

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 16.11.2018

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

C.S.No.709 of 2012
and
O.A.No. 907 of 2012

POTHYS

A Partnership Firm registered under the Partnership Act, 1932
 No.15, Nageswara Rao Road,
 Panagal Park, Chennai - 600 017.

Tamil Nadu

Rep. by its Managing Partnership
 Mr.S. Ramesh Pothy

..Plaintiff

Vs.

1. M/s. KSP GROUPS

No.57 A, Theradi Veedhi,
 Thiruvannamalai - 631 102,
 Tamil Nadu.

2. M/s. THIRUVANNAMALAI POTHYS,

Rep. By its Proprietor/Managing Director,
 No.57A, Theradi Veedhi,
 Thiruvannamalai - 631 102,
 Tamil Nadu.

.. Defendants

This Civil Suit is preferred, under Order VII Rule 1 read with Section 151 of the Code of Civil Procedure, 1908 and Sections 29, 134 & 135 of the Trade Marks Act, 1999, Read with Order IV Rule 1 of Madras High Court O.S. Rules, 1957 praying to

a) Granting a permanent injunction, restraining the Defendants, their

servants, agents, distributors or anyone claiming through them from using the Trademark/original artistic works "POTHYS" as part of the Trade name of the Defendants or as their Trademark/trading style or corporate name/ or by using any other Trademark which is in any way visually, phonetically or deceptively similar to the Plaintiff's Registered Trademarks and to restrain the Defendants, their servants, agents, distributors, or anyone claiming through them from using letter heads, exhibits, sale bills, publicity carry bags or any other material containing the Trademarks/original artistic works "POTHYS" as part of the Trade name of the Defendant or as their Trademark/trading style or corporate name/ or by using any other Trademark which is in any way visually, phonetically or deceptively similar to the plaintiff's registered Trademark, and thereby infringing the registered Trademark of the plaintiff.

b) For a preliminary decree in favour of the Plaintiff, directing the Defendants to render an account of profit made by the use of the Trademark/original artistic works "POTHYS" and for a final decree in favour of the Plaintiff for the amount of the profit found to have been made by the Defendants, after the Defendant have rendered its accounts.

c) Directing the Defendant to pay the Plaintiff the cost of the suit:
and

g) Pass such further or other orders, as this Court may deem fit and proper in the circumstances of the case and thus render justice.

For Plaintiff : Mr.Pranav Charan of
Kochhar & Co

For Defendants : Set ex-parte

JUDGMENT

There is a sole plaintiff and there are two defendants in the instant suit.

2. Nucleus of this suit is constituted by two registered Trademarks registered in favour of the plaintiff. The mark is one and the same but there are two Registrations in two different classes. The mark is 'POTHYS AALAYAM OF TEXTILES' and the two registrations are in classes 24 and 25, bearing trademark registration numbers 1931232 and 1931233 respectively.

3. Registration is for textile and textile goods including Silk Sarees, Bed and Table Covers besides Clothing in General and Garment for Men and Women and Children in particular. Therefore, the aforesaid two Trademark Registrations bearing Registration Nos.1931232 (class 24) and 1931233 (class 25) shall collectively be referred to as 'suit TMs' for the sake of convenience and clarity.

4. Before I proceed further with the suit, it is necessary to determine jurisdiction of this Commercial Division qua this suit. This Suit has been filed primarily complaining of infringement of suit TMs by defendants.

Pleadings in the plaint touching upon, plaintiff's copyright in artistic work in the depiction of suit TMs have been made, but, prayer is only with regard to injunctive relief qua infringement of suit TMs. Therefore, the suit is one for injunctive relief qua infringement of suit TMs.

5. Mr. Pranav Charan of M/s. Kocchar & Co (Law Firm) for the plaintiff is before this Commercial Division and learned counsel draws my attention to Sub-Section 1 of Section 134 of Trademarks Act, 1999 ('TM Act' for brevity) and submits that in the light of Section 134(1) of TM Act, this Commercial Division will have jurisdiction to entertain this suit under first proviso to Section 7 of 'The Commercial Courts Act, 2015' ('said Act' for brevity).

