

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

WEDNESDAY, THE 11TH DAY OF JULY 2018

THE HON'BLE MR. JUSTICE C.V.KARTHIKEYAN

O.A. No.480 of 2018

and

A. No.4015 of 2018

in

C.S. No.302 of 2018

M/s.Diabliss Consumers Products Pvt.Ltd.,
Shripuram, 1/283, Shripuram Street
Thoraipakkam, Chennai 600 097
Rep.by its Managing Director,
VR.Ramanathan

... Applicant/Plaintiff
(in O.A. No.480 of 2018)

-Versus-

1. M/s.DIA Health Foods Pvt.Ltd.
C-19, Focal Point,
Phase 1, Ludhiana 141 010
State of Punjab

2. M/s.OVERRRA Foods Centre,
957/3, Bhai Daya Singh Nagar,
Barewal Road, Ludhiana
State of Punjab
Rep.by its Partner Mr.Davinder Singh

3. Mr.Davinder Singh
C-19, Focal Point Phase I,
Ludhiana, Punjab 141010

... Respondents/Defendants
(in O.A. No.480 of 2018)

O.A. No.480 of 2018:-

Original Application praying that this Hon'ble Court be pleased to grant interim injunction restraining the Respondents herein, their men, servants or agents or Distributors or anyone claiming under them from in any manner infringing the copy right of the applicant in the artistic design marked A herein and affixed herein for their products

of sugar or any other products by selling, reproducing, advertising or offering for sale of their goods with pouches/packing with infringing design marked B or any other deceptively similar to the plaintiff's artistic design marked A.

A. No.4015 of 2018:-

1. M/s.DIA Health Foods Pvt.Ltd.
C-19, Focal Point,
Phase 1, Ludhiana 141 010
State of Punjab
2. M/s.OVERRA Foods Centre,
957/3, Bhai Daya Singh Nagar,
Barewal Road, Ludhiana
State of Punjab
Rep.by its Partner Mr.Davinder Singh
3. Mr.Davinder Singh
C-19, Focal Point Phase I,
Ludhiana, Punjab 141010 ... Applicants/Defendants

-Versus-

M/s.Diabliss Consumers Products Pvt.Ltd.,
Shripuram, 1/283, Shripuram Street
Thoraipakkam, Chennai 600 097
Rep.by its Managing Director,
VR.Ramanathan ... Respondent/Plaintiff

Application praying that this Hon'ble Court be pleased to set aside and vacate the order dated 28.04.2018 passed in O.A. No.480 of 2018 in C.S. No.302 of 2018 by this Hon'ble Court and award cost.

These Applications coming on this day before this court for hearing the court made the following order:-

CS.No.302 of 2018 had been filed by the Plaintiff, M/s.Diabliss Consumers Products Private Limited, represented by its Managing Director, V.R.Ramanathan, against (1) M/s.DIA Health Foods Private Limited, Ludhiana, Punjab, (2)

M/s.OVERRRA Foods Centre, represented by its Partner, Davinder Singh, Ludhiana, Punjab and (3) Davinder Singh, Ludhiana, Punjab.

2. The suit had been filed under Section 55 of the Copyright Act, 1957 read with Order VII Rule 1 of CPC, seeking permanent injunction, restraining the Defendants or anybody acting under them, from infringing the copyright of the Plaintiff, in the artistic design mark 'A' affixed herein for their products of sugar/print sugar or any other product by selling, reproducing, advertising or offering for sale their goods with the pouches/ packaging with the infringing design marked as 'B' or any other, visually, phonetically or deceptively similar to the Plaintiff's artistic design marked as 'A'.

3. The Plaintiffs design marked as "A" is as under:-



4. The Defendants' design marked as 'B' is as under:-



5. The Plaintiff is a Company, incorporated under the Companies Act, 1956. The 1st Defendant is also a Company, incorporated under the Companies Act, 1956, having its registered office at Punjab. The 2nd Defendant is a partnership Firm and is represented by the 3rd Defendant, Davinder Singh. The Plaintiff is carrying on business under the trademark, DIABLISS. They manufacture and market Diabetic Friendly Sugar, under the brand name DIABLISS. The Plaintiff had created an artistic design for the pouch DIABLISS, Diabetic Friendly Sugar in June 2015. This artistic design was made by M/s.Fifth Estate Communications Private Limited, Chennai. The Plaintiff claimed to be the first owner of the copyright of the said artistic work. This design was specifically created for the Plaintiff's products, Diabliiss Sugar and has been used by the Plaintiff since June

2015. Thereafter, the Plaintiff placed orders for printing flexible packing pouches with M/s.Darshan Flexibles Private Limited, Mysore and print cylinders were made for the said design and pouches were printed and delivered to the Plaintiff from July 2015. The Plaintiff has been using the said pouches. They have been marketed throughout the country and abroad. The Consumers in the market have identified Diabliss Sugar as that of the Plaintiff from the artistic design in the pouch.

