

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 29.01.2019

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

C.S.No.561 of 2018 &
A.No.742 of 2019 &
O.A.No.761 of 2018

M/s.V.V.V & Sons Edible Oils Ltd.,
 Rep. by its Director
 M.Rajiv Vignesh
 No.443, Bazaar
 Virudhunagar - 626 001

... Plaintiff

Vs.

1.Sri Anjaneya Detergent
 5/73, Marurpatti
 Mudhalapattipuduir
 Mudhalaipatti Post
 Namakkal - 637 003

2.Jaya Chemicals and Detergent Soap Pvt. Ltd.,
 No.123, Shanmugapuram North Street
 Tuticorin - 628 001

.. Defendants

This Civil Suit is preferred, under Order IV Rule 1 of the Madras High Court O.S Rules read with Order VII Rule 1 of CPC and Section 26, 134 and 135 of the Trade Marks Act praying to grant a permanent injunction restraining the defendants, its men or agents or anybody claiming under it from in anyway manufacturing, preparing, exporting or selling any product and more specifically detergent soap, substances for laundry use, cleaning, polishing, scouring and abrasive preparations, perfumery, essential oil, cosmetics, hair lotions, dentifrices etc. in packages using the plaintiff's registered trade mark "Idhayam"; to grant a preliminary decree in favour of the plaintiff directing the defendants to render accounts of profits made by it using the trademark 'Idhayam' which is identical and / or deceptively

similar and a final decree be passed in favour of the plaintiff for the amount of profits found to have been made by the defendants after rendering of accounts; defendants be ordered to pay a sum of Rs.1,00,000/- as liquidated damages for committing acts of infringement and passing off against the plaintiff's registered trade mark so as to pass off the products as that of the plaintiff's product; the defendants be ordered and decreed to deliver up for destruction to the plaintiff all preparations, machines, bottles, labels, packaging, sack either full or empty, brochures, leaflets, pamphlets, handbills, hoardings, wall posters, calenders, carry bags, stationary items and such other sales promotional materials bearing and/or containing the impugned trade mark 'Idhayam' and grant costs of this suit.

For Plaintiff : Mr.M.Musthafa Khan

For Defendants : Mr.G.K.Muthukumar
for Mr.V.M.Venkataramana

JUDGMENT

There is a sole plaintiff and there are two defendants in the instant suit.

2. Mr.M.Musthafa Khan, learned counsel on record for plaintiff and Mr.G.K.Muthukumar, learned counsel representing the counsel on record for both the defendants are before this Commercial Division.

3. Pleadings are complete in the instant suit.

4. By consent of both learned counsel, the main suit itself is taken up for disposal and for passing of summary judgment under Order XIII-A of amended 'The Code of Civil Procedure, 1908' ('CPC' for brevity) as amended

by 'The Commercial Courts Act, 2015' ('said Act' for brevity).

5. Considering the narrowed down / abridged scope of this list, suffice to give a thumb nail sketch of facts.

6. Plaintiff is a company engaged in the business of selling sesame oil, sesame seeds, groundnut oil, mustard oil, sunflower oil, pulses, cereals and appalams. As far as instant suit is concerned, plaintiff has filed this suit complaining of infringement of its registered trademarks qua Sesame Oil. According to learned counsel for plaintiff, four registered Trademarks are of relevance for the plaintiff and they are as follows:

Sl.No.	Trademark No.	Class	Mark
1	2505082	29	
2	746974	29	
3	963729	30	

Sl.No.	Trademark No.	Class	Mark
4	988884	30	

7. Plaintiff has been filed complaining that the defendant is manufacturing and selling detergent soaps, substances for laundry use, cleaning, polishing, scouring and abrasive preparations, perfumery, essential oil, cosmetics, hair lotions, dentifrices etc., by using a mark 'Idhayam'. It is plaintiff's case that the defendant is infringing plaintiff's aforesaid trademarks, which shall hereinafter be referred to as 'suit TMs' for the sake of brevity and clarity.

