

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

**APPEAL FROM ORDER NO.41 OF 2019
WITH
CIVIL APPLICATION NO.8749 OF 2019**

Brihan Karan Sugar Syndicate Pvt.
Ltd., A company incorporated under
the Companies Act and having its
office at No.5/A., Behind Hotel
Natraj, Opp. Police Force Training
Center, Nasik – Purna Road,
Nashik – 431 101

Through its Director and authorised
Signatory – Mr. Kanyalal Kimatram
Kalani, Age:55 years, Occ.Business,
r/o. Nashik Road, Nashik

..Appellant

Vs

Yashwantrao Mohite Krushna Sahakari
Sakhar Karkhana, A co-operative
Society incorporated under the
Maharashtra Co-operative Societies
Act, 1960, having its office at
Shiv Nagar, Rethare Budruk, Satara,
Maharashtra – 415 108

..Respondent

Mr.H.W.Kane with Mr.D.Y.Mali, Advocates, i/b.
Mr.V.P.Raje, Advocate for appellant

Mr.M.D.Karade, Advocate i/b. Mr.R.P.Bhumkar, Advocate
for respondent – sole

CORAM : R.G. AVACHAT, J.
RESERVED ON : OCTOBER 14, 2019
PRONOUNCED ON : JANUARY 07, 2020

JUDGMENT :-

Heard Mr.Kane, learned Counsel appearing for the appellant and Mr.Karade, learned Counsel appearing for the respondent.

2. Original plaintiff has preferred this Appeal From Order against the judgment and order dated 12.04.2019 passed by learned District Judge-1, Osmanabad, rejecting application (Exh.5) for temporary injunction moved in Regular Civil Suit No.1 of 2017.

3. For the sake of convenience, the parties to this appeal are referred to as appellant – Company and respondent – Society.

4. The appellant – Company filed suit for permanent injunction, damages, rendition of accounts and other consequential reliefs in an action for

infringement of copyright under the Copyright Act, 1957 and for passing off under the Trade Marks Act, 1999.

FACTS :-

5. The appellant – Company manufactures and sells country liquor under the trade name, “Tango Punch Deshi Daru”. The plaintiff signatory – Kanyalal Kimatram Kalani was in the employment with Brihan Maharashtra Sugar Syndicate (“B.M.S.S.”, for short). He had created and designed, for and on behalf of the said company, two original artistic oval shaped labels. B.M.S.S., ultimately and extensively, used the aforesaid labels as a trademark in respect of its country liquor by affixing it on a surface of transparent bottle. B.M.S.S., being the first owner of copyright in the said original artistic trade mark labels, applied for secured registration of the copyright in the said artistic labels under the provisions of the Copyright Act. By a deed of assignment dated 02.07.2008, B.M.S.S. assigned and

transferred to the appellant – company, its copyright in the said artistic labels. The appellant – Company, lateron, effected some minor changes in those artistic labels. Thus, the appellant – Company has got exclusive right to publish, reproduce and use said artistic trade mark labels. The appellant – Company has, thus, been regularly and exclusively using the aforesaid artistic labels as trade mark in respect of its country liquor. It has also taken efforts to popularise its product under said trade mark and has paid a sizable sum of money on sale, promotion and marketing activities. The appellant – company has also given details of sale of its country liquor from the period from 2008 to 2018, duly certified by Chartered Accountant. The appellant – company has, thus, acquired goodwill in the said labels and consequently, stated to be entitled to maintain and file action of “passing off” against the persons using the same or similar label in respect of country liquor.

