

HONOURABLE SRI JUSTICE S.RAVI KUMAR

CIVIL MISCELLANEOUS APPEAL No.413 of 2016

Dated 6-9-2016

Between:

M/s. A.H.Products, 5-6-411, Nampally, Near Dargah,
Hyderabad-500 001, Telangana State, represented by its Proprietor
M.A.Hameed.

..Appellant.

And:

M/s.Ganga Containers, 19-2-239/426, Chandulal Baradari
Hyderabad-500 064, Telangana State represented by its Partners:
Ramesh Gupta and Ranjan Gupta.

..Respondent.



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JUDGMENT:

This appeal is preferred against order dated 28-3-2016 in I.A.No.1325 of 2015 in O.S.No.426 of 2015 on the file of XXV Additional Chief Judge, City Civil Court, Hyderabad.

Appellant herein is defendant and respondent herein is plaintiff and they are herein after referred to as arrayed in the suit for convenience.

Plaintiff filed the above suit seeking permanent injunction restraining defendant, its servants, agents, distributors or any one claiming through them from manufacturing, selling, advertising and offering for sale using the trade mark 'Heera' on the goods and spices of all kinds similar to the registered trade mark 'Heera' granted in favour of plaintiff. Plaintiff also prayed for mandatory injunction to direct defendant to surrender all these spices etc., bearing trade mark 'Heera' and other reliefs.

In the said suit, plaintiff filed I.A.No.1325 of 2015 for grant of temporary injunction to restrain defendant from using the trade mark 'Heera'.

According to plaintiff, he is one of the partner of M/s.Ganga Container a partnership firm doing business of producing excellent quality of spices of all varieties including ginger and garlic under the trade mark 'Heera'. According to plaintiff, the spices marketed by them under trade mark 'Heera' enjoy tremendous good will and

reputation from the year 1997 and the plaintiff made substantial investment to advertise and popularize its goods in the market and ultimately, turnover of Rs.61,41,010/- in the year 1997-98 reached to Rs.6,76,80,000/-in the year 2014 and 2015. According to plaintiff, defendant has commenced marketing of spices including ginger and garlic paste under the label that is absolutely identical to that of plaintiff registered trade mark and thereby, committed infringement.

On the other hand, it is the contention of defendant that defendant is also a registered owner of trade mark 'Heera' by operation of law, therefore, one registered owner cannot proceed against another registered owner as per Section 28(3) of Trade Marks Act. (Herein after referred to as "the Act" for the sake of convenience) According to defendant, it is a manufacturer and distributor of ginger and garlic paste under the name 'Heera' since 2002 and application submitted by the defendant for registration was received on 4-11-2009 and as no orders are passed, defendant filed W.P.No.17956 of 2015 whereunder direction was given to process the application and pass orders expeditiously and as the defendant is also a registered owner, plaintiff is not entitled for the interim relief of injunction.

These are the main contentions of both parties. Trial court on a consideration of Exs.P.1 to P.26 marked on behalf of plaintiff and Exs.R.1 to R.26 marked on behalf of defendant, held that prima facie case and balance of convenience are in favour of plaintiff and as the

plaintiff was using the trade mark since 1997 granted injunction against the defendant restraining it from using the said trade mark. Aggrieved by the same, defendant preferred present appeal.

Heard both sides.

Both advocates, elaborately argued both on factual and legal aspects and the main contention of appellant is that appellant is also a registered trade mark owner by operation of law and as per Section 28 (3) of the Act, suit against another registered owner is not maintainable, as such, the order granted by court below is not legal. The other contention of the appellant is that he is a prior user of the trade mark which he was using since 2002 whereas the plaintiff was using it only from 2008. The other contention of appellant is that even by principle of acquiescence, plaintiff is not entitled for injunction and the trial court without considering these objections simply carried away with the contentions of plaintiff that it is using trade mark since 1997 without there being any material and without production of any invoices, therefore, the order of trial court is liable to be set aside.