8. According to plaintiff, principal face of label of the plaintiff is as follows:



9. Principal face of alleged offending label of defendant as placed before this Commercial Division in the suit file by the plaintiff is as follows:



10. As mentioned supra, suit is for injunctive relief qua infringement

of suit TMs, besides incidental and ancillary reliefs. The prayer paragraph in the plaint reads as follows:

'The plaintiff therefore prays that this Hon'ble Court may be pleased to grant a judgment and decree in favour of the plaintiff and as against the defendants:

'a) Grant a permanent injunction restraining the defendants, its men or agents or anybody claiming under it from in anyway manufacturing, preparing, exporting or selling any product and more specifically detergent soap, substances for laundry use, cleaning, polishing, scouring and abrasive preparations, perfumery, essential oil, cosmetics, hair lotions, dentifrices etc. in packages using the plaintiff's registered trade mark "Idhayam";

b) Grant a preliminary decree be passed in favour of the plaintiff directing the defendants to render accounts of profits made by it using the trademark 'Idhayam' which is identical and / or deceptively similar and a final decree be passed in favour of the plaintiff for the amount of profits found to have been made by the defendants after rendering of accounts;

c) Defendants be ordered to pay a sum of Rs.1,00,000/- as liquidated damages for committing acts of infringement and passing off against the plaintiff's registered trade mark so as to pass off the products as that of the plaintiff's product;

d) The defendants be ordered and decreed to deliver up for destruction to the plaintiff all

preparations, machines, bottles, labels, packaging, sack either fill or empty, brochures, leaflets, pamphlets, handbills, hoardings, wall posters, calenders, carry bags, stationary items and such other sales promotional materials bearing and/or containing the impugned trade mark 'Idhayam';

e) Grant costs of this suit and

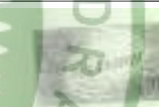
f) Grant such other or further relief as this Hon'ble Court may deem fit and proper in the circumstances of the case and thus render justice.'

11. Defendants, who have entered appearance, have filed a written statement. To be noted, second defendant has filed a written statement dated 03.10.2018 (presented on 12.10.2018) and the same has been adopted by the first defendant.

12. Most relevant pleading in the written statement is contained in Paragraph 3 and the same reads as follows:

'3.This defendant states that the sole relief of Trade Mark infringement sought for in this suit by the plaintiff is barred under Section 28(3) of Trade Marks Act, 1999 as this defendant is also a Registered Proprietor of the Trade Mark "Idhayam"and Device in CLASS 3 and 35 for Soaps, bleaching preparations and other goods and services falling in these classes under Trade Mark Registration Nos.2505082 and 2505067 respectively.'

13. The two registered Trademarks referred to by the defendants have been filed as Document Nos. 3 and 7 along with written statement of the second defendant. These registered trademarks shall hereinafter be referred as 'Defendants' TM' and the details of the same are as follows:

Sl.No.	Trademark No.	Class	Mark
1	2505067	35	
2	2505082	3	

14. Suit is one complaining of infringement of suit TMs and as only injunctive relief qua infringement of suit TMs has been sought for, Section 28 of the Trademarks Act, 1999 ('TM Act' for brevity) come into play. Section 28 of TM Act reads as follows:

'28.Rights conferred by registration_ (1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.'

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

15. As already mentioned supra, the main suit itself has been taken up for passing a summary judgment in accordance with Order XIII-A of CPC as amended by said Act. The grounds on which summary judgment can be passed by this Commercial Division have been adumbrated in Rule 3 of Order XIII-A CPC as amended by said Act. Rule 3 reads as follows:

'35. Rule 3 of Order XIII-A reads as follows:

'Order XIII-A Summary Judgment

1.....

2.....

3. Grounds for summary judgment

The Court may give a summary judgment against a plaintiff or defending on a claim if it considers that--

- (a) the plaintiff has no real prospect of succeeding on the claim or the defendant has no real prospect of successfully defending the claim as the case may be; and
- (b) there is no other compelling reason why the claim should not be disposed of before recording of oral evidence.'

16. In the light of the aforesaid provision i.e., Section 28 of TM Act read in the context of the narrative supra, which *inter-alia* captures the trajectory of this lis thus far, it is clear that the plaintiff has no real prospect of succeeding on the claim and there is no other compelling reason as to why a summary judgment should not be passed.

17. Under the aforesaid circumstances, Mr.M.Musthafa Khan, learned counsel drawing my attention to the obtaining position that though a suit for infringement of suit TMs is hit by Section 28 of TM Act, it is open to the plaintiffs to file a suit for passing off, which is a common law remedy. To be noted, suit seeking relief of injunction of registered TMs/suit TMs are those claiming statutory reliefs under TM Act and suit complaining of passing off are those claiming common law remedies.

18. It is in this context that the aforementioned application in A.No.742 of 2018 has been taken out by the plaintiff *inter alia* under Order XXIII Rule 1 of CPC.

