

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 30.10.2018

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

C.S.No.875 of 2017

and

O.A.Nos.1124, 1125 and 1127 of 2017

Chaany Agro Industries,
through its Partners
Gurtej Singh, Tarlodan Singh
having its office at
V.P.O. Siryewala, Tehsil Phul
Dist. Bathinda (PB),
and also at
7/15, State Bank Street,
GP Road,
Chennai-600 002.

.. Plaintiff

Vs.

Gobind Agriculture Works,
Moga Road,
Near Panjgrain Kalan,
Kotkapura-151 204
Punjab.

.. Defendant

This Civil Suit is preferred, under Order IV Rule 1 of Original Side Rules and Order VII Rule 1 of CPC read with Sections 27(2), 29, 134 and 135 of the Trade Marks Act, 1999 and Sections 51, 55 and 62 of the Copyrights Act, 1957 and Section 22 of the Designs Act, 2000 seeking to grant a judgment and decree by (a) granting a permanent injunction, restraining the defendant, by himself, his servants, agents, distributors, or anyone claiming through him from manufacturing, selling, advertising and offering for sale

<http://www.judis.nic.in> paddy straw chopper or any other similar goods from using the Trade Mark

CHAANY / CHAANY-448 or any other similar Trade Mark name or similar sounding expression in any media and use the same in name board, invoices, letter heads and visiting cards or by using any other trade mark / name which is in any way visually or deceptively or phonetically similar to the plaintiff's Trade Mark CHANNY-448 and use the same in pouches, packets or use the mark in invoices, letters heads and visiting cards or any other trade literature by using any other trade mark which is in any way visually, or phonetically similar to the plaintiff's registered Trade Mark No.1931964; (b) A permanent injunction restraining the Defendant, their men, agents, successors-in-business, assigns, representatives or any person claiming through or under them from in any manner infringing the Plaintiff's copyright in the artistic work in the drawings for its Paddy Straw Choppers by substantially reproducing the said artistic works either in 2-dimension or in 3-dimension as shown in Document No.15 by manufacturing, selling, offering for sale or dealing with Combine Paddy Straw Choppers, parts and fittings or in whatever name called or in any other manner whatsoever; (c) A permanent injunction restraining the Defendant, their men, agents, successors-in-business, assigns, representatives or any person claiming through or under them from in any manner infringing the Registered Designs of the Plaintiff under nos.278647, 278648, and 296611 by manufacturing, selling, offering for sale or dealing with Combine Paddy Straw Choppers, parts and fittings or in whatever name called or in any other manner whatsoever; (d) granting a permanent injunction, restraining the Defendant, by himself, his servants, agents, distributors, or anyone claiming through him from manufacturing,

selling, advertising and offering for sale paddy straw chopper or any other similar goods from using the Trade Mark CHAANY-448/CHAANY/PADDY STRAW CHOPPER/PADDY STRAW CHOPPER SHREDDER/ PADDY STRAW CHOPPER SHREDDER CUM SPREADER or any other similar Trade Mark name or similar sounding expression in any media and use the same in name board, invoices, letter heads and visiting cards or by using any other trade mark/name which is in any way visually or deceptively or phonetically similar to the plaintiff's trade mark CHAANY-448/CHAANY/PADDY STRAW CHOPPER/PADDY STRAW CHOPPER SHREDDER/PADDY STRAW CHOPPER SHREDDER CUM SPREADER and use the same in pouches, packets or use the mark in invoices, letters heads and visiting cards or any other trade literature by using any other trade mark which is in any way deceptively or phonetically confusingly similar to the plaintiff's Trade Mark CHAANY-448 / CHAANY / PADDY STRAW CHOPPER / PADDY STRAW CHOPPER SHREDDER / PADDY STRAW CHOPPER SHREDDER CUM SPREADER or in any other manner pass off their goods as that of the Plaintiff, (e) A permanent injunction restraining the Defendant, their men, agents, successors-in-business, assigns, representatives or any person claiming through or under them from in any manner passing off or enabling others to pass off their Machines, parts and fittings, which are identical or deceptively similar to the Plaintiff's Paddy Straw Choppers or in any other manner whatsoever; (f) The Defendant be ordered to pay to the Plaintiff a sum of Rs.20,05,000/- by way of damages; (g) The Defendant be directed to surrender to the Plaintiff for destruction, catalogues, drawings, any

print material etc. with any reference whatsoever to the Plaintiff or its combines and the products manufactured thereon; (h) A Preliminary Decree be passed in favour of the Plaintiff directing the Defendant to render a true and faithful account of all profits earned by them using Plaintiff's drawings and a final decree be passed in favour of the Plaintiff for the amount of profits thus found to have been made by the Defendant after the latter have rendered accounts; (i) for costs; and (j) for such other and further reliefs as the nature and circumstances of the case may require and thus render justice.

