

Shephali

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

APPEAL FROM ORDER NO. 4 OF 2017

WITH

CIVIL APPLICATION NO. 4 OF 2017

WITH

CIVIL APPLICATION NO. 51 OF 2017

VINODKUMAR PANDITRAO PATIL

through this Constituted Attorney Mr Dhanvijay

Vinod Patil, aged 29 yers, Shop No. 12,

Lewa Boading Shopping Center,

Jalgaon 425 001

...Appellant

Versus

1. PRADEEP PANDITRAO PATIL

35, Julha Peth, Near R.R. School,

Gandhi Nagar,

Jalgaon 425 001

2. DIGVIJAY PATIL

3 & 4, Nutan Maratha Complex,

Jalgaon 425 001 (Maharashtra)

3. RAJDEEP PATIL

Plot No. 5A, Swedfull Building,

JDCC Bank Colony, Pimprala Naka,

Jalgaon 425 001

...Respondents

APPEARANCES

FOR THE APPELLANT	Mr Pankaj Vijayan , <i>a/w Ms Namitha Pankaj, i/b Intralegal.</i>
FOR THE RESPONDENTS	Mr Aditya Soni , <i>a/w Mr Chetan Alai & Mr Nilesh Tribhuvan and Kalpesh Patil.</i>

CORAM : G. S. Patel, J.

DATED : 31st July 2017

ORAL JUDGMENT:

1. The appeal is directed against an order dated 23rd November 2016. The order was passed by the learned Judge of the District Court at Pune and it disposed of two applications numbered as Exhibit 5 and Exhibit 26 and their respective replies at Exhibit 13 and Exhibit 36. Exhibit 5 was the Plaintiff's application for interim relief. Exhibit 26 was the Defendant's application in his counter-claim which had by then been filed along with the written statement.

2. The dispute pertains to a trademark or trade name **Sangitam** used in relation to a luxury bus travel service. The Plaintiff is the younger brother of the 1st Defendant. The 2nd Defendant is the 1st Defendant's son. The 3rd Defendant is a licensee from the 1st and 2nd Defendants.

3. The Plaintiff (“**Vinodkumar**”) filed Suit No. 9 of 2016 in the Pune District Court. This was a pure passing off action; it had to be, because the mark in respect of which protection was sought was by then registered to the 1st Defendant, his older brother Pradeep. According to Vinodkumar he was demonstrably the original and prior user of the mark Sangitam including the mark as depicted in a particular fashion in Devnagari. He said he began using the mark in April 1983 in relation to audio cassettes and, within a few months, in relation as a travel agent and for a travel agency. He claimed that his elder brother Pradeep had illicitly and wrongfully, and on the basis of false and fabricated documents and a wholly incorrect representation to the Registrar obtained registration of the mark — something that Vinodkumar had failed to do in all this time — and that Pradeep was a rival, subsequent and illicit user of Vinodkumar’s mark. Vinodkumar also said that Pradeep was using this mark for a competing travel agency.

4. With the plaint, Vinodkumar filed his interim application at Exhibit 5 for an interim injunction. After some adjournments, Pradeep and his son Digvijay filed a counter-claim and this was a combined action in infringement and passing off. They claimed that they were the prior and in fact the only registrants of the mark in question. They also claimed that they had been using the mark from November 1983. They urged that there was no question of granting an injunction against them since they were registered proprietors of the marks in question. They also filed an application for interim relief and this was Exhibit 26. Vinodkumar replied to this application.

5. The Trial Court heard both interim applications together and disposed them off by a common order. Vinodkumar's application in his passing off action was dismissed. The application filed by Pradeep and Digvijay was allowed and an injunction was granted against Vinodkumar.

6. There are some narrow issues of law that arise, in particular the frame and ambit of Sections 27, 29 and 34 of the Trade Marks Act but there is also considerable amount of controversy in regard to the material and documentation that was on record. Apart from anything else, I must also note that Vinodkumar has filed for rectification of the register and for removal of Pradeep's mark from the register and this will necessarily involve a consideration of Section 124 as well.