6. The 1st Defendant had entered into an agreement with the Plaintiff as a Distributor on 10.10.2016. The 1st Defendant was able to access the pouches of various products of the Plaintiff. The agreement between the Plaintiff and the 1st Defendant were proceeding smoothly for some time and thereafter, differences arose. There were arrears payable by the 1st Defendant. The Plaintiff demanded the same by emails, dated 17.10.2016 and 26.10.2016 and 29.10.2016. There was no response from the 1st Defendant. Phone calls were also not answered. Further email was sent on 4.11.2016 by the Plaintiff. Since there was again no response or improvement in the business, the Plaintiff sent another email on 3.2.2017, claiming payment of arrears of amount. The Plaintiff found out that the 1st Defendant was deliberately slowing down the marketing operations of DIABLISS. This fact

was communicated to the 1st Defendant by emails, dated

28.03.2017 and 31.5.2017.

7. The Plaintiff came to know that an exhibition was arranged in New Delhi at Pragathi Maidan between 13.3.2018 to 17.03.2018. The Plaintiff booked stalls for its products inclusive of DIABLISS SUGAR. The 2nd Defendant had made a complaint to the Indian Trade Promotion Organization that the artistic design of DIABLISS was that of the 2nd Defendant and that the Plaintiff was contemplating to display products with the said artistic design in the Trade Fair. On the basis of the said complaint, the Plaintiff was requested not to display materials which have been questioned by the 2nd Defendant. The counsel for the 2nd Defendant also issued a cease and desist notice to the Plaintiff on 11.03.2018, claiming that the artistic design in the pack Diabetic Friendly Sugar belongs to the 2nd Defendant. The Plaintiff issued a reply on 12.3.2018. The Plaintiff claimed that they were the owners of the copyright in respect of the said design and that the said design had been used from the year 2014 onwards. The 2nd Defendant came into existence only in December 2017.

8. It has been claimed by the Plaintiff that the 3rd Defendant was the Director of the 1st Defendant. He had supported the 2nd Defendant, partnership Firm. He had copied the same artistic design of the Plaintiff for the pouches

and in infringing the design of the Plaintiff. The Plaintiff

claimed that the artistic design with sugar cane, stems and flowers in the background of a circle with the brand name Diabliss Diabetic Friendly Sugar absolutely belongs to the Plaintiff. The Plaintiff also claimed that the turn over of the Plaintiff during the past three years for the said product was Rs.8.42 crores.

9. The Plaintiff further claimed that the 1st Defendant was an agent for marketing the products of the Plaintiff in North India. With an ulterior motive and objective, they had copied the artistic design of the Plaintiff and marketed sugar under the name Diabeat with the same artistic design. It has been claimed that the artistic design of the Plaintiff and the artistic design of the Defendant are absolutely identical. The 2nd Defendant is attempting to encash upon the goodwill and reputation of the Plaintiff. They are attempting to ride on the reputation of the Plaintiff by copying the artistic design. It has been further stated that the 1st and 2nd Defendants have colluded to infringe the copyright of the Plaintiff in the artistic design. It was claimed that the Defendants have no right to copy the artistic design of the Plaintiff. The Plaintiff had not permitted the Defendants to use their artistic design. It is under these circumstances that the suit had been filed under Section 55 of the Copyright Act, 1957,

<https://hcservices.ecourts.gov.in/hcservices> seeking permanent injunction, restraining the Defendants from

infringing the copyright of the Plaintiff in the artistic design of the pouch, Diabliss Diabetic Free Sugar.

10. Along with the plaint, the Plaintiff had filed OA.No.480 of 2018, seeking interim injunction, restraining the Defendants or anybody acting under them, from infringing the copyright of the Plaintiff in the artistic design of the pouch. In the affidavit filed in support of this application, the Managing Director of the Plaintiff Company had reiterated the averments made in the plaint and claimed that the Plaintiff is entitled for an order of interim injunction.