On the other hand, it is the contention of advocate for plaintiff that the documents filed on behalf of plaintiff would clinchingly show that plaintiff is a prior user, using the trade mark from 1997 and that even according to his own case, it was using the trade mark only from the year 2002 and by the date of filing of the suit, there is no registration certificate in favour of defendant and it was only granted after filing of the suit, therefore, he cannot be treated as a

registered trade mark user as on the date of filing of the suit. He further submitted that no scrap of paper is filed on behalf of defendant to support their plea that they are prior users. He further submitted that they not even filed any document to show that they are using the product from 2000 onwards. He further submitted that in 2009, a general notice was given to public cautioning not to use this brand name and as the plaintiff came to know that defendant was using, a criminal complaint was given and police searched the godown of the defendant and recovered material showing that defendant was using the trade name 'Heera' but subsequently, the defendant has not used that trade mark but again in the year 2015, as he started using it, plaintiff was constrained to file suit besides giving a criminal complaint, therefore, the plea of acquiescence raised by defendant is not tenable.

Now the point that would arise for my consideration in this appeal is whether there are any grounds to interfere with the interim injunction granted in favour of plaintiff?.

POINT:

One of the contentions of the appellant is that the suit as well as interim application filed by plaintiff are not maintainable in view of Section 28 (3) of the Act. According to defendant, he is also registered owner of the trade mark 'Heera' and as per Section 28 (3) of the Act, one registered owner cannot proceed against another registered owner, and if such is the legal position under the Act, the

suit for injunction and interim application for temporary injunction are not maintainable.

Advocate for plaintiff has not disputed provision under Section 28(3) of the Act which says that one registered owner cannot sue another registered owner but his contention is as on the date of filing of the suit, defendant is not a registered owner.

It is well settled principle that in case of temporary injunction, a party who seeks such relief shall make out prima facie case, balance of convenience and irreparable loss which shall exist as on the date of filing of the suit. It is not in dispute that plaintiff is a registered owner which is evident from Exs.P.1 to P.5. As seen from Exs.P.1 and P.3, it is evident that plaintiff has applied for registration of trade mark on 18-8-2009 and he was issued a certificate on 15-3-2011 which is valid upto 18-8-2019. It is also clear from this document according to application submitted to the trade mark office, plaintiff claimed that he is using this brand since 22-5-1997. Admittedly, the suit is filed in June, 2015. To invoke Section 28(3) of the Act, it is for the defendant to show that he was also a registered owner as on the date of filing of the suit i.e., by June, 2015.

As seen from the registration certificate produced on behalf of defendant, defendant applied for registration on 4-11-2009 and he was issued certificate on 14-10-2015 wherein he claimed that he is using this trade mark since 16-8-2000.

Now one of the contentions of defendant is that defendant is to be treated as "deemed registered owner by operation of law" and

contended that the date of application is to be taken. There is no provision in the Trade Marks Act indicating that applicant can be treated as “deemed registered owner” after expiry of particular period, calculated from the date of submission of application for registration. In the absence of any such provision, for the purpose of prima facie case, the date of registration of certificate has to be taken and if that is taken into consideration, the defendant is not a registered owner as on the date of filing of the suit. Registered proprietor is defined in Section 2 (v) of the Trade Marks Act which reads as follows:

“2.Definitions and interpretation.-(1) In this Act, unless the context otherwise requires,-
(a) Xxxx; to (u) xxxx;
(v) “registered proprietor”, in relation to a trade mark, means the person for the time being entered in the register as proprietor of the trade mark;”

The Registered Trade Mark and Registered User are also defined in Section 2 (w) and (x) of Trade Mark Act which reads as follows:

“2.Definitions and interpretation.-(1) In this Act, unless the context otherwise requires,-
(a) xxxx; to (v) xxxx;
(w) “registered trade mark” means a trade mark which is actually on the register and remaining in force;
(x) “registered user” means a person who is for the time being registered as such under Section 49;”

A combined reading of these definitions with section 49 of the Act it is clear that the registered owner and user of registered trade

mark is only, which is actually on the registrar and remained in force which means, the date of registration certificate is to be taken into account to examine the definition of the three words. So as rightly pointed out by advocate for plaintiff as on the date of the suit, defendant is not a registered owner and he got registration certificate four months after filing of the suit.

