

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD**

**APEAL FROM ORDER NO.29 OF 2019
WITH
CIVIL APPLICATION NO.5404 OF 2019
IN
APPEAL FROM ORDER 29 OF 2019**

JAJU TOBACCO COMPANY, A SOLE PROPRIETORY
FIRM, THROUGH ITS SOLE PROPRIETOR ARUN
LAXMINARAYAN JAJU AND ANOTHER
VERSUS
R.K. PATEL AND COMPANY, TOBACCO PROCESSORS,
THROUGH IT'S PARTNER VINOD RAJDHAR PATIL & ORS.

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Advocate for Petitioners : Mr. K.C. Sant
Advocate for Respondents : Mr D.Y. Mali a/w Y G Mali
a/w Mr Vikrant P. Raje

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CORAM : V.K. JADHAV, J.

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Reserved on : 9th of March, 2020
Pronounced on : 30th April, 2020

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ORDER :-

1. By this appeal from order, the appellants/
original defendants are challenging the order passed
below Exhibit 5 by the learned District Judge-1,
Nandurbar in Trade Mark Suit No.1 of 2019.

2. Brief facts, giving rise to the present appeal
from order are as follows :-

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a] Respondents have instituted a suit bearing Trade Mark Suit No.1 of 2019 before the District Judge-1, Nandurbar for permanent injunction, damages, Rendition of accounts and other consequential reliefs in an action for infringement of the Trade Mark under section 28 and for passing off action under section 27 (2) of the Trade Marks Act, 1999. Respondents/original plaintiffs have also filed an application Exhibit 5 seeking temporary injunction order against the appellants. The appellants/original defendants have strongly resisted the suit so also the application exhibit 5 by filing written statement at Exhibit 19. Trial Court, by impugned order dated 30.3.2019 below Exhibit 5 in Trade Mark Suit No.1 of 2019 confirmed the ad-interim injunction and granted the relief in terms of prayer clause (a) and (b) to the extent of yellow colour pouch/packet used by the defendants in packaging their product similar to the yellow colour pouch/packet of the plaintiffs and accordingly, issued the temporary injunction order till the disposal of the suit. Hence, this appeal from order.

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3. Learned counsel for the appellants/original defendants submits that in terms of the provisions of Section 134 of the Trade Marks Act, 1999 (hereinafter referred to as 'Act of 1999') the District Court, Nandurbar does not have jurisdiction. Learned counsel submits that, however, the Trial Court by referring the provisions of section 20 of the Civil Procedure Code erroneously observed that the District Court, Nandurbar does have a jurisdiction to entertain the suit. Learned counsel submits that the suit has been instituted under the provisions of the Act of 1999, which is Special Statute and, therefore, the jurisdiction conferred upon the Court under the Act of 1999 will prevail upon the general provisions of the Civil Procedure Code. Learned counsel for the appellants submits that the plaintiffs are neither resident nor carrying a business within a territorial jurisdiction of the District Court, Nandurbar. On perusal of the registration certificate of the plaintiff's product, it clearly indicates goods and description Chewing Tobacco (Zarda) is for sale in the District of Jalgaon, Nashik and

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Dhule (excluding the Talukas of Sakri, Navapur, Shahada and Shirpur) in the State of Maharashtra. Learned counsel submits that as per the place of business as mentioned in the registration certificate does not cover the District Nandurbar. Learned counsel for the appellant submits that even as per the clause No.4 of the Partnership Deed the business of the said partnership firm of the plaintiffs is to be carried at Amalner, District, Jalgaon and partnership shall be entitled to carry on the said business at other places as the parties may agree upon time to time. It has been specifically mentioned in clause No.17 of the partnership deed that the activities of the partnership for the Trade Mark 'Gaichap Patel Zarda' shall be restricted to Dhule District territory and Malegaon Taluka. Learned counsel submits that despite all these documents, the Trial Court has decided the issue of jurisdiction in favour of the respondents/plaintiffs. Learned counsel for the appellants submits that so far as the Tobacco packets/pouches available and sold in the market by other companies alongwith the packets of the plaintiffs, aaa/-