7. I will turn first to the question that arises under Sections 27 and 34 bearing in mind the fact that the Defendant is a registered proprietor and the Plaintiff is not. Section 27 of the Trade Marks Act reads thus:

"27. No action for infringement of unregistered trade mark.—(1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark.

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof."

(Emphasis added)

8. Clear sub-section (2), therefore, allows for the filing of a common law action in passing off and obviously the classical trinity of tests will have to be satisfied.

9. Section 34 will also have to be considered and this is how it reads:

"34. Saving for vested rights.—Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior—

- (a) to the use of the first-mentioned trade mark in relation to those goods or services by the proprietor or a predecessor in title of his; or
- (b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his; whichever is the earlier, and the Registrar shall not refuse (on such use being proved) to register the second mentioned trade mark by reason only of the registration of the first-mentioned trade mark."

10. Section 34 speaks clearly of a saving of vested rights but also speaks to a question of a priority date linked to the earliest use of the mark. The words "whichever is the earlier" in the later portion make it clear that the proprietor or registered user of a registered mark is not at liberty to interfere with or restrain the use of an

identical or similar mark if the priority mentioned in the section is established. Thus, if Vinodkumar was shown to the user prior to Pradeep's registration or user, whichever was earlier, then Pradeep could not, in his counter-claim and interim injunction obtain a restraint against Vinodkumar. Simply translated: registration is not always a guarantee of an injunction, and there is at least one class of cases where a registered proprietor will yield to another user.

11. As to the question of passing off, the classical trinity test of the three probanda set out by Oliver LJ in *Reckitt & Colman Products Ltd v Borden Inc*¹ must be shown: (1) reputation;² (2) misrepresentation by the defendant; and (3) damage. A plaintiff must show false representation (albeit unintentional) to the public that leads it to believe that the goods or services of the defendant are those of the plaintiff. Fraud is not a necessary element.³ The misrepresentation here is a misrepresentation as to source and in this specific context, the question that arises will be one of misrepresentation as to the use of the word **Sangitam** for a luxury bus service between Pune and Jalgaon, and whether the services of the Defendants will be mistaken for those of the Plaintiffs and, since there is a counter-claim, *vice versa*.

12. While assessing this, it is necessary to remind ourselves of the subtle yet clear distinction enunciated by Lord Denning between

¹ [1990] 1 All ER 873.

² For an instructive discussion on the difference between reputation and goodwill, see *Intex Technologies (India) Ltd & Anr v M/S Az Tech (India) & Anr*, 2017 (70) PTC 118 (Del).

³ *Laxmikant V Patel v Chetanbhai Shah & Anr*, (2002) 3 SCC 65.

confusion and deception. In *Parker Knoll v Knoll International Limited*,⁴ Lord Denning explained the words “to deceive” and the phrase “to cause confusion” thus:

“Secondly, ‘to deceive’ is one thing. To ‘cause confusion’ is another. The difference in this: When you deceive a man, you tell him a lie. You make a false representation to him and thereby cause him to believe a thing to be true which is false. You may not do it knowingly, or intentionally, but still you do it, and so you deceive him. But you may cause confusion without telling him a lie at all, and without making any false representation to him. You may indeed tell him the truth, the whole truth and nothing but the truth, but still you may cause confusion in his mind, not by any fault of yours, but because he has not the knowledge or ability to distinguish it from the other pieces of truth known to him or because he may not even take the trouble to do so.”

13. This has also been the subject matter of other decisions. When passing off is shown, Courts will grant the injunction. The nearness, neighbored or proximity of the two marks is an important indicator. Where one person uses a mark very close to the other’s in a passing off action, as Lord Justice Lindley said in *Slazenger & Sons v Feltham & Co*:⁵

Well, what is that for? One must exercise one’s common sense, and, if you are driven to the conclusion that what is intended to be done is to deceive if possible, I do not think it is stretching the imagination very much to credit the man with occasional success or possible success. Why should

4 [1962] RPC 265

5 (1889) 6 RPC 531.

we be astute to say that he cannot succeed in doing that which he is straining every nerve to do?