Advocate for defendant has referred to the following rulings, supporting his arguments in respect of Section 28 of the Trade Marks Act.

In *S.SYED MOHIDEEN Vs. P.SULOCHANA BAI* (Civil Appeal No.2758 of 2015 (Arising out of SLP (C) No.12671 of 2014) Decided on 17-3-2015 by the Honourable Supreme Court of India)

In *A.KUMAR MILK FOODS PVT. LTD., Vs. VIKAS TYAGI & ANR.* (CS (OS) No.1627 of 2011 Decided on 4-9-2013 by the High Court of Delhi)

In *BRIJ MOHAN DUTTA Vs. M/s.JALLO SUBSIDIARY INDUSTRIES CO.(INDIA) PVT. LTD.,* (F.A.F.O.No.289 of 1989 Decided on 24-11-1989 by the High Court of Punjab and Haryana.)

In *MICOLUBE INDIA LTD., Vs. MAGGON AUTO CENTRE AND ANR.* (I.A.Nos.11702/2007 and 12433/2007 in CS (OS) 2015/2007. Decided on 7-2-2008 by High Court of Delhi.)

In *SAU.PRITIKIRAN RAJENDRA KATOLE Vs. SAU.HARSHA RAVINDRA KATOLE* .(Appeal from Order No.1302 of 2013 with CAA/1551/2013. Decided on 6-12-2013 by High Court of Bombay.)

But these decisions are no way helpful to the defendant in view of the fact that prima facie he is not a registered owner as on the date of suit, and he failed to show that he can be treated as “deemed registered owner” by operation of law.

The next contention of defendant is that defendant is the prior user of trade mark and therefore, under that principle, plaintiff cannot inject the defendant.

Advocate for defendant contended that in the application submitted to Registrar, defendant clearly indicated that he is prior user from 16-8-2000 and as there is no material to show that plaintiff was using the trade mark prior to that date under the principle of passing of, plaintiff cannot object the defendant from using the trade mark.

As already referred to above in Exs.P.1 and P.3, plaintiff indicated in his application to Registrar that he is using the trade mark from 22-5-1997, if Exs.P.1 and P.3 are compared with the date of use of trade mark mentioned in the application for registration, prima facie as claimed by defendant, plaintiff is the prior user but not the defendant.

Advocate for plaintiff relied on the following decision to support the plea of prior user.

LAXMIKANT V.PATEL Vs. CHETANBHAT SHAH AND ANR

(Civil Appeal Nos.8266-8267 of 2001 Decided on 4-12-2001 by the Honourable Supreme Court of India.)

Plaintiff relied on the following decisions in support of plea of prior user.

WANDER LTD. AND ANOTHER vs. ANTOX INDIA P.LTD. (¹),
MIDAS HYGIENE INDUSTRIES (P) LTD. AND ANOTHER vs. SUDHIR BHATIA AND OTHERS (²), *NEON LABORATORIES LIMITED vs. MEDICAL TECHNOLOGIES LIMITED AND OTHERS* (³), *N.R.DONGRE AND ORS. Vs. WHIRLPOOL CORPN. AND ANR.* (⁴), *YASH ARORA Vs. TUSHAR ENTERPRISES AND ORS.* (FAO(OS) 356/2007 Decided on 30-11-2007 by High Court of Delhi), *BHANDARI HOMOEOPATHIC LABORATORIES Vs. L.R. BHANDARI (HOMOEOPATHS) P.LTD.* (Suit No.676 of 1974 and Interim Application No.3815 of 1974) decided on 3-4-1975 by High Court of Delhi), *BHAGWAN DASS KHANNA JEWELLEERS v. BHAGWAN DAS KHANNA JEWELLERS PVT. LTD.* (⁵), *CHHEDI LAL GUPTA AND OTHERS Vs. SMT. SHAKURAN BIBI AND ANOTHER* (⁶), *PEARI APPLIANCES PRIVATE LIMITED Vs. JAY ENGINEERING WORKS LTD.* (⁷), *BATA INDIA LIMITED Vs. PYARE LAL & CO. MEERUT CITY AND OTHERS* (⁸).