19. Mr.G.K.Muthukumar, learned counsel for defendants points out that there is no prayer for injunctive relief qua passing off in the suit. Though it was well open to the plaintiff to make that prayer also, Mr.M.Musthafa Khan, learned counsel for plaintiff submits that in the light of registered TMs i.e., suit TMs, plaintiff did not want to stretch the suit that far.

20. Therefore, the position that emerges clearly is that it will be open to the plaintiff to sue the defendants for passing off for action post presentation of the instant plaint in this Court i.e., on 03.08.2018. This Commercial Division expresses no opinion whatsoever on the merits on such actions-at-law if initiated. If the plaintiff chooses to file such a suit, the suit and the counter claim therein, if any, shall be dealt with on their own merits uninfluenced and untrammelled by anything that has been said in the instant summary judgment.

WEB COPY

21. The obtaining position of law that the plaintiff is entitled to launch such actions-at-law post presentation of the instant plaint on 03.08.2018 is supported by a judgment of the Hon'ble Supreme Court reported in (1997) 1 SCC 99 = 1997 (17) PTC 98 (SC) [***Bengal Waterproof Ltd. Vs. Bombay Waterproof Manufacturing Company Limited***]. Ratio laid down in this case is widely referred to 'Duck back principle'. Relevant portion is contained in paragraph 10 and paragraph 10 reads as follows:

'10.As seen earlier, Order 2, Rule 2, sub-rule (3) requires that the cause of action in the earlier suit must be the same on which the subsequent suit is based and unless there is identity of causes of action in both the suits the bar of Order 2, Rule 2, sub-rule (3) will not get attracted. The illustration below the said Rule amply brings out this position. A mere look at the said illustration shows that if a landlord sues the tenant in 1908 for the rent due till that year and omits to sue for rent for any of the previous years which had then accrued due he cannot subsequently sue the tenant for the previous rent due, claim for which was given up in the suit. It is obvious that a subsequent suit would not be barred in case of rent falling due after the first suit, say, for the year 1909 or 1910 etc. as that default would give him a fresh cause of action. In the facts of the present case it becomes obvious that when earlier suit was filed in 1980 the plaintiff had a cause of action regarding the alleged illegal use of his trade mark 'DUCK BACK' by the defendants and had also a grievance regarding the then existing deceitful action of the defendants in trying to pass off its goods 'DACK BACK' as if they were similar to the plaintiff's goods 'DUCK BACK'. Therefore, the cause of action for the first suit of 1980 was based on the infringement of plaintiff's trade mark 'DUCK BACK'

by the defendants till the date of the suit filed in 1980. The grievance regarding passing off of the defendants' goods as if they were plaintiff's goods was also confined to the situation prevailing on the date of the earlier Suit No. 238 of 1980. That suit failed as the plaintiff had not claimed proper relief. Consequently for the alleged acts of infringement of plaintiff's trade mark or the alleged passing off actions on the part of the defendants till the date of the earlier suit no subsequent grievance could be ventilated by the plaintiff by filing a fresh suit. It is also pertinent to note that in the earlier suit, that is, the first suit the plaintiff had claimed Rs 25,000 by way of damages for the alleged illegal acts of the defendants which were brought on the anvil of scrutiny in the 1980 suit. So far as that cause of action is concerned no subsequent suit lies as it would be barred under Order 2, Rule 2, sub-rule (3). But we are concerned in the second suit with entirely a different grievance of the plaintiff. In the second suit, namely, the present suit the grievance is not based on any acts of infringement or passing off alleged to have been committed by the defendants in 1980 but plaintiff's grievance is regarding the continuous acts of infringement of its trade mark 'DUCK BACK' and the continuous passing off action on the part of the defendants subsequent to the filing of the earlier suit and which had continued on the date of the second suit of 1982. The relevant averments regarding the fresh cause of action which had accrued to the plaintiff after the disposal of the earlier first suit are found in paras 13 to 20 of the plaint in the present second suit. They read as under:

"13. Thereafter the plaintiff made enquiries and came to learn the following which it believes to be true:

- (a) That the defendants neither manufacture nor sell nor deal with goods in Class 25 with the mark DUCK BACK.
- (b) That Defendant 1 manufactures and Defendant 2 offers for sale, sells or otherwise deals with waterproof

articles rubberised or otherwise in Class 25 applying thereto the mark DACK BACK, a word mark.

(c) That the defendants are well aware of the fact that the plaintiff's goods in Class 25 have been marketed and sold for years under the plaintiff's trade mark DUCK BACK.

14. The plaintiff avers that the mark DACK BACK is phonetically, visually and in size similar to the plaintiff's said registered trade mark DUCK BACK.

