IN THE HIGH COURT OF JUDICATURE AT MADRAS
(ORDINARY ORIGINAL CIVIL JURISDICTION)

RESERVED ON: 05.07.2017

PRONOUNCED ON 06.11.2017

THE HON'BLE DR. JUSTICE ANITA SUMANTH

O.A.NO.115 OF 2017
in
C.S. No.73 OF 2017

N.Sathish,
Proprietor,
OM TECH PLASTICS
No.16, 1st Main Road,
RamNagar,
Peravallur,
Chennai 600 082 ...Applicant/Plaintiff

-vs-

1. C.Murali Kannan,
No.334, Mada Koil Street
N.S.K.Nagar, Chennai 600 106

2.M.Srinivasan,
No.10/28, Old Veerapandiya Nagar,
3rd Street, Choolaimedu,
Chennai 94

3.B.Ramachandran,
No.334, Mada Koil Street
N.S.K.Nagar,
Chennai 600 106 ...Respondents/Defendants

Original Application praying that this Hon'ble Court be pleased to grand ad interim restraining the respondents by themselves, their servants, licenees, agents and distributors or any one claiming through them in any manner from committing passing off their goods plastic water taps and shower taps and other bathroom fittings as and for or being connected with the business of the plaintiffs mark SIVA by using deceptively similar mark either MSRSIVA or SIVA.

This original application coming on this day before this court for hearing the court made the following order:

This application is filed praying for an ad-interim injunction restraining the respondents from passing off their goods, being plastic water taps and other bath room fittings and accessories as, and for or being connected with the business of the applicant by using the deceptively similar mark 'SIVA' or 'MSR SIVA'.

2. The brief submissions of Mr.Sathish, learned counsel appearing for the applicant are that the applicant is engaged in the manufacture of plastic taps and bathroom fittings including water taps. An application was filed by the applicant on 8.1.2015 for the Device mark 'SIVA' claiming prior use from 1.1.1992 in class 11 being *'Manufacturing of plastic taps and bathroom fittings'.* Even prior thereto, the brand had gained substantial reputation and goodwill and the applicant claims a right in title to the device mark 'SIVA' by virtue of continuous prior usage from days of predecessors–in–title. Business

was being carried on by the father of the applicant Mr.Narendran under the name and style of Sri Murugan Plastics from 1995 onwards and Registration as per certificate No:757539 had been obtained by him on 16.6.1997 for the trademark 'SIVA' for plastic taps, showers and sanitary items. However, since the mark had been obtained in a wrong class, class 2, the certification was not pursued or renewed.

3. The applicant claims substantial turnover with respect to the sales of the mark 'SIVA' in his business carried on under the name and style of 'OM-TECH PLASTICS' from 2013. The applicant, as proprietor of 'OM-TECH PLASTICS' has filed an application for the use of the device mark 'SIVA' on 8.1.2015 claiming user from 1.1.1992. The respondents have opposed the same.

4. According to Mr.Sathish, the applicant and the respondents were known to one another for long and the respondents were associated with the business of the applicant either by doing job works or rendering administrative assistance. In end 2015, their relationship fell apart and the respondents consequently started to pass off their own products under the deceptively similar mark 'MSR SIVA'. The device used was also deceptively similar if not identical to that used by the applicant.

5. The respondents have filed a Trademark application bearing No.3092920 dated 3.11.2015 in relation to goods, being taps, bath taps, water

taps, shower taps etc., claiming user from 10.5.2013 which has been opposed by the applicant in opposition No.859034 dated 8.8.2016. Proceedings are ongoing before the Registrar of Trademarks in respect of the application and opposition thereto. The 3rd respondent has separately filed a Trademark application bearing No.3328385 dated 4.8.2016 in his personal name claiming user for the mark 'SIVA' from 5.1.1995. It is the contention of the applicant that the mark 'MSR SIVA' is deceptively similar to his own proprietary mark 'SIVA' and will mislead the consumer into believing that they are purchasing the applicants' goods.

