27.06.2023
SL No.10
Court No.37
(gc)

In The High Court at Calcutta
Civil Appellate Jurisdiction
Commercial Division

FMAT 276 of 2023
CAN 1 of 2023

Milan Tube Tools Corporation & Anr.
Vs.
M/s. India Tyre & Rubber Company (India) Ltd.

Mr. Ratnanko Banerjee, Sr. Adv.,
Mr. S. Dasgupta,
Mr. P. Ghosh,
Mr. A. Saxsena,
...for the Appellants.
Mr. Debnath Ghosh,
Ms. Suchismita Ghosh,
Mr. Siddhartha Datta,
Ms. Trisha Mukherjee,
Mr. Deepanjan Dutta Roy,
Mr. Raunak Bose,
...for the Respondent.

The appeal is arising out of an order passed by the learned Judge, Commercial Court at Alipore in connection with an application filed under Section 9 of the Arbitration and Conciliation Act praying, *inter alia*, for an order of injunction restraining the respondents, their proprietors, partners or directors, distributors, dealers, advertisers, agents, stockiest, representatives, successor in business, assigns or anyone claiming through or under them from infringing the trademarks "Dunlop" and "Dunlop Device" by using the same or any part thereof, or any other mark or logo identical or deceptively similar thereto.

The appellants are the respondents against whom an ex parte order of injunction was passed on 18th May, 2023.

Mr. Ratnanko Banerjee, learned Senior Counsel appearing on behalf of the appellants submits that the parties have entered into an agreement on 5th March, 2002, which was subsequently renewed for sometimes and lastly on 27th December, 2021 and extended till 31st December, 2022 to show that the parties intended to continue with such business relationship and in any event having regard to the unequivocal stand of the appellants, they would purchase the entire stock. The learned Judge, Commercial Court could not have passed an ex parte order of injunction. It is further submitted that the agreement contemplates using of the mark upon payment of royalty and goods for which royalty has already been paid, the appellants could not have been prevented from dealing with and/or selling such stocks. Mr. Banerjee has relied upon a communication dated 29th April, 2023 from India Tyre & Rubber Company (India) Ltd. and a legal notice to M/s. India Tyre and Rubber Company (India) Limited dated 4th May, 2023 to show that having regard to the facts emerging from the said two documents read with the long standing business relationship between the parties, an ex parte order of injunction could not have been passed.

Mr. Debnath Ghosh, learned Counsel representing the respondent supports the judgment.

In deciding the application for injunction, the learned Trial Court had taken note of the documents to which Mr. Banerjee has relied upon and more particularly the letter dated 4th May, 2023. On the basis of the documents disclosed, the learned Trial Judge observed that the petitioner was able to make out a prima facie case and the balance of convenience is tilted in its favour and, accordingly, passed an order of injunction. Although the judgment may not have been happily worded as we find that after narration of the facts, a conclusion was reached that prima facie case has been made out, however, from the narration of facts coupled with the documents referred to in the narration, we are of the view that the cumulative effect of such documents read with the facts, a prima facie case was made out and it also fulfils the other two requirements, namely, balance of convenience and inconvenience and irreparable loss. Prima facie it appears that the agreement expired on 31st December, 2022. In fact, we put a very pointed question to Mr. Banerjee as to whether the appellants have disclosed in this petition the stocks over which royalty has been paid but they were prevented from using such stock and if any such statement was shared with the respondent soon after the agreement expired, we could not find any satisfactory reply. Undoubtedly, the petitioner would be entitled to use the stocks for which royalty has been paid. Moreover, the respondent cannot resile from their undertaking to purchase the entire stock in term of their communication dated 29th April, 2023.

Given the facts that the interim order was subsequently extended and the learned Judge, Commercial Court has fixed the matter on 25th July, 2023, we request the learned Judge to dispose of the injunction application at the earliest and not to grant any adjournment to either of the parties on 25th July, 2023. It is needles to mention that the appellants cannot be restrained to sell the goods for which royalty has been paid but in absence of such satisfactory explanation being offered or disclosed in this petition, we are unable to take a definitive view on the matter.

The learned Judge, Commercial Court shall consider the matter and pass a suitable order thereby also protecting the right of the appellants with regard to the goods for which royalty has been paid on or upto 31st December, 2022 upon establishing such facts.

Both the parties have prayed for appointment of Receiver in order to visit the warehouse of the respondent No.1 with address at Nichole Village, Post Khanewali, Taluka Wada – 421303 to survey the premises and to make an inventory of the stock of the product with the trademarks “Dunlop” and “Dunlop

Device" only mentioned in prayer (d) of the application filed under Section 9 of the Arbitration and Conciliation Act, 1996.

Accordingly, we appoint Mr. Ratul Das, Advocate with an initial remuneration of Rs.51,000/- to be paid by the respondent. All costs, charges and expenses in carrying out this order including the payment of the remuneration shall be borne by the respondent at the first instance.

The Receiver shall carry out this direction within a period of two weeks from the date of communication of this order upon notice to the parties and shall make an inventory in presence of the parties.

The minutes of the meeting along with the report shall be filed before the learned Judge, Commercial Court at Alipore prior to the date fixed in a sealed envelope. It would be open for the learned Judge, Commercial Court at Alipore to pass any other direction upon the Receiver regarding the stocks. All future direction upon the Receiver in this regard shall be by the learned Judge, Commercial Court at Alipore.

The appellant shall file an affidavit-in-opposition within two weeks from date. Reply, thereto, if any shall be filed by 18th July, 2023 before the learned Judge, Commercial Court at Alipore.

Accordingly, the appeal and the application stand disposed of.

However, there shall be no order as to costs.

Urgent Photostat certified copy of this order, if applied for, be given to the parties on usual undertaking.

(Uday Kumar, J.) **(Soumen Sen, J.)**