



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.09.2018

CORAM :

The Hon'ble MR.JUSTICE M.SUNDAR

C.S.No.235 of 2013

V.S.G.Lungi Company

.. Plaintiff

-vs-

M/s.Jayam Textiles,
Rep. by its Partners,
R.Rajamanikkam and A.Murugesan.

.. Defendant

Plaint filed under Order IV Rule 1 of O.S. Rules read with Order VII Rule 1 of C.P.C. and r/w Sec. 27, 28, 29, 134 and 135 of the Trademarks Act, 1999 r/w Sec. 51, 55 & 62 of Copyright Act, 1957 for the reliefs as stated below.

For Plaintiff

: Mr.S.Patrick
for Mr.K.Rajasekaran

For Respondent

: Set ex parte
* * * * *

J U D G M E N T

There is a sole plaintiff and a lone defendant in the instant suit.

2.Before proceeding with the suit, it is necessary to examine the jurisdiction of this Commercial Division qua this suit.



3.Mr.Patrick, learned counsel for the sole plaintiff submits that this suit pertains to a complaint of infringement of registered trademarks and copyright of the plaintiff. In the light of the suit being one pertaining to a complaint of infringement of registered trademarks and copyright of the plaintiff, sub-section (1) of Section 134 of the Trademarks Act, 1999 and sub-section (2) of section 62 of the Copyrights Act, 1957, will operate, is his say. Learned counsel submits that in the light of the aforesaid two provisions operating, 'specified value' is of no relevance and this Commercial Division will have jurisdiction to entertain this suit under the first proviso to Section 7 of The Commercial Courts Act, 2015, ('said Act', for brevity) is his further say.

4.I have perused the plaint and I am satisfied that the submissions merit acceptance. I accept the submission and hold that this Commercial Division will exercise jurisdiction over this suit under the first proviso to Section 7 of the said Act.

5.Having determined jurisdiction, I now turn to the stage of the suit.

6.Lone defendant in the suit was set ex parte and the matter



was set down for recording *ex parte* evidence before learned Additional Master-III. One witness was examined on behalf of the plaintiff, i.e., one Elumalai (P.W.1). Lone witness on the side of the plaintiff was examined on 23.09.2014 before the learned Additional Master and 18 exhibits, i.e., Exs.P-1 to P-18, were marked on behalf of the plaintiff.

7.The suit is now listed before me for arguments, post recording evidence in the aforesaid manner.

8.I heard Mr.Patrick, learned counsel for plaintiff.

9.The crux and gravamen of this suit is constituted by three trademark registrations and the details of those three trademark registrations are as follows:

<i>No.</i>	<i>Date of App.</i>	<i>Brand Name</i>	<i>CLASS</i>	<i>App.No</i> .	<i>Goods/Services</i>	<i>Status</i>
1.	04/11/1999	NANDU BRAND	24	885294	Textile Piece Goods including Lungies, Sarongs, Dhoties, Sarees and Handkerchieves	Registered
2.	24/10/2000	V.S.G. BRAND	24	966112	Textile Piece Goods including Lungies, Sarongs, Dhoties, Sarees and Handkerchieves	Registered



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<i>No.</i>	<i>Date of App.</i>	<i>Brand Name</i>	<i>CLASS</i>	<i>App.No</i> .	<i>Goods/Services</i>	<i>Status</i>
3.	04/11/1999	CHALAM	24	885295	LUNGI	Registered

10.The aforesaid three registered trademarks, of which the plaintiff is the Proprietor, are those in which registration is subsisting and the relevant trade mark registration certificates have been marked as Exs.P-8, P-5 and P-10, i.e., Nos. 1, 2 and 3 (supra) respectively. In other words, the trade mark registration certificates pertaining to 'Nandu' brand has been marked as Ex.P-8, 'VSG' has been marked as Ex.P-5 and 'Challam' has been marked as Ex.P-10.

11.All the three registrations are under Clause 24 of the relevant Schedule under the Trade Marks Act, 1999 and Clause 24 reads as follows:

"24.Textiles and textile goods, not included in other classes; bed and table covers."

