

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

RFA-368-2022(O&M)
Date of decision: 20.04.2022

SHYAM SUNDER

..Appellant

Versus

SMT. PUSHPA DEVI AND ORS.

..Respondents

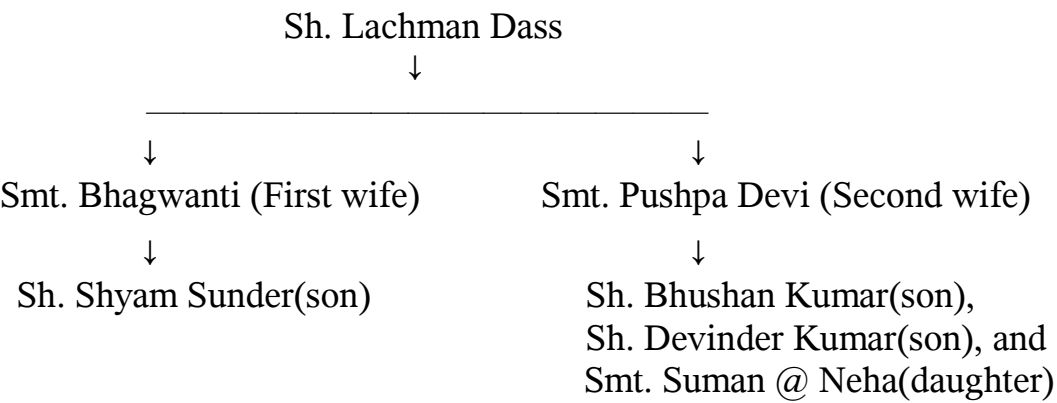
CORAM: HON'BLE MR. JUSTICE ANIL KSHETARPAL

Present: Mr. Sumeet Mahajan, Sr. Advocate
with Mr. Saksham Mahajan, Advocate
for the Appellant.

Mr. Amit Jain, Sr. Advocate
with Mr. Varun Parkash, Advocate
and Mr. Bishan Dass Rana, Advocate
for the respondents.

ANIL KSHETARPAL, J.

Questioning the correctness of judgment passed by the Additional District Judge, the defendant has filed the present appeal. In order to understand inter se relationship between the parties, it is appropriate to draw a small pedigree table:-



The dispute between the parties is with respect to the usage of registered trademark 'Shehnai'.

Certain facts established on the record are required to be

1. A partnership firm namely “Lachman Dass Puran Chand” consisting of Sh. Lachman Dass and Sh. Bhuja Ram as partners applied for registration of the trademark 'Shehnai' in Class-29, in respect of edible oils on 21.05.1970. As per the registration certificate, Sh. Lachman Dass was a registered owner of the word mark 'Shehnai'. A registration certificate has been produced on the file and as per the history data, Sh. Lachman Dass and Sh. Bhuja Ram applied for the registration.

2. On 04.04.1983, Sh. Lachman Dass included his son Sh. Shyam Sunder as a partner in the partnership firm Lachman Dass Puran Dass. Smt. Asha Rani wife of Sh. Shyam Sunder who was a previous partner retired on 31.03.1983. In this partnership deed, there was no clause that the registered trademark becomes the property of M/s Lachman Dass Puran Chand. On 31.03.1988, Sh. Lachman Dass retired from the partnership of Lachman Dass Puran Dass. Before that retirement he had already started his own business under the new firm name M/s Lachman Dass and Company.

The appellant admits that during his lifetime, Sh. Lachman Dass extracted and sold edible oils under the trade name 'Shehnai' as well as 'Shehni'. The appellant also continued to use the trade name as 'Shehnai' for marketing his edible oil.

In the year 1996, Sh. Lachman Dass was challaned under the Prevention of Food Adulteration Act, 1954, for selling adulterated 'Shehnai' mustard oil. He was prosecuted, ultimately the offence was permitted to be

compounded on payment of fine.

As per the invoice dated 01.06.2009, 02.09.2010, 22.05.2011, 01.04.2013, 16.03.2015, 11.10.2017, 14.10.2017, 03.11.2017, 07.02.2018, 01.03.2018, and various other invoices, Sh. Lachman Dass was marketing mustard oil with 'Shehnai' as a brand name.

The plaintiffs namely Smt. Pushpa and her three children filed a suit for grant of decree of permanent injunction, mandatory injunction and declaration. They pray that they are entitled to use the trademark 'Shehnai' and the defendant be restrained from claiming exclusive proprietary rights over the trademark 'Shehnai'. They also prayed for restraining the defendant, his agents, successors, legal representatives, servants, retailers, stockist, distributor, representatives and agents from interfering in the use of the trademark 'Shehnai' and declare that the alleged assignment of the trademark 'Shehnai' vide No.264666 in Class-29, consequent upon, is false and fabricated and the plaintiffs are the co-sharers in the trademark 'Shehnai'.