For Plaintiff : Ms.Gladys Daniel

For Defendant : set ex parte on 20.09.2018

JUDGMENT

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

2 Suit has been filed complaining of infringement of trade mark, copyright, design, passing off qua trade mark and product passing off. Usual prayers for delivery of offending materials and accounts also form part of the prayer paragraph. In addition to all these, regular prayers for costs and residuary prayer form part of the prayer paragraph.

3 Before I embark upon the exercise of dealing with the factual matrix of the suit, it may be necessary to set out that jurisdiction of this Commercial Division qua this suit was determined on 13.08.2018 and the proceedings are as follows :

“Ms.Gladys Daniel, learned counsel on record for sole plaintiff is before this Commercial Division.

2. Sole defendant in this suit has been duly served by way of substituted service, i.e. by publication in Punjabi News Paper “Nawan Zamana” on 29.11.2017.

3. The name of the defendant is shown in the cause list, but none appears. However, there shall be a direction to the Registry to show the name of the defendant together with full/complete address as in the short and long cause titles in the plaint.

4. Be that as it may, jurisdiction of this Commercial Division qua this suit was examined.

5. Learned counsel for plaintiff submits that this suit pertains to alleged infringement of registered design, copyright and passing off.

6. The subject matter of the suit is a chopper shredder.

7. In the light of the narrative supra, it is submitted that second Proviso to Sub Section of Section 22 of the Designs Act, 2000, Section 62(2) of the Copyright Act, 1957 and Section 134 of the Trade Marks Act, 1999 operate. It is her further say that in the light of the aforesaid three provisions operating, 'specified value' is of no consequence and first proviso to Section 7 of the Commercial Courts Act, 2015 will confer jurisdiction in the light of the aforesaid lis qualifying as those relating to intellectual property rights within the meaning of sub-clause (xvii) of section 2(1)(c) of the Commercial Courts Act, 2015.

8. I have perused the plaint.

9. There is no difficulty in accepting the aforesaid submissions with regard to jurisdiction of this Commercial Division.

10. In other words, this Commercial Division will exercise jurisdiction in view of this suit being a 'commercial dispute' of 'specified value' in the light of Section 2(1)(c)(xvii) r/w Section 7 of Commercial Courts Act, 2015.

11. Jurisdiction thus determined.

12. Registry is directed to print the name of sole defendant together with full/complete address as in the short and long cause titles, in the next listing.

13. List this matter on 23.08.2018 along with all applications.

14. Interim order already granted on 18.06.2018 in O.A.Nos.1124, 1125 and 1127 of 2018 and extended from time to time to continue until further orders. “

4 After referring to determination of jurisdiction of this Commercial Division qua this suit, I deem it appropriate to set out a brief chronicle of trajectory of this suit. After service of suit summons, the sole defendant did not choose to come before this Court either in person or through counsel, resulting in this suit being listed in Undefended Board, i.e., under the caption 'UNDEFENDED BOARD'. This was on 20.09.2018. On that day also, as there was no representation and obviously, as no written statement had been filed by sole defendant, sole defendant was set ex parte and this suit was set down for recording ex parte evidence before learned Additional Master-IV on 25.10.2018.

5 On 25.10.2018, ex parte evidence was recorded, one Gurtej Singh, who has been described as partner in the plaintiff firm deposed as P.W.1 and as many as 17 documents, i.e., Exs.P.1 to P.17 were marked through him.

6 After the aforesaid exercise before the learned Additional Master-IV, instant suit has been placed before me for arguments.

7 Ms.Gladys Daniel, learned counsel on record for sole plaintiff is

before me and I have heard learned counsel.

8 Before I proceed further with this suit, it is necessary to set out the prayer paragraph in the plaint, about which there is a brief reference supra. Prayer paragraph in the plaint is paragraph 34 and the same reads as follows :

“34. That the Plaintiff, therefore, prays that this Hon'ble Court may be pleased to grant a Judgement and Decree on the following terms:-

(a) granting a permanent injunction, restraining the Defendant, by himself, his servants, agents, distributors, or anyone claiming through him from manufacturing, selling, advertising and offering for sale paddy straw chopper or any other similar goods from using the Trade Mark CHAANY / CHAANY-448 or any other similar Trade Mark name or similar sounding expression in any media and use the same in name board, invoices, letter heads and visiting cards or by using any other trade mark / name which is in any way visually or deceptively or phonetically similar to the plaintiff's Trade Mark CHANNY-448 and use the same in pouches, packets or use the mark in invoices, letters heads and visiting cards or any other trade literature by using any other trade mark which is in any way visually, or phonetically similar to the plaintiff's registered Trade Mark No.1931964;

