

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 30.10.2018

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

C.S.No.356 of 2016
and O.A.Nos.497 to 499 of 2016

N.Ranga Rao & Sons Private Ltd.,
PB No: 52, Vani Vilas Road,
Mysore: 570 004
and also at
25-B, Industrial Estate
Ekkaduthangal
Chennai: 600 097

..Plaintiff

Vs.

M/s.Balaji Corporation,
Plot No.L906/26, 1st Floor,
G.I.D.C., Sector - 28,
Gandhi Nagar - 382028, Gujarat.

.. Defendant

This Civil Suit is preferred, under Order IV Rule 1 of Madras High Court O.S. Rules read with Order VII Rule 1 of Civil Procedure Code, along with Sections 27,28 and 29, 134, 135 of the Trademarks Act, 1999 and Sections 51,55 and 62 of the Copyright Act, 1957 praying to

a) Grant a permanent injunction restraining the Defendant by itself, its servant, agents or any one claiming through it from in any manner infringing the Plaintiff's registered Trade Mark "**WOODS**" and **WOODS** label by using the identical and offending Trade Mark **WOODS** and **WOODS** label or any other mark or marks which are in anyway identical, deceptively similar to or a colorable imitation of the Plaintiff's registered Trade Mark

“WOODS” and **WOODS label**, either by manufacturing or selling or offering for sale or in any manner advertising the same.

b) Grant a permanent injunction restraining the Defendant by itself, its servant, agents or any one claiming through it from in any manner infringing the Plaintiff's copyright in the artistic work **WOODS label** by using the offending **WOODS label** or any other artistic work, which is in anyway identical, deceptively similar to or a colorable imitation of the Plaintiff's artistic work **WOODS label**, either by manufacturing or selling or offering for sale or in any manner advertising the same.

c) Granting a permanent injunction restraining the Defendant by itself, its servant, agents or any one claiming through it from in any manner passing off its products, viz., agarbathis / incense sticks, under the offending Trade Mark **“WOODS”** as and for the Plaintiff's products including Agarbathi/Incense sticks manufactured and marketed under the Mark **“WOODS”** and/or in any other manner whatsoever;

d) Directing the Defendant to render a true and faithful account of the profits earned by the Defendant through the sale of its products, including the products bearing the offending Trade Mark **“WOODS”** and **WOODS label** and direct payment of such profits to the plaintiff for the acts of infringement and passing off committed by the Defendant;

e) Directing the Defendant to surrender to the Plaintiff the entire stock of unused offending labels bearing the offending Trade Mark **“WOODS”** along with the blocks and dyes for destruction.

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

g) Pass such further order or orders as may be deemed fit and proper to the circumstances of the case.

For Plaintiff : Ms.Parvathy S.Nair for
M/s.TMT Law Practice Mr.S.Diwakar

For Defendant : Set ex-parte

JUDGMENT

There is a sole plaintiff and a lone defendant in this suit.

2. Ms.Parvathy S.Nair, learned counsel of M/s.TMT Law Practice [Law Firm] is before this Commercial Division on behalf of plaintiff.

3. Before I advert to the facts of this case, it is necessary to notice that jurisdiction of this Commercial Division qua this suit was determined on 11.08.2018. Vide proceedings dated 11.08.2018, the sole defendant was also set *ex-parte*, as the sole defendant did not chose to come before this Court after being duly served with suit summons. This is articulated in the earlier proceedings dated 11.08.2018.

4. I deem it appropriate to extract and reproduce the entire proceedings dated 11.08.2018 and the same reads as follows:

Mr.S.Diwakar, learned counsel on record for plaintiff is before this Commercial Division.

2. I heard the submissions of learned counsel for plaintiff regarding jurisdiction of this Commercial Division qua this suit.

3. Referring to the plaint, learned counsel for plaintiff made a submission that this suit pertains to alleged infringement of registered trade marks, copyright and passing off. Therefore, this suit pertains to intellectual property rights relating to registered trade marks and copyright which fall under sub-clause (xvii) of section 2(1)(c) of the Commercial Courts Act, 2015.

4. As the suit pertains to registered trade marks and copyright, the Trade Marks Act, 1999 and the Copyright Act, 1957 come into play. In the light of Section 134 of the Trade Marks Act, 1999 and Section 62 of the Copyright Act, 1957, such suits have been stipulated by respective acts to lie in a Court not inferior to a District Court. The lis being commercial dispute, this Commercial Division will get jurisdiction under first proviso to section 7 of the Commercial Courts Act, 2015, as this suit relates to a commercial dispute within the meaning of Section 2(1)(c)(xvii) of the Commercial Courts Act, 2015.