The aforesaid three registered trade marks, as depicted in the registration certificate, are as follows:





12.The aforesaid three registered trademarks, which form the crux and gravamen of this suit, are hereinafter collectively referred to as 'suit TMs', for the sake of convenience and clarity.

13.Besides the suit TMs., plaintiff submits that they have ten other registrations, the details of which are as follows:

<i>No.</i>	<i>Date of App.</i>	<i>Brand Name</i>	<i>CLASS</i>	<i>App.No</i> <i>.</i>	<i>Goods/Services</i>	<i>Status</i>
1.	27/04/2004	VSGXXX [LABEL]	24	1281088	Lungies and Cotton Fabrics	Registered
2.	16/12/2004	CHALAM GOLD	24	1326320	Lungies, Dhoties, Sarong and all other textile piece goods	Registered



No.	Date of App.	Brand Name	CLASS	App.No .	Goods/Services	Status
3.	22/06/2005	VSG G9 BRAND	24	1366000	Lungies and all types of textile piece goods including Sarongs, Dhoties, Sarees and Handkerchieves	Registered
4.	22/06/2005	VSG G3 BRAND	24	1366001	Lungies and all types of textile piece goods including Sarongs, Dhoties, Sarees and Handkerchieves	Registered
5.	05/09/2008	HAALA	24	1728903	Lungies	Registered
6.	05/09/2008	WASEEM	24	1728904	Lungies	Registered
7.	27/07/2009	VSG	25	1844129	All types of clothing including readymade garments and hosiery	Registered
8.	27/07/2009	NANDU	25	1844130	All types of clothing including readymade garments and hosiery	Registered
9.	24/01/2011	VSG NANDU	24	2088752	Lungies	Registered
10.	12/01/2011	NANDU GOLD	24	2084121	Lungies	Registered

14. With regard to the suit TMs., plaintiff claims that they have copyright also in each of the three registered trade marks which constitute suit TMs. With regard to 'Nandu' brand, i.e., Ex.P-8, copyright registration also has been obtained vide Registration



No.A-61838/2002 dated 22.08.2002. To be noted, artistic work is the subject matter of copyright registration qua 'Nandu' brand. The artistic work for which copyright has been obtained, as depicted in the Copyright Registration Certificate is as follows:



To be noted, the aforesaid Copyright Registration Certificate has been marked as Ex.P-3.

15.It is the specific and categoric case of the plaintiff that sometime in March, 2013, plaintiff found several imitated labels in the market, they went by the name 'Eral' brand. It is also the specific case of the plaintiff that the alleged offending marks were



affixed on Lungies which are covered under Clause 24 in which suit TMs. are registered. The alleged offending mark of the defendant has been marked as Ex.P-18 and the same is as follows:



16. On coming to know about the market being flooded with Lungies with the offending mark, plaintiff made enquiries and came to know that the same originated from the defendant. Thereafter, it is the case of the plaintiff that after such enquiries, a search of the trade mark register and the records therein revealed that the defendant has made a trade mark registration application vide



Application No.2420944 for 'Eral' brand.

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17.Under the aforesaid circumstances, the instant suit was presented on 01.04.2013. Notice in interlocutory applications was ordered on 10.04.2013. Prayers in the instant suit pertain to injunctive reliefs qua suit TMs., as also injunctive relief qua copyright in each of the three suit TMs. To be noted, one of the suit TMs., i.e., 'Nandu' brand, has also been copyright registered, the details of which have been alluded supra. This suit also contains injunctive relief against passing off qua suit TMs.

18.Besides the aforesaid three limbs of prayers, the usual prayer for surrender of offending material, i.e., name boards, packing materials, visiting cards, letterheads, printer bills, etc., for destruction as well as one limb of prayer for accounts are there.

19.The above are followed by the usual prayers, i.e., for costs and the residuary prayer.