the packaging style of all these packets in the market are almost similar in the size and design, but change in colour, shape and the phonetic appearances. Learned counsel submits that packet containing the product of the defendants and plaintiffs are absolutely different in shape, size and pack and there are no similarities in the packaging of plaintiff's and defendants product. Besides this, there is a specific embossing of "Patel Zarda/Tambakhu" or "Gai Chaap Tambakhu" on the plaintiffs product, however, said Logo 'Gai Chap' nowhere appears in the Tobacco pouch marketed by the defendants. Further, colour combinations are also different. Learned counsel submits that as per the mandatory provisions of the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (hereinafter referred to as COTPA Act) and rules thereunder all companies dealing in tobacco products manufactured/manufactured/branded/unbranded required to publish warning as well as size of letter or figures to be mentioned in the

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Tobacco product packet. The said health warning which is in specified size, covers the area of package as prescribed by the said act. Learned counsel for the appellants submits that even the Tobacco/Jarda manufactures are selling their products without any Trade Mark. They have to pay more tax and cess on the branded Tobacco packets compared to unbranded Tobacco products. Learned counsel submits that defendant no.1 is owner of the registered Trade Mark “Sairat Tambakhu” having a trade dress/packaging of brown colour pouch. Learned counsel for the appellants submits that if the packet / pouch of the plaintiff’s and defendants, which is part of the record, if compared, there is no similarity in these packets. They can be easily distinguished. Learned counsel submits that, shape, size of all the tobacco (Zarda) packaging have similar outlook. Learned counsel submits that yellow and brown colour and square shape are very common to raw tobacco (Zarda) and, therefore, shape and colour are not subject of alleged trade mark. Learned counsel submits that the plaintiff’s product contains ‘Gai Chhap

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Patel 'Tambakhu' whereas the packet of defendants contains 'Jaju Tobacco Company'. Learned counsel submits that there is no phonetics similarity between the words mentioned in the packets of the plaintiffs and defendants and as such there cannot be a passing off trade mark. Learned counsel submits that the appellants/defendant no.1 has exclusive right to use their trade mark in relation to their products and they have established their own brand with hard work, devotion and honesty. Learned counsel submits that, even if plaintiffs statement of annual turn over transaction of the sale is considered, the sale is increased since the year 2013-2014 till 2017-2018. There has been a substantial increase in the sales and, as such, it cannot be said that plaintiffs have been sustaining loss due to the product of the defendants in the market. The appellant/defendant no.1 is the owner of the registered trade mark established under license since the year 2017. The company is lawfully abiding the terms and conditions of the COTPA Act 2003. The learned counsel submits that registration certificate of

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the plaintiffs does not show that the colour of the pouch is also registered as Trade Mark. The yellow colour paper is in fact a common to Trade and this colour of packet/dress cannot be taken to be belonging to any person. Learned counsel submits that no prima facie case is made out by the respondents/plaintiffs about infringement of their trade mark rights and passing off action. The Trial Court has failed to appreciate all these aspects. Balance of convenience does not lie in favour of the respondents/plaintiffs and respondents/plaintiffs are not likely to face any irreparable loss. The appeal may be allowed by quashing and setting aside the impugned order below Exhibit 5 passed by the Trial Court.

4. Learned counsel for the appellants in order to substantiate his contentions placed reliance on following judgments :-

- I] Toyota Jidosha Kabushiki Kaisha Vs. Prius Auto Industries Ltd., and others reported in 2018 (4) Mh.L.J. 81.
- ii] Orange City Mobile Collection, Nagpur Vs. City Collection, Nagpur and others reported in 2017

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(3) Mh.L.J. 180.