5. In the light of the aforesaid section 134 of the Trade Marks Act, 1999 and Section 62 of the Copyright Act, 1957, 'specified value' is of no consequence and this suit qualifies under first proviso to section 7, as mentioned supra.

6. In the light of the narrative supra, this Commercial Division expresses its intention to exercise jurisdiction over this suit under first proviso to section 7 of the Commercial Courts Act, 2015.

7. Jurisdiction thus determined.

8. This takes us to the stage of the suit. It is seen from the suit file placed before me that sole defendant in the main suit has been duly served on 31.08.2017. Name of the sole defendant together with full and complete address as in the short and long cause titles, has also been shown in the cause

list. Name called out aloud thrice in Court. No response. Sole defendant is set ex-parte.

9. List this matter under the caption 'FOR RECORDING EX-PARTE EVIDENCE' on 16.08.2018 before learned Additional Master IV. Learned Additional Master-IV is requested to record ex-parte evidence preferably on the same day and in any event on or before 21.08.2018.

10. List this matter under the caption 'FOR ARGUMENTS' before this Commercial Division on 27.08.2018.'

5. Pursuant to the aforesaid proceedings dated 11.08.2018, this suit was set down for recording *ex-parte* evidence before learned Additional Master-IV on 20.08.2018 and one Mr.V.Ramamoorthy, who is described as Associate Regional Manager of the plaintiff company has deposed as P.W.1. As many as 11 documents i.e., Exs.P1 to P.11 have been marked through him.

6. This suit is now placed before me under the caption 'FOR ARGUMENTS'.

7. With the aforesaid preface, I now embark upon the exercise of capturing short facts in this suit.

8. Plaintiff is a company i.e., a juristic person. The business of the plaintiff company was originally started by one Mr.N.Ranga Rao, who is the

grandfather of the Directors on the Board of plaintiff company today. Thereafter, it has become a partnership concern and with the intention of corporatizing the same, it was promoted as a private limited company on 23.12.2014.

9. The central theme of this lis is Agarbathis and incense sticks. The mark is 'Woods', it has been registered in class 3 and there are two trademark registrations, one is a word mark registration and other is a label registration. Plaintiff submits that there is copyright also for the plaintiff in the aforesaid trademarks. Therefore, they have got the copy right also registered.

10. This is articulated in paragraph 13 of the plaint, which reads as follows:

*'13.The plaintiff submits that the use of the identical mark **WOODS** by the Defendant along with the identical and/or deceptively similar label for their agarbathi products is a statutory violation of the Plaintiff's trademarks **WOODS** and **WOODS** label and is therefore a blatant and flagrant act of infringement of the registered trademark of the Plaintiff. Additionally it also constitutes as an act of passing off on the part of the Defendant wherein the Defendant's agarbathi goods are misrepresented as and for that of the Plaintiff's goods. Further, being a distinctive work of art, the Plaintiff's **WOODS** label is entitled to protection under the Copyright Act and the defendant's use of deceptively similar label that*

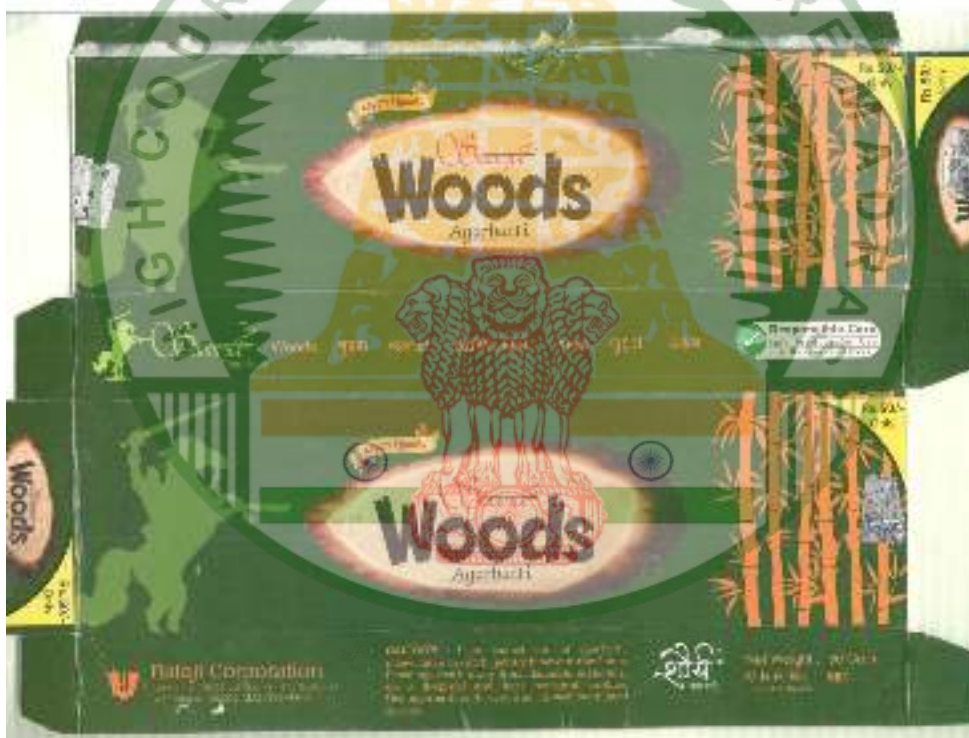
copies various distinctive artistic features of plaintiff's label amounts to infringement of copyright in plaintiff's WOODS label.'