As the material disclose prima facie, plaintiff is the prior user from 1997 much prior to the alleged claim of defendant from 2000 and in view of the principle laid down in above referred decisions, the judgment relied on by defendant is no way helpful to defendant.

¹ 1990 (Supp) SCC 727

² (2004) 3 SCC 90

³ (2016) 2 SCC 672

⁴ 1996 (16) PTC 583 (SC)

⁵ ((2013) 196 DLT 565

⁶ AIR 1967 ALL 269

⁷ (1992) 47 DLT 277

⁸ AIR 1985 ALL 242

The other point urged on behalf of defendant is under the principle of acquiescence, plaintiff is not entitled to seek injunction against the defendant.

Advocate for defendant contended that when defendant is using the trade mark from 2000, plaintiff has not moved his little finger, therefore, under the principle of acquiescence, he is not entitled for the discretionary relief of injunction.

On the other hand, advocate for plaintiff submitted that defendant for the first time made attempt to use the trade mark in 2011, then plaintiff lodged a complaint with police and F.I.R. was registered, case was booked and stock was also seized from the godowns of the defendant and on account of that case, defendant discontinued using this trade mark, therefore, plaintiff has not proceeded further. He submitted that when the defendant again started using it in the year 2015, plaintiff again lodged a complaint so also filed the suit, therefore, it is not a case of acquiescence. He further submitted that the principle of acquiescence would operate when the plaintiff did not take any action after noticing the illegal act of opposite party. But here, the plaintiff promptly acted and as the defendant discontinued using the trade mark after F.I.R. in 2011, there was no necessity to plaintiff to file any suit. But as the defendant again started using trade mark in the year 2015, plaintiff was constrained to file the suit.

Advocate for defendant relied on the following decisions for the principle of acquiescence.

In *POWER CONTROL APPLIANCES AND ORS. Vs. SUMEET MACHINES PVT.LTD., WITH SUMEET RESEARCH AND HOLDINGS Vs.SUMEET MACHINES AND ANR.* (Civil appeal Nos.2551-2552 and 2553 of 1993 Decided on 8-2-1994 by Supreme Court of India), the Honourable Supreme Court observed that “if the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence.”

In the very same decision, Honourable Supreme Court also referred to its earlier judgment in *RAMDEV FOOD PRODUCTS (P) LTD., v. ARVINDBHAI RAMBHAI PATEL AND ORS.* (⁹), wherein it was held as follows:

“Acquiescence is a facet of delay. The principle of acquiescence would apply where: (i) sitting by or allowing another to invade the rights and spending money on it; (ii) it is a course of conduct inconsistent with the claim for exclusive rights for trade mark, trade name, etc.,

The delay by itself, however, may not be necessarily a ground for refusing to issue injunction”

Here the defendant except contending that plaintiff is not entitled for injunction on the principle of acquiescence failed to substantiate this at least prima facie to show that plaintiff allowed the defendant to infringe the rights and came to court at a belated stage.

⁹ 2006(33) PTC281(SC)

In *POWER CONTROL APPLIANCES AND ORS. Vs. SUMEET MACHINES PVT.LTD., WITH SUMEET RESEARCH AND HOLDINGS Vs.SUMEET MACHINES AND ANR.* (Civil appeal Nos.2551-2552 and 2553 of 1993 Decided on 8-2-1994 by the Honourable Supreme Court of India), the Honourable Supreme Court held as follows:

*“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. In *Harcourt v. White* 28 Beav 303 *Sr.John Romilly* said: “It is important to distinguish mere negligence and acquiescence.” Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence.” If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in *Mouson & Co. v.Boehm* (1884) 26 Ch.D.406. The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in *Rodgers v. Nowill* (1847) 2 De GM & G 614 : 22 LJ kCh 404.”*

From the material, it is clear that when defendant made an attempt in the year 2011, a complaint was given and F.I.R.was registered thereafter, defendant discontinued using the trade mark and again when he attempted in 2015, present suit is filed therefore, as rightly pointed out there is no delay and the principle of acquiescence is not made out.

