

IN THE HIGH COURT OF JUDICATURE AT BOMBAY**ORDINARY ORIGINAL CIVIL JURISDICTION****NOTICE OF MOTION NO.2198 OF 2019
IN
COMMERCIAL IP SUIT NO.1197 OF 2019
WITH
LEAVE PETITION NO.139 OF 2019
IN
COMMERCIAL IP SUIT NO.1197 OF 2019**

Mohtimbas Engineering Pvt. Ltd. And Anr.

...Plaintiffs

vs.

Machine N Tools And 4 Ors.

...Defendants

.....

Mr. Rashmin Khandekar, a/w. Ms. Janhvi Chadha, i/b. Krishna & Saurastri Associates LLP, for the Plaintiffs/Applicants.

Mr. Aniruddha Walsangkar, a/w. Mr. Prafulla Paranjape and Ms. Saloni Sulakhe, for the Defendants.

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CORAM : S.C. GUPTE, J.

DATE: 28 JANUARY 2020

(Oral Judgement):

. Heard learned Counsel for the parties.

2. This notice of motion is taken out in a Commercial IP Suit, which seeks to protect intellectual property rights in a registered trademark. The suit complains of infringement of a registered trademark as also passing off of goods inter alia by means of copying the Plaintiffs' trade dress. Since the Defendants carry on business outside

the local limits of the jurisdiction of this Court and the Plaintiffs propose to combine the cause of action of passing off with that of infringement, the Plaintiffs have sought leave under Clause XIV of the Letters Patent by Leave Petition No.139 of 2019.

3. There is no serious objection to such leave. The leave petition is, accordingly, allowed.

4. The Plaintiffs' case in the suit is that Plaintiff No.1, incorporated in the year 1988, carries on business as stockist, importer and distributor of engineering tools and equipment. It sells *inter alia* carbide saw blades, diamond circular saw blades, saw holders, etc. of various sizes and shapes under the mark **KYK** and in a distinctive packaging material or trade dress. Plaintiff No.1 claims to be a registered proprietor of the trademark **KYK** in India. The mark is a label



mark designated as . Plaintiff No.2 is a company incorporated under the laws of Taiwan. It carries on business as a manufacturer and marketer of similar goods. Its goods are sold *inter alia* under the trademark **KAMIYA**. It is the Plaintiffs' case that one Garywell Limited, a company incorporated under the laws of Hong Kong, and Plaintiff No.2, were under common control. Garywell owned various trademarks used by Plaintiff No.2. Garywell was a proprietor of the mark **KYK** in China. In or around 1993, Garywell started using the trademark **KYK** in India. Garywell and its group company, i.e. Plaintiff No.2, were distributing or marketing various cutting tools under the trademark **KYK** with packaging material or trade dress having a distinctive original artistic

work, design, layout, get up and colour scheme essentially in two colours, namely, blue and white, and also with the mark **KAMIYA** printed all over and the mark **KYK** appearing at the top. Garywell's application for registration, made on 24 July 2003 (in respect of the mark **KYK** used in India since 1993), culminated into registration of the trademark **KYK** in its name. The registration certificate was issued on 24 January 2007. By a deed of assignment dated 25 April 2014, Garywell assigned all its right, title and interest in the mark **KYK** along with its goodwill in India to Plaintiff No.1. The Plaintiffs rely on the deed of assignment executed between the parties in this behalf. Since this assignment, Plaintiff No.1 has become the present proprietor of the mark **KYK** in relation to saw, carbide saw blades, saw blades (parts of hand tools), saw holders, drills, drill holders (hand tools) cutters, cutting tools (hand tools) (along with the goodwill subsisting therein in India). Considering that the registration of the mark **KYK** in class 8, in the name of Garywell, had inadvertently lapsed due to non-payment of renewal fees, Plaintiff No.1, who had by then become an assignee of the trademark, filed a fresh application for registration of the mark **KYK** on 7 March 2015 in class 8 in India. The application has since been granted and the mark is registered in the name of Plaintiff No.1. Plaintiff No.1, thus, claims to be the registered proprietor of the mark **KYK** in the class and in respect of the goods referred to above, claiming its user since 1993. Thus, from the year 1993, Plaintiff Nos. 1 and 2 have been using the trademark **KYK** and marketing their goods in the distinctive trade dress or packaging material referred to above, first as permissible users from its original proprietor Garywell, and later, i.e. since 2014, through registered proprietorship of the mark **KYK** (Plaintiff No.1, as the

proprietor and Plaintiff No.2, as its licensee).

