

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 12.09.2018

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

C.S.No.430 of 2009

1. S.Sudhakar

2. Shri Lakshmi Agro Foods Pvt.Ltd.,
No.9, N.N.Garden,
10th street, Chennai - 600 021
Rep. by its Managing Director
Mr.S.Sudhakar .. Plaintiffs

Vs.

M/s.Udayam Marketing,
No. 10/2, Vaidhyachetty Street,
Vellore. .. Defendant

This Civil Suit is preferred, under Order IV Rule 1 of O.S. Rules read with Section 27, 29, 134 and 135 of the Trade Marks Act, 1999, seeking following reliefs:

- a. A perpetual injunction restraining the defendant, its distributors, stockiest, servants, agents, retailers, representatives or any other person claiming under/through them from in any manner infringing the plaintiffs registered trademark 'UDHAIYAM' by manufacturing, selling, offering for sale, stocking, advertising, either directly and/or indirectly any goods and in particular any food and/or allied products including Asafoetida Powder (Perungaya thool) under the trademark 'UDAYAM' either per-se or in combination and/or any other mark either in English or Tamil or any other language, which is identical with and/or deceptively similar to plaintiffs' registered trademark "UDHAIYAM" or in any other manner whatsoever;
- b. A perpetual injunction restraining the defendant, its distributors, stockiest, servants, agents, retailers, representatives or any other person claiming under/through them from in any manner manufacturing, selling, offering for sale, stocking, advertising, either directly and/or indirectly any goods and in particular any food and/or allied products including Asafoetida Powder (Perungaya thool) under the trademark 'UDAYAM' either per se or in combination and/or any other mark either in English or Tamil or any other language which is identical with or deceptively similar to the plaintiffs trademark 'UDHAIYAM' so as to pass off the defendant's products as and for the products of the plaintiffs or in any other manner whatsoever connected with the plaintiffs;
- c. The defendant be ordered to surrender the plaintiffs for destruction all packed goods, labels, dyes, blocks, moulds, screen prints, packing materials and other materials bearing the trademark 'UDAYAM' either per se or in combination in English or Tamil or any other language;

d. A preliminary decree be passed in favour of the plaintiffs directing the defendant to render account of profits made by use of trademark 'UDAYAM' and a final decree be passed in favour of the plaintiffs for the amount of profits thus found to have been made by the defendant after the latter have rendered accounts;

e. The defendant be ordered and decreed to pay to the plaintiffs a sum of Rs.10,01,000/- as damages for acts of passing off and infringement of trademark committed by the defendant and for costs.

f. for costs of the suit;

For Plaintiff : Ms.Anupama Kumar
for Mr.R.Parthasarathy

For Defendant : Set exparte on 02.01.2017

JUDGMENT

There are two plaintiffs and one defendant in this suit.

2.Ms.Anupama Kumar, learned counsel representing the counsel on record for both plaintiffs, is before this Commercial Division.

3.Sole defendant after being duly served with suit summons on 09.06.2009, did not enter appearance through a counsel. There was no representation in person either.

4.Sole defendant was set ex-parte and suit was set down before learned Additional Master - I for recording ex-parte evidence.

5.Ex-parte evidence was recorded on 08.02.2017. One witness i.e., PW1 was examined on behalf of plaintiffs and eight exhibits i.e., Exs.P1 to P8 were marked on behalf of plaintiffs.

6.Suit is listed under the caption 'For Arguments' today before me.

7.It may be necessary to have a bird's eye view i.e., thumb nail sketch of the facts.

8. It unfurls from the plaint averments that first plaintiff is a joint proprietor of the Trademark 'UDHAIYAM' and is carrying on business through second plaintiff. To be noted, first plaintiff is a natural person i.e., one S.Sudhakar and second plaintiff is a juristic person i.e., Private Limited Company, which goes by name, 'Shri Lakshmi Agro Foods Pvt. Ltd.'

9.It is the case of the plaintiffs that second plaintiff was a leading company engaged in the business of marketing food and allied products under the Trademark 'UDHAIYAM'.