(b) A permanent injunction restraining the Defendant, their men, agents, successors-in-business, assigns, representatives or any person claiming through or under them from in any manner infringing the Plaintiff's copyright in the artistic work in the drawings for its Paddy Straw Choppers by substantially reproducing the said artistic works either in 2-dimension or in 3-dimension as shown in Document No.15 by manufacturing, selling, offering for sale or dealing with Combine Paddy Straw Choppers, parts and fittings or in whatever name called or in any other manner whatsoever;

(c) A permanent injunction restraining the Defendant, their men, agents, successors-in-business, assigns, representatives or any person claiming through or under them from in any manner infringing the Registered Designs of the Plaintiff under nos.278647, 278648, and 296611 by manufacturing, selling, offering for sale or dealing with Combine Paddy Straw Choppers, parts and fittings or in whatever name called or in any other manner whatsoever;

(d) granting a permanent injunction, restraining the Defendant, by himself, his servants, agents, distributors, or anyone claiming through him from manufacturing, selling, advertising and offering for sale paddy straw chopper or any other similar goods from using the Trade Mark CHAANY-448/CHAANY/PADDY STRAW CHOPPER/PADDY STRAW CHOPPER SHREDDER/ PADDY STRAW CHOPPER SHREDDER CUM SPREADER or any other similar Trade Mark name or similar sounding expression in any media and use the same in name board, invoices, letter heads and visiting cards or by using any other trade mark/name which is in any way visually or deceptively or phonetically similar to the plaintiff's trade mark CHAANY-448/CHAANY/PADDY STRAW CHOPPER/PADDY STRAW CHOPPER SHREDDER/PADDY STRAW CHOPPER SHREDDER CUM SPREADER and use the same in pouches, packets or use the mark in invoices, letters heads and visiting cards or any other trade literature by using any other trade mark which is in any way deceptively or phonetically confusingly similar to the plaintiff's Trade Mark CHAANY-448 / CHAANY / PADDY STRAW CHOPPER / PADDY STRAW CHOPPER SHREDDER / PADDY STRAW CHOPPER SHREDDER CUM SPREADER or in any other manner pass off their goods as that of the Plaintiff,

(e) A permanent injunction restraining the Defendant, their men, agents, successors-in-business, assigns, representatives or any person claiming through or under them from in any manner passing off or enabling others to pass off their

Machines, parts and fittings, which are identical or deceptively similar to the Plaintiff's Paddy Straw Choppers or in any other manner whatsoever;

(f) The Defendant be ordered to pay to the Plaintiff a sum of Rs.20,05,000/- by way of damages;

(g) The Defendant be directed to surrender to the Plaintiff for destruction, catalogues, drawings, any print material etc. with any reference whatsoever to the Plaintiff or its combines and the products manufactured thereon;

(h) A Preliminary Decree be passed in favour of the Plaintiff directing the Defendant to render a true and faithful account of all profits earned by them using Plaintiff's drawings and a final decree be passed in favour of the Plaintiff for the amount of profits thus found to have been made by the Defendant after the latter have rendered accounts;

(i) for costs; and

(j) for such other and further reliefs as the nature and circumstances of the case may require and thus render justice."

9 As set out in the brief reference to the prayer paragraph supra, there are as many as 10 limbs of prayer, which are in the form of 10 sub paragraphs in paragraph 34 of the plaint.

10 At the very outset, learned counsel for plaintiff very fairly submits that she is giving up plaint prayer contained in sub paragraphs (a) and (d). In other words, learned counsel for plaintiff is giving up prayer sub-paragraph pertaining to complaints of infringement of registered trade mark and passing off qua trade mark. To be noted, prayers contained in sub paragraphs (b) and (c) pertain to alleged copyright infringement and alleged

design infringement.