6. The respondent – Society made an application to the Commissioner, State Excise, for permission to use trademark label, *inter alia*, containing expression “Two Punch – Premium”. The said label was visually confusingly similar to the appellant – company’s trade mark label. The appellant – company had raised an objection for approval of the respondent – Society’s label. Lateron, the objection was withdrawn since an assurance was given by the respondent – Society that it would not use the impugned label for selling their country liquor and make necessary changes in its label. The appellant – company did not come across the respondent – Society’s country liquor bearing the impugned label and the appellant, therefore, believed that the respondent has given up its plan to introduce country liquor under the impugned label. The appellant – company, in the month of July, 2017, found the respondent – Society to have been manufacturing and trading in country liquor under the impugned label

and thereby infringed the appellant – company's copyright in the trade mark labels and was passing off its country liquor. Since the appellant – company, by notice dated 10.07.2017, called upon the respondent – Society to discontinue use of the impugned label. The respondent – Society, however, did not listen. It replied the notice with false and baseless contentions. The suit, therefore, came to be filed and an application (Exh.5) for interim injunction was moved.

7. The trial Court was pleased to reject the application (Exh.5). The trial Court did not find similarities between the two labels: one of the appellant – Company and another of the respondent – Society. The trial Court found the appellant – Company to have acquiesced. It also found the appellant – Company to have delayed the action of filing the suit.

8. Mr.Kane, learned Counsel for the appellant – Company, has relied on a number of authorities. He

made submissions based on the authoritative pronouncements relied upon by him. The gist of the submissions made by him are :-

(i) By applying correct proof and test of comparison of the competing labels, the trial Court ought to have upheld that the respondent – Society's label was reproduction of label of the appellant – Company and thus, the respondent – Society has infringed the appellant – Company's copyright. The appellant – Company's label was original work of art. It was duly registered under the Copyright Act. The appellant – Company was owner of copyright of the said label. The appellant – Company has, therefore, exclusive right to reproduce its label in any material form, to communicate the same to the public, to issue copies of label and to make any adaptation thereof.

(ii) According to learned Counsel, in the case of infringement of copyright, the exact reproduction or

copy is not necessary. What is essential, is to see whether there is reproduction of substantial part of the picture and it depends really on the effect produced upon the mind by a study of the picture. There might be obvious difference, deliberate or otherwise, to avoid possibility of infringement. A bad copy does not cease to be a copy. A glance of both the labels would, undoubtedly, indicate that the respondent – Society's label is reproduced or is a copy of the appellant – Company's "Tango Punch" label. Microscopic examination of competing labels is not to be undertaken. What has to be seen is similarity between the competing labels so as to determine, whether there is a likelihood of deception or causing confusion.

(iii) According to learned Counsel, the appellant – Company had, *prima facie*, established three requirements/characteristics namely, reputation, misrepresentation and damages or likelihood of damages. The respondent – Society did

not produce on record sales figure of its country liquor product. According to learned Counsel, country liquor is generally consumed by lower strata of society. The effect of label on such consumers ought to be taken into consideration. The similarity in the rival labels is sufficient to confuse illiterate and labour class of consumers of country liquor (M/s.7 Stars Distilleries Vs. Brihan Maharashtra Sugar Syndicate Ltd., Appeal from Order No.38 of 2007).

(iv) According to learned Counsel, the trial Court gave undue importance to the approval of the label given by the State Excise authority. The decision of the Commissioner of State Excise would, in no way, affect the Court's independent opinion and jurisdiction in the case of infringement of copyright. The two forums and their respective powers are different. The Commissioner of State Excise does not have power to grant or refuse injunction. The Commissioner imposed the condition that approval of the label of the respondent – Society, was subject to

compliance of objection as to infringement of copyright or trade mark, etc. The respondent - Society failed to produce on record the material to show that similar trade mark label was being used by other company manufacturing or marketing country liquor. If at all such company is there, the same is not a party to the suit. So far as regards acquiescence, delay and laches on the part of the appellant - Company is concerned, learned Counsel would submit that there was no material in support thereof. The appellant - Company did not have knowledge of use of the impugned label by the respondent - Society. No sooner it came to the notice of the appellant - Company, it issued an Advocate's notice and called upon the respondent - Society to discontinue use of the impugned label and then filed the suit. In an action of infringement of copyright and passing off, injunction is the most effective remedy. According to learned Counsel, the respondent - Society is a habitual infringer.