6. In the light of the aforesaid submission of learned counsel, the plaint was perused and I have no difficulty in accepting the submission of learned counsel that this suit will have qualify to be heard by this Commercial Division particularly, under first proviso to Section 7 of said Act.

7. Having determined jurisdiction, I now proceed to examine and set out the trajectory of the suit. It is submitted by learned counsel for plaintiff that defendants after inception of the suit, entered appearance and

contested the interlocutory application. It is submitted that there was interim order in the interlocutory application. There was breach and proceedings for breach of interim orders were also taken out. However, post interim order and order in the application complaining of breach of such interim order, the defendants did not file written statement in the main suit and contest the main suit is learned counsel's say.

8. In the light of aforesaid submission, it may be necessary to extract and reproduce proceedings of this Commercial Division dated 11.09.2018 which captures the trajectory of the instant suit. Proceedings dated 11.09.2018 made by this Commercial Division read as follows:

'Mr.M.G.Pranava Charan, learned counsel of M/s.Kochhar and Co [Law Firm] is before this Commercial Division on behalf of sole plaintiff.

2. Suit is listed in 'UNDEFENDED BOARD' today. No representation for the defendants. Commercial Division is informed that defendants have not filed written statement. Defendants 1 and 2 are set ex-parte.

3. The learned counsel for plaintiff undertakes to let in evidence before Additional Master-I on 25.09.2018.

3. List this matter before Additional Master-I for recording ex-parte evidence on 25.09.2018.

4. The learned Additional Master-1 is requested to

record ex-parte evidence preferably on the same day i.e., 25.09.2018 and in any event on or before 28.09.2018.

5. List this matter under the caption 'FOR ARGUMENTS' before this Commercial Division on 04.10.2018.

11.09.2018'

9. A perusal of the aforesaid proceedings of this Commercial Division will reveal that both defendants were set *ex-parte* and the suit itself was set down for recording *ex-parte* evidence before learned Additional Master - I.

10. *Ex-parte* evidence was recorded by learned Additional Master - I on 26.09.2018. One Mr.S.Ramesh Pothu, who is described as Managing Partner of plaintiff firm has deposed as P.W.1 and 10 exhibits namely Exs. P1 to P10 were marked on behalf of the plaintiff. Post recording of *ex-parte* evidence in the aforesaid manner, the suit has now been listed before me 'FOR ARGUMENTS'.

11. I now revert to plaint averments and the complaint in the plaint.

12. As mentioned supra, the nucleus of this entire lis are suit TMs and the entire lis is pivoted on a complaint of infringement of suit TMs by the defendants.

13. It is the case of the plaintiff that it is engaged in the business of manufacturing, merchandising and sale of all kinds of textile goods, clothing and accessories thereto of all description, more particularly, silk sarees.

14. It is also the case of the plaintiff that their business was established more than 90 years ago (90 years as of inception of suit namely 2012) which means that plaintiff's business was established sometime in 1922. It is also the case of the plaintiff that it expanded it's business and it has achieved huge reputation wherein and whereby suit TMs have virtually attained secondary meaning. Learned counsel submits that suit TMs have attained a secondary meaning and have attained such a unique status that suit TMs are identified with the products of the plaintiff alone and none else.

15. It is also the further submission of learned counsel for plaintiff (adverting to averments in the plaint) that the plaintiff have a huge market not only in India but in other countries also such as America, Singapore and United Arab Emirates to mention a few.

16. It is also the case of plaintiff that they have as many as 68

Trademark Registrations in India. To be noted, this is besides Trademark Registrations Abroad.

17. These 68 Trademark Registration certificates have been marked as Ex.P2 before learned Additional Master -I.

18. As there are 68 certificates, learned Additional Master - I ought to have assigned 'Ex.P2 series' to this. Unfortunately it has not been done so.