11. When the application was moved, this Court had compared the two packages, namely, 'Diabliss Diabetic Friendly Sugar' and 'Diabeat Diabetic Friendly Sugar' and had observed that even a cursory glance shows that they are very similar in nature. They are very similar in design and colours and their names are also very similar. Further, taking into consideration the fact that the Plaintiff is the prior user, this Court had granted interim injunction as sought for by order dated 28.4.2018 till 25.6.2018.

12. Notice was served on the Defendants and they filed A.No.4015 of 2018 to vacate the injunction order dated 28.4.2018. In the affidavit filed in support of the said application, the 3rd Defendant, Davinder Singh, stated that

<https://hcservices.ecourts.gov.in/hcservices> the Director of the 1st Defendant and the Managing

Partner of the 2nd Defendant and that the Defendants were engaged in production and marketing of low G.I. foods and run a well established business in respect of the said products in North India. It has been further stated that the 2nd Defendant is the registered Proprietor of the subject artistic design under the Trade Marks Act, 1999 in Trade Mark No.3664179, issued by the Certificate No.1838572 under Class 30 by the Trade Mark Registry on 19.4.2018 for usage from 26.10.2017. It has been further stated that the fact that there was a registered trademark was concealed by the Plaintiff and an interim order was obtained. It has been further stated that the certificate of M/s.Fifth Estate relied upon by the Plaintiff is a general certificate, which does not make any specific reference to the subject artistic design and authorship. It has been further stated that the designer of the Defendants, Rajinder Singh had issued a No Objection Certificate in the copyright and it was registered in favour of the 2nd Defendant. It has been further stated that the artistic design was shared by the Defendants with the Plaintiff by email dated 4.5.2015. It was specifically denied that the Plaintiff had created the artistic design. It has been further stated that the prior usage would have no relevance in a suit for copyright infringement. It has been further stated that if passing off was urged by the

decide about the same. It has been, therefore, stated that the exparte order of injunction should be vacated.

13. Considering the representation made by the Defendants that they have a registered Trade Mark, this Court had vacated the injunction, by order dated 8.6.2018, but observed that both the Plaintiff and the Defendants shall be afforded full opportunity to advance arguments afresh not only on the issues raised in the plaint, but also on other aspects, touching the subject matter of the suit.

14. Both the Plaintiff and the Defendants also filed their respective counter affidavit in the application filed by the other side. In the counter affidavits, the averments made in the applications filed by them were reiterated. The Defendants claimed that they have the benefit of a registered Trade Mark and consequently, sought protection for the same. However, the case of the Plaintiff was that even though the Defendants have the benefit of the registered Trade Mark, still the issue of protecting the copyright over the artistic design can be examined by this Court.

15. This Court heard the arguments advanced by Mr.AR.L.Sundaresan, the learned senior counsel for the Plaintiff and Ms.Simrat Kaur, the learned counsel for the Defendants.

16. Both sides had also filed documents to

<https://hcservices.ecourts.gov.in/services> substantiate their respective stands. Along with the plaint,

the Plaintiff has filed the designs said to have been forwarded by M/s.Fifth Estate Communications Private Limited, who according to the Plaintiff, had designed the artistic work in the pouch, Diabliss. They also filed the agreement dated 10.10.2016 entered into between the Plaintiff and the 1st Defendant for distribution on exclusive basis to sell and offer for sale the products of the Plaintiff in the State of Punjab, Jammu and Kashmir, Himachal Pradesh, Haryana, Delhi NCR, Uttar Pradesh, Madhra Pradesh, Gujarat and Assam. There were mutual obligations to be performed by both the parties. The Plaintiff was under an obligation to provide training and technical support to the 1st Defendant. The 1st Defendant was under an obligation to promote the products of the Plaintiff and market the same and also render accounts. There was also a specific covenant in Clause 8 as under:-

"8. Company's Confidential Information and Rights:-

8.1 The Distributor acknowledges that it will acquire information and materials from the Company and knowledge about the technology, business, organization, products, strategies, customers, and suppliers of the Company and that all such knowledge, information and materials acquired and the existence, terms and conditions of this agreement are and will be trade secrets and confidential and proprietary information of the Company (collectively "Confidential Information"), whether owned by the Company or licensed by the Company from third parties, are subject to a valuable proprietary interest of the Company and that the Distributor is under an obligation to maintain the secrecy of such Confidential Information.