11 This takes us to design registrations in favour of the plaintiff. It is pointed out that plaintiff has three design registrations in its favour being Design registration Nos.278647, 278648 and 296611 in Class 15-03, Class 08-03 and Class 15-03 respectively. These three design registration certificates have been marked as Ex.P.7 series. The front, back, right side, left side, top and bottom views in each of these certificates are as follows :

Design No.278647 :

Front View :



Back view :



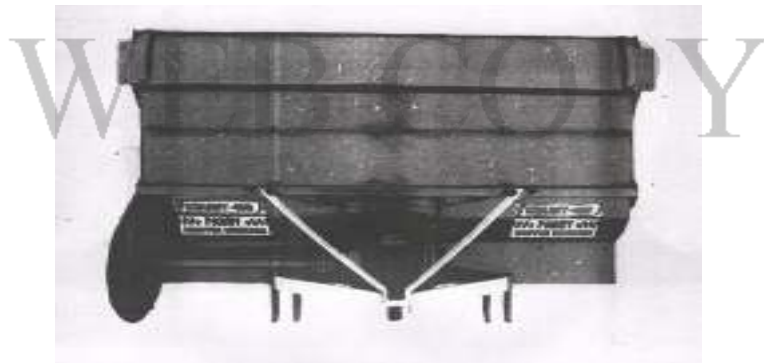
Right Side view :



Left side view :



Top view :

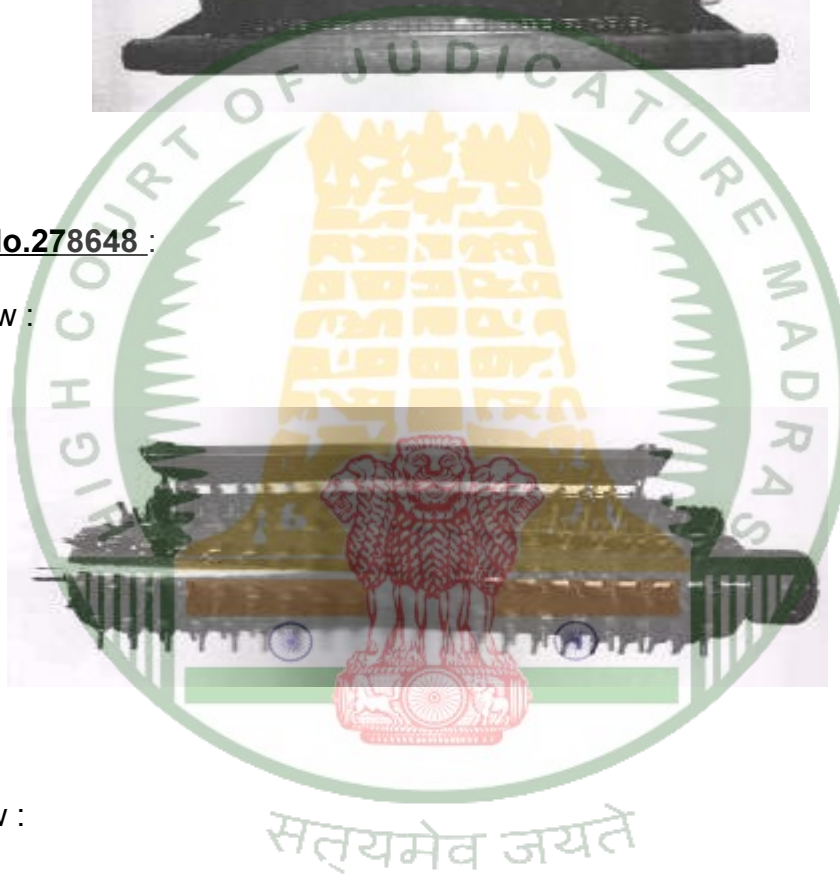


Bottom view :

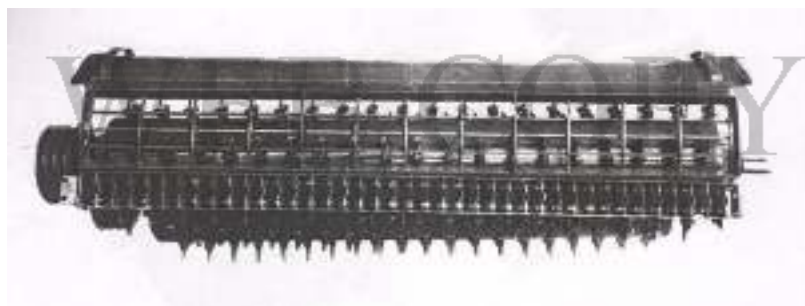


Design No.278648 :

Front View :



