

**IN THE HIGH COURT AT BOMBAY
APPELLATE SIDE, BENCH AT AURANGABAD**

CRIMINAL APPLICATION NO. 1471 OF 2013

1. Anant s/o. Tukaram Teke,
Age 37 years, Occu. Business,
R/o. Shukrawar Peth, Beed,
Tal. & District Beed.
2. Ashok s/o. Tukaram Teke,
Age 39 years, Occu. Business,
R/o. As above.
3. Ashok s/o. Vasant Rao Kulkarni,
Age 28 years, Occu. Business,
R/o. As above.

....Applicants

Versus

1. The State of Maharashtra
Through Police Inspector,
Police Station, Peth Beed,
Tal. & Dist. Beed.
2. Vishal s/o. Vilas Rao Kulkarni,
Age 29 years, Occu. Business and
Manager of Gujrat Tea Traders
Pvt. Ltd., Jalna, R/o. Shastri Mohalla,
Jalna, Tal. & District Jalna.

....Respondents.

Mr. S.S. Thombre, Advocate for applicants.

Mrs. P.V. Diggikar, APP for respondent No.1.

Mr. S.B. Deshpande and Mr. S.B. Joshi, Advocates for respondent No.

2.

**CORAM :T.V. NALAWADE AND
SMT. VIBHA KANKANWADI, JJ.
RESERVED ON : 30/08/2018
PRONOUNCED ON : 24/09/2018**

JUDGMENT : [PER T.V. NALAWADE, J.]

- 1) Rule. Rule made returnable forthwith. By consent, heard

both the sides for final disposal.

2) The proceeding is filed under section 482 of Criminal Procedure Code for the relief of quashing of Regular Criminal Case No. 872/2011, which is pending in the Court of Judicial Magistrate, First Class, Beed. The case is filed by police for offences punishable under sections 420, 34 etc. of Indian Penal Code (hereinafter referred to as 'IPC' for short) and sections 27, 28, 103 and 104 of the Trad Mark Act, 1999 (hereinafter referred to as 'the Act' for short). The F.I.R. was given by respondent No. 2, for Gujrat Tea Traders Private Limited, a company from Jalna.

3. It is the case of complainant that it is in the business of selling tea by packing it. It has registered trademark as 'Vikram No.11' in Class 30 under No. 1198406. The complainant sells the tea in polythene packets. It is the contention of the complainant that present applicants are also in similar business and the pack of their tea is deceptively similar to the pack of complainant. It is the case of complainant that it has earned reputation as it is in the business for last 35 years and the customers who were purchasing tea of complainant are being deceived due to deceptive similarity in the packet which is being used by the applicants. It is contended that due to such activity of the applicants the sale of the complainant has

come down. The applicants are doing the business at Beed.

4. The F.I.R. was given on 19.7.2010 for complainant and it was informed that the accused were preparing their packets in their factory situated at M.I.D.C. Beed. On 19.7.2010 itself Deputy Superintendent of Police (Dy.S.P.) of Beed took action on the basis of F.I.R. With the employees of the complainant, police staff and Dy.S.P. visited the factory of applicants at 13.00 hour. The police officers found that the packing activity was going on and present applicants Nos. 2 and 3 were present in the factory. On the pack, the trade name was mentioned as "Assam Super Dust Tea" (आसाम सुपरडस्ट चाय). The packets already prepared worth around Rs. five lakh and the machinery worth around Rs. three lakh were seized by the police under panchanama and spot panchanama was separately prepared.

5. On 3.9.2010 and 4.9.2010 Police Inspector of Beed Police Station raided some shop premises from various places and from there, he collected and seized the tea packets of applicants having aforesaid trade name. On 4.9.2010 Police Inspector seized the machinery of the factory where the packing material was being prepared and printed. The chargesheet is filed by Police Inspector and Dy.S.P. is shown as witness.

6) Copy of certificate of registration of trademark issued under section 23 (2) of the Act and Rule 62 (1) of the Rules framed under the Act is produced and it shows that the registration was given under the Act on 10.2.2007. The registration was in respect of tea and coffee. The registration shows the following particulars.

To :- Gujrat Tea Traders Private Limited

In application dated 13.5.2003

Trade mark type – Device

Word Mark – Bhaishree Ki Vikram No. 11

Chai (Device) (भाईश्रीकी विक्रम नं.11 चाय)

Conditions and limitations :- Registration of this trademark shall give no right to the exclusive use of the device of 'cup and saucer'. The mark shall be limited to the colours like blue, yellow, red, green and sky blue shown in representation form of the application.