8.2 Without limiting the generality of the foregoing obligations, the Distributor agrees that for the term of this agreement and thereafter, until such time as the Confidential Information is in the public domain, the Distributor will:

- (i) not disclose, publish or disseminate any Confidential Information to any third party without the prior written approval of the Company except to its employees with a "need to know" who have executed an agreement with the Distributor to comply the non disclosure and non use obligations of this Section 9.
- (ii) not use any Confidential Information for any other purpose other than to perform the obligations of this agreement.
- (iii) Treat all Confidential Information in a secret manner, including placing appropriate restricted marking and legends on the Confidential Information and maintain such written information in a secure storage facility.
- (iv) Not make use of Confidential Information unless or except in accordance to the procedures established by law enforced in the State.

8.3 During the term of this agreement, the Distributor is granted limited licence to use the Company trademarks for the products in connection with the Distributor advertisement, promotion and distribution of the products in the territory with prior written permission of the Company. The Distributor acknowledges that the Company owns and retains all trademarks, copyrights and other proprietary rights in the products, and agrees that it will not at any time during or after the termination of this agreement seek to register any trademark, trade name, copyright or other proprietary right or assert or claim any interest in or take any action which may adversely affect the validity or enforceability of any trademark, trade name; trade secret, or copyright belonging to or licensed to the Company.

8.4 The Distributor agrees to use reasonable efforts to protect the Company's proprietary rights and to cooperate in the Company's efforts to protect its proprietary rights. The Distributor agrees to notify the Company of any known or suspected breach of the Company's proprietary rights and to cooperate with the Company without making any charge therefore in any action by the Company to investigate or remedy an infringement of such rights.

8.5 Neither the Distributor nor its employees and agents, will alter any of the products or remove, alter, obliterate or mar any notice or legend of the Company's copyrights, trademarks or trade secrets."

17. The Defendants claimed that the design in the pouch, Diabliss, which was marketed by them on behalf of the Plaintiff, was actually suggested by the Defendants. They produced an email dated 4.5.2015, in which it is stated that "Please find attached new design of sugar pouch as discussed." This also contained a trail of another email sent by Rajinder Singh to the 3rd Defendant, in which the pouch, Diabliss was enclosed. Documents have been produced to show that the 2nd Defendant came into existence only in 2017 and the distribution agreement between the Plaintiff and the 1st Defendant was entered into only October 2016. The veracity of the email will have to be tested during trial.

18. It is the contention of the Plaintiff that the artistic design in the pouch Diabliss was designed and created by M/s.Fifth Estate Communications Private Limited,

Lloyds Road, Chennai-86. To establish this fact, the Plaintiff had also filed a certificate from M/s.Fifth Estate Communications Private Limited, dated 12.3.2018. This certificate is as follows:-

"TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s.Diabliss Consumer Products Private Limited, having its Corporate Office at 1/283, Shripuram Street, Thoraipakkam, Chennai 600097, have been our clients since 1st.April 2015.

We have designed several packaging for them under the Diabliss bran name. The packaging was done for Diabliss Sugar, Diabliss Cookies, Diabliss Jam, Diabliss Tea, Diabliss Wheat Flour, Diabliss Basmati Rice, etc. Since the client has settled all our bills against these jobs the copyright for all these packaging rests solely and exclusively with the client - M/s.Diabliss Consumer Products Private Limited. No other person or party or organization has any claim on them.

for FIFTH ESTATE COMMUNICATIONS PVT. Limited

GANESH BALILGA
Managing Director".

19. The Plaintiff has also enclosed a certificate from the manufacturer of the packaging material, M/s.Darshan Flexibles Private Limited, which is as follows:-

"13.03.2018

To Whom It May Concern:

This is to confirm that M/s.Diabliss Consumer Products Pvt Limited, "Shripuram", 1/283, Shripuram Street, Thoraipakkam, Chennai 600097 is Customer since 2014-15. We have been supplying flexible packaging materials to them

since then for packaging of their Sugar Products.

We have been supplying to them the Stand Up Pouches for packing sugar 500gms since the year 2014-15. The current Artwork used by them was originally supplied since July/August 2015.

For Darshan Flexibles Private Limited
Authorised Signatory."