6. It is in the background of the aforesaid facts that the present suit has been filed praying for a permanent injunction restraining the defendants from passing off the trademark 'SIVA' by using the deceptively similar mark 'SIVA' or 'MSR SIVA' and seeking an ad-interim injunction along similar lines.

7. A counter has been filed to the application, wherein, the respondent, in sum and substance, would deny all averments of the applicant. Mr.Thiagarajan, learned senior counsel appearing for Mr.D.Senthilkumar for the respondents would state that the respondents, along with S.Narendran, father of the applicant, were together carrying on business using the trade name 'SIVA' from 1994. Mr.Narendran left the business in or about 2015. They would claim that the word mark 'SIVA' had been created, adopted and utilised by them till date, claiming that it was in fact, the applicant that was illegally passing off the title 'SIVA' and not the respondents. He would refer to and rely

upon the provisions of section 2(v), 2(x) and 54 of the Trade Marks Act 1999 (in short and hereinafter ‘Act’).

8. Heard learned counsel appearing for both parties and perused the papers in detail.

9. What is admitted is that all parties were carrying on one common business and utilising the tradename 'SIVA' since 1994. It was only upon differences arising between them in 2015 that both sides started separate businesses. The continuance of registration dated 16.6.1997 bearing No.757539 for the device mark 'SIVA' is sought by the applicant. However, though Mr.S.Narendran sought and obtained protection for the device 'SIVA' as early as on 16.6.1997, the mark has not been renewed. The explanation put forth is that the registration was allowed to lapse as it had been obtained in the wrong class. For whatever it may be worth, a deed of assignment dated 6.1.2015 has been placed on file whereunder the mark bearing Registration No:757539 has been assigned to the applicant by Mr.S.Narendran. Even assuming that the benefit of the registration obtained by Mr.Narendran is not available to the present applicant, seeing as it was issued to S.Narendran trading as Sri Murugan Plastics, and appears to have been abandoned thereafter, the present applicant trading as 'OM TECH PLASTICS' has itself sought registration for the device mark 'SIVA' on 8.1.2015 claiming user from 1.1.1992.

10. In addition, the applicant has also filed various documents to

establish the factum of business such as registrations under the Tamil Nadu Value Added Tax Act (TNVAT) and Micro, Small and Medium Enterprises Act, returns under the TNVAT Act and invoices from 2013 till November 2016 to establish sales of taps under the devise mark 'SIVA'. Importantly, nothing has been stated to deny the aforesaid evidence or rebut the same in the counter filed by the respondents.

11. The applicant has also filed copies of two trademark applications for the trademark 'SIVA', one by the respondents claiming to be a Firm and another filed by the third respondent for the mark 'SIVA' on 4.8.2016 claiming user from 5.1.1995. The applications have been opposed by the applicant. Of the various applications placed before me, the earliest in point in time is by the father of the present applicant for the mark 'SIVA' dated 10.11.2008 claiming user from 16.6.1997. The second has been filed by the concern of which the applicant is the proprietor on 8.1.2015 claiming user from 1.1.1992, the third by the respondents on 3.11.2015 claiming user from 10.5.2013 and the fourth by the 3rd respondent dated 4.8.2016 claiming user from 5.1.1995. Even assuming that the benefit of the registration obtained by Mr.Narendran is unavailable to the applicant, the application filed by the applicant itself, on 08.01.2015 is prior in time to the applications filed by the respondents. The applicants have thus, established a prima facie case as far as prior use of the mark is itself concerned.

12. A perusal of pictorial depictions of the device marks used would show that they are almost identical in appearance The word used is 'SIVA' in both

cases, the respondent with the addition of the phrase 'MSR' preceding the word 'SIVA' and the presentation, with a curved line over the alphabets extending over the alphabets I to A is also identical as extracted below:

Plaintiff | Defendants

13. The Supreme Court, in '*Cadila Healthcare Limited vs Cadila Pharmaceuticals Limited'* ((2001) 5 SCC 73) while dealing with passing off alleged in the case of pharma products stated that '….*While dealing with cases relating to passing off, one of the important tests which has to be applied in each case is whether the misrepresentation made by the defendant is of such a nature as is likely to cause an ordinary consumer to confuse one product for another due to similarity of marks and other surrounding factors. What is likely to cause confusion would vary from case to case.'*

14. In the present case, the products as well as the marks pictorially depicted above leave me in no doubt that a consumer could well be led into believing that the products are one and the same.

