 in actions initiated by him to protect his rights are also annexed.[17]

**6.** On 13th October 2008, the 3rd Defendant applied for registration of NOVA under number 1742764 for hair preparations, hair sprays, hair mousse, hair gel, hair waxes, shampoo, conditioner and hair colorant under Class 03. This was advertised in the Trade Marks Journal No. 1432 on 16th January 2010.[18] There is no date of user; the advertisement clearly says 'proposed to be used'. The Plaintiff saw the advertisement. He filed a Notice of Opposition on 13th April 2010.[19] This is pending. On 14th June 2011, the Plaintiff purchased two of McBride's products locally from the 1st and 2nd Defendants.[20] The suit was filed on 24th June 2011, and the Plaintiff moved for an ad-interim *ex parte* order, which was granted on 30th June 2011.[21]

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13 Plaint, Exs. "H" and "I", *pp.* 474-480.
14 Plaint, Ex. "D", *pp.* 56-62.
15 Plaint, Ex. "E", *pp.* 63-215.
16 Plaint, Ex. "F", *pp.* 216-390.
17 Plaint, Ex. "G", *pp.* 391-473.
18 Plaint, Ex. "J", *p.* 481.
19 Plaint, Ex. "K", *pp.* 482-487.
20 Invoices at Plaint, Ex. "L", *pp.* 491-492.
21 S. J. Vazifdar J (as he then was)

**7.** McBride's reply claims an international reputation and user overseas. It says it conceived the mark in 1973 and that it has used it in India since 1999.[22] It also says it has filed rectification applications and that these are pending.[23] The first defence, though, seems to be that the Plaintiff 'abandoned' its mark since there is no evidence of his having used it from 2001 or 2002 and 2006/2007. The Plaintiff has produced invoices of 2002[24] and the next set is of 2006.[25] It is not, however, disputed that even during this hiatus, the Plaintiff kept his registrations alive and renewed. Although there is material produced in a separate compilation of international sales,[26] these are from 15th July 1998, and the list of international registrations is from 4th September 1973 to 2012.[27]

**8.** The second defence is based on Section 34 of the Trade Marks Act, 1999 ("**TM Act**"). McBride claims 'prior user'. *Ex-facie* this is untenable: McBride's domestic user must be shown to be prior to the Plaintiff's registration or user, whichever is earlier. The Plaintiff's adoption, *prima facie*, based on his registrations dates back to 1935 and the earliest of his registrations to 1946. McBride does not even claim adoption at any time prior to 1973. Dr. Tulzapurkar submits, and I think he is correct in this, that abandonment cannot be presumed. It must be evidenced; and continued registration, at least at the *prima facie* stage, is sufficient

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22 Written Statement, *p.* 502.
23 Written Statement, *p.* 500.
24 Plaint, *pp.* 109-111.
25 Plaint, *p.* 112.
26 McBride Compilation, *pp.* 14-136.
27 McBride Compilation, *p.* 137; and from *pp.* 138-173.

evidence that there is *no* abandonment.[28] Even if abandonment is established, at the highest it enables the contestant to move under Section 47 of the TM Act (removal from the register and the imposition of conditions for non-use).[29] In any case, Dr. Tulzapurkar says, the question of abandonment was raised and answered in another decision, one that I delivered while decreeing a suit filed by this very Plaintiff.[30] While assessing a charge of abandonment in the context of a temporary cessation of use, what matters is the intention. A mere non-user for a few years is insufficient to establish abandonment.[31] Therefore, the intention of non-user and actual non-user must both be clearly shown. Intention to use does not necessarily require actual marketing.[32] Courts are reluctant to conclude too readily that there is an abandonment since this is a forfeiture of rights. An intention to use may be evidenced in many ways; for instance, the intention to permit use by a registered user; renewal of registration, and so on. But abandonment must be clearly and unequivocally shown.

**9.** The third limb of Mr. Kadam's defence is one that I find most puzzling, given especially McBride's apparent disinterest in venturing into this market and its failure to show any great energy in

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28 *Garden Perfume (P) Ltd. v M/s Anand Soaps & Detergents*, 1994 PTC 1 (Del)

29 *State of UP v Ram Nath*, (1972) 1 SCC 130

30 *Ashok M. Bhat v Godfrey D'Silva*, Suit No.3588 of 2006, decided on 10th September 2014; paragraphs 10 and 12.