5. The grievance of the Plaintiffs in the present suit is that, in or around October 2015, Plaintiff No.1 came across an identical brand **KYK**, in connection with carbide tipped saw blades sold in an identical and/or deceptively similar packaging material or trade dress as that of the Plaintiffs and bearing the marks **KAMIYA** and **KYK** printed in an identical manner thereon. The Plaintiffs filed a complaint in this behalf before the concerned police station, in whose jurisdiction the goods were found. The police, thereupon, conducted an investigation and found counterfeit goods. A raid was, thereupon, conducted on the Defendants' premises and products bearing the impugned marks and in the impugned packaging/trade dress were recovered from the premises. Upon the matter being further investigated, a charge-sheet was filed against the present Defendants. Criminal Case No.2623 of 2016 has been pending against the Defendants in pursuance of that charge-sheet before the Judicial Magistrate, First Class, Pune. During the pendency of this case, it is claimed that the Defendants even approached Plaintiff No.1 to settle the matter. It is the case of the Plaintiffs that in February 2018, Plaintiff No.1 was served with a notice from the Trademarks Registry informing it about the notice of opposition of Defendant No.1 herein to the Plaintiffs' application for registration of the mark **KYK**, which was pending before the Registry at that stage. Plaintiff No.1 filed his counter-statement to this notice. Defendant No.1, thereafter, did not file any evidence in support of its opposition and, in course of time, the mark **KYK** came to be registered in the name of Plaintiff No.1. In the course of the opposition proceedings, the Plaintiffs learnt that Defendant

No.1 had applied for registration of the mark **KYK** in classes 7 and 8 by fraudulently claiming to be the proprietor of the mark **KYK** in India. The Plaintiffs, thereupon, opposed the application by filing a notice of opposition. Defendant No.1, thereupon, filed a counter-statement in support of its application, whereupon, the parties filed their respective evidence. It appears that during the pendency of the proceedings, Defendant No.1 has abandoned its application for registration in class 7 and its other application in class 8 is pending consideration before the Trademarks Registry.

6. On these facts, the Plaintiffs have approached this Court alleging infringement of their registered trademark and also passing off of goods by the Defendants.

7. The Defendants oppose the suit and the notice of motion, by filing their written statement in the Commercial IP Suit and an affidavit in reply to the notice of motion. In his reply to the Plaintiffs' notice of motion, learned Counsel for the Defendants raises only one contention. It is submitted that the original registration of Garywell of the trademark **KYK** had expired on 24 July 2013. It is submitted that the registered proprietor, not having renewed its registration, there is a deemed abandonment of the trademark. It is submitted that the trademark had, thereupon, fallen in public domain and the Defendants were well within their rights to adopt the trademark and market their goods under it.

8. The submission, of course, does not answer the case of passing off. There is no indication why the particular trade dress or

packaging material used by the Plaintiffs with their distinctive artistic work, design, layout, get up and colour scheme is adopted by the Defendants for marketing their goods. The attempt is clearly suggestive of an intent to trade on the reputation and goodwill of the Plaintiffs. But be that as it may, it is no answer even to a case of infringement. Garywell may have ceased to be a registered proprietor of the trademark **KYK** on 24 July 2013, but it does not cease to be a proprietor of the trademark **KYK**. As a proprietor, it has assigned the trademark, together with the goodwill, to Plaintiff No.1, who, thereafter, applied for registration of the trademark and even got such registration. It is the Plaintiffs' case that Plaintiff No.1 is the registered proprietor of the mark **KYK** and Plaintiff No.2 is the former's licensee, both of whom seeking to protect their intellectual property on the basis of such registration. It is no answer to such a case that the assignor of the Plaintiffs (Garywell) is deemed to have abandoned the trademark allowing thereby the trademark to fall into public domain.