19. I deem it appropriate to refer to 'Ex.P2' as 'Ex.P2 series', as it contains 68 certificates.

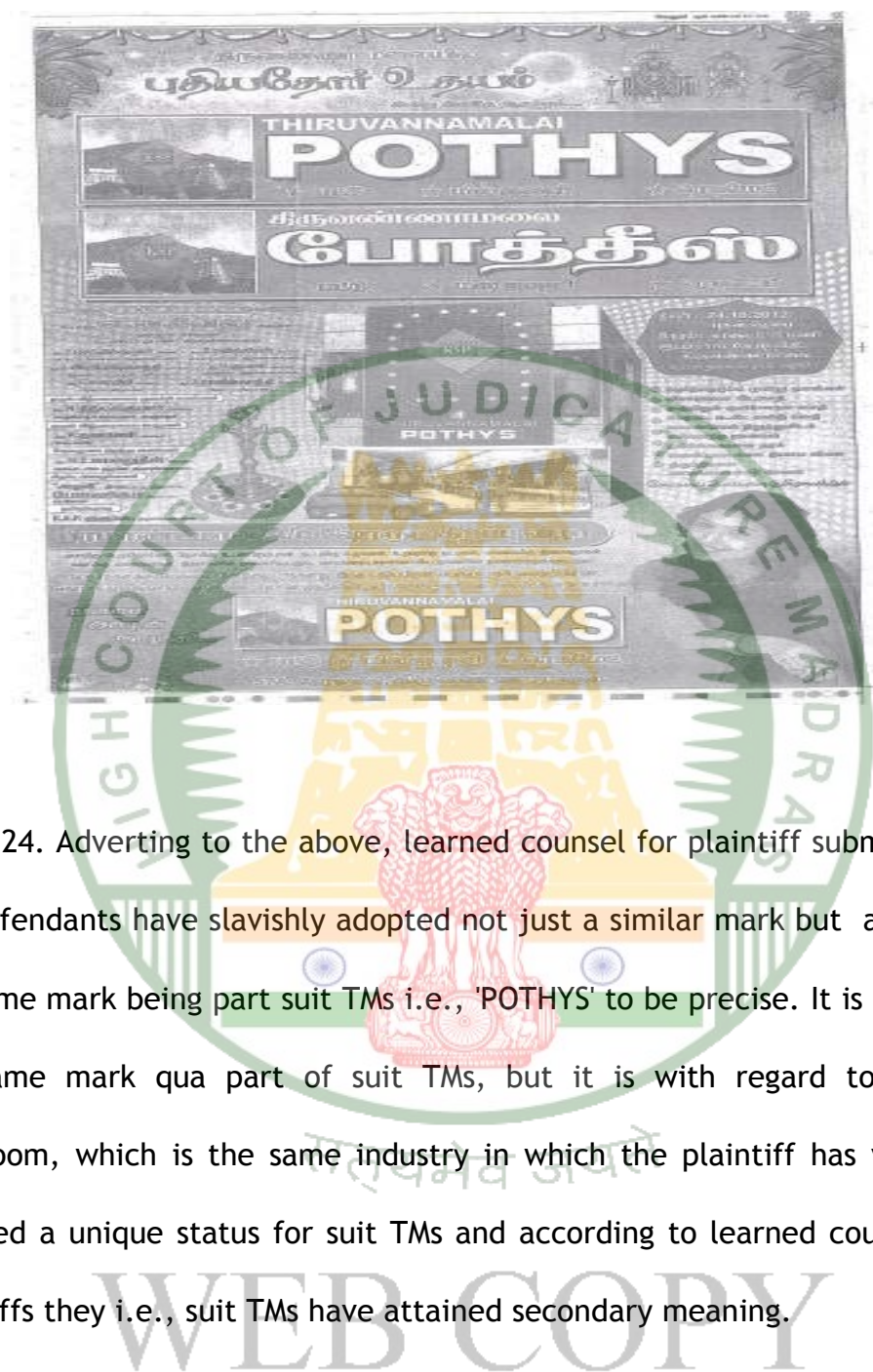
20. To be noted, two trademark registration certificates, which pertain to the two trademarks which constitute the nucleus of the suit and are being referred to as 'suit TMs' in this judgment are also part of these 68 certificates and learned counsel has taken me through those two certificates.

21. Be that as it may, learned counsel Mr.Pranav Charan also submitted that the Legal Use Certificate could not be readily placed either before learned Additional Master -I or before this Commercial Division but, on instructions, learned counsel submitted that there are no limitations or disclaimers in the Legal Use Certificates, with regard to the two trademark

registration certificates relatable to the two suit TMs which constitute the nucleus of the suit.