14. This has been consistently followed.⁶

15. It is with this background that one must approach the facts of the case.

16. A few points to be noted at the beginning. The contestants are brothers. I will presume that each knew of the other's activities. The Defendants claim to be registered proprietors, but it is not they who brought a suit in the form of infringement and passing off action. Their action came only as a counter-claim. There was certainly no suit based on the registered trademark before Vinodkumar filed his passing off action. I say this only because I propose to begin with an examination of Vinodkumar's case and the story he sets forth. For, if Vinodkumar's story does not ring true, then there is no question that his appeal must be dismissed and the injunction granted by the Trial Court in favour of the Defendants upheld. If on the other hand, the preponderance of probabilities favours Vinodkumar, then the opposite result must follow.

17. Vinodkumar said that the word **Sangitam** was initially used and registered for a retail store in Jalgaon for audio cassettes and radios. Within four months, he diversified and started using the

6 *Khoday Distilleries Ltd v The Scotch Whisky Association & Ors*, 2008 (37) PTC 413 (SC) : (2008) 10 SCC 723; *Gorbatschow Wodka KG v John Distilleries Ltd*, 2011 (47) PTC 100 (Bom); *Whirpool of India Ltd v Videocon Industries Ltd*, 2012 (52) PTC 209 (Bom)

mark for a travel agency service. This was at the Leva Boarding Shopping Centre Shop No. 12, Jalgaon 425 001. From 1983 onwards the mark was used with a Devnagari font. This is how it is used even today. There are photographs of the trademark annexed to the plaint. In November 1983, Vinodkumar started use of the premises at Shop No. 12 Leva Boarding Complex. This has been his place of business, he says, for the last 30 years.

18. Vinodkumar claims that he began this business as a young man of 21 or so. He was soon very successful. His enterprise today has a turnover of over Rs 1.5 crores. Vinodkumar says he conceived the word **Sangitam**, and because of its association with music but its use with a travel agency, an entirely unrelated activity, it partakes of the highest level of protection. According to the Plaintiff, he started his business because there was a serious dearth of private travel agencies in that segment. In 1983 he took a loan of Rs. 50,000/- — quite a substantial amount then — to start his business. That loan was repaid; there are details that are available. Vinodkumar says that today he has a fleet of luxury buses that ply on the Bhusaval-Jalgaon-Katraj-Pune and Bhusaval-Jalgaon-Akurdi-Pune route. According to him, he has a registration under Shops and Establishment Act from 1983 onwards till 1995. There is evidence from the Leva Education Union Board to show his use of the premises, tax receipts and so on. In 1995, Vinodkumar claims to have purchased a second hand bus and started a full-fledged travel agency. He added more to his fleet in the years that followed in 1992, 1996, 1999, 2003, 2007, 2012 and 2015. He regularly sells old buses as they wear out and invests money in new ones, keeping his fleet updated. He has taken loans for these purchases in 1996, 1999 and 2003 from the Jalgaon Peoples

Cooperative Bank and in 2007, 2012 and 2015 from the Union Bank of India. The business turnover is reflected in tax documents and there is evidence of income-tax and professional tax payments. According to him, the mark **Sangitam** is uniquely identified with his business. It is distinctive, being used in relation to travel agency and, more importantly, there is enough publicity of this use which is open and notorious. There are promotional SMSs for the years between 2013 and 2016. There are publicly available material on social media. He has introduced technological advances including CCTVs and WiFi in the buses. The brand is advertised in the newspapers and there are copies of these advertisements annexed. There is also website sangitambus.in and listings with various services such as justdial and redbus. The services have been well received and have had much attendant publicity.

19. According to Vinodkumar, he learnt only on 3rd July 2014 that the Defendants had sought and obtained registration of the rival mark **Sangitam Travels** for identical services. According to Vinodkumar, an invitation card of the 3rd Defendant licensee announcing the purchase of a new AC bus coach was posted online on the 2nd Defendant's Facebook page. Vinodkumar alleges that the Defendants have fraudulently copied the Plaintiff's trademark both in English and in Devnagari font and in their application for registration claimed use since 1985.

