

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORDINARY ORIGINAL CIVIL JURISDICTION)

THURSDAY THE 26TH DAY OF APRIL 2018

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

O.A. Nos.633 to 635 of 2017

in

C.S. No.489 of 2017

1. V.Lakshminarayanawamy
2. Suguna Lakshminarayanawamy
1 & 2 are at No.160, Linghi Chetti Street,
Chennai - 600 001. ... Applicants/Plaintiffs
(in all Original Applications)

-Versus-

1. Mr.Natarajan
Proprietor/Partner
S.M.Engineering Works,
2. M/s.S.M.Engineering Works,
Rep.by it Proprietors/Partners
1 & 2 are at 19/178,Baracca Road,
Nemmalwarpet, Chennai - 600 012.
3. M/s.Vivekananda Agencies,
Rep. by its Proprietors/Partners
No.272 (Old No.198), Thambu Chetty Street,
Chennai - 600 001. ... Respondents/Defendants
(in all Original Applications)

O.A. No.633 of 2017:-

Original Application praying that this Hon'ble Court be pleased to grant an order of ad-interim injunction against the respondents herein, restraining them, jointly and severally, their principal officers, staff, men, agents, servants, successors & assigns-in-business, representative or any person claiming through or under them from in any manner using the word, "SRISUGUNA" or the word/s 'SUGUNA' or including as in plaint document No.14& 16 that is identical

with or deceptively similar to the said registered trademarks of the Applicant under trademark registration numbers 223779, 614081, 833289, or to market, sell, offer for sale, license, advertise, display or indirectly to deal in any goods and/or services, that amounts to infringement of the Applicants said registered trademarks, pending disposal of this suit.

O.A. No.634 of 2017:-

Original Application praying that this Hon'ble Court be pleased to grant an order of ad-interim injunction against the respondents herein, restraining them, jointly and severally, their principal officers, staff, men, agents, servants, successors & assigns-in-business, representative or any person claiming through or under them from in any manner passing off in any manner whatsoever, any goods and/or services under the words, "SRISUGUNA" or 'SUGUNA' or or 'SUSI SUGUNA' or under any other mark, name, logo, monogram, device or label including as in plaint document No.14& 16 that is identical with or deceptively similar to the Applicants trademarks "SUGUNA" and "SUSI SUGUNA" and monogram, pending disposal of this suit.

O.A. No.635 of 2017:- सत्यमेव जयते

Original Application praying that this Hon'ble Court be pleased to grant an order of ad-interim injunction against the respondents herein, restraining them, jointly and severally, their men, agents, successors-in-business, assigns, representatives or any person claiming through or under them from in any manner infringing the Applicant's copyright in the artistic work of in particular by use in any manner whatsoever as in plaint document no.14 & 16, so as to amount to an infringement of the Applicants copyright in the said artistic work, pending disposal of this suit.

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

These Applications have been filed by the plaintiffs in the suit. The suit in C.S.No. 489 of 2017 has been filed under Sections 29, 134 & 135 of the Trade Marks Act, 1999 and under Sections 51, 55 and 62 of the Copy Right Act, 1957 apart from Order IV Rule 1 of the Original Side Rules and Order VII Rule 1 of the Code of Civil Procedure.

2. The plaintiffs, namely, V.Lakshminarayanawamy and Suguna Lakshminarayanawamy, have filed the suit against (i) Natarajan, Proprietor/Partner of M/s.S.M. Engineering Works; (ii) M/s. S.M.Engineering Works, represented by its Proprietors/Partners and (iii) M/s. Vivekananda Agencies, represented by its Proprietors/Partners.

3. The relief sought in the plaint are for a permanent injunction restraining the defendants jointly and severally or anybody acting under them from using the word "SRISUGUNA" or the word "SUGUNA" or the Trade Mark "SUGUNA" or the distinct Trade Mark "SUGUNA", which are identical or deceptively similar to the registered Trade Mark of the plaintiffs under Trade Mark Registration Nos. 223779, 614081 and 833289 and market or sale the good under which amounts to infringement of the registered Trade Mark of the plaintiffs and also for a permanent injunction restraining

the defendants or anybody in the artistic work of the copy right and for a permanent injunction restraining the defendants from passing off their products under the names "SRI SUGUNA" or "SUGUNA" or "SUSI SUGUNA" or the Trade Mark "SUGUNA" or "SUSI SUGUNA", which are similar to the plaintiff's Trade Mark and for damages and other connected reliefs.