The next argument of the defendant is that in order to restrain defendant, required ingredients of prima facie case balance of convenience and irreparable loss, are to be made out as the plaintiff failed in making out these three ingredients, not entitled for

injunction but the court below without fulfilling these ingredients granted interim injunction and the same is liable to be set aside.

As already referred to above, plaintiff got marked 26 documents out of which Exs.P.1 to P.5 are in respect of registration proceeding which were issued under the Act according to which, the plaintiff registered for manufacturing of spices of all kinds and immediately after submitting the application for registration, notice was issued under Ex.P.7 informing the public that the plaintiff has been manufacturing spices of all description under the trade mark 'Heera'.

From Ex.P.9, it is prima facie evident that commercial department issued assessment order from the year 1996-1997 to 2006-2007 and 2009 to 2013 for manufacturing all types of spice powders. From Ex.P.10, it is evident that plaintiff supplied to various purchasers under invoices. Other documents are jinger, labels etc., Exs.P.17 and P.20 are the certificate of registration of manufacture/packing dated 19-8-1998 issued by Controller of Legal Metrology, Hyderabad which would prima facie show that this 'Heera' Trade Mark is being used by plaintiff from 1997. As against this, respondent produced 26 documents out of which, R.1 is application submitted for registration, Ex.R.2 is the copy of order passed by Trade Mark Registry, refusing the application and R.3 is the another application of defendant dated 4-11-2009 which was processed and ultimately certificate was issued in October, 2015. None of these documents marked on behalf of defendant do show

that he was using this trade mark for his product and that the same was assessed by the Commercial Tax Department. Defendant did not produce any assessment orders issued by Commercial Tax Department, or the invoice or the certificate issued by Controller of Legal Metrology, Hyderabad. So, the documents produced on behalf of plaintiff prima facie show that plaintiff has been doing business in the sale of spices including jinger and garlic paste from 1997 whereas even as per the admitted case of defendant, he was in this business since 2000, therefore, balance of convenience is in favour of plaintiff and the learned trial judge elaborately discussed each and every aspect with reference to the material available on record and the judgments cited before him and recorded a finding that prima facie case and balance of convenience are in favour of plaintiff and if the defendant is allowed to use trade mark, it will cause irreparable loss and injury to the plaintiff and therefore, granted temporary injunction.

I do not find any wrong in the order of the lower court either on facts or on law and all the objections raised on behalf of defendant are not supported by any pleading or evidence, therefore, all the objections taken on behalf of defendant are not tenable.

Learned advocate for defendant relied on the following decisions to support his argument that in order to get temporary injunction, three ingredients are necessary, namely, prima facie case, balance of convenience and irreparable loss.

MANDALI RANGANNA AND ORS. ETC., Vs. T.RAMACHANDRA AND ORS. (Civil Appeal Nos.3128-3129 of 2008 (Arising out of SLP (C) Nos.10928-10929 of 2007) Decided on : 30-4-2008 by the Honourable Supreme Court of India)

SEEMA ARSHAD ZAHEER AND ORS. Vs. MUNICIPAL CORPN. OF GREATER MUMBAI AND ORS. (SLPs.(C) No.9479 of 2005 and Nos.9490 etc., of 2005. Decided on 5-5-2006 by the Honourable Supreme Court of India)

HINDUSTAN RADIATORS CO. Vs. HINDUSTAN RADIATORS LTD., Interim Application No.989 of 1986 and Suit No.639 of 1986 Decided on 11-2-1987 by the High Court of Delhi).

The principle in these decisions is not in dispute but as the prima facie case and balance of convenience are in favour of the plaintiff and if the defendant is allowed to use the trade mark, plaintiff would get irreparable loss and injury, these decisions are no way helpful to the defendant. On an overall consideration of entire material, I am of the view that trial court rightly granted temporary injunction, and there are no grounds to interfere with the same.

For these reasons, appeal is dismissed as devoid of merits.
No costs.

As a sequel to the disposal of this appeal, Miscellaneous Petitions, if any, pending, shall stand dismissed.

JUSTICE S.RAVI KUMAR

Dated 6-9-2016.

Dvs.

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Dated 6-9-2016

Dvs