20. Vinodkumar's case is that his elder brother Pradeep never had any consistent business. He tried several ventures. All failed. Pradeep moved out of Jalgaon in 1995 and the two brothers had no ties thereafter. It was only when Vinodkumar filed certain RTI

applications that he found the Defendants' businesses under the names of Digvijay Motors, New Sangitam Travels & Trading, Shree Sangitam Travels and so on, almost all of them with the 2nd Defendant as a proprietor. The Defendants seem to be using the name of New Sangitam Travels & Trading or Shree Sangitam Travels. In 2012, Pradeep and Digvijay started a travel agency on a commission basis as Shree Sangitam Travels. Vinodkumar objected to this and was assured that Pradeep and Digvijay would stop using the name Shree Sangitam. The two Defendants' business, Vinodkumar says, was negligible and he did not pursue the matter further. In 2014, Pradeep and Digvijay revived Shree Sangitam Travels and started passing off, the Plaintiff alleges, their services as Sangitam Travels with aggressive marketing online. Vinodkumar says that the attempt is to pass off Shree Sangitam and Sangitam Travels as services both operated, managed and run by the Defendants.

21. Paragraph 34 of the plaint reads thus:

"34. The Plaintiff submits that he is the user of the said trade Mark prior in point of time and had been using the said trade mark in relation to travel agency business since 1983 and that the adoption of the word "Shree Sangitam" by the Defendant subsequent to Plaintiff as their trade name/business name was malafide as the Defendant No. 1 being the brother of the Plaintiff knew about the Plaintiff's use of the said trade mark since 1983."

22. The Plaintiff then filed a trademark application on 10th June 2015 and it is then that he discovered that the Defendants had got

the mark **Sangitam** registered to them in 2012 claiming user since 1985. On 26th February 2016, Vinodkumar's Advocates issued a cease and desist notice. It was returned with the postal remark "not claimed".

23. From paragraphs 43 to 48 of the plaint Vinodkumar sets out the alleged illicit acts of the Defendants. He points out that online customers are being confused. The Defendants' appropriation of his mark is diverting business and there is evidence of actual loss. There is active deception and, therefore, his action in passing off is maintainable. So close is the copying that even the passengers' pick up points, departure timings and seat arrangement charts have been lifted from the ones being used by Vinodkumar. According to Vinodkumar this is sufficient to establish *mala fides*. Every attempted innovation by the Plaintiff has been copied by the Defendants and in fact even their help lines only succeed in causing further confusion.

24. This is the Plaintiff's affirmative case and, as I have noted, there is evidence of purchase of ten buses, receipts, invoices, advertisement materials and so on.

25. But what of the case of the Defendants? After all they too claim prior user since 1985. Leaving aside the question of registration, we must see whether there is any use by the Defendants of **Sangitam** as a mark in relation to his travel agency services. I will accept for a moment that the use of the name is sufficient as use of

the mark. What must be tested is the genuineness of the rival claims to priority.

26. According to the Defendants, their business in the name of Sangitam Travels commenced in the last week of October 1983 from Jalgaon District. For this date, I am unable to find any particular place of business. It is alleged that in November 1983 the Defendants or Sangitam Travels purchased a tourist taxi. There is no evidence of this in the form of an invoice or other documentation. Then it is alleged that in 1985 Pradeep had in his name a Shops & Establishment license of Sangitam Travels. This document is at page 757 of the compilation. It had a validity period of only two months and expired on 31st December 1985. I am unable to find any evidence of its continuance. This is of some significance because a one-off use of the name in a registration document will not conceivably serve the purpose. The use has to be extensive and, more important, it has to be uninterrupted and open.

27. But let us look at the evidence of the business itself. Here the material adduced by the Defendants is critical for they claim that between 1985 and 2004 they purchased several buses. In support of this, the Defendants referred to several registration documents from the RTO and these are to be found at pages 758 to 764. Now these documents are interesting because all the contents are handwritten. Each one gives the registration of a bus. In each one we find the name of the 1st Defendant, Pradeepkumar Panditrao Patil, and below that the name Sangitam Travels, Jalgaon, and the address.