31 *Whirlpool Co. & Anr. v N.R. Dongre & Ors.*, 1996 PTC (16) (Del.), *per* R.C.Lahoti J, as he then was.

32 *Hardie Trading Ltd. & Anr. v Addisons Paints & Chemicals Ltd.*, (2003) 11 SCC 92, ¶¶ 46-51.

casting off the yoke of the Vazifdar J's ad-interim order of 30th June 2011. For all the gentility and circumspection of his submission, what Mr. Kadam says is essentially this: that the Plaintiff uses his mark on products that are cheap, of a particularly bilious colour, in lurid packaging and meant for an altogether different demographic. The packaging has Indian languages, indicating its intended consumer base. The products are very low priced. In contrast, McBride's products are high-end, expensive, packaged in sleek, glossy cylinders and dispensers. They are intended for use in salons by professional hair stylists. The products are distinct, and distinctive, as are the trade channels and the class of consumers. Look at paragraph 35 of the Supreme Court decision in *Cadila Health Care Ltd v Cadila Pharmaceuticals Ltd.*[33] in the context of passing off, Mr. Kadam says, and it will be seen at once that there is no possibility at all either of confusion or deception of any person, and, therefore, no case is made out to continue the ad-interim injunction. The Plaintiff has registrations in different classes for a brilliantine product,[34] a pain balm,[35] a petroleum jelly[36] and creams.[37] Therefore, he submits, since the Plaintiff's use is chiefly for brilliantine, his use may be confined to that, and a niche may be carved out for McBride. Once McBride has sought rectification, which is pending, there is no case made out for infringement. I am not at all sure about the correctness of this proposition; it seems to me to be overbroad. But Mr. Kadam's point is that till the time that

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33 (2001) 5 SCC 73

34 Plaint, Ex. "B", *p.* 37.

35 Plaint, Ex. "B", *p.* 41.

36 Plaint, Ex. "B", *pp.* 43, 46.

37 Plaint, Ex. "B", *pp.* 49, 52.

McBride sought rectification of the Plaintiff's marks in 2009, the Plaintiff's use of the mark was only in relation to brilliantine. All material for use on other products started only thereafter. This, he says, is a sufficient special circumstance of the kind contemplated by a Division Bench of this Court in *Pepsico Inc v Express Bottlers Services P. Ltd. & Anr.*[38] Therefore, adopting the principles that find voice in Sections 11, 47 and 57 of the TM Act, the Plaintiff can be restricted to certain goods within any particular class. There is nothing to show that the Plaintiff has ever used its products for mousse, gel or spray. The invoices are for brilliantine cream, as are the advertisements, though there is one stray mention of a talc with the Plaintiff's mark.[39] Even the caution notices periodically issued by the Plaintiff are for brilliantine cream.[40] After the 2002-2006 gap, when use resumed, it was again for the same product.

**10.** In any case, Mr. Kadam submits, McBride's honest and concurrent user must be reckoned from 1973. McBride has developed its brand internationally since; it entered India in 1999 and in 2008 sought registration. Both honesty and concurrence are established; and the TM Act contemplates multiple registrations. Both can be permitted with damage being caused to neither.[41]

**11.** There is a mistake, Mr. Kadam says, in McBride's applications for registration in saying that the mark was proposed to

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38 1988 IPLR 71

39 Plaint, Ex. "F", *p.* 217.

40 Plaint, Ex. "F", *pp.* 252-262.

41 *Goenka Institute of Education & Research v Anjani Kumar Goenka & Anr.*, ILR (2009) VI Delhi 415.

be used. A second application followed on 16th October 2008, showing correctly user claimed from 1st January 1999.[42] On 24th April 2009, McBride filed TM16 to amend the user date. It is true that the Plaintiff has opposed both; but McBride has carefully limited itself to hair sprays, gel, mousse, wax, shampoo, conditioner and colorant. Indeed, it was not till much after this, and only in 2010, that the Plaintiff introduced petroleum jelly,[43] gel,[44] body lotion, etc.[45] All this, Mr. Kadam says, is an attempt to cover up gaps in the product range. None should be allowed to enjoy so wide a monopoly across so wide a range just because a registration class encompasses a slew of products, when the actual user is confined to only one or two.[46]