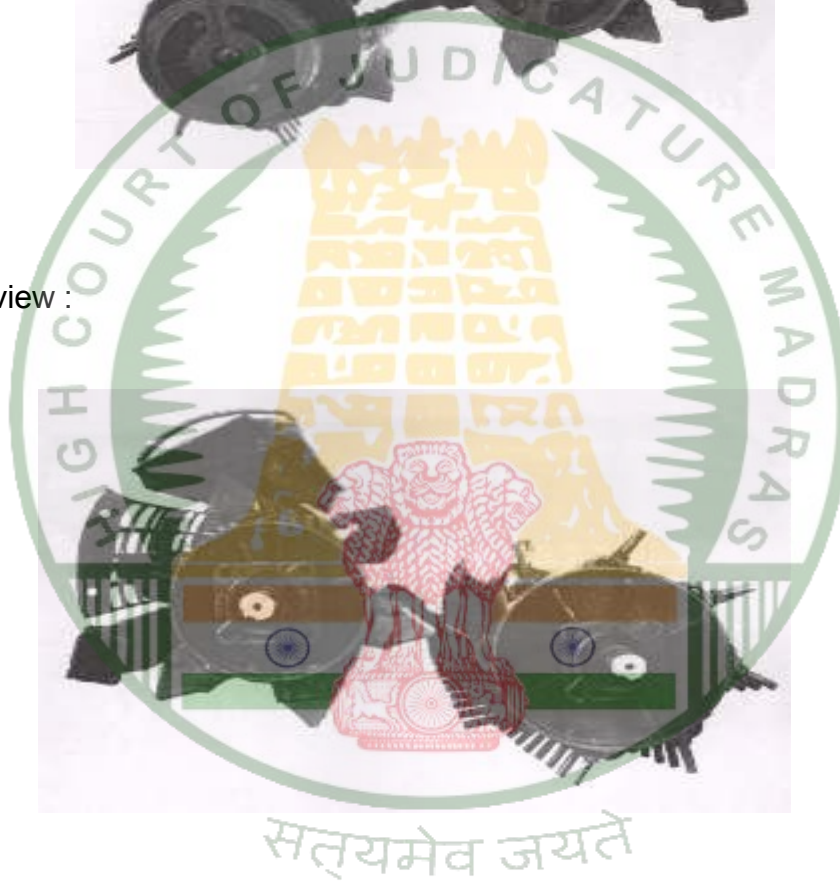
Back view :



Right side view :



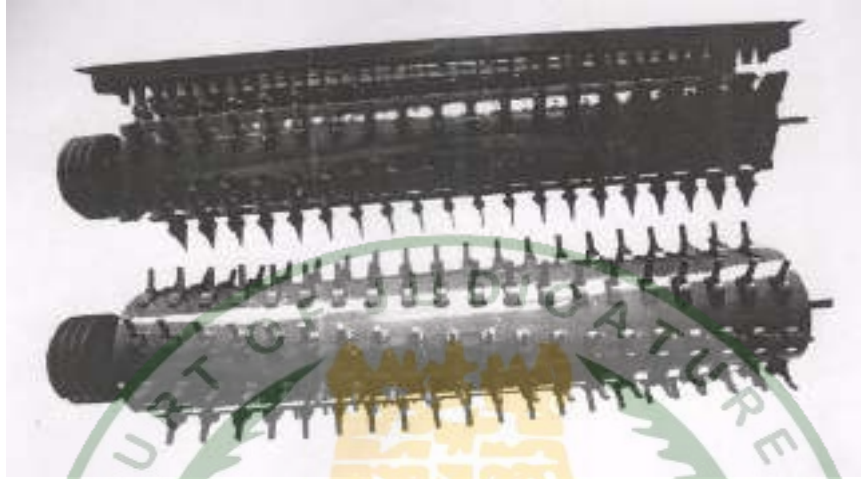
Left side view :



Top view :

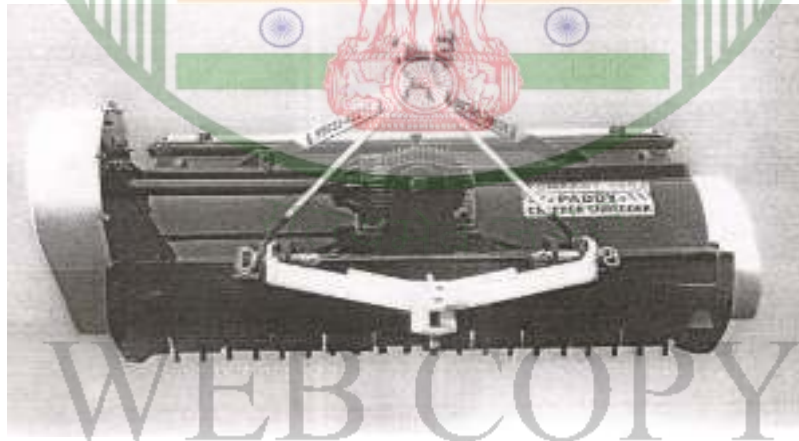


Bottom view :