7) Colour photo copy of the pouch, pack of the complainant is produced and it shows that complainant uses word mark in particular way in different background shapes. The complainant uses white coloured cup and saucer and in saucer, stainless steel spoon is shown. Below these cup and saucer, there is promotion line 'नई स्टाईल मे वही बेहतर स्वाद !' [In new style, but with same better test]. The

background colour is blue and white sheds are mixed at different places. The use of Yellow colour is at top and at bottom and it is used as background for word marks 'Bhaishri Ki' and for aforesaid promotion line. The red colour is used as background for word mark 'Vikram No. 11 Chai'.

8) On the other hand, colour photo copy of the cover pack of accused applicants is as follows :-

Trademark – Omar Ki Assam Super dust Chai.

Cup and saucer, but not containing spoon is shown and but it is having blue colour.

Background colour is dark blue and there is use of red colour as background to wordmark 'Assam Super', but it has white border line. Similarly yellow colour has red and white lines. The word mark 'Dust Chai' is in white color. The promotion line is 'अनोखा स्वाद नये अंदाज मे' [different taste in new style].

In addition to the aforesaid word marks there are figures like "4 in 1" and there is mark showing that it is purely vegetarian product. On the packet there is figure of lady with a hat of handicraft material holding blue coloured cup and saucer. On the pack, the particulars of claim of '4 in 1' are given and they are about colour, strength, aroma and taste.

9) On one hand, there is certificate of registration of trademark in favour of complainant as mentioned above and on the other hand, there is registration of 'artistic work' used on cover pack by the applicants under the provisions of Copy Right Act, 1957 with the accused. The application for getting the registration under Copy Right Act was made by the applicants on 12.7.2010, though it is shown to be received on 6.8.2010 and registration No. is A-92343/2012 dated 13.6.2012.

10) After registration of the crime and the action taken by Dy.S.P. on 19.7.2010, the Dy.S.P. sent a letter to Registrar of Trademarks for giving opinion under section 115 (4) proviso of the Act. Along with the covering letter, the covers of complainant company and covers of accused were sent to the Registrar. A request was also made to the Registrar by Dy.S.P. to make complaint if it is transpired that cognizable offence was committed. By letter dated 9.8.2010 the Deputy Registrar gave opinion as follows :-

“With regard to query at Sl.No.3, I am to state that although the rival trade marks 'VIKRAM' and 'OMKAR' word per se are different, however, the get up, construction of label, presentation of the objects/features and colour combination of labels are very close to those of Regd. Trade Mark 'VIKRAM' and as such, the use of the identical with

or deceptively similar labels by the subsequent adopter, M/s. Omkar Industries, Beed may consequently give rise to confusion or deception in the minds of the ordinary public of imperfect recollection while purchasing 'tea powder' under labels Ex.B1 to B5 resulting in passing off their goods as those of the complainant and/or infringement of the registered label of the complaints under NO.1198406.

The matter may offend the provisions of section 27, 28, 29 of Trade Marks Act, 1999 and other sections of Chapter XII of the Act dealing with "Offences and Penalties".

11) Copy of letter dated 9.7.2010 of Examiner of Trade Marks addressed to the applicants/accused in response to their application form bearing TM-60/72 dated 21.12.2009 shows that this communication was issued for compliance of provision of section 45 of Copy Right Act. It was search certificate. The certificate shows that search of register of trade marks for 'artistic work' which applicants wanted to register was made and it was found that no trade mark of any other person was identical or deceptively similar to the 'artistic work' of applicants which was to be submitted for registration under Copy Right Act. This search certificate under section 45 of Copy Right Act was issued on 26.5.2010. It needs to be mentioned here again that action was taken by police on

19.7.2010 i.e. subsequent to the search certificate issued in favour of applicants.

12) Copy of other letter of Senior Examiner of Trade Marks (Public Information Officer) sent by E-mail as response to the application made by the applicants under Right to Information Act, 2005 and dated 25.10.2010 is on record. This document shows that Application No. 2018433 of the applicants and trade mark of complainant bearing No. 1198406 were compared by Senior Examiner for Class 30 of the Act and the Examiner found that these trade marks were different. It appears that in the past, applicants had filed application No. 1638943 for registration of another trade mark, but it was withdrawn by the accused on 31.8.2010. Copy of that letter is also produced.

13) In the past, in respect of previous label which accused were using, trademark suit was filed by complainant bearing No. 2/2009 in District Court and the said suit was disposed of as compromise on 31.3.2009. Thus, the complainant had raised dispute in respect of previous label which accused were using and due to the dispute, accused agreed to change the label. The accused withdrew the application filed under the Act for registration of the previous trade mark which applicants/accused were using in the past due to

such compromise.