4. The father of the second plaintiff G.Ramasamy was a successful Industrialist. In 1958-59 when he started his business in Coimbatore, he adopted the trading style "Suguna Industries" after the name of the second plaintiff. The first plaintiff is the husband of the second plaintiff. G.Ramasamy manufactured and marketed pumps, motors and related goods. He also obtained Trade Mark Registration under Registration Nos. 223770, 614081 and 833289 for the name SUGUNA. The plaintiffs are the present Proprietors of the said Trade Mark.

5. The plaintiffs also have a special mark with a circle and the letters SI in Italics inside the same. They have Trade Marks for the name SUSI SUGUNA under Registration No. 1765308; SUGUNA & SI Monogram under Registration No. 1765309 and SUGUNA & SI Monogram under Registration No. 1765311. The plaintiffs are the joint owners of all the

properties of late Ramasamy including the Intellectual Properties in particular trade marks and copyrights. They

have also taken over the business of late Ramasamy. They are now running the business as a partnership firm under the name of 'Suguna Industries'. They are entitled for production under the Trade Mark and under the Copy Right Act.

6. It had also been stated that the sales of the product with the Trade mark SUGUNA and SI Monogram was Rs.18,84,97,909/- in the year 1999-2000 and this has increased to Rs.37,13,63,128/- in the year 2015-2016. Similarly, the sales for the product SUSI SUGUNA has also increased from Rs.7,02,81,419/- to Rs.38,60,90,321/- for the same years. They have also spent substantial amounts towards advertisement and for the year 2015-2016. They have spent a sum of Rs.21,25,869/- and Rs.5,70,561/- for advertising the products SUGUNA & SI Monogram and SUSI SUGUNA respectively. These products are motors, pumps and related goods.

7. It is under these circumstances that the plaintiffs came to know that the defendants, who are neither authorised dealers nor authorised distributors or manufacturing and selling jet pumps and motors under the Trade Mark SRI SUGUNA which is in direct conflict with the registered Trade Mark of the plaintiffs, namely, SUGUNA and SUSI SUGUNA.

8. The plaintiffs have also claimed that the defendants are marking the following products:-

(i) are manufacturing and selling 1 HP Jet pumps / motors for domestic use under the trademark; "SRISUGUNA" and a monogram, which is deceptively similar to that of the plaintiffs registered trademarks, "SUGUNA" and "SUSI SUGUNA" and "SI" Monogram respectively,

(ii) in cartons/packaging, deceptively similar to that of the plaintiffs and with the deceptively similar trademark 'SRISUGUNA' and deceptively similar monogram printed on the cartons also,

(iii) depicting the deceptively similar trademark "SRISUGUNA" on the Steel Label/ seal affixed to the motors, which are packed in the above said cartons and sold under the above said cash bills/receipts, and

(iv) in a trade dress (of identical shape and identical colour shade- of dark green bottom and light orange top) that is identical to that of the plaintiffs motors,

(v) using a signage displaying the plaintiffs trademarks and copyright in the artistic work, therefore

<https://hcservices.ecourts.gov.in/hcservices/> falsely portraying a public image as if they are the authorised dealer/distributor of the plaintiffs goods under

the said registered trademarks and copyright, when it is not so.

9. The first and second defendants manufacture the said products and the third defendant is selling the said product under the name SRISUGUNA. It is also stated that the ISI Stamp is present on the goods of the plaintiffs and absent on the goods of the defendants. Similarly, the SI Monogram is present on the product of the plaintiffs, but absent on the product of the defendant. There are also distinguishing features with respect to the stock of the products. Even the cartons are deceptively similar. The goods are also the same. It is under these circumstances that the plaintiffs had filed the suit seeking protection of the registered Trade Mark and the registered Copyright and also for injunction restraining the defendants from passing off their products as if the products are that of the plaintiffs. In the said suit, the plaintiffs had filed the present Applications, namely, O.A.Nos. 633, 634 and 635 of 2017.