Design No.296611 :

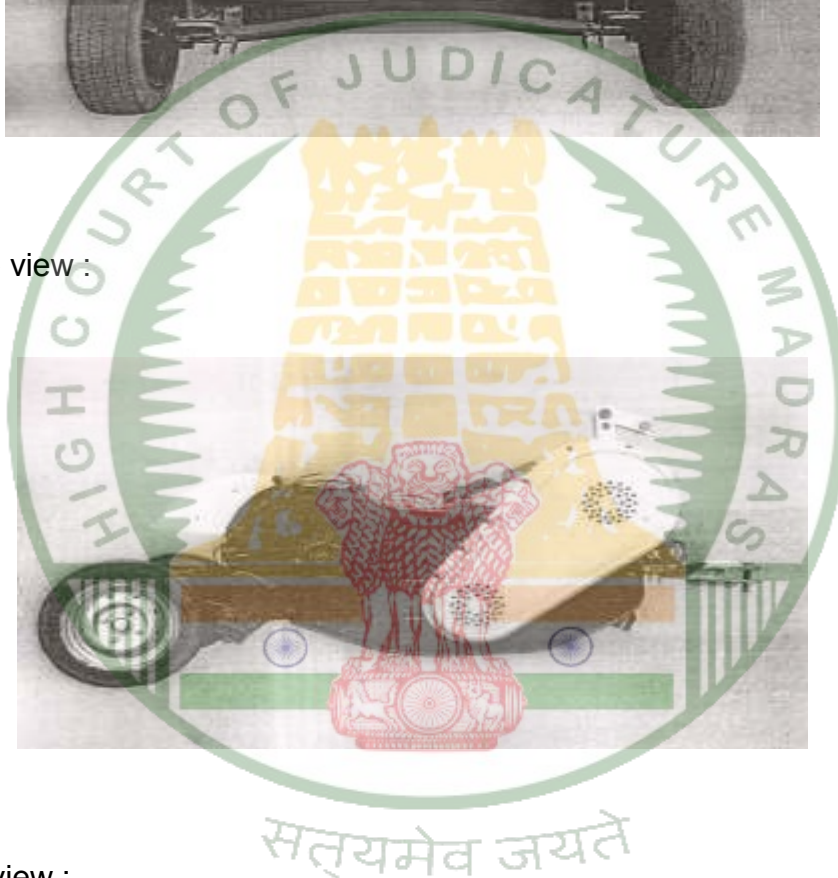
Front view :



Back view :



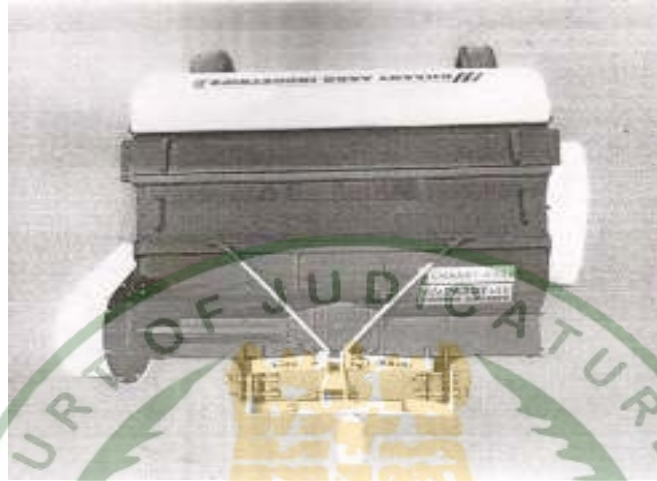
Right side view :



Left side view :



Top view :



Bottom view :