14) It appears that on the basis of registration obtained under Copy Right Act, the accused filed Suit No. 1/2010 in District Court against the present complainant. The F.I.R. was already given against the accused by the complainant. In the suit No. 1/2010, both the accused and complainant claimed injunction against each other. The suit is filed in respect of label of the present complainant bearing word mark 'Bhaishree Ki Vikram Dust Chai'. In the present matter, the word-mark of the complainant is 'Bhaishree ki Vikram No.11'. The submissions made and the record show that the District Court has refused to grant injunction in favour of both.

15) Both the sides placed reliance on many reported and unreported cases in the present matter. Most of the cases are in respect of the dispute raised before the Court or Board. The standard of proof in criminal cases is on 'proof beyond reasonable doubt'. In some such cases the decisions of the Civil Court can be referred by Criminal Courts for deciding the matters. The Criminal Court is, however, expected to see that there is compliance of provisions made under Special Enactment with regard to the procedure to be followed by investigating agency. In view of these circumstances and as no case of Supreme Court on the point

involved in the present matter was made available, it is desirable to go through the relevant provisions of the Act and the Copy Right Act. Though the chargesheet is filed for offence punishable under section 420 of IPC also, unless and until the deceptive similarity is made out, there will be no question of considering the offence punishable under section 420 of IPC.

16) The relevant provisions of the two Special Enactments are as under. Section 28 (1) of the Act runs as under :-

"28. Rights conferred by registration. -(1)
Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act."

Section 29 (1) to (7) and (9) is as under -

"29. Infringement of registered trade marks.-
(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to

goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark;or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark;or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of subsection (2), the Court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which-

- (a) is identical with or similar to the registered trade mark; and
 - (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and
 - (c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.
- (5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.
- (6) For the purposes of this section, a person uses a registered mark if, in particular, he-
- (a) affixes it to goods or the packaging thereof;
 - (b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;
 - (c) imports or exports goods under the mark; or
 - (d) uses the registered trade mark on business papers or in advertising.
- (7) A registered trade mark is infringed by a

person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.”

(8)

(9) Where the distinctive element of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.”

Section 30(2)(a) and (b) of the Act is as under :-

“30. Limits on effect of registered trade mark.-

(1)

(2) A registered trade mark is not infringed where-

(a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of service or other characteristics of goods or services;

(b) a trade mark is registered subject to any conditions or limitations, the use of the

trade mark in any manner in relation to goods to be sold or otherwise traded in, in any place, or in relation to goods to be exported to any market or in relation to services for use or available or acceptance in any place or country outside India or in any other circumstances, to which, having regard to those conditions or limitations, the registration does not extend;"

Section 31(1) and (2) is as under :-

"31. Registration to be *prima facie* evidence of validity.- (1) In all legal proceedings relating to a trade mark registered under this Act (including applications under section 57), the original registration of the trade mark and of all subsequent assignments and transmissions of the trade mark shall be *prima facie* evidence of the validity thereof.

(2) In all legal proceedings as aforesaid a registered trade mark shall not be held to be invalid on the ground that it was not a registrable trade mark under section 9 except upon evidence of distinctiveness and that such evidence was not submitted to the Registrar before registration, if it is proved that the trade mark has been so used by the registered proprietor or his predecessor in title as to have become distinctive at the date of registration."

Section 35 of the Act is as under :-

"35. Saving for use of name, address or description of goods or services.- Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services."

The provisions of sections 103 and 104 of the Act need not be quoted as they come in play only after compliance of aforesaid provisions of the Act.

17) Not only there needs to be compliance of aforesaid provisions of the Act, but there needs to be compliance of provisions given with regard to the procedure which needs to be followed like taking action by police. On that point, following provision of section 110 of the Act is relevant and it is as under :-

"110. No offence in certain cases. - The provisions of sections 102, 103, 104 and 105 shall, in relation to a registered trade mark or proprietor of such mark, be subject to the rights created or

recognised by this Act and not act or omission shall be deemed to be an offence under the aforesaid sections if,-

- (a) the alleged offence relates to a registered trade mark and the act or omission is permitted under this Act; and
- (b) the alleged offence relates to a registered or an unregistered trade mark and the act or omission is permitted under any other law for time being in force."

Here the provision of section 110 needs to be kept in mind as the accused is having certificate under Copy Right Act.

18) The provision of section 115 (3) and (4) of the Act runs as under :-

"115. Cognizance of certain offences and the powers of police officer for search and seizure. -(1)

(2)

(3) The offences under section 103 or section 104 or section 105 shall be cognizable.