22. To show that the aforesaid suit TMs as well as the other trademark registrations in favour of the plaintiff are not mere dormant marks, but are being actively used, plaintiff has marked a huge bunch of international orders and bills raised on the plaintiff which have been assigned Ex.P7. This is besides the Income Tax returns for the financial year 2002 to 2012 which have been marked as Ex.P8. To show domestic sale and advertisements, the advertisement in various Media i.e., Print Media and Visual Media have been marked as Ex.P3. To be noted, similar to Ex.P2, Ex.P3, Ex.P7 and Ex.P8 also ought to have been assigned numbers described as series. Now that, learned Additional Master -I has not done so, I deem it appropriate to refer to the same as Ex.P3 series, Ex.P7 series, Ex.P8 series.

23. When things stood as above, defendants commenced business in textiles and opened a huge showroom on 24.10.2012 is learned counsel's say. The handout pertaining to the inauguration which also shows the depiction of the mark by the defendants has been marked as Ex.P10 and the same is as follows:



24. Adverting to the above, learned counsel for plaintiff submits that the defendants have slavishly adopted not just a similar mark but a part of the same mark being part suit TMs i.e., 'POTHYS' to be precise. It is not only the same mark qua part of suit TMs, but it is with regard to textile showroom, which is the same industry in which the plaintiff has virtually attained a unique status for suit TMs and according to learned counsel for plaintiffs they i.e., suit TMs have attained secondary meaning.

25. Learned counsel for plaintiff invited this Commercial Division to compare the registered trademarks/suit TMs as contained in Ex.P2 series and the aforesaid Ex.P10. I compared the two marks by applying the time

honoured litmus test laid down by Hon'ble Supreme Court in the celebrated Parle Judgment reported in *Parle Products (P) Ltd. Vs. J.P. and Co., [(1972) 1 SCC 618]*. The relevant paragraph is paragraph 9 and the same reads as follows:

'9. It is, therefore, clear that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him. In this case we find that the packets are practically of the same size, the colour scheme of the two wrappers is almost the same; the design on both though not identical bears such a close resemblance that one can easily be mistaken for the other. The essential features of both are that there is a girl with one arm raised and carrying something in the other with a cow or cows near her and hens or chickens in the foreground. In the background there is a farm house with a fence. The word "Gluko Biscuits" in one and "Glucose Biscuits" on the other occupy a prominent place at the top with a good deal of similarity between the two writings. Anyone in our opinion who has a look at one of the packets today may easily mistake the other if shown on another day as being the same article which he had seen

before. If one was not careful enough to note the peculiar features of the wrapper on the plaintiffs' goods, he might easily mistake the defendants' wrapper for the plaintiffs' if shown to him some time after he had seen the plaintiffs'. After all, an ordinary purchaser is not gifted with the powers of observation of a Sherlock Homes. We have therefore no doubt that the defendants' wrapper is deceptively similar to the plaintiffs' which was registered. We do not think it necessary to refer to the decisions referred to at the bar as in our view each case will have to be judged on its own features and it would be of no use to note on how many points there was similarity and in how many others there was absence of it.'

26. To be noted, Parle Principle has been subsequently affirmatively referred to by Hon'ble Supreme Court as late as in the year 2000 in ***S.M.Dyechen Vs. Cadbury (India)*** reported in (2000) 5 SCC 573.

27. To articulate a little more on how this Commercial Division compared the rival marks i.e., Ex.P2 series (suit TMs) and Ex.P10, it is to be stated that Ex.P2 series (suit TMs) was first seen, taken away from the sweep of my eyes and little later, rival mark of defendant(Ex.P10) was seen. While doing so, this Commercial Division posed itself a question as to whether a man of average intelligence with imperfect recollection and ordinary prudence will be lulled into the belief that what he is seeing now i.e., Ex.P10 is what he had seen earlier. To my mind the answer is in the

affirmative. It is not only in the affirmative but it is also an emphatic monosyllabic 'YES' which admits of no exception and needs no qualifications. A man of average intelligence with imperfect recollection and ordinary prudence is bound to walk into defendant's showroom believing the same to be plaintiff's showroom. In my considered opinion, even a discerning customer is most likely to do so and therefore deception is not improbable qua a intelligent prudent man with perfect memory too i.e., qua a discerning customer too.