5. Learned counsel for respondents/plaintiffs submits that the plaintiff being a registered partnership firm established their business of manufacturing Tobacco products in the year 1948. Learned counsel submits that when the Trade Mark certificate was obtained, Nandurbar District was within the Dhule District and subsequent to the year 2013 Nandurbar District came to be separated from Dhule District and become independent District. Learned counsel submits that in the entire registration certificate there are no restriction that product is not to be sold other than the places mentioned in the certificate. So far as the issue of jurisdiction is concerned, the same is a mixed question of law and fact and it is required to be decided during the trial. Learned counsel for respondents/plaintiffs submits that apart from this, even if non obstante clause in section 134 of the Act of 1999 is considered, which refers to the provisions of Civil Procedure Code or any other law for the time being in force and the further

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word “include” squarely indicates the jurisdiction as conferred in terms of the provisions of Section 134 (2) of the Act of 1999 or 62 (2) of the Copy Rights Act, 1957 exclusively. It is an additional benefit or additional provisions. The learned counsel for respondents /plaintiff further submits that so far as the products/packets of the appellants/defendants is concerned, the appellants/defendants have used the contents of their company name of the product on the same place and position as it is placed in the packets of the plaintiffs product. The colour combinations are also similar. There is deceptive use of the packets by the defendants. Learned counsel submits that the appellants/defendants have copied the essential features of the packets of the plaintiffs and thereby playing deception on the regular consumers of the plaintiff's product. Learned counsel submits that in terms of the definition of “Mark” as provided in section 2(m) of the Act of Act, 1999 it includes a device, brand, hearing, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of

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colours or any combination thereof. Learned counsel submits that the product/packet of the plaintiffs and defendants have lot of similarity in shape, size, colour, words, fonts and as such causes confusions in the mind of the consumers. Learned counsel submits that respondents/plaintiffs are manufacturing and selling the said product since last 60 years and they have been packaging their product in yellow colour pouch without changing any colour, shape and size and, therefore, defendants deceptively using the same with an intent to cause the damage as well as reputation to the plaintiffs product in the market. Learned counsel submits that there has been a clear cut passing off as the colour combination of the packet/pouch was being deceptively used by the plaintiffs. Learned counsel submits that Trial Court has, therefore, rightly allowed the application Exhibit 5 and confirmed the ex-parte order of injunction and further restricted the order to the extent of colour combination alone. Learned counsel submits that the order impugned is proper, correct and legal imposing thereby reasonable restrictions on the

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appellants/defendants to use the same colour combination. There is no substance in this appeal from order and the appeal from order is thus liable to be dismissed.

6. Learned counsel for respondents, in order to substantiate his contentions placed reliance on following judgments :-

1. Judgment dated 08.07.1992, delivered by this Court at its Principal Seat at Bombay in Reckitt & Colman of India Ltd. vs. Wockhardt Limited in Appeal No.1180 of 1991.
2. Brihan Karan Sugar Syndicate Pvt. Ltd. vs. Lokranjan Breweries Pvt. Ltd., reported in 2014 (59) PTC 472 (Bom).
3. Rustom and Hornby Ltd. vs. Zamindara Engineering Co., reported in AIR 1970 SC 1649.
4. M/s. Hiralal Parbhudas vs. M/s. Ganesh Trading Company reported in AIR 1984 Bombay 218.
5. Cadila Health Care Ltd. vs. Cadila Pharmaceuticals Ltd. reported in AIR 2001 SC 1952.
6. Heinzitalia and another vs. Dabur India Ltd., reported in 2007 (6) Mh.L.J. 7.
7. Laxmikant V. Patel vs. Chetanbhai Shah and another, reported in (2002) 3 SCC 65.
8. Satyam Infoway Ltd. vs. Sifynet Solutions Pvt. Ltd., reported in 2004 (28) PTC 566 (SC).
9. Colgate Palmolive Company And ... vs. Anchor Health And Beauty Care Pvt., reported in 108 (2003) DLT 51.
10. M/s. Sargam Spices Pvt. Ltd. & Ors. vs. M/s. Gharkul Industries Pvt. Ltd., reported in 2004 (4) All MR 625.
11. Richardson-Vicks Incorporation vs. Medico Laboratories, reported in 28 (1985) DLT 166.