(4) Any police officer not below the rank of Deputy Superintendent of Police or equivalent, may, if he is satisfied that any of the offences referred to in sub-section(3) has been, is being, or is likely to be, committed, search and seize without warrant the goods, die, block, machine, plate, other

instruments or things involved in committing the offence, wherever found, and all the articles so seized shall, as soon as practicable, be produced before a Judicial Magistrate of the first class or Metropolitan Magistrate, as the case may be:

Provided that the police officer, before making any search and seizure, shall obtain the opinion of the Registrar on facts involved in the offence relating to trade mark and shall abide by the opinion so obtained."

The provision of section 115(4) of the Act shows that before search and seizure, the Dy.S.P. needs to obtain opinion of the Registrar on facts involved in the alleged offence. In the present matter, the Dy.S.P. Took action first and then he made correspondence with Registrar for obtaining opinion. Further, the remaining investigation like search and seizure in respect of more packets and machinery used for preparing and printing packets was made by Police Inspector and not by Dy.S.P. In view of the scheme of the Act and aforesaid specific mention in section 115 (4) of the Act, this Court holds that the provision of section 115 (4) is mandatory in nature. On that point, this Court has given decision already in case reported as **MANU/MH/2299/2018 [Shrenik Shantilal Dhadiwal Vs. The State of Maharashtra and Ors.]**

19) Section 133 of the Act runs as under :-

"133. Preliminary advice by the Registrar as to distinctiveness.- (1) The Registrar may, on application made to him in the prescribed manner by any person who proposes to apply for the registration of a trade mark, give advice as to whether to trade mark appears to him prima facie to be distinctive.

(2) If, on an application for the registration of a trade mark as to which the Registrar has given advice as aforesaid in the affirmative made within three months after the advice was given, the Registrar, after further investigation or consideration, gives notice, to the applicant of objection on the ground that the trade mark is not distinctive, the applicant shall be entitled, on giving notice of withdrawal of the application within the prescribed period, to have repaid to him any fee paid on the filing of the application."

20) This provision is relevant as accused are having opinion on distinctiveness in their favour, though the opinion was issued subsequent to the date of action. The application for same was made on 9.7.2010 and so, that opinion is relevant. There is one more correspondence of authority created under the Act dated 25.10.2010 in which the opinion was given after direct comparison of the trade mark of complainant with 'artistic work' of the applicants. The

opinion is to the effect that the artistic work of the applicants is distinctive. In this regard, the provision of section 45 of the Copy Right Act and provisions of Rule 24 of Trademarks Rules are relevant. These provisions show that facilities are made available to the persons like accused, who want registration of artistic work under Copy Right Act to get such comparison done through competent authority.

21. If the provisions of the Act and Copy Right Act are compared, it can be said that most of the provisions with regard to the procedure of registration and taking action are similar. There is some difference in the procedure for registration under the Copy Right Act and the procedure for taking action by police. This difference is apparent and there are reasons for the same in the provisions of the two Acts.

22. In section 14 (1) (c) of Copy Right Act, the meaning of 'copy right' is given. Section 17 shows as to who can be treated as first owner of copy right. Section 22 gives the period for which the right under Copy Right Act subsists. Section 45 concerns with registration of copy right and its procedure shows that first certificate needs to be obtained from Registrar appointed under the Act to certify that there is distinctiveness. This provision is important

in the present matter. Section 48 of Copy Right Act tells importance of registration under Copy Right Act as the certificate can be used as a prima facie evidence. Section 51 gives circumstances in which breach of copy right shall be inferred. Section 63 provides for punishment for infringement of copy right. Section 64 of the Copy Right Act shows that power is given to even Police Sub Inspector to make seizure if there is infringement of copy right and for that no opinion needs to be obtained by police officer from Registrar appointed under both the Special Enactments. It can be said that there is no such necessity under Copy Right Act as before allowing registration under Copy Right Act, there is comparison already made by competent authority and the registration is in respect of artistic work which needs to be presumed as 'original work'.

23) The relevant facts already quoted and the provisions of the two Special Enactments show that in a case like present one, Court needs to go with the presumption that the compliance of provision of section 115 of the Act is mandatory. The Court needs to consider the situation that there are two different opinions of authorities created under the Act which are inconsistent with each other. The opinion given by the authority is opinion of expert and it is not binding on the Court. For circumstances already quoted, this Court holds that opinion given in the present criminal case cannot be

used against the accused.