WEB COPY

10. In O.A.No. 633 of 2017, the plaintiffs have sought an order of interim injunction restraining the defendants or anybody acting under them from using the word SRISUGUNA or the word SUGUNA or the word SI Monogram, that is identical or deceptively similar to the registered Trade Mark of the

11. In O.A.No. 634 of 2017, the plaintiffs have sought for an order of interim injunction restraining the defendants from passing off their goods under the words SRISUGUNA or SUGUNA or SI Monogram or SUSI SUGUNA, which is deceptively similar to the plaintiffs' Trade Mark SUGUNA, SUSI SUGUNA and SI Monogram.

12. In O.A.No. 635 of 2017, the plaintiffs have sought an order of ad-interim injunction against the defendants or anybody acting under them from in any manner infringing the Applicant's copyright in the artistic work of SUGUNA, in particular by use in any manner whatsoever as in plaint document Nos. 14 and 16 so as to amount to an infringement of the Applicants copyright in the said artistic work, pending disposal of the suit.

13. In the affidavits filed in support of the said Applications, the averments made in the plaint have been reiterated. The defendants entered appearance and they have also filed their counter.

14. In the counter affidavit filed by the first defendant Natarajan, who is the Proprietor of the second defendant, it was stated that the second defendant business entity was started in the month of May 2016, but was registered in 2012. They have been dealing with and

manufacturing and selling SRI SUGUNA motors and pumps, which is a pioneer JET Motors for Bore well purposes. He had made an application before the authorised authority under the Trademark Act, 1999 under Section 28 of the said Act. Registration was made on 10.01.2012 in A.No. 2264024 and also been published in Certificate No. 1461479 dated 06.02.2017 and notified in Journal No. 1784. It is therefore been stated that he is permitted to deal with the manufacturing of Motor and Pumps Class VII Category. It had been further stated that the Trademark allotted was entirely different from the Trademark of the plaintiffs and the pictorial reflection symbol of Susi Suguna is not connected with the pictorial reflection symbol of the defendant. It had been stated that there is no infringement under Section 29 of the Trademark Act.

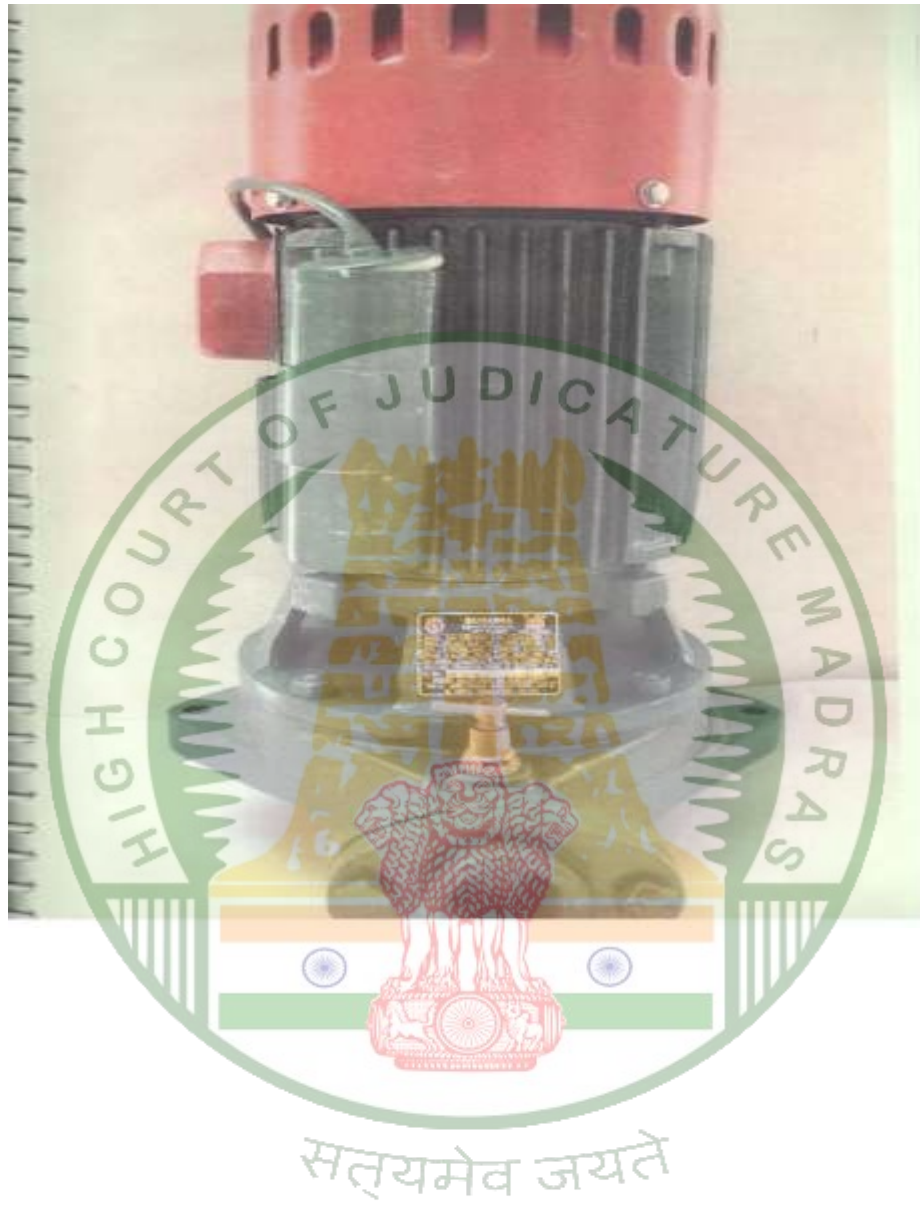
15. An Additional Counter affidavit has also been filed by the first defendant and in the additional counter affidavit, he had stated that his Trademark is SRI SUGUNA Motors and Pumps. He has further stated that the plaintiffs do not have registered Trademark for the name SRI SUGUNA Motors and Pumps Class-7. It is further stated that the plaintiffs cannot claim monopoly. It had been further