Learned Counsel brought to my notice the judgment and decree passed by the Hon'ble High Court in a suit against respondent – Society. He would further submit that the appellant – Company has an established business. It has incurred expenditure on advertisement and promotion of its product. The balance of convenience would necessarily be in its favour. Learned Counsel ultimately urged for setting aside the impugned order by allowing the appeal, as prayed for. He took me through the relevant provisions of the Copyright Act.

9. Mr.Karade, learned Counsel for the respondent – Society would, on the other hand, submit that the appellant – Company is a court bird. It has filed little over 50 suits against the respondent – Society and others in the business of manufacture and sale of country liquor. The respondent – Society denied to have infringed copyright of the appellant – Company's label and indulged in passing off action. The impugned label has duly been approved by the

Commissioner of State Excise. The appellant – Company had raised an objection for grant of approval to the impugned label. It, however, unconditionally withdrew the objection. The suit has been filed a year after the Commissioner of State Excise granted approval to the impugned label. Learned Counsel supported the impugned order. He too relied on some authoritative pronouncements.

10. It is reiterated that the submissions made by learned Counsel for the appellant – Company are based on authoritative pronouncements in the following cases :-

(1) Hameed Joharan and ors. Vs. Abdul Salam, AIR 2001 SC 3404;

(2) Amritdhara Pharmacy Vs. Satyadeo Gupta, AIR 1963 SC 449;

(3) Midas Hygiene Industries (P). Ltd. and anr. Vs. Sudhir Bhatia and ors., (2004)3 SCC 90;

(4) Corn Products Refining Co. Vs. Shangrila Food Products Ltd., AIR 1960 SC 142;

(5) M/s. K.G.Khosla Compressors Ltd. Vs. M/s. Khosla Extraktions Ltd. and ors., AIR 1986 DELHI 181;

(6) O.K. Mohideen Bawa Vs. Rigaud Perfume Manufacturers, AIR 1932 Rangoon 114;

(7) Shree Nath Heritage Liquor Pvt. Ltd. and anr., Vs. Allied Blender and Distillers Pvt. Ltd., 2015(63) PTC 551 (Del);

(8) Indian Shaving Products Ltd. and anr. Vs. Gift Pack and anr., 1998 PTC(18) 698;

(9) Pankaj Goel Vs. Dabur India Ltd., 2008(38) PTC 49 (Del.);

(10) Madhu Product VS. Sundaram Files, AIR 2012 Kant 68;

(11) Poddar Tyres Ltd. Vs. Bedrock Sales Corporation Ltd. and anr., AIR 1993 BOMBAY 237;

(12) Montari Overseas Ltd. Vs. Montari Industries Ltd., 1996 PTC (16) 142;

(13) M/s. Daffodils Perfumes and Chemicals Indus. Vs. M/s. Daffodil Chemical (P) Ltd., 1996 PTC (16) 153;

(14) ITC Limited Vs. NTC Industries Ltd., 2015(64) PTC 244 (Bom).;

(15) Skol Breweries Limited Vs. Som Distilleries and Breweries Limited and Shaw Wallace and Company Ltd., 2011

Vol. 113(5) Bom. L.R. 3257;

(16) Judgment of Bombay High Court in the case of Schering Corporation and ors. Vs. Kilitch Co. (Pharma) Pvt. Ltd. (Appeal No.264 of 1990 decided on 13.03.1990);

(17) Judgment of Bombay High Court in the case of M/s. Universal Twin Labs Vs. Ranbaxy Laboratories Ltd. (Appeal No.163 of 2008 decided on 14.11.2008);

(18) Judgment of Bombay High Court in the case of Shaw Wallace and Co. Ltd., Vs. Castle Douglas Industries Ltd. and Mohan Rocky Spring Water Brewery Ltd. (Notice of Motion No.1259 of 1994 decided on 20.06.1996);

(19) Judgment of Bombay High Court in the case of R.R.Oomerbhoy Pvt. Ltd. Vs. Court Receiver, High Court, Bombay and anr., 2003(27) PTC 580;

