

**In the High Court at Calcutta  
Constitutional Writ Jurisdiction  
Appellate Side**

**The Hon'ble Justice Sabyasachi Bhattacharyya**

**WPA No. 18026 of 2023**

**Tilaknagar Industries Ltd.  
Vs.  
The State of West Bengal and others**

|                           |   |                                                                                                                 |
|---------------------------|---|-----------------------------------------------------------------------------------------------------------------|
| For the petitioner        | : | Mr. Jaydip Kar,<br>Mr. Krishnendu Sarkar,<br>Ms. Savitri Dadhich,<br>Ms. Meghla Das                             |
| For the State-respondents | : | Ms. Jhuma Chakraborty,<br>Ms. Munmun Tiwary                                                                     |
| For the respondent no.6   | : | Mr. Ratnanko Banerji,<br>Mr. Deepan Kumar Sarkar,<br>Mr. Arunabha Deb,<br>Ms. Ashika Daga,<br>Mr. Samriddha Sen |
| Hearing concluded on      | : | 03.08.2023                                                                                                      |
| Judgment on               | : | 17.08.2023                                                                                                      |

**Sabyasachi Bhattacharyya, J:-**

1. The present dispute pertains to registration in West Bengal for manufacture and sale of foreign liquor under the Brand Name “Mansion House”, which the petitioner has allegedly been carrying on in India since April, 1983, openly and without any objection from any quarter.

2. The UTO Nederland B.V. (in short, “the UTO”) allegedly ceded in writing its trademark rights for sale and manufacture of the said brand to the petitioner on February 23, 1987.
3. UTO, on the other hand, had applied for registration of the trademark on April 5, 1983, for sale in India, and got it subsequently.
4. UTO filed in the Bombay High Court a suit, bearing Suit No.632 of 2009, against the petitioner for declaration and injunction pertaining to the rights of manufacture and sale regarding “Mansion House” in India. The petitioner, staking similar claims, filed a counter claim therein.
5. A learned Single Judge of the Bombay High Court, *vide* order dated December 22, 2011, dismissed a motion of UTO, *inter alia*, holding that UTO had ceded/assigned the trademark to the petitioner. An appeal is pending against such order.
6. On a subsequent development, in August 2014, UTO transferred 50 per cent of its trademark rights to respondent no.6, the Allied Blenders and Distillers Private Limited.
7. The petitioner, namely, Tilaknagar Industries Limited, subsequently moved a motion in connection with the Bombay suit, alleging passing off by its adversaries in the suit, which was disposed of on September 10, 2014 by another learned Single Judge of the Bombay High Court. The order specified, *inter alia*, that the defendants to the counterclaim there (present respondent no.6), can obtain licences/other permissions at their risk and peril but shall not introduce any product with the subject-trademark into the market without the leave of court.

8. The UTO also filed a suit in the Delhi High Court regarding the self-same cause of action. The petitioner sought dismissal of the suit under Order II Rule 2 of the Code of Civil Procedure, whereas the respondent no.6 filed an injunction application. *Vide* order dated May 30, 2019, a learned Single Judge of the Delhi High Court refused the injunction sought by respondent no.6, primarily on the ground of delay of about 11 years. The petitioner's application under Order II Rule 2 was also dismissed on the ground that the cause of action for the suit was a continuing cause of action.
9. Subsequently, respondent no.6 applied for a registration in West Bengal to manufacture and sell foreign liquor under the brand name "Mansion House Delux Brandy", using the "Mansion House" trademark.
10. The petitioner objected to such registration. The matter came up before the Excise Commissioner, West Bengal who, *vide* order dated January 6, 2023, held that there was no reason for restraining the respondent no.6 from applying for registration of labels till the validity of the trademark registration; however, the product would be manufactured, imported or offered for sale in West Bengal, only after obtaining due leave of the Hon'ble Bombay High Court in Suit No.632 of 2009, Counter Claim No.06 of 2010.
11. Tilaknagar, the petitioner, preferred a challenge against the Excise Commissioner's order before the appellate authority. The Additional Chief Secretary, Finance Department, Government of West Bengal (appellate authority) heard the appeal and, *vide* order dated May 10,

2023, affirmed the order of the Excise Commissioner, reiterating that the respondent no.6 herein shall be precluded from manufacturing, importing, or offering for sale in West Bengal any product without the leave of the Bombay High Court.