stated that no *prima facie* case has been made out by the plaintiffs and there is no balance of convenience in favour

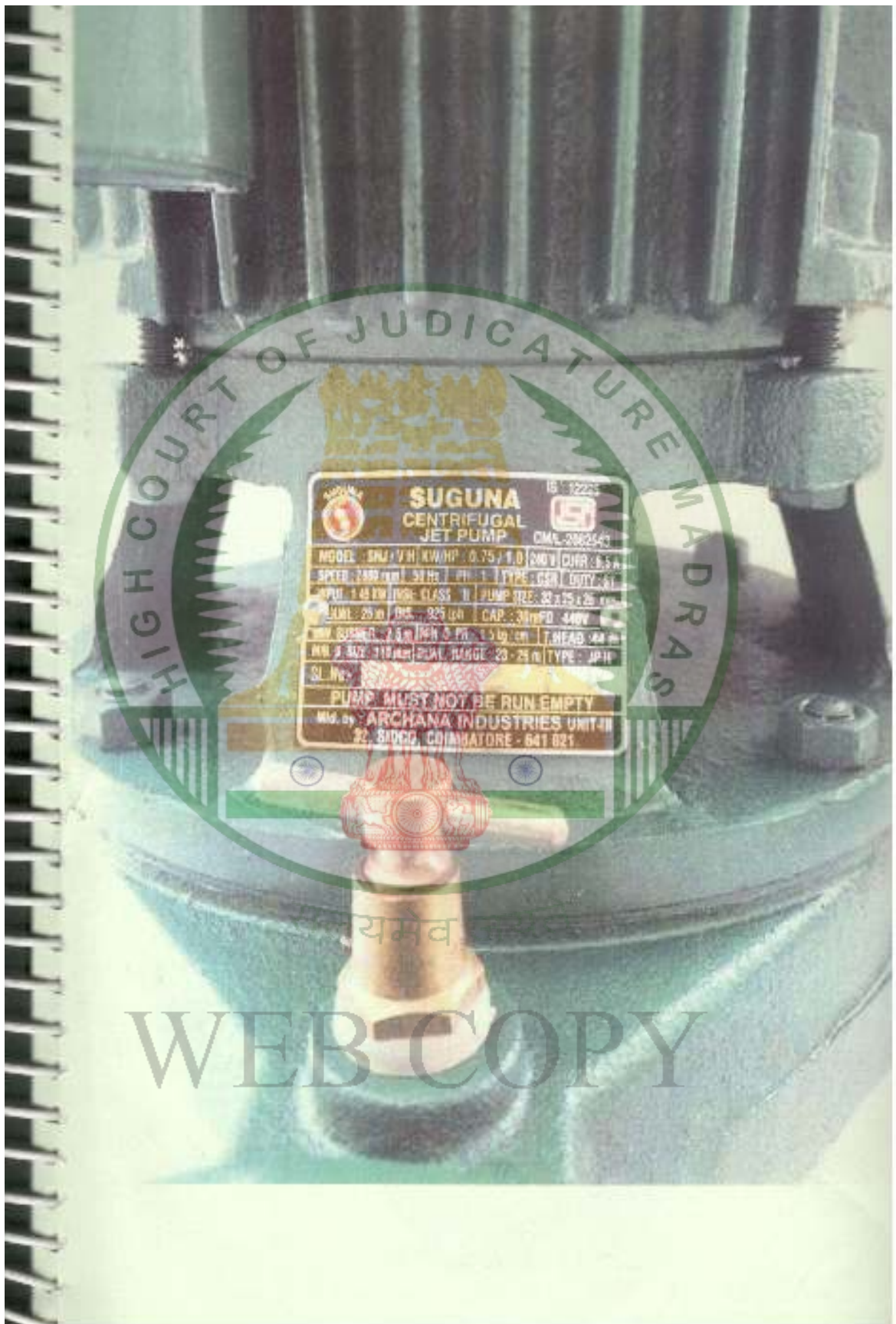
of the plaintiffs. It is further stated that the plaintiffs have filed Application before the Intellectual Property Appellate Board to cancel and revoke the Registration No. 2264024 for the mark "Sri Suguna Motors and Pumps". It had been stated that the applications must be dismissed.