20. It is the case of the Plaintiff that the Defendants, more particularly, the 1st Defendant of whom the 3rd Defendant was the Director, had entered into an distribution agreement on 10.10.2016 for marketing the products of the Plaintiff in North India. The distribution agreement was only with respect to marketing the products. It is the specific case of the Plaintiff that the 3rd Defendant created the 2nd Defendant partnership firm and usurped the artistic design of the Plaintiff and marketed their own products under the name Diabeat.

21. There was an occasion when the Plaintiff wanted to display the products in an exhibition, which had been arranged in New Delhi, at Pragathi Maidan between 13.3.2018 to 17.03.2018. The Plaintiff had also booked a stall for display of the products including Diabliss Sugar. At that time, a complaint had been given on behalf of the 2nd Defendant to the Indian Trade Promotion Organization that the artistic design of Diabliss was that of the 2nd Defendant and that the Plaintiff was contemplating to display the products, which would amount to violation of Patent/ Trade Marks Act,

1999 / Copyright Act, 1957 . Consequently, the Indian Trade Promotion Organization requested the Plaintiff, by communication dated 12.3.2018 not to display materials which had been questioned on behalf of the 2nd Defendant. Thereafter, a notice was also received by the Plaintiff dated 11.3.2018 from the counsel of the 2nd Defendant, calling upon the Plaintiff to cease and desist from using the artistic design. The Plaintiff had issued a reply, claiming that they have been using the design from the year 2014 onwards and that the 2nd Defendant had come into existence only in December 2017.

22. As stated above, in OA.No.480 of 2018, this Court had granted interim injunction. Thereafter, the Defendant had entered appearance and filed A.No.4015 of 2018. The main ground, on which the Defendants claimed that the interim injunction should be vacated, was that the 2nd Defendant had a trademark registration certificate issued in trademark no.3664179 with effect from 26.10.2017 and issued on 19.4.2018 in Class 30. It has been, therefore, argued that the Plaintiff was presented on 24.4.2018 and on that date, the artistic design, which is complained of by the Plaintiff was already the subject matter of the trademark registration on behalf of the 2nd Defendant. It was also pointed out that this fact was suppressed in the plaint. The main crux of the

suppression, the injunction order could not survive. This Court had accepted the said contention and vacated the order of interim injunction, but granted opportunity to both sides to argue the matter afresh on the basis of documents relied on by them.

23. The Plaintiff, thereafter, filed additional documents. They produced the agreement dated 1.4.2015 entered into between M/s.Fifth Estate Communications Private Limited and the Plaintiff with respect to developing advertisement materials and also developing art works. An email dated 28.4.2015 was also filed, in which, it was stated, by M/s.Fifth Estate Communications Private Limited, as "Please find attached a ppt with three packaging options for Diabliss". The entire printout of the power point presentation was also filed and it is seen that M/s.Fifth Estate Communications Private Limited had given three different designs for the pouches and the Plaintiff chosen the third option, which is the design for which the Plaintiff sought protection in the suit.

24. Another email dated 1.7.2015, which was prior to the agreement between the Plaintiff and the 1st Defendant, which was dated 10.10.2016, was also filed and in this, there is a reference to the procedure for discussion on the method to be adopted for distribution. An invoice dated 15.9.2015

for printing 4 lakhs pamphlets of Diabliss with the design

for which now protection is sought was also filed. An email communication between the Plaintiff and the Defendants was also filed. The email communications between the Plaintiff and M/s.Fifty Estate Communications Private Limited with respect to the product were also filed to show the actual artistic work of M/s.Fifth Estate Communications Private Limited.

25. The Defendant had filed their documents. They filed a no objection certificate given by Rajinder Singh to the 1st and 2nd Defendant dated 12.3.2018, in which he had stated as follows:-

"TO WHOMSOEVER IT MAY CONCERN/ AFFIDAVIT

I Rajinder Singh, aged 32 years, an Indian National, residing at #1193, Street No.10 Guru Arjun Dev Nagar, Near Taj Pur Road, Ludhiana say that the work depicted below is an original artistic work authored by me on or about May 2015, for on behalf of and under instructions from **Dia Health Foods Private Limited.**



<https://hcservices.ecourts.gov.in/hcservices/> I say that full money consideration for creating the above artistic design has been

received by me and therefore, the copyright in the said artistic work stands assigned to my above named client **Dia Health Foods Pvt. Limited.**