11. To be noted, paragraph 13 of the plaint shows that copy right registration has been applied for, but the same is yet to be obtained. Obviously, copy right registration has also since been granted.

12. To be noted, the two trademark registration certificates and the copyright registration certificate have been marked as Exs.P2, P3 and P4. A scanned copy of the label of plaintiff, which is applied on the carton, in which, the product of the plaintiff i.e., Agarbatti are sold has been scanned and marked as Ex.P10. Ex.P10 is as follows:



13. It is the case of the plaintiff that prior to the filing of this suit they came to know that defendant is infringing the aforesaid trademark registrations as well as copy right registration by using a deceptively similar mark and on identical products, i.e., Agarbattis and dhoop and that the same are being sold. A typical carton of the defendant has been filed as Ex.P.11 and the same is as follows:



14. I compared Exs.P.10 and P.11 in the back drop of Exs.P2 to P4.

15. To be noted, I made the comparison of Ex.P10 and P.11 (in the backdrop of Exs.P2 to P4) by applying the time honoured principle laid down in this regard in the celebrated judgment of Hon'ble Supreme Court in **Parle Products (P) Ltd. Vs. J.P. and Co., [(1972) 1 SCC 618]**. The relevant

portion 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.'

16. To be noted, Supreme Court has referred with affirmation the aforesaid parle principle in the year 2000 in **S.M.Dyechem Vs. Cadbury (India)** reported in **(2000) 5 SCC 573**.

17. To be noted, I made the aforesaid comparison in the following manner:

I saw the plaintiff's mark i.e, Ex.P.10. I took it away from the sweep of my eyes and little later, I saw the defendant's alleged offending mark i.e., Ex.P11. I asked myself the 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 (alleged offending mark) is what he had seen earlier (plaintiff's mark). I have no hesitation in coming to the conclusion that the answer is in the affirmative. In other words, the answer is an emphatic 'YES'.

18. Be that as it may, it is necessary to see the evidence that has been adduced before learned Additional Master-IV.

19. As alluded to supra, one Mr.V.Ramamoorthy, described as Associate Regional, Manager, Tamil Nadu Branch of the plaintiff company, has deposed as P.W.1. A perusal of the deposition shows that it is cogent and it is synchronized with the pleadings. The original authorisation letter, given in his favour, has been marked as Ex.P.1.

20. Photocopies of Sample Invoices to show the use of the mark by the plaintiff on Agarbathies as well as promotional materials have been marked as Ex.P5 and P6 respectively. Accolades and awards received by the plaintiff have been marked as Ex.P7.

21. To be noted, prior to the institution of this suit, two pre-suit notices were issued by the plaintiff, one is dated 30.10.2015 and the other is dated 15.04.2016. It is the case of the plaintiff that though the defendant has received both these notices, defendant neither replied nor complied. These two notices i.e., pre-suit notices issued by the plaintiff have been marked as Exs.P8 and P9.