- 12.** The present challenge has been preferred against such affirmance by the Additional Chief Secretary.
- 13.** Learned senior counsel appearing for the petitioner submits that it is the present petitioner which has been manufacturing and selling foreign liquor under the brand name 'Mansion House' since the year 1968 and has introduced products under the said brand name in India. Approvals have been obtained from the Excise Department of several States including West Bengal and Union Territories.
- 14.** The petitioner has already been carrying on sales of foreign liquor under the trademark 'Mansion House' and has earned quite an enviable goodwill and reputation. It is argued that the petitioner has acquired common law as well as statutory rights by obtaining certificates of registration of the trademarks and copyrights duly.
- 15.** Learned senior counsel argues on merits that the petitioner is entitled to exclusive rights regarding manufacture and sale in India. It is submitted that the respondent no.6 failed to obtain any order of manufacture and sale of alcoholic beverages under the trademark-in-dispute either before the Bombay High Court or the Delhi High Court. It is argued that in fact, the Bombay High Court had, by the first order dated December 22, 2011, accepted that the UTO had ceded/assigned the trademark to the petitioner. Hence, the subsequent "assignment"

to respondent no.6 in the Month of August, 2014 does not confer any right on the respondent no.6.

- 16.** It is argued that even the learned Single Judge of the Bombay High Court has clarified that the defendants to the counterclaim, that is, the respondent no.6 herein can obtain licence or other permission “at their risk and peril” and shall not introduce any products with the subject-trademark into the market without the leave of court.
- 17.** Thus, it is argued that since the registration of the product in West Bengal is only for the purpose of sale and manufacture, in view of the restraint of the Bombay High Court, the impugned orders permitting registration to the respondent no.6 is contrary to the orders of the Bombay High Court as well as the Delhi High Court as well as in contravention of law.
- 18.** It is further argued that the order is in violation of Rule 122 of the West Bengal Excise (Foreign Liquor) Rules, 1998 (hereinafter referred to as, “the 1998 Rules”). Rule 122(c), which is applicable here, it is argued, provides that in case of foreign liquor brought into India from any foreign country or manufactured in India, the Commissioner may refuse registration if he is not satisfied that the brand name under which or the label with which it is proposed to be sold is distinguishable from other brand names or labels which have already been registered or whose registration has already been applied for.
- 19.** In the present case, since the petitioner is manufacturing and selling under the disputed brand name, the Commissioner and the Chief

Secretary ought to have refused further registration to the respondent no.6.

- 20.** Learned senior counsel for the respondent no.6 controverts the arguments of the petitioner. It is argued that nothing in the orders of the Bombay High Court or the Delhi High Court preclude the petitioner from obtaining licences and other permissions. The expression “at their risk and peril” used by the Bombay High Court in its order dated September 10, 2014 is only relevant for the purpose of adjudication of the suit. However, no fetter has been put on the respondent no.6 to obtain such licences or other permissions. Respondent no.6 is agreeable to obtain the licence at its own risk and peril and, as such, is not precluded from doing so by any of the orders passed in the Bombay High Court or Delhi High Court suits. Insofar as the restriction imposed by the Bombay High Court to introduction of any products with the subject-trademark into the market is concerned, the same has been taken care of in the impugned orders by both the Excise Commissioner and the Additional Chief Secretary by imposing the same restriction on the petitioner while granting registration.
- 21.** In any event, it is submitted, the respondent no.6 has applied before the Bombay High Court for leave, as per the order dated September 10, 2014, to introduce its products into the market.
- 22.** Hence, in the absence of any restriction in doing so, the respondent no.6 is very much at liberty to obtain a manufacture and sale licence/registration in West Bengal.