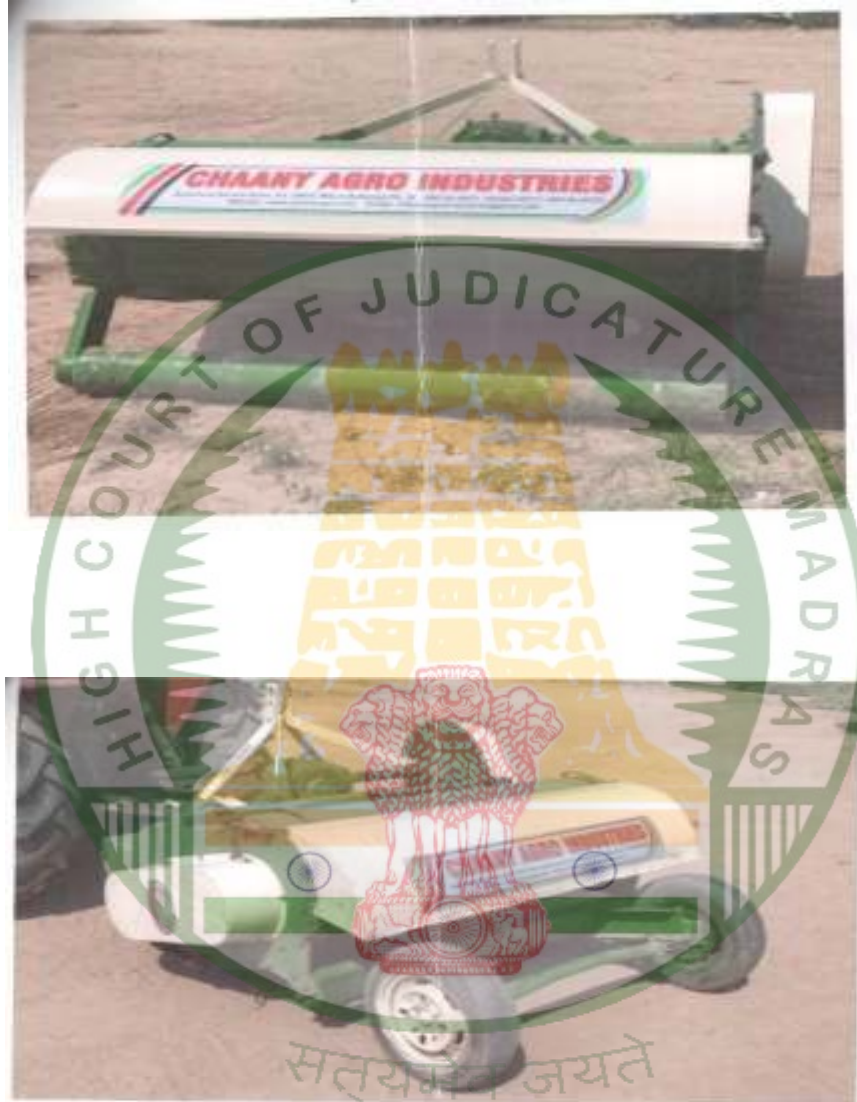
WEB COPY

12 To be noted, these design registrations are in 'shape and configuration'. Learned counsel submits that these design registrations in shape and configuration are used in Paddy straw chopper and shredder, the products, i.e., aforesaid shape and configuration in three dimensional form

<http://www.judis.nic.in> have been photographed and those photographs have been marked as

Ex.P.17 series. To be noted, Ex.P.17 series have been marked along with photographs of products of defendant, which according to plaintiff are offending plaintiff's design registrations. Ex.P.17 contains photographs of defendant's alleged offending products also. Products of plaintiff in which the aforesaid design registrations have been applied, i.e., plaintiff's products in three dimensional form as in Ex.P.17 are as follows :





WEB COPY

13 In contradistinction / comparison, photographs of defendant's products as in Ex.P.17 are as follows :





14 While on this, it is to be noted that as mentioned supra, plaintiff also claims copyright in the drawing for the aforesaid product and the drawing in which plaintiff claims copyright has been marked as Ex.P.16 and the same is as follows :



15 As the plaint is inter-alia a complaint of design infringement, learned counsel for plaintiff drew my attention and invited this Court to compare the products of plaintiff in three dimensional form (photographs) and defendant's products (photographs) as in Ex.P.17 series with photographs in the aforementioned three design registration certificates (Ex.P.7 series).

16 I did embark upon the exercise of such comparison and on a bare comparison, to my eye, there appears to be a design infringement. To be noted, going by the definition of 'design' as contained in section 2 of sub-section (d) of the Designs Act, 2000, design infringement will occur only when it is so perspective to the eye. The reason is, definition of design necessarily means that it is one which should appeal to and is judged solely by the eye.

17 With regard to the copyright infringement, according to learned counsel for plaintiff, plaintiff's product contained in photographs in Ex.P.17 series are products in three dimensional form, manufactured and made from and out of the drawing contained in Ex.P.16 in which plaintiff claims copyright.

18 In the light of there being no denial and disputation in this regard by sole defendant, one cannot but come to the conclusion and infer that there is copyright infringement also.

19 A comparative analysis of two designs in Ex.P.17 series, which contains photographs of plaintiff's product and defendant's product, reveal that there is a clear case of passing off.