15. The plaintiff avers that the defendants by their said acts have not only infringed the statutory rights of the plaintiff not only under the Trade and Merchandise Marks Act, 1958 but also under the Copyright Act, 1957 by their wrongful use of the mark DUCK BACK, which is confusingly similar to or deceptively resembling the plaintiff's said mark or design DUCK BACK, but also have invaded the common law right of the plaintiff by passing off goods in Class 25, not being those of the plaintiff's manufacture or sold by the plaintiff, as those of the plaintiff.

16. By the two letters dated 20-4-1982 addressed to the defendants separately, the plaintiff called upon the defendants to desist from marketing, selling or offering for sale the said goods in Class 25 with the mark DACK BACK. Xerox copy of the said two letters dated 30-4-1982 are filed herewith and marked 'D' and 'E'.

17. By two letters both dated 25-5-1982 from Mohammed Raftullah, acting as Advocate for both the defendants, baldly refuted the factual statements in the plaintiff's said letters dated 30-4-1982 and set up the defence of res judicata and also purported to challenge and deny the very validity of the registration of the plaintiff's trade mark DUCK BACK. The plaintiff reserves its comments on the said letters until trial. Xerox copies of the said 2 letters both dated 25-5-1982 are filed herewith and marked 'F' and 'G' respectively.

18. The plaintiff has suffered loss which cannot be easily assessed and would suffer further loss and damage unless the defendants were restrained from further infringing the said trade mark DUCK BACK by the use of the mark DACK BACK or any other near resemblance or colourable imitation of the plaintiff's mark DUCK BACK or from passing off in any way goods in Class 25 not being those of the plaintiff by the use of the mark DACK BACK or otherwise as the goods of the plaintiff.

19. The cause of action arose on or about 6-4-1982 and continues to arise de die in diem within the jurisdiction of this Hon'ble Court. Thus the suit is within limitation.

20. The cause of action arose at Hyderabad where the defendants are indulging in the illegal actions sought to be restrained in the suit and also where the defendants reside. Thus, the Hon'ble Court has got jurisdiction."

The aforesaid averments in the plaint clearly show that the present suit is not based on the same cause of action on which the earlier suit was based. The cause of action for filing this present second suit is the continuous and recurring infringement of plaintiff's trade mark by the defendants continuously till the filing of the present second suit. We asked the learned counsel for the defendants as to whether pending the suit and at present also the defendants are trading in the offending goods, namely, bearing the mark 'DACK BACK' and he informed us that defendants even at present are carrying on this business. Therefore, pending the second suit all throughout and during the pendency of these proceedings the defendants have carried on the business of trading in the commodity waterproof raincoats 'DACK BACK'. It is obvious that thus the alleged infringement of plaintiff's trade mark 'DUCK BACK' and the alleged passing off action on the part of the defendants in selling their goods by passing off their goods as if they were plaintiff's goods has continued all throughout uninterrupted and in a recurring

manner. It is obvious that such infringement of a registered trade mark carried on from time to time would give a recurring cause of action to the holder of the trade mark to make a grievance about the same and similarly such impugned passing off actions also would give a recurring cause of action to the plaintiff to make a grievance about the same and to seek appropriate relief from the court. It is now well settled that an action for passing off is a common law remedy being an action in substance of deceit under the Law of Torts. Wherever and whenever fresh deceitful act is committed the person deceived would naturally have a fresh cause of action in his favour. Thus every time when a person passes off his goods as those of another he commits the act of such deceit. Similarly whenever and wherever a person commits breach of a registered trade mark of another he commits a recurring act of breach or infringement of such trade mark giving a recurring and fresh cause of action at each time of such infringement to the party aggrieved. It is difficult to agree how in such a case when in the historical past earlier suit was disposed of as technically not maintainable in absence of proper reliefs, for all times to come in future defendant of such a suit should be armed with a licence to go on committing fresh acts of infringement and passing off with impunity without being subjected to any legal action against such future acts. We posed a question to the learned counsel for the defendants as to whether after the disposal of the earlier suit if the defendants had suspended their business activities and after a few years had resumed the same and had started selling their goods under the trade mark 'DACK BACK' by passing them off, the plaintiff could have been prohibited and prevented by the bar of Order 2, Rule 2, sub-rule (3) from filing a fresh suit in future when such future infringement or passing off took place. He rightly and fairly stated that such a suit would not be barred. But his only grievance was that whatever was the infringement or passing off alleged against the defendants in 1980 had, according to the