The defendant while contesting the suit denied the claim of the plaintiffs. It was pleaded that he is entitled to the exclusive use of 'Shehnai' as a brand name and the plaintiffs are deceptively using a similar trademark namely 'Shehni'.

When defendant appeared in evidence, he stated as under:-

"I have not trade mark in my personal name under 'SHEHNAI' brand. Shehnai brand was registered in the name of Laxman Dass in the year 1972. It was not registered/given to any firm rather it was given to Laxman Dass. Laxman Dass died in the year 2007. It is correct that after the death of Laxman Dass is all heirs are using the copy Registry trade mark of Shehnai Brand. Pushpa is doing the mustard oil business in Govindgarh Bazar-HSR in the name of Shehnai Brand. Laxman Dass performed marriage with Pushpa after the death of Smt. Bhagwanti is my mother. Pushpa has three children namely Bhushan, Suman, Davender. I am only son of Laxman Dass from his first wife Smt. Bhagwanti. I

separated from my father in the year of 1988. Laxman Dass did his business till his death in Govindgarg Bazar, HSR of mustard oil. Pushpa is doing business in the same premises in Govindgarhh Bazar, HSR in which Laxman Dass doing business. After my separation of my father I am running business in Anaj Mandi, HSR. It is correct that one is required to get lience of manufacturing from Market Committee, Haryana. I was having the licence, but for the last 3/4 years, my manufacturing licence of mustard oil has been cancelled by Market Committee, HSR.”

The trial Court on the appreciation of evidence, decreed the suit while recording a finding that Sh. Lachman Dass being a registered proprietor of the trademark has been using the trademark 'Shehnai' from the date of his retirement i.e. 1988, and after the death of Sh. Lachman Dass in the year 2007, the plaintiffs have been using the same trademark along with the defendant. The Court further held that plaintiffs and defendant are entitled to use the trademark.

This Bench has heard the learned counsel representing the parties at length and with their able assistance perused the paperback.

The learned counsel representing the parties have also filed respective synopsis along with gist of their arguments.

The learned Senior counsel representing the appellant contends that the appellant is a prior user of the trademark 'Shehnai' by virtue of partnership deed dated 04.03.1983, which was assigned to him by Sh. Lachman Dass in the dissolution deed dated 31.03.1988. The trademark 'Shehnai' is associated with the proprietor Sh. Shyam Sunder and the appellant, therefore, permitting the plaintiffs to use the same would cause confusion in the minds of the customers and a scenario very well prohibited by the Section 40 of the Trademarks Act, 1999. It has further been asserted that the plaintiffs are using the trademark 'Shehni', and none of the invoices produced, prove that the plaintiffs are using the trademark 'Shehnai'.

In additional submissions, the learned Senior counsel representing the appellant has submitted that the plea of acquiescence is not available to the plaintiffs as they have no such right. The appellant claims that he has become sole proprietor of the registered trademark 'Shehnai' being a class-I heir. It has also been asserted that the plea of alleged acquiescence is neither pleaded nor is available to the plaintiffs. The plaintiffs have also failed to place on record any evidence of acquiescence by the defendant except DW6/1 and mere delay and laches in taking objection to infringement user of the trademark is not the same as acquiescence.

Per contra, the learned Senior counsel representing the respondents while highlighting the aforesaid fact has submitted that the plaintiffs have equal right to use the trademark 'Shehnai' and the defendant is estopped on account of acquiescence from taking up this plea at this stage.

At this stage, it is important to note that during the pendency of the appeal, the appellant was permitted to produce in additional evidence the partnership deed dated 04.04.1983, as well as dissolution deed dated 31.03.1988. On a careful perusal thereof, it is evident that Sh. Lachman Dass while entering into partnership with the appellant did not specifically bring the registered trademark into the partnership firm. The attention of this Court has not been drawn to any specific clause providing for the assignment of the trademark by Sh. Lachman Dass in favour of the partnership firm. It is also evident that no doubt the application for issuance of trademark was submitted by a partnership firm consisting of Sh. Lachman Dass and Sh. Puran Chand, however, the registration certificate was issued

exclusively in the name of Sh. Lachman Dass as a sole proprietor. Further,

in the dissolution deed dated 31.03.1988, Sh. Lachman Dass while retiring from the partnership did not leave behind his proprietorship as a registered owner of the trademark 'Shehnai' in the continuing partnership firm with Sh. Shyam Sunder. Though, the learned Senior counsel representing the appellant while referring to clause 4 of the dissolution deed has contended that all the assets and liabilities of the firm were taken over by Sh. Shyam Sunder as on 31.03.1988, however, it is not proved that Sh. Lachman Dass had brought the intellectual property rights of the registered trademark in the bounds/limits of the firm, therefore, clause 4 cannot be read in the manner as suggested by the learned senior counsel representing the appellant.