15. A suit for passing off is an action in deceit and the factors to be established by an applicant in this regard, in addition to the existence of a prima facie case, irreparable injury and balance of convenience, are the parameters of loss of reputation and damage to reputation of the applicant by misrepresentation by the respondent. Though no direct evidence has been brought on record to establish actual damage to reputation or loss incurred by the applicant, the fact that the respondents admit to being in the same business till date, the identity in the nature of the marks adopted and visual appearance of the products itself, and the fact that the applications filed for

registrations are being actively and aggressively pursued are sufficient to validate the action for passing off, prima facie.

16. The present action is one solely for passing off which is a common law remedy. Though the phrase 'passing off' has not been defined under the Act, protection in that regard is provided under section 27(2) of the Act extracted below:

> *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.*

17. The question of whether use of the marks alleged have actually been used by the respondent or whether actual damage to reputation or sales have actually been proved by the applicant has been dealt with in several decisions and our Courts have answered the question in the negative often quoting the observations of the House of Lords in *T. Oertli v. E. J. Bowman (Landon) Ltd.* (1959 RPC 1)), wherein it was held as under:

> '*We emphasis that this appeal is concerned solely with passing off and not with the infringement of trade mark or patent rights. It is of course essential to the success of any claim in respect of passing off based on the use of a given mark or get up that plaintiff should be able to show that the disputed mark or get up has become by user in this country distinctive of the plaintiff's goods so that the use in relation to any goods of the kind dealt in by the plaintiff of that mark or get up will be understood by the trade and the public in this country as meaning that the goods are the plaintiff's goods. The gist of the action is that the plaintiff, by using and making known the mark or get up in relation to his goods and thus causing it to be associated or identified with those goods, has acquired a quasi proprietory right to the exclusive use of the mark or get up in relation to goods of that kind, which right is invaded by any person who, by using the same or some deceptively similar mark, or get*

> *up in relation to goods not of the plaintiff's manufacture, induces customers to buy from him goods not of the plaintiff's manufacture as goods of the plaintiff's manufacture, thereby diverting to himself orders intended for and rightfully belonging to the plaintiff'.*

18. The Delhi High Court in *Century Traders vs Roshan Lal Duggar Co.* (AIR 1978 Delhi 250) holds thus, in this context:

> (19) Even the Supreme Court in Kaviraj Pandit Durga Dutt Sharma's case, referred to earlier, observed that the use by the defendant of a trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in an action for infringement. Salmond in his Law of torts (Twelfth Edition) described the basis of passing off action in the following words:- 'The courts have wavered between two conceptions of a passing off action-as a remedy for the invasion of a quasi proprietary right in a trade name or trade mark, and as a remedy analogous to the action on the case for deceit. for invasion of the personal right not to be injured by fraudulent competition. It has recently been said that 'the true basis of the action is that the passing off.... injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business'. In general the violation of a right to property 19 actionable, even though it is innocent and though no damage has been proved. At common law it was necessary to prove an 'actual fraudulent intention' but a different view was taken in equity, and since the Judicature Acts it has been generally accepted that it is not necessary in an action for passing off to prove fraud that is to say, an intent to deceive. It is sufficient in all cases to prove that the practice complained of is calculated (that is to say, likely) to deceive.'

19. The Bombay High Court, in *Whirlpool Co. And Anr. vs N.R. Dongre And Ors* 56 (1994) DLT 304 holds thus:

> A passing off action is an action in deceit. The plaintiff has to prove that either there has been actual passing off or the use of the mark by the defendant has actually caused confusion or damage to the plaintiff, is a proposition which cannot be accepted. Proof of actual damage or fraud is unnecessary in a passing off action, whether the relief' asked for is injunction alone or injunction account's and damages. If there is likelihood of the offending trade mark invading 'he proprietary right, a case for injunction is made out.