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12. Tata Tea Limited vs. Suruchi Tea Company & Another, reported in 2003 Vol. 105(3) Bom. L.R. 241.
13. Pidilite Industries Ltd. vs. S.M.Associates & Ors., reported in 2004 (28) PTC 193 (Bom).
14. R. R. Oomerbhoy Pvt. Ltd. vs. Court Receiver, High Court, Bombay and Anr., reported in 2003 (27) PTC 580 (DB) (Bom).
15. Pankaj Goel vs. Dabur India Ltd., reported in 2008 (38) PTC 49 (Del.) (DB).
16. Judgment dated 14.11.2008 delivered by this Court at its Principal Seat at Bombay (Original Side) in M/s. Universal Twin Labs vs. Ranbaxy Laboratories Limited (Appeal No. 163 of 2008).
17. Schering Corporation vs. Kilitch Co. (Pharma) Pvt. Ltd., reported in LAWS (BOM)-1990-3-57, decided by Bombay High Court (O.O.C.J. Appeal No. 264 of 1990).
18. Manugraph India Limited, Mumbai vs. Simarq Technologies Pvt. Limited, Kolhapur & others, reported in AIR 2016 Bombay 217.
19. All India Reporter Ltd. vs. Ramchandra Dhondo Datar, reported in AIR 1961 Bom 292.
20. Sabmiller India Ltd. vs. Jagpin Breweries Ltd., reported in 2014 (5) Bom. C.R. 721.
21. Shaw Wallace and Company Ltd. And Anr. vs. Mohan Rocky Spring Water Breweries Ltd., reported in MIPR 2007 (2) 0185.
22. Wander Ltd and Another vs. Antox India P. Ltd., reported in 1990 (Supp) SCC 727.

7. I have carefully considered the submissions advanced by the learned counsel for the respective parties. With their able assistance, I have perused the pleadings, grounds taken in the appeal memo, annexures thereto and the reply filed by the

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respondents.

8. So far as the issue of jurisdiction is concerned, in the given set of facts, it appears that it is a mixed question of law and fact. Section 134 of the Trade Marks Act, 1999 reads as under :-

134. (1) Suit for infringement, etc., to be instituted before District court

(1) No suit---

(a) for the infringement of a registered trade mark: or

(b) relating to any right in a registered trade mark : or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered,

shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

(2) For the purpose of clauses (a) and (b) of sub-section (1) a " District court having jurisdiction" shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 or any other law for the time being in force, include a district Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

9. On reading of sub-section (2) of Section 134 of the Trade Marks Act, 1999 as a whole, prima facie, it

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appears that the non obstinate clause and subsequent use of the word include indicates that the plaintiff may either institute a suit in terms of the provisions of section 134 (2) of the Act of 1999, or he may institute a suit in terms of the provisions of Section 20 of the Civil Procedure Code. However, it is for the Trial Court to consider each and every aspect during the full fledged trial of the suit including the contentions raised of the respondents/plaintiffs so far as separation of District Nandurbar from District Dhule after the year 2013 and at the time of registration of the plaintiffs product the Nandurbar was the part of Dhule District.

10. The distinction between the infringement action and passing off action is well defined in the catena of cases. In a passing off action the issue is *as to whether the defendant is selling the goods so marked as to be designed or calculated to lead purchasers to believe that they are plaintiff's goods*. But in an infringement action what is important is *whether the defendant is using a mark which is same or which is a*

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colourable imitation of the plaintiff's registered Trade Mark. However, these two actions are closely similar in some respects. In a case *Kaviraj Pandit Durga Dutt Sharma Vs. Navratna Pharmaceutical Laboratories* reported in AIR 1965 Supreme Court 980, it has been held that while an action for infringement of a Trade Mark is a statutory remedy, the action for passing off is a common law remedy recognized by law. In an action for passing off, it was held that the defendant could escape liability if it could be shown that the added matter was sufficient to distinguish his goods from those of the plaintiff.

