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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
IN ITS COMMERCIAL DIVISION

INTERIM APPLICATION (L) NO.28994 OF 2021
WITH
INTERIM APPLICATION NO.1246 OF 2022
IN
COM IP SUIT NO.47 OF 2021

Khushi Impex

...Applicant/Ori.
Defendant

In the matter between
Neha Overseas

... Plaintiff

Versus

Khushi Impex

...Defendant

Mr. Hiren Kamod, Mr. Darshan Mehta, Ms. Drishti Gudhaka i/b.
Dhruve Liladhar & Co. for the Plaintiff.

Navin Arora i/b. Sagar and Sagar Law Office for Defendant.

Ms. Rekha Rane, 2nd Asstt. to Court Receiver is present.

CORAM : R.I. CHAGLA J
DATE : 20TH JUNE, 2022

ORDER :

1. Heard learned Counsel for the Applicant / Defendant.
2. By this Interim Application, the Applicant is seeking vacation of the ex-parte stay granted to the Plaintiff vide order dated

27th August, 2020 and praying for release of the goods by the Applicant by giving undertaking that the Applicant will not use the trademark and packing which is under challenge before this Court and further prays for the release of the goods on the ground that prejudice will be caused to the Defendant if the same is not released as the goods will lose its property and will of no use.

3. Reliance has been placed by the learned Advocate for the Applicant / Defendant on the proceedings before the Registrar of Trademark wherein rectification application has been filed for expunging the Plaintiff's registered Trademark bearing No. 1278688 in Class 17 on 4th March, 2020. The Applicant has stated that during the pendency of such proceedings before the Registrar for Trademarks, the present Suit for infringement was liable to be stayed as per the provisions of Section 124 of the Trademarks Act, 1990. An Application had been filed under Section 124 of the Trademark Act praying for stay of the present Suit and this Court was pleased to pass the order, staying the present Suit which order is dated 6th July, 2021. The stay was granted pursuant to the statement made by the learned Advocate for the Plaintiff that the prayer be granted without prejudice to the Plaintiff's rights and contentions.

4. The Applicant has stated that the present Suit has failed to show or demonstrate that the trade mark “CROWN” was used in respect of goods in Class 17 by M/s. Mihir Enterprises (Mr. Rajesh Doshi) any time after its registration in the year 2004. There is not even a single averment to this effect in the Plaint. Similarly, there is no documentary or other material or evidence on record to prove the use of trade mark “CROWN” in respect of the goods in Class 17 by M/s. Mihir Enterprises (Mr. Rajesh Doshi).

5. Mr. Hiren Kamod, learned Counsel appearing for the Plaintiff has tendered Affidavit in Reply dated 21st April, 2022 which is in reply to the Interim Application No.1246 of 2022 filed by the Defendant. He has submitted that the present Interim Application is false, misconceived and not maintainable. There is no prima facie case made out by the Applicant for vacation of the ex-parte ad-interim order which had been passed on 27th August, 2020. The present Interim Application has been taken out only on 2nd March, 2022. Pursuant to the said order dated 27th August, 2020, the Court Receiver had seized the infringing goods and taken it into custody. This application is filed after almost two years of passing of the said order.

6. Mr. Hiren Kamod has further submitted that bare perusal of the Applicant's goods makes it apparent that the Applicant has used the Plaintiff's 'CROWN' trade mark / label / packaging / trade dress to sell the Applicants goods. The Applicant is thus with malafide intention riding upon the reputation and goodwill painstakingly earned by the Plaintiff in its 'CROWN' trade mark. The Applicant is not only using the identical description on the counterfeit goods but also has mentioned Plaintiff's other brand "MARIO" on the counterfeit goods. The registration certificate bearing Registration No.2580436 in Class 1 for "MARIO" is in the name of the Plaintiff. The Applicant is filing the present Application not only seeking vacation of the order, but also for release of the goods by seeking separation of the infringing goods from its infringing packaging / label. The said relief cannot be granted and the Application is liable to be dismissed. The goods that the Applicant is seeking to release are infringing / counterfeit goods which form part of the 'evidence' which would be required during the trial of the suit. Under the provisions of the Trade Mark Act, 1999 applying trademark to a package / label amounts to applying the trademark to the goods contained within. The Applicant is seeking to take advantage by falsely applying the trademark to its goods and then

seeking separation of the goods from the trademark and selling the goods. This is contrary to Sections 101, 102 and 103 of the Trade Marks Act, 1999. Further, the infringing copies of work in which copyright subsists are deemed to be the property of the Plaintiff. Reliance is placed on Section 66 of the Copyright Act, 1957 in that context. He has accordingly submitted that this malafide application made by the Applicant/ Defendant deserves to be rejected.