20. In an application for interim injunction the balance of convenience between the parties has also to be examined as is the possibility of irreparable

damage. On the question of balance of convenience, I have already held that the applicant, by virtue of establishing prior usage, has a prima facie case and exclusive right to use of the device 'SIVA'. As a consequence, the parameters of balance of convenience as well as irreparable injury must be held to favour the applicant. As quoted and held by the Division Bench in Century Traders (supra):

> *As was observed by Goddard, L. J. in Draper v. Trist and others, 1939(3) A.E.R. 513(8) – 'In passing off cases, however, the true basis of the action is that the passing off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. . . . '. This right is to be protected and the balance of convenience is in favor of the person who has established a prima facie right to property.'*
>
> *……..*
>
> *(22) We now come to the question of irreparable injury. It is said that there is nothing on the record to show that any loss has been occasioned to the appellant and, in any case, the respondents can be ordered to keep accounts. We do not agree. The irreparable injury would be the likely confusion that may be caused if respondents arc allowed to use the mark which we have held prima facie as being the mark of the appellant. It will take some time before the suit is decided. If the respondents are not restrained by means of an interim injunction they would continue to market their goods with the offending mark. That ultimately might be held to be long user and the ultimate relief of permanent injunction may be refused on the plea of common or concurrent user. At the moment no plea of common or concurrent user has been raised by the respondents but there is nothing to prevent them from doing so in future if they are allowed to use the trade mark for the duration of the pendency of the suit. The likelihood of confusion being caused and the likelihood of the plea of common or concurrent user being raised by a later stage would be the irreparable injury to the appellant.*

21. Reference to sections 2(v), 2(x) and 54 of the Act do not, in my opinion, advance the case of the Applicant. Sections 2(v) and (x) define *'registered proprietor'* and *'registered user'* and section 54 provides protection to a partnership firm in the event of the IPR being registered in the name of or by one of the partners of the Firm. The provision reads thus:

'54. Registered user not to have right of assignment or transmission.— Nothing in this Act shall confer on a registered user of a trade mark any assignable or transmissible right to the use thereof.
Explanation I.—The right of a registered user of a trade mark shall not be deemed to have been assigned or transmitted within the meaning of this section in the following cases, namely:—
(a) where the registered user being an individual enters into a partnership with any other person for carrying on the business concerned; but in any such case the firm may use the trade mark, if otherwise in force, only for so long as the registered user is a member of the firm;
(b) where the registered user being a firm subsequently undergoes a change in its constitution; but in any such case the reconstituted firm may use the trade mark, if otherwise in force, only for so long 30 as any partner of the original firm at the time of its registration as registered user, continues to be a partner of the reconstituted firm.
Explanation II.—For the purposes of Explanation I, "firm" has the same meaning as in the Indian Partnership Act, 1932 (9 of 1932) '

22. Section 54 applies specifically in a situation where the registered owner is a partner in a firm. In the present case, the respondents have brought on record no material to establish that either Mr.Narendran or the applicant were/are partners in a Firm along with them. In such circumstances, the protection available under section 54 is unavailable to the respondents.

23. In the light of the above discussion, I am of the view that all parameters necessary for the grant of an interim injunction as sought for have been satisfied. There shall be an order of interim injunction as prayed for by the applicant. The Registrar of Trade Marks is directed to complete the proceedings relating to the registration of the respondents' marks and the objections thereupon expeditiously and in any event with a period of four (4) months from date of receipt of this order. The parties are at liberty to approach this Court upon conclusion of the proceedings before the Registrar. It is clarified that the observations contained herein are prima facie in nature

and will not affect the determination of rights inter se the parties.

24. This Original Application is disposed of in the above terms.

sd/.A.S.M.J
06.11.2017

//Certified to be a true copy//

Dated this the day of 2017

R.s/23.11.2017 COURT OFFICER

From 25.09.2008 the Registry is issuing certified copies of the Order/Judgment Decree in this format.