3) I have no objection to the aforesaid artistic work being registered in the name of **Dia Health Foods Pvt. Limited** and/or M/s.Overra Foods or any of their affiliates, subsidiaries, assignees, representatives or group companies or directors thereof, under the Copyright Act, 1957"

26. The affidavit of original work issued by Rajinder Singh was also filed as a document and he had stated as follows:-

AFFIDAVIT OF ORIGINAL WORK

I, Rajinder Singh ("Original Author"), aged 32 years and resident of # 1193, Street No.10, Guru Arjun Dev Nagar, Near Taj Pur Road, Ludhiana do hereby solemnly affirm and declare as under:

1) I am the Original Author of the following artistic work, which was created on May 2015, for on behalf of and under instructions from **Dia Health Foods Pvt. Limited.**



Full money consideration for the above assignment has been received by me and therefore, the copyright in the said artistic work stands assigned to my above named client **Dia Health Foods Pvt. Limited.** I have no objection to the aforesaid artistic work being registered in the name of **Dia Health Foods Pvt. Limited** or M/s.Overra Foods or any of their affiliates, subsidiaries, assignees, representatives or group

companies, or directors thereof, under the Copyright Act, 1957".

27. Pointing out the above, the learned counsel for the Defendants stated that the Defendants had established a direct link from the creator of the artistic design to the 2nd Defendant and also had a benefit of the registration of the trademark and consequently, claimed that the case of the Plaintiff should be rejected by this Court.

28. On the other hand, the learned senior counsel for the Plaintiff claimed that they have also established a link from the design of the artistic work to the Plaintiff. It was admitted that they do not have the benefit of a registered trademark, but still it was urged that the copyright should be protected since they are the prior user of the said copyright.

29. The front and back images of the Plaintiff's product is as follows:-



30. The front and back images of the Defendants' product is as follows:-



31. A cursory glance of the products shows that the colour light blue is the same and both have sugar cane, stems and flowers in the background. The names 'DIABLISS' and 'DIABEAT' are also written in the same font. Both of them also have the words, "Low Glycemic Index". They also have the words, "First of its kind". They also have the words "Diabetic Friendly" in green ribbon design. They also have the words, 'Sugar' in white font. The products are exactly the same. Pouches are exactly the same. The only difference is name, i.e. 'DIABLISS' and 'DIABEAT'.

32. The following documents relating to the artistic design of the pouches have produced produced by both sides:-

Communications Private Limited enclosing the power point presentation of the artistic works and giving three options to the Plaintiff.

- ii. The agreement between M/s.Fifth Estate Communications Private Limited and the Plaintiff.
- iii. The certificate issued by M/s.Fifth Estate Communications Private Limited and the certificate issued by M/s.Darshan Flexible Limited, for printing the pouches.
- iv. Invoice issued by Murasu Printer for printing 4 lakhs samples.
- v. Email communications between M/s.Fifth Estate Communications Private Limited and the Plaintiff.
- vi. The Defendants had produced No Objection Certificate given by Rajinder Singh to the 1st 2nd Defendants dated 12.3.2018.
- vii. Affidavit of Original Work issued by the Rajinder Singh to the 1st and 2nd Defendants dated 12.3.2018.

33. When the documents produced by both sides are compared, the documents produced by the Defendants would clearly reveal that the certificate and affidavit of Rajinder Singh were both dated 12.3.2018 and related to creation of artistic work on or about May 2015. The certificate and the affidavit were not of contemporaneous date. They were both attested by a notary public.

34. However, the documents produced by the Plaintiff reveal that the Plaintiff has been in the market from the year 2015 and in the year 2016 had appointed the 1st Defendant as their distributor and there was a specific

arrangement between them to market the products of the Plaintiff. The case of the Plaintiff that M/s.Fifth Estate Communications Private Limited had designed the artistic work is more probable in view of the documents produced by them. It is an admitted fact that the Defendants have registered the trademark, but that would not bar the Plaintiff, from seeking protection of the copyright found in the pouch. For such protection, they must establish a credible chain from the creator onwards.

35. In this case, the Plaintiff claimed that the creator of the artistic design is M/s.Fifth Estate Communications Private Limited. Substantial documents had been produced to establish the same. The documents produced by the Defendants do not inspire confidence. Details are absent regarding the creator of the artistic design, Rajinder Singh. In the affidavit, his father's name had not been given. The affidavit and the certificate have been prepared in Indian Non Judicial Stamps and attested by the very same person. Both the stamp papers bear consecutive numbers.