10.It is submitted that the second plaintiff and its associate companies concerns and entities are all traders in all types of food and allied products such as Dhall, Atta, Rawa, Maida, Salt, Rice, Spices, Sugar, fried Gram Appalam, Idly batter, Sunflower Oil etc.,

11.It is plaintiffs' further case that trading activity using the mark 'UDHAIYAM' was originally commenced by the first plaintiff's ancestors way back in 1940 as a family business. It is also submitted that the trademark 'UDHAIYAM' has been registered vide Registration No.595393B dated 23.04.1993 in respect of the goods contained in class 30 of the relevant schedule of the Trade Mark

Act, 1999 (This mark shall hereinafter referred to as 'suit T.M.' for the sake of brevity, convenience and clarity).

12.It further unfurls from the plaint averments that it is the plaintiffs' case that they had also applied for registration of Trademark 'UDHAIYAM' in other classes and the registrations have been set out in a tabular form, which reads as follows:

Trademark

Date

Application No.

Class

UDHAIYAM

20.12.2002

1160364

31

UDHAIYAM

23.04.1993

595393

30

UDHAIYAM

19.02.2003

1176049

30

UDHAIYAM

16.09.2004

1309345

30

UDHAIYAM

16.09.2004

1309346

30

UDHAIYAM

16.09.2004

1309347

16

UDHAIYAM

16.09.2004

1309348

30

UDHAIYAM

11.08.2003

1222314

30

13.It is plaintiffs' claim in the plaint that they enjoy 40% of market share in Tamil Nadu as far as Dhall is concerned. The plaintiffs would say that they had established their mark very well in the market and the mark i.e., suit T.M. is associated with their products and none else. In other words, it is plaintiffs' case that suit T.M. is a strong mark and any product with suit T.M. will lead to an inevitable belief in the minds of the general public that the product originates from the plaintiffs.

14.Some time in 2009, plaintiffs came to know that in some other parts of Tamil Nadu, Asafoetida Powder (Perungaya thool) with a mark identical to the suit T.M. was noticed. Plaintiffs made investigation and realised that the same originates from the defendant.

15. Under the aforesaid circumstances, plaintiffs presented the instant suit in this Court on 11.05.2009 inter alia for injunctive reliefs qua infringement of suit T.M.

16. The trajectory of the litigation has already been set out supra and the same would show that the suit is now before me for arguments post recording of ex-parte evidence.

17. Trademark Registration Certificate in the suit T.M. has been marked as Ex.P2. A perusal of Ex.P2 reveals that depiction of the suit T.M. is as follows:

18. A perusal of aforesaid Trademark Registration Certificate i.e., Ex.P2 reveals that it is not a Legal Use Certificate ('L.U.C.' for brevity).

19. To be noted, when the Trademark Registration Certificate is not an L.U.C., there are certain limitations and restrictions in pressing the same into service in legal proceedings. To be noted, the Legal Use Certificate alone will contain disclaimers and limitations including limitations of territoriality, if any.

20. Faced with the above situation, learned counsel for plaintiffs submitted that this suit may please be treated as a complaint of passing off qua suit T.M.

21. If this suit is treated as a complaint of passing off qua suit T.M., registration of trademark is not a sinequa non for this action at law as injunctive relief qua passing off is a common law remedy in contradistinction to injunctive relief qua registered trademark, which is a statutory relief under the Trademark Act, 1999.

22. I now embark upon the exercise of examining the suit on merits by construing the suit to be one pertaining to a complaint of passing off qua the suit T.M. treating the suit T.M. as an unregistered mark.

23. This takes us to the mark as depicted and used by the plaintiffs and the alleged offending mark of the defendant. Ex.P5 consists of not less than 10 sheets. Therefore, I treat 'Ex.P5' as 'Ex.P5 series'.

24. A perusal of Ex.P5 series shows that Suit T.M. as depicted and used by the plaintiffs is as follows:

25. Alleged offending mark used by the defendant has been marked as Ex.P7 and the same is as follows:

26. I saw the mark of the plaintiffs i.e., Ex.P5. Thereafter, the mark was taken away from the sweep of my eyes. Little later, I saw the alleged offending mark of the defendant i.e., Ex.P7. Thereafter, I asked myself a question as to whether a man of average intelligence with imperfect recollection and ordinary prudence be lulled into the belief that what he is seeing now is what he saw earlier. To my mind, the answer is in affirmative.