16. Along with the plaint, the plaintiffs had also filed the documents relating to the Trademark SUGUNA, SUSI SUGUNA and SI Monogram. The defendants have also filed their copies of Registration of 'SRI SUGUNA Motors and Pumps'.

17. A perusal of the documents filed reveal that the plaintiffs have obtained Trademark for the name SUGUNA and distinct SI Monogram for Class -7 which includes jet pumps, submersible pumps, monobloc pumps and coupled pumpsets of various models and sizes, pistons, electric motors such as single and three phase motors. They have Registration No. 223779. They have also Registration No. 614081. They have a further Registration No. 833289. The plaintiffs also have a Trademark for the name SUSI SUGUNA under Class-7 under Registration No. 1765308 and also for the name SUGUNA and SI Monogram under Registration No. 1765309 and SUGUNA and SI Monogram under Registration No. 1765311. They are as follows:-



WEB COPY



18. It is seen that the plaintiffs have obtained the Trademark and business from the father of the second plaintiff late Ramasamy. He had established the business under the name of "Suguna Industries" at Coimbatore for the year 1958-59. He had developed the business. The plaintiffs also have a turn over of about Rs.38/- lakhs and employ about 1000 employees. They also export the products to various countries. They have also registered the Trademark SUGUNA and SUSI SUGUNA. They have also spent substantial amounts towards advertisements charges and it is seen that in the year 2015-2016, they had spent a sum of Rs.21,25,869/- and a sum of Rs.5,70,561/- towards advertisement expenses for the Trademarks SUGUNA and SUSI SUGUNA respectively.

19. According to the plaintiffs, the defendants have started to manufacture Motors and related products under the name SRI SUGUNA. According to the plaintiffs, this is directly infringing the registered Trade Mark and copyright of the plaintiffs. In support of these submissions, the plaintiffs also produced the offending Trademark and Copyright of the defendant.





20. A comparison shows that the marks of the defendant is the same in all respects with that of the plaintiffs'.

Even the monogram is also deceptively similar. However, it <https://hcservices.ecourts.gov.in/hcservices/>

is the contention of the defendant that they have also a

registered Trade Mark SRI SUGUNA with the Registrar of Trademarks and certificate had also been issued on 10.01.2012. They have also a monogram but it is again very similar to that of the plaintiffs.

21. Admittedly the plaintiffs are the prior users of the name "SUGUNA". The defendant, when they commenced their business, had the option to choose from a wide range of names. But they chose 'SRISUGUNA'. It is clear their intention was to pass off their products as that of the plaintiffs by riding on the goodwill and reputation built by the plaintiffs over a long period of time.