- 23.** Certain positions are elucidated from the arguments and materials on record. Insofar as the registration is concerned, the disputes as to the registration of trademark and copyright regarding the brand name and the labels-in-question of both the contesting parties are subjudice before the Bombay and Delhi High Courts.
- 24.** However, although a learned Single Judge of the Bombay High Court held on December 22, 2011, that the UTO had ceded/assigned its trademark to the petitioner, the said finding was not conclusive, since the same was a tentative finding arrived at by the court at the interim stage of hearing a motion. Apart from an appeal pending against the same, the suit itself is pending before the Bombay High Court.
- 25.** By a subsequent order passed by another learned Single Judge in the same suit on September 10, 2014, it was observed that the respondent no.6 can obtain licences and other permissions, although at its risk and peril. The only fetter put by the Bombay High Court was that respondent no.6 shall not introduce any product with the subject-trademark into the market without leave of court. However, the order permits the respondent no.6 to obtain licences and other permissions.
- 26.** Insofar as the petitioner is concerned, nothing in the impugned orders restrains the petitioner, who has a valid registration and trademark, from manufacturing and selling the products in West Bengal.
- 27.** Thus, it cannot be said that the petitioner's legitimate rights are curtailed in any manner by the impugned order.

- 28.** Since the validity and legality of the claim of title of the respondent no.6 to the trademark remains subjudice before the Bombay and Delhi High Courts, no conclusive finding can be arrived at regarding the same, either way. Thus, justified though the petitioner may be to argue that the rights of respondent no.6 have not been decided to be valid by the civil courts, equally tenable is the claim of the respondent no.6 that such rights have not yet been negated as well.
- 29.** Both the petitioner and the respondent no.6 have registrations regarding the trademark. Even the Bombay High Court, while restricting respondent no. 6 from marketing products under the disputed trademark, has observed that the respondent no.6 can obtain licence and other permission at its own risk and peril.
- 30.** Thus, it cannot be said that either of the authorities, in the impugned orders, committed any error or breach of law or of the orders of the Bombay and Delhi High Courts, on such score.
- 31.** The next contention of the petitioner is violation of Rule 122 of the 1998 Rules.
- 32.** Looking into the Scheme of the 1998 Rules, it is seen that licences, permits and registrations are contemplated for various purposes under the said Rules. For example, Rule 4 pertains to running of a manufactory of foreign liquor, Rule 20 deals with establishment of a private warehouse for deposit and storage of foreign liquor, whereas Rule 59 pertains to bottling licence and Rule 80, a licence to work a brewery in respect of beer.

- 33.** Rule 57, on the other hand, contemplates a pass for removal of spirits of foreign liquor.
- 34.** However, the most germane Rule in the present context is Rule 118 of the 1998 Rules, which provides for registration of brand names, labels, etc. Sub-rule (1) of Rule 118 clearly stipulates that the purpose of registration is to manufacture, sell or offer for sale in bottles or any aluminum kegs of approved measure in West Bengal, foreign liquor under a particular brand name or label.
- 35.** Thus, the specific purpose for which the registration is granted is for manufacture, sale or offering for sale. Rule 122 operates within the purview of Rule 118, imposing certain restrictions. The caption of Rule 122 says “When Commissioner may refuse registration”.
- 36.** Clause (c) of Rule 122 is the most relevant provision for the present purpose. It provides that registration may be refused if the Commissioner “is not satisfied” that the brand name proposed to be sold is distinguishable from other brand names or labels which have already been registered or whose registration has already been applied for.
- 37.** While interpreting the said provision, Rule 120 is also required to be looked into, which pertains to the procedure for applying under Rule 118.
- 38.** Rule 120(3) provides that applications submitted under the said Rule shall be accompanied by:

(a) certificate from the legal owner, user, or manufacturer to the effect that the applicant is authorized to apply for registrations of such brands and labels; and

(b) declaration from the owner, user, or manufacturer to the effect that such brands and labels are owned by the said owner, user, or manufacturer.