22. This takes us to the prayer paragraph in the plaint. Prayer paragraph in the plaint is paragraph 21 and the same reads as follows:

'21.The plaintiff therefore prays for a judgment and

decree:

a) Grant a permanent injunction restraining the Defendant by itself, its servant, agents or any one claiming through it from in any manner infringing the Plaintiff's registered Trade Mark "**WOODS**" and **WOODS** label by using the identical and offending Trade Mark **WOODS** and **WOODS** label or any other mark or marks which are in anyway identical, deceptively similar to or a colorable imitation of the Plaintiff's registered Trade Mark "**WOODS**" and **WOODS** label, either by manufacturing or selling or offering for sale or in any manner advertising the same.

b) Grant a permanent injunction restraining the Defendant by itself, its servant, agents or any one claiming through it from in any manner infringing the Plaintiff's copyright in the artistic work **WOODS** label by using the offending **WOODS** label or any other artistic work, which is in anyway identical, deceptively similar to or a colorable imitation of the Plaintiff's artistic work **WOODS** label, either by manufacturing or selling or offering for sale or in any manner advertising the same.

c) Granting a permanent injunction restraining the Defendant by itself, its servant, agents or any one claiming through it from in any manner passing off its products, viz., agarbathis / incense sticks, under the offending Trade Mark "**WOODs**" as and for the Plaintiff's products including Agarbathi/Incense sticks manufactured and marketed under the Mark "**WOODS**" and/or in any other manner whatsoever;

d) Directing the Defendant to render a true and faithful account of the profits earned by the Defendant through the sale of its products, including the products bearing the offending Trade Mark "**WOODS**" and **WOODS** label and direct

payment of such profits to the plaintiff for the acts of infringement and passing off committed by the Defendant;

e) Directing the Defendant to surrender to the Plaintiff the entire stock of unused offending labels bearing the offending Trade Mark “WOODS” along with the blocks and dyes for destruction.

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

g) Pass such further order or orders as may be deemed fit and proper to the circumstances of the case.'

23. A perusal of the prayer paragraph will reveal that it contains seven limbs.

24. In the light of the narrative supra, I have no difficulty in holding that the plaintiffs have proved their case with regard to sub-paragraphs (a) to (e). With regard to sub-paragraph (f), in the light of the nature of the case and in the light of the trajectory of this case, plaintiff is entitled to costs and I accede to sub-paragraph (f) also. Sub-paragraph (g) is the usual residuary limb and therefore, I consider imposing compensatory costs under Section 35-A of amended 'The Code of Civil Procedure, 1908' ('C.P.C.' for brevity) as amended by 'The Commercial Courts Act, 2015' ('said Act' for brevity) under this limb. To be noted, sub Section (2) of Section 35-A of C.P.C. as amended by the said Act has now been deleted and therefore, there is no cap with regard to compensatory costs that can be awarded in a case.

25. In the instant case, as alluded to supra, plaintiff has issued two pre-suit notices, one is dated 30.10.2015 and the other is dated 15.04.2016, which have been marked as Exs.P8 and P.9 respectively. Defendant having received the same has neither replied nor complied. This has compelled the plaintiff to present the instant suit in this Court on 23.06.2016.

26. Thereafter, evidence was let in on 20.10.2018, details of which have been alluded to supra.

27. The trajectory of the litigation, pre-suit and post suit (including presentation of suit) will reveal that the defendant has been recalcitrant and the defendant after receiving the pre-suit notices neither replied nor complied, but continued with use of alleged offending mark unabated, compelling the plaintiff to present the instant suit and carry it to its logical end for a period of two years spending time, money and energy. Therefore, in the light of this narrative, I am convinced that it is a fit case for imposing compensatory costs under Section 35-A of C.P.C as amended by the said Act. I am convinced that it would be appropriate to impose compensatory costs of Rs.2 lakhs.

28. Before parting with this case, it is to be noted that with regard to Exs.P3 and P.4, which are the trade mark registration certificates in favour of plaintiff, the description of the goods has been given as 'Agarbathies and dhoop (incense)' in one certificate and 'incense sticks' in the other certificate. Both registrations are in class 3. Class 3 reads as follows:

'3. Bleaching preparations and other substances for laundry use; cleaning; polishing; scouring and abrasive preparations; soaps; perfumery; essential oils; cosmetics; hair lotions; dentifrices.'

29. In the light of there being no specific mention in class 3 about Agarbathies and Dhoop, the question, as to whether the trademark registry can issue such certificates, has been dealt with by this Commercial Division in a common order dated 26.10.2018 made in O.A.Nos.705 and 706 of 2018 and A.Nos.7190 and 7191 of 2018 in C.S.No.511 of 2018 and the same will operate and apply in this case also. In the light of there being no contest, this question is left open in this case.

30. Owing to all that have been set out supra, this suit is decreed with costs and compensatory costs as mentioned supra. Consequently, connected miscellaneous petitions are closed.

30.10.2018

Speaking order

Index : Yes

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M.SUNDAR, J.
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