27. I compared the aforesaid two marks using the time honoured principle for such comparison laid down in the celebrated judgment of Hon'ble Supreme Court in Parle Products (P) Ltd. Vs. J.P. and Co., [(1972) 1 SCC 618]. I deem it appropriate to extract paragraph 9 of the said judgment, which 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 "Gluco 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. ¶

28.This takes us to other exhibits. Ex.P1 is Authorisation Certificate, wherein and whereby one Mr.Shanmugam, who deposed as PW1, has been authorised by second plaintiff company to depose on behalf of plaintiffs. Ex.P2 as mentioned supra is the Trademark Registration Certificate, but it is not an L.U.C.

29.Ex.P3 is a Certificate issued by the Chartered Accountant in respect of sales turnover and advertisement expenses incurred by the second plaintiff. This remains undisputed.

30.Ex.P4 series pertains to various advertisements of the plaintiffs.

31.Ex.P5 series pertains to the depiction of suit T.M. by the plaintiffs on various products. One such depiction, particularly, gram dhall has already been extracted, scanned and reproduced supra.

32.'Ex.P6' also ought to have been marked as Ex.P6 series as it contains many distinct sheets and therefore, I shall refer to same as 'Ex.P6 series'. Ex.P6 series is a series of documents, wherein plaintiffs have applied suit T.M. on various products manufactured and marketed by the plaintiffs.

33.Ex.P7, as mentioned supra is the alleged offending mark of the defendant, same has also been scanned and reproduced supra. The comparison has also been done and the manner and mode of comparison has already been alluded to by me supra.

34.Ex.P8 is a receipt to show sale of defendant's product i.e., Asafoetida. This is a receipt dated 15.04.2009, which describes the product as "Udhaiyam Perungayam".

35.I have perused the deposition of PW1 i.e., S.Shanmugam, who has deposed in his capacity as a Manager in second plaintiff company and his evidence is cogent. The cogent evidence of PW1 is synchronized with plaint pleadings, which have been alluded to supra and some of the pleadings have been culled out supra.

36.This takes us to the prayer paragraph in the plaint. Prayer paragraph in the plaint is paragraph

14 and it contains seven sub-paragraphs. In other words, there are seven limbs of prayer in the plaint. I deem it appropriate to extract entire paragraph 14 of the plaint for the purpose of abundant clarity. Paragraph 14 reads as follows:

"14. In these circumstances, it is most humbly prayed that this Hon'ble Court may be pleased to pass a judgment and decree for:

(a) A perpetual injunction restraining the defendant, its distributors, stockiest, servants, agents, retailers, representatives or any other person claiming under/through them from in any manner infringing the plaintiffs registered trademark 'UDHAIYAM' by manufacturing, selling, offering for sale, stocking, advertising, either directly and/or indirectly any goods and in particular any food and/or allied products including Asafoetida Powder (Perungaya thool) under the trademark 'UDAYAM' either per-se or in combination and/or any other mark either in English or Tamil or any other language, which is identical with and/or deceptively similar to plaintiffs' registered trademark "UDHAIYAM" or in any other manner whatsoever;

(b) A perpetual injunction restraining the defendant, its distributors, stockiest, servants, agents, retailers, representatives or any other person claiming under/through them from in any manner manufacturing, selling, offering for sale, stocking, advertising, either directly and/or indirectly any goods and in particular any food and/or allied products including Asafoetida Powder (Perungaya thool) under the trademark 'UDAYAM' either per se or in combination and/or any other mark either in English or Tamil or any other language which is identical with or deceptively similar to the plaintiffs trademark 'UDHAIYAM' so as to pass off the defendant's products as and for the products of the plaintiffs or in any other manner whatsoever connected with the plaintiffs.

(c) The defendant be ordered to surrender the plaintiffs for destruction all packed goods, labels, dyes, blocks, moulds, screen prints, packing materials and other materials bearing the trademark 'UDAYAM' either per se or in combination in English or tamil or any other language;

(d) A preliminary decree be passed in favour of the plaintiffs directing the defendant to render account of profits made by use of trademark 'UDAYAM' and a final decree be passed in favour of the plaintiffs for the amount of profits thus found to have been made by the defendant after the latter have rendered accounts;

(e) The defendant be ordered and decreed to pay to the plaintiffs a sum of Rs.10,01,000/- as damages for acts of passing off and infringement of trademark committed by the defendant.