plaintiff, continued uninterrupted and, therefore, in substance the cause of action in both the suits was identical. It is difficult to agree. In cases of continuous causes of action or recurring causes of action bar of Order 2, Rule 2, sub-rule (3) cannot be invoked. In this connection it is profitable to have a look at Section 22 of the Limitation Act, 1963. It lays down that "in the case of a continuing breach of contract or in the case of a continuing tort, a fresh period of limitation begins to run at every moment of the time during which the breach or the tort, as the case may be, continues". As act of passing off is an act of deceit and tort every time when such tortious act or deceit is committed by the defendant the plaintiff gets a fresh cause of action to come to the court by appropriate proceedings. Similarly infringement of a registered trade mark would also be a continuing wrong so long as infringement continues. Therefore, whether the earlier infringement has continued or a new infringement has taken place cause of action for filing a fresh suit would obviously arise in favour of the plaintiff who is aggrieved by such fresh infringements of trade mark or fresh passing off actions alleged against the defendant. Consequently, in our view even on merits the learned trial Judge as well as the learned Single Judge were obviously in error in taking the view that the second suit of the plaintiff in the present case was barred by Order 2, Rule 2, sub-rule (3) CPC.'

(relevant portion has been underlined for ease of reference)

WEB COPY

22. This brings us to the question of costs. Considering the trajectory of the suit and the fair stand that has been taken, I refrain from imposing costs leaving the parties to bear their respective costs.

Summary judgment is passed dismissing the suit. In the light of Duck back principle, A.No. 742 of 2019 is closed as otiose. Suit is dismissed on above terms. In view of dismissal of suit, other connected applications stand dismissed.

29.01.2019

Speaking Order: Yes/No

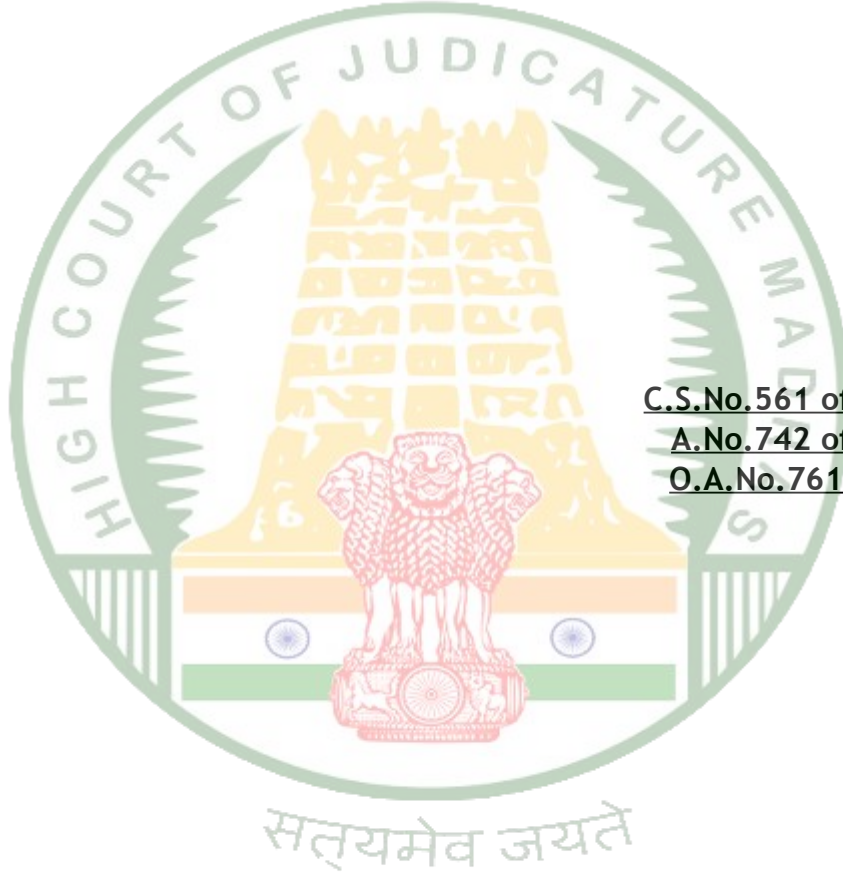
Index: Yes/No

Internet: Yes/No

सत्यमेव जयते
WEB COPY

M.SUNDAR.J.,

gpa



C.S.No.561 of 2018 &
A.No.742 of 2019 &
O.A.No.761 of 2018

WEB COPY

29.01.2019