20.Aforementioned prayers constitute the seven limbs of prayers in the suit. The prayer paragraph in the suit is paragraph 23 and for the purpose of absolute clarity in this judgment, it is deemed



appropriate to extract entire prayer paragraph in the plaint, i.e., paragraph 23 with sub paras (a) to (g) therein, which contain the seven limbs of the prayer. I do so and the same reads as follows:

"23.*The plaintiff therefore prays that this Hon'ble Court may be pleased to grant a Judgment and Decree against the Defendant on the following terms:*

- a) A perpetual injunction restraining the Defendant by themselves or their men, partners, proprietors, stockists, dealers, servants, agents, franchises, successors and interest, licensees, assignees, representatives or any of them from in any manner infringing the plaintiff's registered Trademark "NANDU BRAND AND/OR VSG LABEL AND/OR CHALAM LABEL" by use of the Trademark Label "ERAL BRAND" AND/OR SBT AND/OR JAYAM or similar Trade Dress, colour scheme or any mark deceptively similar label to that of the Plaintiff's registered Trade Mark labels or by use of identical or deceptively similar trading style or in any other manner whatsoever;*
- b) A perpetual injunction restraining the Defendant by themselves or their men, partners, proprietors, stockists, dealers, servants, agents, franchises, successors and interest, licensees, assignees, representatives or any of them from in any manner passing off or enabling passing off of the Defendant's goods under the Trade Mark Label "ERAL BRAND" AND/OR "SBT" AND/OR "JAYAM" or*



similar Trade Dress/Trading style, colour scheme or any other deceptively similar Trade Mark as and for the goods of the Plaintiff under the Registered Trade Mark "NANDU BRAND" AND/OR "VSG LABEL" AND/OR "CHALAM LABEL";

- c) A perpetual by themselves or their men, partners, proprietors, stockists, dealers, servants, agents, franchises, successors and interest, licensees, assignees, representatives or any of them from in any manner infringing the Plaintiff's copyright over the artistic work in the label "NANDU BRAND" AND/OR "VSG LABEL" AND/OR "CHALAM LABEL" by use of the "ERAL BRAND" AND/OR "SBT" AND OR "JAYAM" or similar Trade Dress, colour scheme or any label deceptively similar to that of the Plaintiff's artistic work or by use of identical or deceptively similar trading style and/or artistic work in any other manner whatsoever;*
- d) The Defendants be ordered to surrender to Plaintiff for destruction of all name boards, packing materials, visiting cards, letterheads, printer bills, cartons, sachets, lungis and other goods bearing the Trademark Label "ERAL BRAND" AND/OR "SBT" AND/OR "JAYAM" or similar Trade Dress, colour scheme or any mark deceptively similar to that of the Plaintiff's registered Trade Mark and artistic work "NANDU BRAND" AND/OR "VSG LABEL" AND/OR "CHALAM LABEL";*
- e) The Defendants be ordered to produce an account*



of profits made by them by the unlawful use of the Registered Trade Marks of the Plaintiff and thereafter to pass a final decree upon ascertaining the accounts, in favour of the Plaintiff and against the Defendants;

f) For the costs of the suit; and

g) Grant such other relief or reliefs as this Hon'ble Court may deem fit and proper in the circumstances of the case and thus render justice."

21.It is also submitted at the hearing today that the plaintiff is a habitual infringer with regard to such products and in support of the said allegation, plaintiff has marked a copy of a judgment made by this Court in C.S.No.846 of 2009. This judgment is dated 09.12.2009 and the same has been marked as Ex.P-15.

22.It is submitted that the aforesaid judgment has become final. A perusal of Ex.P-15 reveals that plaintiff's allegation that defendant is a habitual offender stands buttressed as defendant has given an undertaking regarding use of another mark and a decree has been passed on the basis of such undertaking.

23.This takes us to the deposition before learned Additional



Master-III. A perusal of the deposition reveals that, as mentioned *supra*, one Elumalai has deposed on behalf of the plaintiff. The deposition also reveals that Elumalai is an accountant with the plaintiff and that he is aware of the facts and circumstances of the case. A letter authorising Elumalai to depose on behalf of the plaintiff is dated 22.09.2014 and the same has been marked as Ex.P-1. In support of the alleged offending sale, a bill evidencing such sale has been marked as Ex.P-13.