(f) for costs of the suit; □

37.A Perusal of prayer paragraph particularly, the seven limbs of prayer would reveal that limbs (a) and (b) pertain to injunctive relief qua suit T.M.

38.Plaint prayer (a) i.e., first limb of prayer pertains to injunctive relief qua infringement of suit T.M. As this suit is now being treated as a complaint of passing off in the light of trajectory in the hearing today, plaint prayer (a) (First limb) does not fall for consideration.

39.With regard to second limb of plaint prayer i.e., (b), the same is injunctive relief, it pertains to passing off and owing to the narrative supra, particularly, in the light of comparison of the two marks i.e., Exs.P5 and P7 and the conclusion I have made post comparison, this limb of prayer is answered in the affirmative. In other words, plaint prayer (b) is acceded to.

40.As plaint prayer (b) is acceded to, it is necessary that plaint prayers (c) and (d) are also acceded to, as a matter of corollary. In other words, suit will be decreed in terms of (b), (c) and (d).

41.With regard to plaint prayer in sub-paragraphs (e) of prayer paragraph i.e., fifth limb of the prayer, the same pertains to damages in a sum of Rs.10,01,000/-. A perusal of the deposition and

exhibits marked enumeration of which has been made supra would reveal that no evidence has been let in with regard to damages and therefore, this prayer cannot be acceded to. In other words, there is no evidence for actual loss that caused to the plaintiffs owing to marketing of Ex.P7 and therefore, this prayer cannot be acceded to.

42.Plaint prayers as contained in sub-paragraphs (f) and (g) of plaintiff prayer paragraph i.e., limbs 6 and 7 pertain to cost and usual residuary prayer respectively. I combine these two prayers and examine cost and residuary prayer. Considering the nature and the trajectory of the litigation, I am convinced that the plaintiffs are entitled to costs. I am also convinced that the plaintiffs are entitled to compensatory costs as provided for under Section 35 A of 'The Code of Civil Procedure, 1908', ('C.P.C.' for brevity). To be noted, vide 'The Commercial Courts Act, 2015', cap with regard to quantum of compensatory costs which can be awarded, has now been removed. In other words, there is no quantum cap with regard to compensatory costs under Section 35 A of C.P.C.

43.To be noted, the aforesaid amendment has been brought in by Amendment Ordinance No.3 of 2018, which is operating on and from 3rd May 2018. Also to be noted, said Ordinance as of today, has become Act and the same is Act 28 of 2018.

44.Plaintiffs, as mentioned supra, have presented the instant suit on 11.05.2009. This suit has therefore, been carried through for almost a decade now. Defendant, after being duly served with suit summons on 09.06.2009, has not chosen to come before this Commercial Division, thereby compelling the plaintiffs to carry this litigation through for a decade incurring litigation expenses, time and energy.

45.To be noted, it has also necessitated the plaintiffs to let in evidence by putting their witness in the box and marking documents. Therefore, I am convinced that the plaintiffs are entitled to compensatory costs of Rs.2,00,000/- (Rupees two lakhs only). Considering that the plaintiffs had to carry the litigation through for a period of one decade, compensatory costs of Rs.2,00,000/- is awarded in addition to usual costs, which is under sub-paragraph (f) of the prayer paragraph i.e., limb No.6 in the plaint. This compensatory cost is awarded by exercising powers qua residuary prayer being the seventh limb of the prayer. With regard to usual costs under sub-paragraph (f), plaintiffs shall file bill of costs in the Registry by following normal procedures. This is in addition to compensatory costs of Rs.2,00,000/- as mentioned supra.

46.Owing to all that have been stated supra, this suit is being decreed with regard to prayers contained in sub-paragraphs (b), (c), (d), (f) and (g) of plaintiff prayers contained in prayer paragraph 14, which has been extracted supra.

47.This suit is decreed with cost and compensatory cost in the aforesaid manner.

12.09.2018

Index : Yes/No

Speaking/Non-Speaking order

kj/kan

M.SUNDAR, J.

kj/kan

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