11. I have carefully seen the packets/pouch of the plaintiffs as well as the defendant's product. It appears that after using the maximum front portion space of the packet/pouch for health warning as mandated by the provisions of COTPA Act 2003, a little space is left on the front portion of the packet/pouch for mentioning the name of the company, name of the product, Logo, if any. Consequently, the small font

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seems to have been used to demonstrate the same. In view of the same, the combination of colours on the front portion of the packet/pouch assumes importance. Furthermore, the same is also relevant in the backdrop of the class of purchaser, who are likely to buy the goods they require depending on their education, intelligence and degree of care they are likely to exercise for purchasing and/or using the goods. So far as product raw tobacco is concerned, it is usually used by the uneducated and a persons having average intelligence. Furthermore, the degree of care they are likely to exercise in purchasing such a product is also very less. They would hardly go on reading the name of the company etc., and usually the packet/pouch containing the raw tobacco is purchased mostly on the basis of combination of colours. In the present case, prima facie, it appears that the appellants/defendants are using the same colour combination of the packets/pouches as of the plaintiff's products. Furthermore, undisputedly, plaintiffs established its business since 1948 selling their products under the

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registered trademark and trade dress. I am in agreement with the observations made by the trial court that in the instant case packet/pouch of the plaintiff/defendants products practically of the same size, colour scheme of the two wrappers, designed. I find no fault in the impugned order passed by the Trial Court.

12. In a case *Toyoto Jidohsha Kabushiki Kaisha Vs. Prius Auto Industries Ltd., and others.* (supra) relied upon by the learned counsel for the appellants, in paragraph no.21 of the judgment, the Supreme Court has reiterated the Trinity test to prove and establish an action of passing off. Three ingredients are required to be proved by the plaintiff i.e. his good will, misrepresentation and damages. So far as the first test of Goodwill is concerned, in the instant case, plaintiff is marketing said product since the year 1948 and presence of said product in the market through its 'Mark' in a more subtle form prima facie sufficient to demonstrate the goodwill and they started marketing its product since the year 2017 and onwards. So far as

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second principle involved in trinity test is concerned, in the instant case, as discussed in the foregoing paragraph, likelihood of the confusion seems to have arisen in the present case. In the instant case, the plaintiff has brought action of passing off and establishes his good will in the jurisdiction in which he claims that the defendants are trying to pass off their goods, possibility of confusion would be the requirement of the test and there may not be a burden of establishing actual confusion on the plaintiffs. However, trial court may consider the same during the full fledged trial of the suit. So far as the third test about damages is concerned, in the instant case, considering the nature of the product, impact of deceptive use of the same colour combination would be revealed in future, but not immediately. In view of the same, prima facie, at present, the accounts may not sufficiently demonstrate the same.

13. Learned counsel for respondents/plaintiffs has placed his reliance on almost twenty two cases. The

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first lot of cases at serial nos.1 to 4 speaks about infringement of trademark. It is also discussed in those cases that a mark is infringed by another trader if, even without using the whole of it upon or in connection with his goods, he uses one or more of its essential features sufficient to draw inference about infringement of trademark. The principles about passing off action has been discussed at length in the cases at serial nos. 5 to 8. In a case Cadila Health Care Vs. Cadila Pharmaceuticals Ltd., reported in AIR 2001 SC page 1952 at serial no.5, wherein in paragraph no.20 of the judgment, the Supreme Court dealt with the passing off action with reference to deceptive similarity and discarded the view that deception should not be determined by reference to ignorant customer. The Supreme Court held that the same would not be proper in the backdrop of purchasers in India and they cannot be equated with purchaser in England. Said distinguishing factor is more relevant in the instant case since product at stake is a raw Tobacco mostly used in the countries like us for chewing purposes and, as such, aaa/-

the confusion as discussed in the foregoing paragraphs would be apparent.

14. Thus, considering the entire aspect of the case, I find that the trial court has rightly allowed the application Exhibit 5 and confirmed the ex-parte interim order of temporary injunction. Furthermore, the trial Court has issued the injunction in respect of the specific packaging and colour combination/trade dress. In view of the same, there is no reason to interfere in the well reasoned order passed by the Trial Court. In the result the appeal from order fails. Hence, I proceed to pass the following order.

ORDER

Appeal from order is hereby dismissed. No order as to costs. Pending Civil Application no.5404 of 2019 is also disposed off.

15. At this stage, Mr. Sant, the learned counsel appearing for the appellants seeks extension of interim relief so as to enable the appellants to approach the Supreme Court. However, considering the nature of the

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litigation particularly, in respect of the infringement of the Trade Mark and passing off, I am not inclined to extend the interim relief. Request stands refused.

(V. K. JADHAV, J.)

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