- 39.** Thus, the applicant is to satisfy the authorities that the legal owner, user, or manufacturer has permitted the applicant to obtain the registration.
- 40.** The issue here is, however, as to who is the “legal owner” for manufacture and sell in India. Whereas the UTO has apparently ceded its rights to the petitioner, it also assigned 50 per cent of its rights to respondent no.6. The respective validities of both transfers/assignments are subjudice before competent civil courts in Bombay and Delhi. Thus, the present position is that there is a cloud regarding who is the “legal owner” as contemplated in Rule 120.
- 41.** Although there is no doubt that the registration granted under Rule 118, circumscribed by Rule 122, is for the specific purpose of manufacture and sale, which the respondent no.6 is restrained from doing due to the restraint order passed by the Bombay High Court, by the same order dated September 10, 2014, the Bombay High Court also permitted the respondent no.6 to obtain licence/other permission, at its own risk and peril.
- 42.** Thus, the registering authorities, within the limited scope of Rule 122, can only consider whether other brand names or labels have already

been “registered”. The very purpose of Clause (c) of Rule 122, in the scheme of the 1998 Rules, is to ascertain whether the registration to be granted would violate any pre-existing right of a third party pertaining to the brand name or label.

43. In the present case, in view of the above discussions, the pre-existing right of the petitioner, who has already been manufacturing and marketing products under the disputed brand name, vis-à-vis the rights of the respondent no.6, are subjudice. Hence, as of today, both the petitioner and the respondent no.6 are on the same footing insofar as the validities of their registration of trademark are concerned.
44. Thus, it cannot be said that the petitioner’s right to obtain a registration simpliciter is greater than that of the respondent no.6.
45. Hence, for the purpose of Rule 122(c), it cannot be said that the Excise Commissioner or the Additional Chief Secretary committed any error in granting the registration to the respondent no.6.
46. Insofar as the recording of satisfaction as contemplated in Rule 122 is concerned, the same is couched in negative language. The Commissioner may *refuse* registration if he is *not satisfied* regarding satisfaction of Clause (c). In the present case, there was no refusal, nor was there any recording that the Commissioner was not satisfied on such score. Hence, the argument based on alleged non-compliance of the said clause is not valid, as the Commissioner did not find anything not to be satisfied about regarding satisfaction of Clause (c) sufficient to refuse registration.

- 47.** The finding of the Single Judge of the Bombay High Court dated December 22, 2011, as to UTO having ceded rights to the petitioner, was merely a tentative finding returned in connection with a motion, at the interlocutory stage, against which an appeal is pending. In fact, the main suit itself is pending and the subsequent order of the learned Single Judge dated September 10, 2014 was passed with full knowledge of the previous observations dated December 22, 2011 holding that the UTO had ceded/assigned the trademark to the petitioner. Hence, it is the last order which prevails, by which permission was granted to the respondent no.6 to obtain licences and/or other permissions at its risk and peril.
- 48.** Thus, I find no irregularity or illegality in the orders impugned herein, passed by the Excise Commissioner or the Additional Chief Secretary, granting registration to the respondent no.6 in respect of the brand name, which is disputed here, subject, however, to the restriction in terms of the orders of the Bombay High Court dated September 10, 2014. There is nothing to castigate the decision-making process.
- 49.** As such, there is no scope of interference in the present writ petition. Thus, WPA No.18026 of 2023 is dismissed on contest, without any order as to costs.
- 50.** Urgent certified server copies, if applied for, be issued to the parties upon compliance of due formalities.

**( Sabyasachi Bhattacharyya, J. )**