28. It is to be noted, that it is not merely a similar mark but virtually a part of the same mark i.e., suit TMs.

29. The industry is the same i.e., textiles and to be noted both run textile showrooms.

30. In the aforesaid backdrop, I perused the deposition of P.W.1. I find that the deposition of P.W.1 is cogent and convincing. Deposition of P.W.1 buttresses and bolsters the plaint averments. With regard to 10 exhibits some of the exhibits have already been alluded to supra, in the course of narrative and discussion. With regard to other exhibits marked through PW.1, Ex.P1 is copy of partnership deed of the plaintiff firm, Ex.P4 is feed back forms obtained from foreign customers. To be noted, Ex.P4

alone has been referred to as Ex.P4 with 'series' in parenthesis. However, such description of 'series' in parenthesis is also only in the index received from the Court of Additional Master -I. In the actual exhibit description is Ex.P4 and 'series' within parenthesis is absent. Be that as it may, I choose to refer to 'Ex.P4' as 'Ex.P4 (series)'.

31. A true copy of a Registration Certificate in Singapore is Ex.P5 and ISO:9001 certificate is Ex.P6.

32. Certain articles in newspapers and advertisements pertaining to plaintiff have been marked as Ex.P9 and P10.

33. This takes us to the prayer paragraph in the plaint.

34. As alluded to supra, though there are prayer plaint averments touching upon the artistic work, the plaint prayer is restricted to injunctive relief qua Trade mark infringement. Plaint prayer paragraph is paragraph 28 and the same reads as follows:

'28. In these circumstances it is humbly prayed that this Hon'ble Court may be pleased to pass a Judgment and Decree

a) Granting a permanent injunction, restraining the Defendants, their servants, agents, distributors or anyone

claiming through them from using the Trademark/original artistic works "POTHYS" as part of the Trade name of the Defendants or as their Trademark/trading style or corporate name/ or by using any other Trademark which is in any way visually, phonetically or deceptively similar to the Plaintiff's Registered Trademarks and to restrain the Defendants, their servants, agents, distributors, or anyone claiming through them from using letter heads, exhibits, sale bills, publicity carry bags or any other material containing the Trademarks/original artistic works "POTHYS" as part of the Trade name of the Defendant or as their Trademark/trading style or corporate name/ or by using any other Trademark which is in any way visually, phonetically or deceptively similar to the plaintiff's registered Trademark, and thereby infringing the registered Trademark of the plaintiff.

b) For a preliminary decree in favour of the Plaintiff, directing the Defendants to render an account of profit made by the use of the Trademark/original artistic works "POTHYS" and for a final decree in favour of the Plaintiff for the amount of the profit found to have been made by the Defendants, after the Defendant have rendered its accounts.

c) Directing the Defendant to pay the Plaintiff the cost of the suit: and

g) Pass such further or other orders, as this Court may deem fit and proper in the circumstances of the case and thus render justice.'

35. In the light of the narrative supra, plaintiff has proved its case with regard to sub paragraph (a) of plaint prayer paragraph.

36. Therefore, it follows as a sequitur that plaintiff is entitled to a decree with regard to sub paragraph (b) of plaint prayer paragraph also.

37. With regard to costs, considering that the defendants have virtually adopted a part and that too vital part of the mark i.e., suit TMs in the same industry and considering the trajectory of the hearing, plaintiff is entitled to costs.

38. This takes us to sub paragraph (d) of the plaint prayer paragraph which is the usual residuary limb of the prayer.

39. Mr. Pranav Charan, learned counsel for plaintiff makes a plea that this Commercial Division may please consider imposition of compensatory costs under Section 35-A of 'The Code of Civil Procedure, 1908' ('CPC' for brevity) as amended by 'The Commercial Courts Act, 2015' ('said Act' for brevity). It was pointed out that amended Section 35-A of CPC as amended by said Act has deleted Sub-Section(2) owing to which there is no upper limit or cap with regard to compensatory costs that can be imposed.