28. I note this because in his notes of argument Mr Vijayan for the Plaintiff has argued that these RTO documents are all false and fabricated. The Defendant has obtained copies of the registration certificates from the RTO Authorities. The reply to the RTI application is at pages 1408 to 1412. The RTO Jalgaon register is at pages 650 to 666 and certified copies of the RTO's registration certificates are at pages 464 to 470. The certified copies of the registration certificates at pages 464 to 470 are to be compared to the documents disclosed by the Defendants. Page 465 is a registration certificate in respect of a motor vehicle No. MWD-7474. The document disclosed by the Defendants at page 758 mentions Sangitam Travels. The corresponding certified copy at page 465 does not. Page 759 is even more interesting. Here there is no apparent interpolation; everything is written in neat series of lines. The name of the 1st Defendant is shown, and below that the name of Sangitam Travels and the address. This is for a vehicle No. MCC-1020. There is an endorsement on the original that this is a school bus. There is a mention that this is of 24th May 2016. It corresponds to page 740 which is the certified document. This is also for MCC-1020. It has no mention of Sangitam Travels but it shows the vehicle as being registered to some Educational Mandal in Jalgaon and then of the registration having been cancelled, something that is not mentioned in the Defendants' original document. For the vehicle No. MH-19-J-1020, the corresponding documents are at page 762 (Defendants) and page 466, a certified copy obtained by the Plaintiff. The certified copy does not have mention of Sangitam Travels at all. This appears in an insertion at the top of the page though not in the main column against the name and address of the registered owner.

29. I note this not to arrive at any final conclusion but only since it seems to me that at a *prima facie* stage, there were unexplained discrepancies in the Defendants' documents produced to show prior user. It serves little purpose for the Defendants to say, as Mr Soni who appears for them does, that this is irrelevant, or that the Defendants do not know how these discrepancies occurred. That there are discrepancies is clear, and these will need explanation at a trial. At this interim stage, a court must see if there is *incontrovertible* material, such as would make a persuasive *prima facie* case. I will leave this aspect at this stage, noting that a more detail scrutiny is undoubtedly necessary at the trial. The question is does this establish the Defendants' case of open, uninterrupted and notorious user of the mark Sangitam Travels? I do not think so.

30. Then there is a case that the Plaintiff gave up his claim to the mark **Sangitam**. This is denied. The Defendants then claim that there is a letter issued by the Jalgaon Development Credit Cooperative Bank at pages 775 and 776 and that this was in the name of Sangitam Travels. This, as it turns out, is also incorrect because the savings account was in the sole name of the 1st Defendant. In the Trade Marks Journal publication issued on the Defendants' application, the Defendants have claimed use since 1985. There is, as I have noted, no evidence of this. The income-tax acknowledgements of Pradeep's income for the year 1992 to 2000 surprisingly show Vinodkumar's address at 12-A, Leva Boarding Complex. It is only in 2001-2002 that 1st Defendant shows another address at Jalgaon. In order to show that the Defendants were doing business in a genuine fashion, the Defendants produced travel documents of the year 1993. What was indeed surprising is that the

Defendants produced an actual ticket, i.e., the document of travel and not the counterfoil of the ticket. Mr Vijayan is correct, I think, in saying that this is inconceivable. If this is supposed to be a ticket issued, the original ticket would be with the passenger and not with the company that issued it. The company would at best have the counterfoil. If, on the other hand, as Mr Soni would have it, this 'might' be an unused ticket, then it is no proof, even *prima facie*, of use of the mark.

31. What should the Trial Court have done in the face of material like this at a *prima facie* stage? It was necessary only to preserve the parties' in *status quo*. The Trial Court ought to have considered the weight of the documents produced, balanced the probabilities and then held parties in their current position and, perhaps, time-limited the order by setting an early date for the trial.

32. The case of the Defendants under Section 29 falls under Section 29(1) or 29(2). That must be considered in the context of whether the application for the registration was *prima facie* one that could be substantiated, especially when there was a direct challenge on the ground of prior user. In the Full Bench decision in *Lupin Ltd v Johnson & Johnson*,⁷ the Full Bench of this Court has held that there is a very narrow and special set of circumstances in which the registration of a trademark can be questioned. The Full Bench held:

56. The Division Bench of the Delhi High Court in *Marico Limited v. Agro Tech Foods Limited (supra)* has also held that since as per section 31 the registration is only a

7 (2015) 1 Bom CR 497 (FB).

prima facie evidence of the validity of the registration, it is open to the Court to go into the question of tentative validity of the registration while considering the application for grant of injunction. Of course, the onus lies on the person who challenges the validity of the mark and he will have to establish that the registration of trade mark in favour of the proprietor thereof is prima facie or tentatively not valid.