Further, it is evident that the appellant while appearing as DW-2 has admitted that Sh. Lachman Dass had been using the registered trademark 'Shehnai' along with another trade name 'Shehni' since 1987, i.e. before he separated from the partnership firm till his death. After his death in 2007, the plaintiffs are using the same trademark. Moreover, there is an overwhelming evidence to prove that the plaintiffs have been using the registered trademark 'Shehnai' and the appellant never objected.

Now, the Bench proceeds to examine arguments of the learned Senior counsel representing the appellant.

The first argument of the learned Senior counsel representing the appellant is based on the fact that he is a prior user. It may be noted here that the registered trademark 'Shehnai' at one point of time exclusively belonged to late Sh. Lachman Dass. Neither the plaintiffs nor the defendant have ever registered the trademark in their own name. Sh. Lachman Dass was given permission to use the registered trademark 'Shehnai' way back in the year 1970. At that point of time, the appellant was not in the picture. In

these circumstances, the defendant cannot claim that he is a prior user of the registered trademark 'Shehnai'. The next argument of the learned Senior counsel representing the appellant also does not have any substance because there is no evidence of the assignment of trademark by Sh. Lachman Dass in favour of the appellant. The partnership deed as well as the dissolution deed does not specifically provide for assignment in favour of the firm run by the defendant-Sh. Shyam Sunder. The next argument of the learned Senior counsel representing the appellant is also without substance because the trademark 'Shehnai' was registered in the name of Sh. Lachman Dass and all the parties to the previous litigation are the heirs of late Sh. Lachman Dass. Section 40 of the Trademarks Act, 1999, does not in absolute terms prohibit transmission of the trademark in favour of natural heirs in case of death of registered proprietor of the trademark. Section 40, no doubt, starts with the *non-obstante* clause, however, proviso to Section 40(1) creates exceptions. In the facts of the case, the trademark 'Shehnai' in the business of edible oil has come to be associated with the family of Sh. Lachman Dass. The plaintiffs and defendant are members of the same family. They have been consistently using the registered trademark even after the death of late Sh. Lachman Dass continuously for a period of more than 9 years before filing of the suit. In these circumstances, in the considered opinion of the Court, Section 40 of the 1999 Act, would not come to the rescue of the appellant.

It may be noted here that the learned Senior counsel is not correct in contending that the plaintiffs have failed to produce any invoice showing the user of trademark 'Shehnai' during all this while. Though, the learned Senior counsel representing the appellant tried to distinguish by contending that the invoices written in Devanagari script show 'Shehni' and

particularly when there are large number of invoices which show that the trademark used is 'Shehnai' and not 'Shehni'. No doubt, at some places the 'Shehnai' has not been written with “*aa ki matra*” but that will not convert the same into 'Shehni', particularly when the defendant himself admits that the plaintiffs are using the trademark 'Shehnai'.

In additional submissions, the learned Senior counsel representing the appellant has contended that the acquiescence cannot be applied against the appellant because the plaintiffs are praying for declaration that they are the co-proprietors. It may be noted here that forms of the suit may be any, however, the substantive relief sought for is required to be examined. In the facts of the present case, it is proved that the plaintiffs acquiescence to the user of the trademark 'Shehnai' during the lifetime of Sh. Lachman Dass for a period of 10 years before his death and for a period of 8 years after the death of late Sh. Lachman Dass. 18 years is a very long time to establish acquiescence. In any case, the plaintiffs are not the exclusive proprietors of the trademark 'Shehnai'. Similarly, there is also no substance in the arguments of the learned Senior counsel representing the appellant that in the year 2008 Sh. Lachman Dass ceased to be a proprietor of the trademark vide a dissolution deed dated 31.03.1988. This matter has already been discussed, therefore, it needs no repetition.

Furthermore, this Court has examined the labels used by the plaintiffs and the defendant. The plaintiffs are using the trademark 'Shehnai' with a photograph of late Sh. Lachman Dass while prominently displaying the name of the firm Lachman Dass and Company, Gobindgarh Bazar, Hisar, Haryana. There are two pictures of the musical instrument Shehnai (Clarionet). Whereas, the defendant is using the trademark 'Shehnai' by

displaying a single picture of the musical instrument Shehnai (Clarionet). It

also prominently displays the name of the firm Lachman Dass Puran Chand, 42, New Grain Market, Hisar, Haryana. Thus, not only the design but also the labels used by the parties are different when compared to each other.

Keeping in view the aforesaid discussion, finding no merit, the appeal is dismissed.

All the pending miscellaneous applications, if any, are also disposed of.

20th April, 2022

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**(ANIL KSHETARPAL)
JUDGE**

Whether speaking/reasoned : *Yes/No*

Whether reportable : *Yes/No*