(20) Messrs Girnar Tea Vs. Brooke Bond (India) Ltd., 1990 Bom. L.R.97;

(21) Judgment of Bombay High Court in the case of Nirlep Appliances Ltd. Vs. M/s. Gautam Metals and anr. (Notice of Motion No.251 of 2011 decided on 08.05.2012);

(22) Judgment of Bombay High Court in the case of Torrent Pharmaceuticals Ltd. Vs. Wockhardt Ltd. and anr. (Commercial Appeal No.125 of 2017 decided on 17.11.2017)

11. In the case of **Hameed Joharan (supra)**, Hon'ble Supreme Court in paragraph 26, held thus :-

26. As a matter of fact, a three Judge Bench of this Court in the case of Municipal Committee, Amritsar Vs. Hazara Singh, [1975] 3 SCR 914 has been pleased to record that on facts, no two cases could be similar and the decision of the court which was essentially on question of facts could not be relied upon as precedent, for decision of the other cases.

12. Section 2(c) of the Copyright Act defines the term 'artistic' to mean -

(i) a painting, a sculpture, a drawing (including a diagram, map, chart or plan), an engraving or a photograph, whether or not any such work possesses artistic quality;

(ii) a work of architecture; and

(iii) any other work of artistic craftsmanship.

Section 13 of the Copyright Act, reads thus:-

13. Works in which copyright subsists.-

(1) Subject to the provisions of this section and the other provisions of

this Act, copyright shall subsist throughout India in the following classes of works, that is to say -

- (a) original literary, dramatic, musical and artistic works;*
- (b) ..*
- (c) ..*

Section 14 of the Act, reads thus :-

14. Meaning of copyright – (1) *For the purposes of this Act, "copyright" means the exclusive right subject to the provisions of this Act, to do or authorise the doing of any of the following acts in respect of a work or any substantial part thereof, namely:—*

- (a)*
- (b)*

(c) in the case of an artistic work,—

(i) to reproduce the work in any material form including

(A) the storing of it in any medium by electronic or other means; or

(B) depiction in three-dimensions of a two-dimensional work; or

(C) depiction in two-dimensions of a three-dimensional work; or

(ii) to communicate the work to the public;

(iii) to issue copies of the work to the public not being copies already in circulation;

(iv) to include the work in any cinematograph film;

(v) to make any adaptation of the work;

(vi) to do in relation to an adaptation of the work any of the acts specified in relation to the work in sub-clauses (i) to (iv);

Section 44 of the Act speaks of register of Copyright. Such register is *prima facie* evidence of what is registered therein. Section 51 speaks of infringement of copyright. The term 'owner' of copyright shall include an exclusive licensee.

13. In the case of **Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd., AIR 2001 SC 1952**, Hon'ble Supreme Court, in paragraph 35, observed thus:-

35. Broadly stated in an action for passing off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors to be considered:

a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks, i.e. both words and label works.

b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.

c) The nature of the goods in respect of which they are used as trade marks.

d) The similarity in the nature, character and performance of the goods of the rival traders.

e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

f) The mode of purchasing the goods or placing orders for the goods and

g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

14. In case of **Wander Ltd. And another vs. Antox India P. Ltd., 1990 (Supp.) Supreme Court Cases, 727**, Hon'ble Supreme Court, in paragraph 14, observed thus:-

"14.....In such Appeals, the appellate Court will not interfere with the exercise of discretion of the Court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily, or capriciously or perversely or where the Court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle. Appellate Court will not reassess the material and seek to reach a conclusion different from the one reached by the Court below if the one reached by that Court was reasonably possible on the material. The appellate Court normally would not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial Court reasonably and in a judicial manner the fact that the appellate Court would have taken a different view may not be justify interference with the trial Court's exercise of discretion."

15. Let us now appreciate the material on record. I have examined both the competing labels. I have perused similarities between the two labels. I

do not propose to make any observation as to whether the impugned label is deceptively similar to that of the label of the appellant – Company, because the appeal can very well be disposed of on the ground of the appellant – Company having unconditionally withdrawn its objection to the approval of the impugned label.