9. Learned Counsel for the Defendants relies on a decision of Delhi High Court in the case of **Indian Association of Thermometry vs. Hicks Thermometers India (Ltd.)**¹. Relying on this decision, it is submitted that a trademark, upon its abandonment by a registered proprietor, can be used by another trader as and by way of a new acquisition and the assignee of the original registered proprietor cannot claim any protection as against the use of the trademark by such rival trader. The argument is merely required to be stated to be rejected. In **Hicks Thermometers India (Ltd.)**, the trademark "Hicks", which was

1 1981 SCC OnLine Del 196 : (1981) 20 DLT 246

registered in class 9 in respect of thermometers and similar scientific instruments, was in the name of one M.F. Stanley and Co. Ltd. U.K. This company was a wholly owned subsidiary of Stanley & Co., the original proprietor of the trademark "Hicks". By an agreement between Hicks Thermometry India Ltd., the respondent before the Delhi High Court, and Stanley & Co., the respondent was permitted to register itself as a sole registered user of the trademark "Hicks" and, accordingly, it was registered as a sole user of the trademark. The registered user's agreement came to an end on 5 May 1971. The trademark continued to be on the trademark register till about 4 February 1972. The respondent-company thereafter wrote to Stanley & Co. for renewal of the registration of the trademark but that was not done. On 1 March 1973, the respondent-company applied to the Trademarks Registry for registration of the trademark "Hicks" in its own name. Before doing so, it informed Stanley & Co. of its intention to do so. There was no response from Stanley & Co. The court noted that this was probably so, because by this time, Stanley & Co. had been wound up. The registration of the trademark at the instance of the respondent was not opposed by successors of Stanley & Co. but by the appellant, Indian Association of Thermometry. The opposition was on the ground that the alleged proprietorship and use of the trademark "Hicks" by the respondent, who was merely its registered user, was likely to cause confusion and deception. The objection of the association was not countenanced by the Trademarks Registry, who granted registration in favour of the respondent. The challenge before the Delhi High Court arose out of this rejection of opposition. Delhi High Court did not find fault with the order of the Assistant Registrar rejecting the objections of the

association. The court noted that the Assistant Registrar had given his decision judicially and judiciously; there was distinctiveness about the trademark; the respondent had established its reputation sufficient for the new acquisition claimed in respect of the abandoned trademark; and that there was, accordingly, no confusion or deception likely to be caused by reason of registration of the trademark in the name of the respondent and, accordingly, the application was liable to be granted. These facts are wholly distinguishable from the facts of our case. The respondent in that case had entered into a registered user agreement with the original registered proprietor, Stanley & Co. After the registration expired, it continued to use the trademark. It applied to the registered proprietor for renewal of the registration and when the registered proprietor did not respond, it applied for registration in its own name, giving notice to the registered proprietor that it would do so. The registered proprietor did not respond presumably because by then it was already wound up. It is in these circumstances that the court treated the original trademark as having been abandoned by its registered proprietor and acquired thereupon by the respondent, who was originally a registered user of the trademark. It does not take an elaborate argument to note that these facts are wholly different and unmistakably distinguishable from the facts of our case. In our case, it is a third party, who is not in any way connected with the use of the registered trademark, who is opposing the assignee of the trademark claiming under the original proprietor, and after having obtained registration of the trademark as such assignee. If at all, the shoe is here on the other foot.

10. As we have noted above, in addition to the case of infringement, as discussed above, there is a clear case of passing off here. The rival goods, which are exactly identical, are sold by the Defendants in an exactly same packaging material or trade dress; it has the same artistic work; the same design, the same layout, get up and also the same colour scheme. In other words, it is not just a case of passing off of one's goods as the goods of the other but in fact dealing in counterfeit goods.

11. In the premises, the Plaintiffs have made out a clear prima facie case and deserve an interim protection. Notice of motion is, accordingly, made absolute in terms of prayer clauses (a) and (b).