**12.** There is also acquiescence of the statutory kind, he submits. The correct reference date should be that of the application and for a period of five years prior. The Plaintiff's company was closed from 1st June 2002; the period of reckoning should, therefore, he says, be for a five year period prior to that and the Plaintiff should be deemed to have acquiesced in McBride's user. There is both acquiescence and suppression, according to Mr. Kadam, because the Plaint does not disclose the correspondence and negotiations between the parties in 2007 and 2008. Knowing of McBride's foray into the local market, the Plaintiff did nothing till 2011. This is precisely the kind of acquiescence that the Supreme Court had in mind in *Khoday*

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42 Written Statement, *p.* 499.

43 Plaint, Ex. "F", *p.* 304.

44 Plaint, Ex. "F", *p.* 306.

45 Plaint, Ex. "F", *p.* 314, 322-323.

46 *Vishnudas v Vazir Sultan Tobacco Co. Ltd.*, 1996 PTC (16) (SC), ¶¶44-46.

*Distilleries Ltd v Scotch Whisky Association & Ors.*,[47] and therefore the injunction should be refused.

**13.** I find it difficult to accept Mr. Kadam's submissions at this interim, *prima facie* stage. As Dr. Tulzapurkar points out, whether or not the products are in the same range, and what might be the difference between a mousse and a gel, and who might use a spray in preference to either, are all matters for trial. It is not for this Court to decide whether the goods in question are or are not of the same description or to draw these over-subtle distinctions. The Plaintiff is entitled to contend, and will in fact contend, before the Registrar that there is no meaningful difference in the use and that the rival goods are the same or similar. Therefore, the pendency of the rectification proceedings is irrelevant. Had both parties been well entrenched in the market today (on account of a refusal of ad-interim relief at the initial stage, or on any such order having been vacated at McBride's instance, or for any other reason), perhaps somewhat different considerations might then have obtained, and a different set of equities might have had to be considered. We not only have no sign of McBride in India since 2011, but we also do not have any indication of it being at all perturbed by it. McBride has figures of international or overseas sales.[48] It also shows a few invoices of domestic sales from December 2000 onward.[49] These are not very significant: all of them are of a single importer, and the amounts are relatively modest. They date from 2000 to 2003. The other invoices are all in foreign markets. Read with the

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47 2008 (37) PTC 413 (SC) : (2008) 10 SCC 723

48 McBride Compilation, *p.* 3.

49 McBride Compilations, *pp.* 7-13.

correspondence of 2007-2008, it is difficult to see how it can be said that there are today any special equities on McBride's side that demand that the ad-interim injunction be vacated.

**14.** Further, no question of acquiescence can arise. What is not pointed out, Dr. Tulzapurkar says, and I think quite correctly is that in its letter of 30th April 2007,[50] McBride very clearly acknowledged that it could not use the mark in India due to the prior registration of the Plaintiff's mark. To twist this correspondence and turn it on its head is impermissible, Dr. Tulzapurkar says and I think with some considerable justification. In those negotiations, McBride spoke only of hair preparations and admitted it could not sell without the Plaintiff's permission. To leverage that today means that Plaintiff could not, in law, have refused McBride's offer. That simply cannot be.

**15.** I think Dr. Tulzapurkar is correct in the facts and circumstances of this case. Coupled with McBride's acceptance of the ad-interim order for all these years, and the complete lack of any material to show that it has, in consequence, suffered any prejudice at all, I do not think it would be remotely fair to vacate that ad-interim injunction. Certainly the Plaintiff has made out a *prima facie* case and demonstrated a balance of convenience in its favour as also possible prejudice should the injunction now be lifted. There is no doubt that the Plaintiff today does use the mark and that it has expanded its product range. I find no reason to hold against the Plaintiff and in favour of McBride.

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**50** Motion paper book, *p.* 26

**16.** The ad-interim injunction dated 30th June 2011 is confirmed as the final order on this Notice of Motion, which is made absolute in terms of prayers (a) and (b). In the facts and circumstances of the case, there will be no order as to costs. The Notice of Motion is disposed of accordingly.

**17.** The Plaintiff has also filed Contempt Notice of Motion 1127 of 2013 alleging that McBride violated the ad-interim order. That Notice of Motion is to come up in due course.

**(G.S. PATEL, J.)**