24.As it unfurls from the plaint averments, plaintiff is a traditional weaver by profession. It is also the plaintiff's case that plaintiff is the Proprietor of suit TMs. and by intense hard work, has popularised the same and has also increased the market share over a period of time. The year wise sales turnovers and the advertisement expenses incurred for popularising the suit TMs. have been set out in a tabulated form in the plaint and the same reads as follows:

<i>S.No.</i>	<i>Year</i>	<i>Year wise Sales Turnover (Rs.)</i>	<i>Advertisement Expenses (Rs.)</i>
1	1999-2000	84,94,360	1,68,000
2	2000-2001	98,46,750	1,75,000
3	2001-2002	1,02,13,900	1,75,400
4	2002-2003	1,13,33,822	2,00,000



<i>S.No.</i>	<i>Year</i>	<i>Year wise Sales Turnover (Rs.)</i>	<i>Advertisement Expenses (Rs.)</i>
5	2003-2004	1,47,35,212	2,15,000
6	2004-2005	1,37,63,570	2,88,960
7	2005-2006	1,95,69,803	3,14,000
8	2006-2007	2,29,20,388	3,29,000
9	2007-2008	2,54,15,814	3,48,640
10	2008-2009	2,91,69,509	4,93,975
11	2009-2010	4,57,58,059	5,33,450
12	2010-2011	8,42,93,714	9,46,000
13	2011-2012	15,44,20,164	85,96,000
	Total	44,99,35,065	1,27,83,425

To buttress and bolster these submissions, plaintiff has marked various invoices and sales documents as Ex.P-11 series and P-12 series.

25.As would be evident from the narration of plaintiff's case supra, the plaintiff has averred that the defendant had applied for registration of a mark in the trade mark registry. That application has been marked as Ex.P-14 and it is averred that the same has now been abandoned. Obviously, there is no dispute or denial of this, much less contra evidence.

26.In the aforesaid backdrop, as the defendant has remained *ex parte*, I have carefully applied my mind to the facts of the case,



which includes the pleadings, deposition and exhibits, the details of which have been alluded to supra. To be noted, the suit TMs. have been extracted, scanned and reproduced supra. The alleged offending mark used by the defendant which has been marked as Ex.P-18 has also been scanned and reproduced supra.

27.Be that as it may, for the purpose of comparing the two marks, i.e., suit TMs. applied on plaintiff's product and the offending mark of the defendant, the same have been set out in the plaint in paragraph 11 and it is as follows:



28.In the plaint, though the plaintiff's mark and the alleged offending mark have been placed side by side, I have abjured and



refrained myself from making a side-by-side comparison. I made a comparison which is permissible in law.

29.The litmus test for comparing the two marks adopted by me is, I saw the plaintiff's marks, took it away from the sweep of my eyes and little later, I saw the defendant's mark. Whilst seeing the defendant's mark, I asked myself the question as to whether a man of average intelligence with ordinary prudence and imperfect recollection is likely to be lulled into the belief that what he is seeing now is what he saw earlier.

30.To my mind, the answer is in the affirmative. The answer is not merely in the affirmative, but it is an emphatic monosyllabic 'YES'. To my mind and in my considered opinion the answer in this case needs no qualification and admits of no exception.

31.In other words, to my mind, a man of average intelligence with ordinary prudence and imperfect recollection is bound to believe that the alleged offending mark originates from the plaintiff. In other words, a ordinary man is bound to believe that the defendant's offending mark is actually the plaintiff's mark.



32. The inspiration for applying the aforesaid test abjuring a side by side comparison is the time honoured and celebrated judgment of the Supreme Court in ***Parle Products (P) Ltd. Vs. J.P. and Co., [(1972) 1 SCC 618]***. The relevant paragraph in which such a test has been briefly and elucidatedly laid down by the Supreme Court 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."