16. For ready reference, both the labels namely, one of the appellant – Company (A-1) and the other impugned in this appeal (A-2), are annexed with the judgment (page nos.27 and 28).

17. Both the appellant – Company and the respondent – Society are in the business of manufacture and sale of country liquor. The Commissioner of State Excise is the authority to approve the label to be used/affixed on the bottles containing country liquor by the manufacturers thereof. It is true that in case of violation of copyright and passing off, the Commissioner of State

Excise has no jurisdiction and a person aggrieved can independently maintain an action therefor. Even, while granting approval to the labels, the Commissioner of State Excise imposed such condition.

18. The respondent – Society made application to the Commissioner of State Excise for approval of the impugned label. The appellant – Company, by its communication dated 21.03.2006, raised an objection for approval thereof. For ready reference, the letter of objection is reproduced below:-

March 21, 2016

The Commissioner,
State Excise, Maharashtra State,
Mumbai

Subject : Objection to the Registration of label namely Deshi Daru Pheli dhar Santra, Deshi Daru To Punch of M/s. Yeshwantrao Mohite Krishna S.S.K. Ltd. Satara

Respected Sir,

We are consumers of the labels of M/s.Yeshwantrao Mohite Krishna S.S. Karkhana Satara which is being displayed on notice board dt.11/3/2016. We hereby have a strong objection on the above mentioned label because they made same labels which is duplicate to our labels. We will submit our labels at the time of hearing.

Respected sir, we will be highly obliged if you do not approve the above mentioned label or give us hearing before approving the label.

Thanking you,

Yours faithfully,

For Brihan Karan Sugar Syndicate Ltd.,

Sd/-

(Authorised signatory)

19. The appellant – Company, however, by its further communication dated 25.04.2016, withdrew the objection. The communication in that regards reads:-

Dated 25.04.2016

To,
The Commissioner,
State Excise, M.S.,
Old Custom House,
Fort, Mumbai

Sub: Withdrawal of objection on labels

Ref. Your hearing letter No.CLR112016/1662/V-B, Mumbai,
11.04.2016

Dear sir,

With reference to our objection letter 21.03.2016 we hereby withdraw our objection from the labels of Deshi Daru Pahali

Dhar Santra and Deshi Daru To Punch Premium put up for your kind approvals by M/s. Yashwantrao Mohite Krishna Sahkari Sakhar Karkhana Ltd., Rethare Bk., P.O. Shivnagar, Tq. Karad, Dist.Satara.

This is for your kind information and further do the needful.

Thanking you.

Yours faithfully,

For BRIHAN KARAN SUGAR SYNDICATE PVT. LTD.,

Sd/-

Authorised Signatory

20. The aforesaid communication dated 25.04.2016, undoubtedly, indicates the appellant – Company to have unconditionally withdrawn the objection raised for approval of the impugned label. The last sentence of the communication impliedly suggests the appellant – Company has no objection for approval of the impugned label. The appellant – Company now, therefore, cannot turn around to say that the impugned label has violated its copyright in the label and the respondent – Society has indulged in passing off action. There is no slightest of material to indicate the respondent – Society or its

representative has ever assured the appellant – Company that it will not make use of the impugned label or it would be used with some modification. The communication dated 25.04.2016 made by the appellant – Company sealed the fate of this appeal. The act of the appellant – Company, communicating its withdrawal of objection to the impugned label, indicates the appellant – Company to have no objection for the respondent – Society to make use of the impugned label for sale of its product of country liquor. It was for the respondent – Society to decide when to introduce its product in the market. It is to be assumed that soon after the impugned label had been approved by the Commissioner of State Excise, the respondent – Society introduced its product in the market with the impugned label. The averments in the plaint that the appellant – Company first time in July, 2017, came to know that the impugned label was being used, has no material to stand by.

21. The appellant – Company has relied on the judgment of the Karnataka High Court, wherein it has been observed that mere fact of approval of label by Commissioner of State Excise, will be of little consequence in an action for breach of copyright, is of no assistance, since the facts of said case did not indicate that before approval of a label, objections were invited and the party aggrieved therein did not prefer any objection.