22. Section 27 of the Trademark Act is as follows:-

**"27. No action for
infringement of unregistered trade
mark**

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

*(2) Nothing in this Act shall
be deemed to affect rights of
action against any person for
passing off goods or services as*

the goods of another person or as services provided by another person, or the remedies in respect thereof."

23. Section 28 of the Trademark Act gives a 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.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be

deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."

24. Section 29 provides for infringement of registered Trademark. The defendants have also a registered their own Trademark. It is however stated that the plaintiffs have filed Application before the Intellectual Property Appellate Board seeking cancellation of the registration of the defendants' Trademark.

25. Section 124(5) of Trademark Act, relates to stay of proceedings, when the registration of a trial Trademark is questioned. The Court however has the power to grant interlocutory reliefs. Section 124(5) reads as follows:-

"124. Stay of proceedings where the validity of registration of the trade mark is questioned, etc.

(5) The stay of suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction, directing account

to be kept, appointing a receiver or attracting any property), during the period of the stay of the suit."

26. The learned counsel for the plaintiffs very fairly admitted that the reliefs seeking injunction against infringement would not lie in view of the fact that the defendants have the benefit of registration of their Trademark. However, the learned counsel insisted that the Court can grant an order of injunction with respect to passing off.

27. In **Neon Laboratories Limited Vs. Medical Technologies Limited and Others** reported in (2016) 2 SCC 672, the Hon'ble Supreme Court had held as follows:-

"The "first in the market" test has always enjoyed pre-eminence. We shall not burden this Judgment by referring to the several precedents that can be found apposite to the subject. In the interest of prolixity we may mention only **N.R.Dongre v. Whirlpool Corpn. and Milmet Oftho Industries v. Allergan Inc.** In **Whirlpool**, the worldwide prior user was given preference may predominance over the registered trade mark in India of the defendant.

In **Milmet**, the marks of

pharmaceutical preparation were similar but the prior user worldwide had not registered its mark in India whereas its adversary had done so. This Court approved the grant of an injunction in favour of the prior user. "

28. In **Syed Mohiden v. P.Sulochana Bai** reported in (2016) 2 SCC 683, the Hon'ble Supreme Court has held that

"The rights in a passing - off action emanate from common law and not from statutory provisions, nevertheless the prior user's rights will override those of a subsequent user even though it had been accorded registration of its trade mark."

29. It has also been observed by the Hon'ble Supreme Court in **Neon Laboratories Ltd.**, referred above that

"we think that as world shrinks almost to a global village, the relevance of the transnational nature of a trade mark will progressively diminish into insignificance. In other words, the attainment of valuable goodwill will have ever increasing importance".

30. As stated above, the choice of the name SUGUNA with a minor prefix 'SRI' clearly exposes the fact that the defendant has consciously decided to pass off their products by utilising the reputation gained and built by the plaintiff over a long period of time. The Judgments cited lay down the principle that prior user would always retain the right to impress grant of an order restraining passing off. In this case, the plaintiffs have made out a strong case for grant of such order.

31. The plaintiffs have made out a *prima facie* case. A mere glance at the two products and the nature of the trade dress of the defendant's product would show that the defendant is indeed consciously marketing his products in the hope that the public would buy them thinking that they are the plaintiffs' product. The balance of convenience is in favour of the plaintiffs since admittedly they are prior users of the trade name 'SUGUNA' with or without prefixes/suffixes. The loss caused to the plaintiffs by denial of relief would for outweigh any loss to the defendant since the defendant has invited the order of restraint from passing off their products only because they have also used the name 'SUGUNA' with a minor and insignificant prefix. The defendant had a wide range of names to choose from. They chose the plaintiffs trade name 'SUGUNA'. They then cannot claim innocence and seek indulgence of this Court.

32. I hold that the plaintiffs can be granted only the relief of injunction from passing off and there cannot be any reliefs of injunction against infringement in view of the fact that the defendants have also registered their Trademark under the name SRI SUGUNA.

33. Accordingly, O.A.Nos. 633 & 635 of 2017 are dismissed but there will be an order of interim injunction in O.A.No. 634 of 2017 as prayed for till the disposal of the suit. O.A.No. 634 of 2017 is allowed. No costs.

Sd/-C.V.K.J
26/04/2018

//Certified to be a true copy//

Dated this the day of 2018

JJ 26.11.2018

COURT OFFICER

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

WEB COPY