20 I have perused the deposition of P.W.1 Mr.Gurtej Singh, his deposition is cogent and it is synchronised with pleadings in the plaint. To be

noted, with regard to design registrations, they were originally in the name of Gurtej Singh, P.W.1 and the same were transferred to plaintiff vide Ex.P.8 and thereafter, P.W.1 had also executed relinquishment-cum-assignment deed which has been marked as Ex.P.9. To demonstrate that plaintiff has been actively using the aforesaid design registrations and drawing in which copyright is being claimed with regard to products being paddy straw chopper and shredder, invoices showing the sale of the products have been marked as Ex.P.10 series. A photo copy of the certificate of authorised distributor has also been marked as Ex.P.11. Besides, a copy of advertisement of plaintiff's products has been marked as Ex.P.12.

21 I now revert to the prayer paragraph in the plaint which has been extracted and reproduced supra. In the light of the cogent evidence of P.W.1 and in the light of Exs.P.1 to P.17 read in the context of pleadings and submissions made by learned counsel for plaintiff, prayers in the plaint sub paragraphs (b) and (c) stand proved. With regard to prayer in sub paragraph (e) qua product passing off, the same also stands proved in the light of my conclusion that two products are clearly deceptively similar. With regard to sub-paragraph (f), no evidence has been let in by plaintiff to show the actual damages, it is only perceived damages. Therefore, prayer in sub paragraph (f) is negatived. In the light of the prayers in sub paragraphs (b), (c) and (e) being acceded to, plaintiff is entitled to prayer for surrender of offending materials contained in sub paragraph (g) of prayer paragraph. It follows as a sequitur that plaintiff is also entitled to accounts in the light of the aforesaid prayer being acceded to and therefore, plaintiff is entitled to prayer in sub

paragraph (h) which is for preliminary decree regarding rendition of true and faithful accounts.

22 This takes us to prayer for costs contained in sub paragraph (i). In the light of the narrative supra and in the light of the plaintiff having established its case clearly, it is a fit case for being decreed with costs.

23 This takes us to plaint sub paragraph (j), which is in the nature of a residuary prayer. Under this residuary prayer, learned counsel for plaintiff requests me to consider the possibility of awarding 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). To be noted, Section 35-A of CPC as it exists today is one where sub-section (2) has been deleted and therefore, there is no cap for upper limit with regard to compensatory costs being awarded.

24 For examining the entitlement of plaintiff for compensatory costs, which is otherwise referred to as exemplary costs in common parlance, one has to necessarily look at the trajectory of this suit, a chronicle of which has already been alluded to supra.

25 As has been alluded to supra, pre-suit notice vide Ex.P.13 dated 25.7.2017 was issued to sole defendant, sole defendant received the same, but neither responded nor complied. It is submitted that sole defendant after receiving pre-suit notice, i.e., cease and desist notice, without responding or complying, continued with the sale of offending product unabated. This resulted in plaintiff presenting the instant suit. It is pointed out that plaintiff also sent a reminder notice dated 10.8.2017 and the same has been marked

as Ex.P.14. It is submitted that Ex.P.14 also met with the same fate as that of Ex.P.13. Therefore, inevitably, the instant suit was presented in this Court on 07.11.2017. After presenting instant suit also, defendant (though duly served with suit summons) did not choose to come before this Court either in person or through counsel. Therefore, this suit was listed in the Undefended Board on 20.09.2018, on which date, defendant was set ex parte and plaintiff had to go through the exercise of going before learned Additional Master-IV, letting in oral evidence (to be noted, P.W.1 is from Punjab and he had to travel from Punjab for deposing before this Court). Having presented the plaint on 07.11.2017, plaintiff was constrained and compelled to carry this suit to its logical end by pursuing the same in this court for almost one year, expending money, energy and time.

26 Considering all determinants, I am convinced that the prayer of plaintiff's counsel for awarding compensatory costs under section 35-A of CPC as amended by said Act deserves to be acceded to. It is also pointed out that plaintiff had to effect service on defendant by resorting to substituted service, i.e., publication in newspapers which also means further expenditure.

27 Taking all these determinants in its sum totality, I am of the view that this is a fit case for awarding Rs.5,00,000/- (Rupees five lakhs only) as compensatory costs to the plaintiff inter-alia under Section 35-A of CPC as amended by said Act.

28 Accordingly, this suit is decreed with costs and compensatory costs on the above terms. Consequently, connected applications are closed.

30.10.2018

Speaking order

Index : Yes/No

vvk



WEB COPY

M.SUNDAR, J.

vvk



C.S.No.875 of 2017

WEB COPY

30.10.2018