33. For the purpose of copyright, the law is well settled that registration is not a *sine qua non* for an action at law alleging infringement and it is not a pre-requisite for the plaintiff, who alleges infringement of a copyright. In the instant case, as it emerges from the narrative supra, the suit TMs. are constituted by three different registered trade marks. Out of the three registered trade marks, the plaintiff has even obtained registration for copyright in one of the registered trade marks, i.e., 'Nandu' brand and the copyright. With regard to the other two registered trade marks, which constitute the



suit TMs., there is no copyright registration but in law it is not necessary, as the artistic work therein will vest in the plaintiff and the plaintiff has a legal right to complain of infringement of copyright, which they have done.

34.I have perused the deposition of P.W.1 and I find that it is cogent. Besides being cogent, it is synchronised with the plaintiff's pleadings and it is in harmony with the averments in the plaint. It buttresses and bolsters the plaint averments. The exhibits remain undisputed and all the exhibits, read in totality, would reveal that the plaintiff has proved its case beyond any speck of doubt. As the plaintiff has proved their claim, the plaintiff will be entitled to first five limbs of prayers in the suit. To be noted, the prayer paragraph being paragraph 23 of the plaint has already been extracted and reproduced supra. This takes us to the costs limb and residuary limb.

35.There are two aspects which have weighed in my mind to come to a conclusion that the plaintiff will not only be entitled to costs, but will also be entitled to compensatory/exemplary costs under Section 35-A of The Code of Civil Procedure, 1908 ('CPC' for brevity).



36. Under the amended CPC, as amended by The Commercial Courts Act, 2015, and amending Ordinance 3/2018 dated 3.5.2018, there is no cap with regard to the quantum of compensatory/exemplary damages that can be awarded.

37. I examined the costs aspect bearing this in mind.

38. As mentioned supra, two determinants have weighed in my mind. One determinant is, the defendant has remained ex parte and has compelled the plaintiff to carry this matter over half-a-decade in this Court. Plaintiff has incurred litigation expenses over half-a-decade, i.e., from 01.04.2013, in pursuing this litigation. To be noted, the plaintiff has also obtained an interim order dated 10.04.2013 in O.A.Nos.257, 258 and 259 of 2013, which is operating until today and those interim prayers are in tune with the main prayers in the suit.

39. The defendant has not taken any steps whatsoever to vacate the interim orders, but has compelled the plaintiff to carry the litigation for over five long years, i.e., half a decade.

40. The second determinant that has weighed in my mind is Ex.P-15, wherein and whereby the defendant has already suffered a



decree (on an undertaking though) made by a Single Judge of this Court with regard to infringement of trade mark albeit another mark, but regarding the same product, i.e., Lungies. Therefore, there is considerable force in the submission of learned counsel for plaintiff that the defendant is a habitual infringer. This second determinant is what has impelled me to hold that the plaintiff is entitled to compensatory/exemplary costs.

41.Considering the length of the litigation, the trajectory of the same and the habitual conduct of the defendant, I am of the view that compensatory/exemplary costs of Rs.2,00,000/- (Rupees two lakhs only) would be appropriate in a case of this nature. One other buttressing factor while awarding costs is that the plaintiff has not asked for damages in the suit prayers.

42.To be noted, there is a prayer for accounts and that is, limb (e) of paragraph 23. Post production of accounts, it is open to the plaintiff to launch proceedings for quantifying the damages and claim the same from the defendant. In other words, this decree and award of compensatory/exemplary costs here will not become an impediment and come in the way of the plaintiff if the plaintiff chooses to adopt such a course for recovering damages from the



defendant post production of accounts under limb (e) of the decree herein.

43.Also to be noted, compensatory/exemplary costs of Rs.2,00,000/- awarded supra is in addition to the regular costs, which shall be placed before the Registry in an appropriate manner by way of bill of costs by the plaintiff.

44.The suit is decreed with costs and compensatory/exemplary costs as set out supra.

05.09.2018

Index : Yes/No
Website : Yes/No
Speaking/non-speaking order

sra

To

The Sub Assistant Registrar
Original Side, Madras High Court,
Chennai.



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M.Sundar, J.

(sra)

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