40. Learned counsel drew my attention to the fact that this suit was presented in this Court on 01.11.2012, immediately after opening of the showroom by the defendants on 24.10.2012., defendants initially entered appearance and contested interlocutory applications, interim orders made by this Court in the interlocutory applications were violated resulting in certain proceedings pertaining to breach of interim orders and thereafter the defendants have virtually abandoned the suit. In other words, it is learned counsel's say that the defendants did not file written statement, complete pleadings and contest the suit leaving to the plaintiff to carry the suit to its logical end over a period of 6 years i.e., November 2012 to November 2018, wherein the plaintiff had to let in evidence and mark documents, expending money, effort and energy. It is highlighted that the conduct of defendants in contesting the interlocutory application up to the point committing breach of interim order and thereafter abandoning the matter leaving to the plaintiff to carry the matter to its logical end for a period of 6 years, warrants imposition of compensatory cost under Section 35-A.

WEB COPY

41. Considering all the determinants and parameters that operate in the instant case particularly the trajectory of the suit, I am of the considered view that it would be appropriate to impose compensatory cost of Rs.5.00 lakhs (Rupees five lakhs).

42. Suit is decreed with cost and compensatory cost as mentioned supra. Consequently, interlocutory application is closed.

16.11.2018

Speaking order/Non Speaking order

Index : Yes

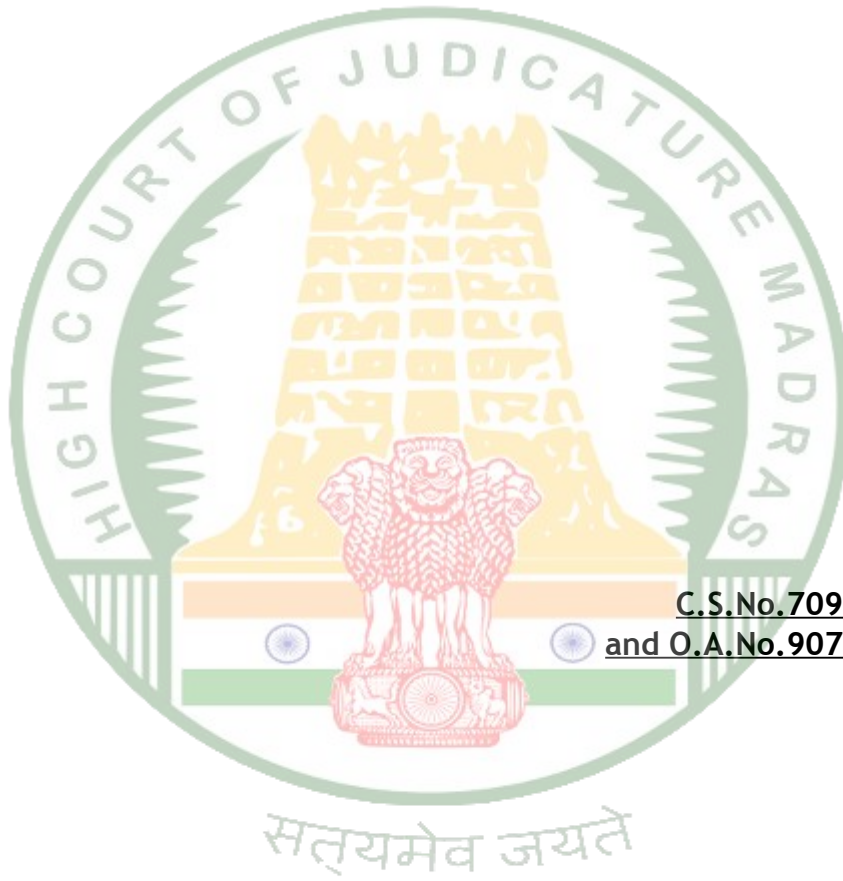
mp



WEB COPY

M.SUNDAR, J.

mp



C.S.No.709 of 2012
and O.A.No.907 of 2012

WEB COPY

16.11.2018