24) With the change in society and increase of education in society, the needs of the society changed and different approach is developed by persons to satisfy those needs. There was a time when only few companies were there in tea industry having trade mark which had become popular. In those days, poor persons could not afford to purchase branded tea and they were opting for purchasing loose tea powder. The educated persons who liked particular taste were preferring tea of particular company having particular trademark. The advertisement of tea is made with regard to it's taste, colour, aroma and also strength. On that basis, many persons buy the tea. Some like colour, some like taste, some like aroma and liking of some depend on the strength of tea. These days when persons go to mall or shop, they make demand of tea of a particular company and also by giving particular trade name given by the particular company.

25) Those days when there was possibility of deception have gone and people know as to which brand of which company they like. They take the decision about choosing also on the basis of price. Thus, these days there is not that possibility of deception of customers which was there in the past. These developments in the

society needs to be kept in mind by the Courts for deciding the matter like present one and it is not possible to hold for criminal case that there is infringement of right under the Act. In that background, this Court holds that it is not possible to accept the opinion given to Dy.S.P. by Registrar under the Act in favour of complainant.

26) There is certificate in favour of accused under Copy Right Act. The provision of section 110 (b) of the Act shows that due to such certificate such act of the accused in circumstances like present one does not amount offence under sections 102 to 104 and 105 of the Act. In view of the peculiar facts and circumstances of the present matter, this Court holds that nothing can be achieved by directing the accused to face the trial for aforesaid offences. Thus, on merits also, if the contentions are examined for present purpose, in view of the provisions of both the Special Enactments quoted and the present approach of the persons of the society, it is not possible to infer that there is deceptive similarity in the label used by the accused with the label which is registered under trademark by the complainant. Observations are already made regarding the breach of mandatory provision like section 115 of the Act by Dy.S.P. and that breach goes to the root of the matter.

27) The learned counsel for complainant placed reliance on many reported cases of the Supreme Court and High Court. He produced copies of orders made by Board constituted under aforesaid Special Enactments and they are as under :-

(i) AIR 1960 (SC) 142 [Corn Products Refining Company Vs. Shangrila Food Products Limited],

(ii) 2007 (4) ALL MR (SC) 777 [Heinz Italia and Anr. Vs. Dabur India Ltd.],

(iii) AIR 1984 Bom 218 [Hiralal Parbhudas Vs. Ganesh Trading Company and Ors.],

(iii) 1991(93) BOM LR 97 [Girnar Tea Vs. Brook Bond (India) Ltd.],

(iv) 2003(4) Bom CR 252 [Tata Tea Limited Vs. Suruchi Tea Company and Anr.],

(v) 2013 (2) ALL MR 689 [Sopariwala Exports & Anr. Vs. Kuber Khaini Private Limited],

(vi) 2005(31) PTC 451 (Bom) [Hasmukhria and Co. Vs. Raj Tea and Co. and Anr.],

(vii) 1997 (5) A.D. (Del) 369 [Madan Lal Arora Vs. Soni Udyog and Anr.]

(viii) 1989 (9) PTC 237 (Mad) [Brook Bond India Limited Vs. Raj Kamal Enterprises],

(ix) 2007 (4) PTC 246 (Raj) [Ashish Tea Company and Anr. Vs. Miraj Products Pvt. Ltd. And Anr.],

(x) 2009(1) Bom CR 862 [Deccan Bottling and Distilling Industries Private Limited Vs. Brihan Maharashtra Sugar Syndicate Limited]

(xi) 2016 (65) PTC 349 (Del) (DB) HIGH

COURT OF DELHI [Devgari Farms Pvt Ltd. Vs. Sanjay Kapur and Anr.],

(xii) 2007 (35) PTC 984 (CB), COPY RIGHT BOARD AT NEW DELHI [Vaidya Nandram Gigaj Chamaria Vs. Raj Kumar Saraf],

(xiii) 2002 (25) PTC 173 (Patna) (DB) HIGH COURT OF PATNA [Lal Babu Priyadarshi and Anr. Vs. Badshah Industries and Ors.]

(xiv) Judgment delivered by Aurangabad Bench of this Court in First Appeal No. 2855/2013 decided on 7.5.2014 [Bharat Tea Suppliers Vs. Gujrat Tea Traders Private Ltd.]

28) It is already observed by this Court that the aforesaid decisions are mainly on the civil rights and they were not involving the dispute of the present nature. In view of the facts and circumstances of the present matter, the observations made in the aforesaid cases cannot help the complainant. In the result, following order is made :-

O R D E R

The application is allowed. Relief is granted to the applicants in terms of prayer clause 'B'. Rule is made absolute in aforesaid terms.

[SMT. VIBHA KANKANWADI, J.]

[T.V. NALAWADE, J.]

ssc/