57. Even while agreeing with the aforesaid view of the Delhi High Court, we do find considerable substance in the submissions of Dr. Tulzapurkar, learned Counsel for the plaintiff, that at the interlocutory stage the Court is not required to call upon the plaintiff to prove that the registration of his trade mark is not invalid. **In view of the scheme of the Act that the application of the applicant for registration of the trade mark is required to be advertised with an opportunity to the world at large to submit opposition to such application and the Registrar grants opportunity to lead evidence and opportunity of hearing to the applicant as well as the opponent and thereafter decides the application and grants registration, there will be a strong presumption in favour of the plaintiff. Hence, at the interlocutory stage, the Civil Court is not to embark upon and evolve factual inquiry, but the Civil Court hearing the application for interim injunction to restrain the defendant from using the trade mark registered in the plaintiff's name, is only permitted to consider whether the registration is totally illegal or fraudulent or shocks the conscience of the Court. It is not sufficient for the defendant resisting the application for interim injunction to show that the defendant has an arguable case for showing invalidity of the trade mark registered in the name of the plaintiff. Such "low threshold prima facie case" may be sufficient for the defendant to get an opportunity under section**

124(1) and (2) of the 1999 Act to get the trial of the suit stayed for the purpose of enabling the defendant to apply to the Appellate Board for rectification. Such prima facie satisfaction of the Civil Court at the lower threshold will not be sufficient to refuse interim injunction in favour of the plaintiff who has filed the suit for infringement. *But if the defendant is able to show, without Civil Court being required to embark upon detailed inquiry, that the registration granted in favour of the plaintiff is totally illegal or fraudulent or such which shocks the conscience of the Court, the Civil Court will refuse to grant interim injunction.*

58. Before parting, it is clarified that the observations made in this judgment are for the limited purpose of deciding the question referred to us.

Conclusions

59. In a nutshell, our conclusions are as under:

(1) The expression 'if valid' in section 28 and the words 'prima facie evidence of the validity of the trade mark' in section 31 of the Trade Marks Act, 1999 (the Act) must be given their plain and natural meaning. The plain and natural meaning is given to these phrases by various High Courts, (paras 24, 26, 29, 31, 35, 44 and 56)

(2) Though the object of providing registration of trade mark is to obviate the difficulty in proving each and every case the plaintiff's title to the trade mark, the object is achieved by **raising a strong presumption in law to the validity of the registration of the trade mark and heavy burden is cast on the defendant to question the validity of the trade mark.** (Paras 34, 43, 55 and 57)

(3) A challenge to the validity of the registration of the trade mark can finally succeed only in rectification proceedings before the Intellectual Property Appellate Board. However, there is no express or implied bar taking away the jurisdiction and power of the Civil Court to consider the challenge to the validity of the trade mark at the interlocutory stage by way of prima facie finding. (Paras 34 and 53)

(4) There is nothing in the Act to suggest that any different parameters for grant of injunction are required to be applied when a plaintiff seeks injunction on the basis of registered trade mark. **The relief of injunction being a relief in equity, when the Court is convinced that the grant of interim injunction would lead to highly inequitable results, Court is not powerless to refuse such relief.** (Paras 35, 36 and 47)

(5) However, a very heavy burden lies on the defendants to rebut the strong presumption in favour of the plaintiff on the basis of the registration at the interlocutory stage. The plaintiff is not required to prove that the registration of a trade mark is not invalid, but only in the cases where the factum of registration is ex facie totally illegal or fraudulent or shocks the conscience of the Court that the Court may decline to grant relief in favour of the plaintiff. (Paras 25, 27 and 55)

(6) **It is not sufficient for the defendant to show that the defendant has an arguable case for showing invalidity.** The prima facie satisfaction of the Court to stay the trial under section 124 of the Act is not enough to refuse grant of interim injunction. **It is only in exceptional circumstances, such as, the registration being ex facie illegal or fraudulent or which shocks the conscience of the Court that Court will refuse the interim injunction in**

favour of the registered proprietor of the trade mark.
(Para 57)