22. The submissions made by learned Counsel for the appellant – Company were found to be academic in view of the fact of it having given consent for approval of the impugned label. In my view, the trial Court was, therefore, justified in exercise of its discretion in rejecting the application (Exh.5). This Court is at one with the findings recorded by the trial Court.

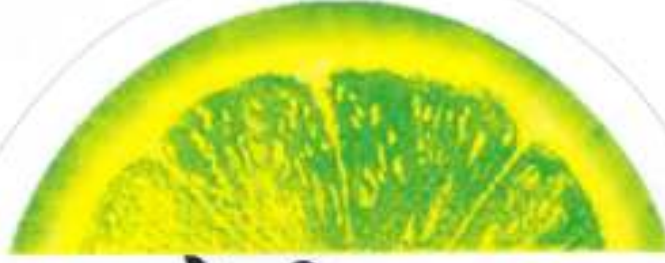
23. Needless to mention that the observations made herein above are *prima facie* in nature.

24. For the reasons given herein above, the Appeal fails. The same is, therefore, dismissed. The Civil Application stands disposed of.

[R.G. AVACHAT, J.]

klp

(A-1)



देशी दारु टॅंगो पंच

बॅच नं.
महिना वर्ष

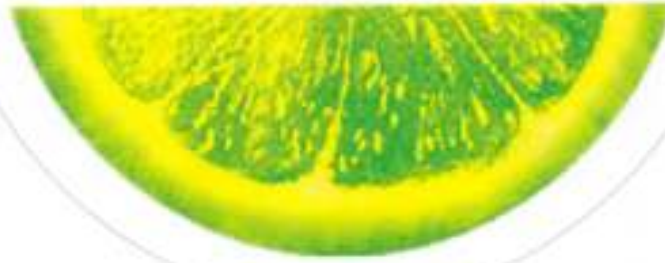
ऊसमळीच्या मद्याकडल लिंगाचा
कृत्रिम स्वाद घालून तयार केलेली
दुख - लस, मद्यक - ११.८% वी.पी., कृत्रिम स्वाद कुस
विश्वकोट विक्रीची कमाल किंमत रु.
(मद्य काय आगि शुल्क समाविष्ट असलेली)
"देशीय दुग्ध: मद्य मेवः हे अलंकार इतिहास आहे"
पुस्तक महाराष्ट्राच्या राज्ये विक्रीची स्वादी
इष्टक संकेत क्र. ०२३१-२६६८२२२
ई मेल: kataragindes.com@gmail.com

निबळ
१८० मि. ली.
२५° यु.पी.



उत्पादक
दि कोल्हापुर शुगर मिल्स लि.

३५/ई बॉयड, विजयनगर, कोल्हापुर-४२६००५
सिनेमार्थक :- कारण एजन्सीज, नाशिक



(A-2)

देशी दारु

हिसार
L.No. 10013022001663

टू पंच प्रिमियम

ऊस मळीच्या मद्यार्कोत लिंबाचा
कुत्रिम स्वाद घालून तयार केलेली
पाक : पती, मार्व्ह-४२, ६% यो.पी., फुल्लि स्वाद
बॅच नं.
दिनांक



हिरकोळ पिंपळाची कपाळ किपत रुपय २९६.५०
(सर्व घर आणि शुल्क समाविष्ट असलेली)
वैधानिक द्यारा: मद्य सेवन हे आरोग्यास हानिकारक आहे

निव्वळ
३५० मि.ली.
२९ यु.पी.

यशवंतराव मोहिते कृष्णा एस.एस.के. लिमिटेड
बिचपूर, रेडरे बुद्रुक, सातारा, महाराष्ट्र, पिन ४१५ १०८
ब्रह्म सल्लेख : ०२१६४-२६६२२२
ई मेल : ymkshiroask@rediffmail.com
कसत महाराष्ट्र राज्यात विक्री करीता