7. Having considered the submissions of the learned Counsel for parties, in my view there is considerable delay in filing the present Interim Application seeking vacation of ex-parte ad-interim order dated 27th August, 2020 passed by this Court. In view of the application taken out by the Applicant / Defendant for rectification of Registered Trademark in the trademark Registry, an Application was made by the Defendant to stay the present Suit. The order dated 6th July, 2021 was passed by this Court in the said Application staying the present Suit in view of the statement made by the learned Counsel for the Plaintiff that the prayer in the Interim Application (L) No.2329 of 2021 for stay of the Suit can be granted without prejudice to the Plaintiffs rights and contentions.

8. There is an order dated 16th October, 2020 passed in the Interim Application No.1 of 2020 taken out by the Plaintiff in the above Suit placing the Interim Application for final hearing in due course. The ex-parte ad-interim order was continued until further orders. It is necessary to note that there was no application such as the present Interim Application taken out by the Applicant / Defendant for vacation of the ex-parte order dated 27th August, 2020 when the said order dated 16th October, 2020 was passed.

9. The findings in the ex-parte ad-interim order dated 27th August, 2020 are material considering that there has been no stay to the said order. This Court had prima facie arrived at a finding that it is unable to distinguish the Defendants trademark / label / packaging / trade dress from that of the Plaintiff. A comparison of the rival labels leaves no doubt that the Defendant had copied the Plaintiffs 'CROWN' trade mark / label / packaging / trade dress. The impugned trademark / label / packaging was identical and a crass imitation of the Plaintiff's 'CROWN' trade mark/label / packaging / trade dress. This could not have been a matter of co-incidence. Prima facie this Court held that there can be no doubt that the Defendant's adoption of the impugned trade mark / label / packaging / trade dress is

dishonest. Accordingly, an ex-parte ad-interim order in terms of prayer clauses (a) and (e) of the Interim Application was passed by finding that the balance of convenience is in favour of the Plaintiff and the Plaintiff likely to suffer irreparable injury if that such relief is not granted.

10. Thus, in view of the finding arrived by this Court in ex-parte ad-interim order dated 27th August, 2020, I find that there is no case made out by the Defendant for vacation of the ex-parte ad-interim order. Considering that Interim Application No.1246 of 2022 has been taken out only on 2nd March, 2022 for seeking vacation of the ex-parte stay granted vide order dated 27th August, 2020. The only ground appears to be mentioned is that the Plaintiff has not been able to demonstrate that the trade mark “CROWN” was used in respect of the goods used under Class 17 by M/s. Mihir Enterprises (Mr. Rajesh Doshi) any time after its registration in the year 2004.

11. The Applicant has in the present Interim Application given an undertaking that the Applicant will not use the trade mark and packaging, which is under challenge before this

Court. This only goes to show that the Applicant has infact admitted the infringement of the Plaintiffs trade mark and packaging. Mere reliance upon the Application made before the Registrar of Trade mark for rectification of Plaintiff's trade mark, in my view is not sufficient to seek vacation of the ex-parte ad-interim order dated 27th August, 2020, particularly, when the Application for rectification has been opposed by the Plaintiff.

12. The present Suit is a combined cause of action for infringement of copyright and passing off with infringement of trade mark. The Registrar of Trade mark has no jurisdiction to decide on issue of infringement of copyright and passing off. Thus, in my view, the present application is entirely frivolous and deserves to be rejected.

13. Further, the aforementioned provisions relied upon by Mr. Hiren Kamod under the Trade Mark Act, 1999 and Copyright Act, 1957 is apposite. It is provided in the Trademarks Act, 1999, namely Sections 101, 102 and 103 that applying a trademark to a package / label amounts to applying the trademark to the goods contained within. Further, it is provided that under the Copyright Act,

1957, namely Section 66 that the infringing copies of work in which copyright subsists are deemed to be the property of the Plaintiff. Thus, in my view, no case has been made out for seeking the subsequent relief by the Applicant which is for release of goods upon the whereby Applicant giving an undertaking that the Applicant will not use the trade mark and packaging which is under challenge before this Court. The Court Receiver had seized the infringing goods and taken it into custody way back in September, 2020 subsequent to the ex-parte ad-interim order passed by this Court on 27th August, 2020. It is now that the Applicant / Defendant is seeking an order of release of goods which cannot be considered at such a belated stage assuming that these provisions are not applicable to the facts of the present case. Hence the following order:-

(i) The relief sought for in Interim Application No.1246 of 2022 seeking vacation of ex-parte ad-interim order dated 27th August, 2020 is rejected.

(ii) The prayer for release of goods by the Plaintiff giving undertaking that the Applicant / Defendant will not use the Trademark and packaging which is under challenge is also

rejected.

(iii) The Interim Application No.1246 of 2022 is accordingly disposed of.

(iv) In view of this Order, Interim Application (L) No. 28994 of 2021 does not survive as it seeks similar order as in Interim Application No.1246 of 2022 for release of the infringed goods to the Applicant for its normal business operations which has been seized and sealed by the Court Commissioner as stated in the Court Commissioner's report dated 17th September, 2020 and is accordingly disposed of.

(v) There shall be no order as to costs.

[R.I. CHAGLA J.]