(7) The Division Bench in the case of *Maxheal Pharmaceuticals* considered it as the view of Vimadalal, J. that it is “the practice of this Court” to grant injunction to the holder of a registered trade mark. However, there was no sound footing for the Division Bench to recognize it as a longstanding practice of this Court. (Para 33)

(8) Though it is considered as a practice of this Court in granting injunction in favour of the plaintiff having a registered trade mark, **the same cannot be treated as a total embargo on the power of the Court to refuse grant of interim injunction. In exceptional cases, that is in cases of registration of trade mark being ex facie illegal, fraudulent or such as to shock the conscience of the Court, the Court would be justified in refusing to grant interim injunction.** (Para 33)

(9) As regards the controversy at hand, the provisions of the Trade Marks Act, 1999 are not comparable with the provisions of the Designs Act, 2000 and the Patent Act, 1970. (Paras 37 and 38)

(Emphasis added)

33. It seems to me that this completely answers the case of the Defendants that, on account of this strong presumption, they are entitled to an injunction in their counter-claim on account of their registration and the plaintiff is not in his suit. Other than the registration itself, I have found no convincing material to support prior user. On the contrary, there are contradictions piled on inconsistencies in the Defendants’ case — the Shops and Establishments license of only two months, the inconsistent office

address, the tax returns, the mysterious ticket, the wholly unexplained contradictions in the RTO registrations, and so on. *Ex facie*, the registration seems to be illegal or fraudulent; it is certainly shocking that exclusivity could have been granted on such material. I believe this is one such case where that registration should be inquired into simply because there is no genuine evidence *prima facie* that I can make out of user of the mark by the Defendants since 1985 which is the date claimed in the application. There is no explanation as to how these registration documents are so widely disparate.

34. What a Court should, therefore, do is balance the weight of the Plaintiff's documents against the weight of the Defendants' documents and arrive at a *prima facie* conclusion of a preponderance of probabilities. There are not always cases where injunctions must follow for the asking and this is where I noted that the Defendants themselves did not seek protection of their mark in either infringement or passing off except as a counterblast to the Plaintiff's case in passing off.

35. In my judgment the learned Judge of the Trial Court was in error on more than one ground. I am unable to understand how the Trial Court could have simply ignored the inconsistencies in the rival RTO documents. This, at the very least, needed an explanation and an analysis in the order. I find none.

36. The registration of the trademark itself is not a bar to an action in passing off. It cannot be. If that was so, Section 27(2) of the

Trade Marks Act would be completely irrelevant and entirely otiose. The Trial Court was wrong in holding that rectification proceedings would bar the relief. In fact Section 124(5) makes it clear that in an appropriate case an interlocutory order is always possible despite the pendency of rectification proceedings and a consequent stay on the suit.⁸

37. On an overall consideration of the matter, I should have thought that the correct order would have been to grant the injunction sought by the Plaintiff in Exhibit 5 and reject the application under Exhibit 26, and also to set down the suit itself for an early hearing. There was no other way to balance the equities. The parties needed to be preserved in *status quo*. I have no manner of doubt that given the documentation the Plaintiff had made out a sufficient *prima facie* case, demonstrated irreparable prejudice and the balance of convenience being in his favour. There were far too many unexplained inconsistencies in the Defendants' case to warrant the grant of relief to them. Even during arguments I asked to be shown invoices, promotional materials, flyers, brochures or other documentary materials as one would normally expect from a business said to have been carried on for 30 years. There was none of it.

8 124(5): The stay of a suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit.

38. In the result, the appeal is allowed. The order dated 23rd November 2016 is set aside. The application below Exhibit 26 will stand dismissed and the application below Exhibit 5 will stand allowed.

39. Since the Plaintiff has already filed for rectification, in view of Section 124 of the Trade Marks Act there will have to be a stay of the suit pending the final disposal of these proceedings. The Plaintiff may request the IPAB to take up the rectification application at its earliest.

40. The appeal is disposed of in these terms.

41. The Defendants request a stay of the order. Given the fact that I believe they have enjoyed a stay based on an incompletely incorrect premise, I am unable to accept the request.

42. No costs.

(G. S. PATEL, J)