36. On the other hand, the documents produced by the Plaintiff are from the year 2015 onwards. They are contemporaneous in date and period. The documents of the Plaintiff inspire more confidence than the documents produced by the Defendants.

bears the very same design of the Plaintiff. The 1st Defendant was only a distributor of the Plaintiff. He could not claim more rights than his Principal. The statement of the Plaintiff that taking advantage of being a distributor, the Defendant had created their own design and are marketing products under the name DIABEAT, is more probable.

38. The learned counsel for the Defendant has relied on the judgement of the Bombay High Court dated **23.12.2014 in Suit (L)No.1842 of 2012 (Lupin Limited Vs. Johnson and Johnson)** wherein in paragraphs 55, 56 and 57, it was stated as follows:-

"55. We are, therefore, of the view that while the registered proprietor of a trade mark would ordinarily be entitled to finding of the Civil Court in its favour that the trade mark registered in its name is prima facie valid, the jurisdiction of the Court is not barred for considering the plea of the Defendant at the interlocutory stage that the registration in the Plaintiff's favour is so fraudulent or is so apparently invalid that the Court should not grant an injunction in favour of the Plaintiff. Of course, a very heavy burden lies on the Defendant to rebut the strong presumption in favour of the Plaintiff at the interlocutory stage. The Civil Court obviously cannot give any final finding on this question as the jurisdiction to give such final finding is conferred on Appellate Board in the rectification proceedings, but it is not possible to accept the Plaintiff's contention that at the interlocutory stage the jurisdiction of the Civil Court is completely barred.

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 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 Uday AppL674.2012-23.12.2014-D 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."

39. The ratio laid down in the above judgement that the civil Court can examine the issues regarding validity if the facts shock the conscience of the Court is fully applicable. In this case, the distributor, who had been appointed by the Plaintiff, has usurped the artistic design of the Plaintiff and had only interchanged the word, 'DIABLISS' with 'DIABEAT' and had commenced operations and had produced two documents from one Rajinder Singh, whose details are not disclosed and more certainly, this Court can always step in to protect the copyright design of the Plaintiff.

40. The argument advanced, with respect to the alleged suppression of the fact that the Defendant had registered the trademark, no longer holds since arguments had been heard afresh and the interim injunction granted earlier was vacated.

41. The entire scope of Section 17 of the Copyright Act, 1957 came to be discussed by the Madras High Court in **MANU/TN/2297/2008 (Lalgudi G.Jayaraman Vs. Cleveland Cultural Alliance)** wherein it was held as under:-

"23. It is clear from the language of Section 17 that as matter of general rule, the author of a work, is the first owner of the copyright therein. It is only the exceptions to the general rule, which are spelt out in clauses (a) to (e) under the proviso to Section 17. Clause (a) of the proviso to Section 17 deals with literary, dramatic or artistic work. Clause (b) deals with photographs, paintings, portraits, engravings and cinematograph films. Clause (c) deals with a work to which clauses (a) and (b) will not apply. These clauses (a), (b) and (c) make persons other than the authors, as the first owners of the copyrights under certain circumstances.

24. Under Clause (a) of the proviso to Section 17, the proprietor of a Newspaper, magazine or periodical would become the first owner of the copyright in a literary, dramatic or artistic work, if it was made by the author "in the course of his employment under a contract of service or apprenticeship".

25. Under Clause (c) of the proviso to Section 17, a person at whose instance a photograph is taken, or a painting or portrait is drawn or an engraving or a cinematographic film is made, "for valuable consideration", becomes the first owner of the copyright therein.

26. Under Clause (c) of the proviso to Section 17, an employer becomes the first owner of the copyright, in a work to which clauses (a) and (b) does not apply, if the work was made "in the course of his employment under a contract of service or apprenticeship."

27. In the light of the provisions of Section 17, if the case on hand is analysed, it is seen that the work in respect of which rival claims for copyrights are made, does not fall under the category of a "literary work" as defined in Section 2(o) or an "artistic work" as defined under Section 2(c) or a photograph as defined under Section 2(s) or a painting or portrait not defined under the act or an engraving as defined under Section 2(i) or a cinematograph as defined under Section 2(f) of the Act.

28. The work in respect of which the present claim has arisen, is an operatic ballet and hence it would perhaps come within the meaning of the expression "dramatic work" defined under Section 2(h) of the Act. The said definition is as follows:- "dramatic work" includes any piece of recitation, choreographic work or entertainment in dumb show, the scenic arrangement or acting form of which is fixed in writing or otherwise but does not include a cinematograph film".

29. If the operatic ballet which is the subject matter of dispute is a "dramatic work", then the case will fall under clause (a) of the proviso to Section 17. If it does not, it will fall under clause (c) of the proviso to Section 17. In either of the two cases, the condition precedent which would enable a person other than the author, to claim copyrights is that the author should have produced the work in question "in the course of his employment under a contract of service or apprenticeship". Such transfer of ownership of the copyrights from the author to his employer under these clauses (a) to (c) of the proviso to Section 17, is also not always automatic, but subject only to the absence of a contract to the contrary.

30. Thus, the scheme of Section 17, of the Act, operates at three levels. It recognises in the first instance that the author of a work shall be the first owner of the copyright. It confers, at the second level, copyrights upon an employer, under whom the author was under a contract of service or apprenticeship and produced the work in the course of his employment. But such conferment of rights upon the employer, is also made subject to the absence of a contract to the contrary, at the third level.

31. Coming to the case on hand, the Defendants admit that at least the Plaintiffs 1 and 3 are the authors of the ballet. The word "author" is defined under Section 2(d) as follows:- "(d) 'author' means, - (i) in relation to a literary or dramatic work, the author of work, (ii) in

relation to a musical work, the composer, (iii) in relation to an artistic work other than a photograph, the artist; (iv) in relation to a photograph, the person taking the photograph; (v) in relation to a cinematograph film or sound recording, the producer, and (vi) in relation to any literary, dramatic, musical or artistic work which is computer generated, the person who causes the work to be created.

The first Defendant described themselves as "producers" even in the brochures issued by them. The word "producer" is defined under Section 2 (uu) as follows:- "producer" in relation to a cinematograph film or sound recording means a person who takes the initiative and responsibility for making the work."

32. As seen from Clause (b) of the proviso to Section 17, the payment of valuable consideration, by itself creates a copyright in favour of the person making payment, if the work in question is a photograph or painting or portrait or engraving or cinematograph film. If the work in relation to which a copyright is claimed, falls under the category of photograph or painting or portrait or engraving or cinematograph film, there is no necessity for the person claiming copyright to prove that the author was under a contract of service and that the work was made in the course of his employment. It is enough if such person proves that the work was produced for valuable consideration.

33. But unfortunately for the first Defendant, the ballet in dispute, does not fall under any of the categories enumerated in clause (b) of the proviso to Section 17. It will fall either under the category of dramatic work as defined under Section 2(h) and covered by clause (a) of the proviso to Section 17 or under the category of a work not covered by clauses (a) or (b) and hence, covered by the residuary clause ©. As observed earlier, a person other than the author, claiming copyright by virtue of the operation of clause (a) or (c) of the proviso to Section 17, will necessarily have to establish - a) that the author of the work was under a contract of service or apprenticeship with him, b) that the

work was made in the course of his employment; and c) that there was no agreement to the contrary."

42. In the present case, it is seen that the Plaintiff has established the chain from M/s.Fifth Estates Communications Private Limited to the Plaintiff, which is more credible than that of the chain relied on by the Defendants in the documents produced and signed by the Rajinder Singh. I am unable to agree with the contention of the Defendants that the documents produced by them should be given more credence. The No Objection Certificate and the affidavit given by the Rajinder Singh are not contemporaneous in nature. They are dated 12.3.2018 and related to the alleged artistic work said to have been created in May 2015. There is no explanation given as to why such certificate and No Objection Certificate were not immediately obtained by the 2nd Defendant. Probable reason has been given by the Plaintiff, who claimed that the 2nd Defendant had commenced operations only in 2017. The 1st Defendant was a distributor of the Plaintiff. They cannot claim more right than that of the Plaintiff in the artistic design, which the Plaintiff had entrusted based on trust. On analysing the documents, I hold that the Plaintiff is entitled for protection of the copyright as prayed for.

43. In the result, the Plaintiff is entitled for injunction as prayed for and accordingly, OA.No.480 of 2018 is allowed as prayed for and A.No.4015 of 2018 is dismissed. No costs.

Sd/-C.V.K.J

11.07.2018

//Certified to be a true copy//

Dated this the day of 2018

jj 09/08/18

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