

2012 Vol. 114 (4) Bom. L.R. 2434*

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IN THE HIGH COURT OF BOMBAY

Hem Corporation Pvt. Ltd. and Ors.

v.

ITC Limited, Kolkata

b

NOTICE OF MOTION NO. 3940 OF 2009 IN SUIT NO. 2808 OF 2009
DECIDED ON: 11.04.2012

Judge:

S.J. Vazifdar, J.

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Counsel:

For Appellant/Petitioner/Plaintiff: Dr. Virendra Tulzapurkar, Sr. Counsel with Salil Shah and Ramesh Gajria i/b M/s. Gajria & Co.

For Respondents/Defendant: Mr. Iqbal Chagla, Senior Counsel with Mr. Sanjay Kher, Ms. Tanmayi Rajadhayaksha, Mr. Nimesh Kothare, Ms. Vijayalaxmi Kulkarni and Mr. Anup Lahoti i/b M/s. Nanu Hormasjee & Co.

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Cases referred:

Biochem Pharmaceutical Industries v. Biochem Synergy Ltd. 1998 (18) PTC 267 (discussed) [para 43]

Cadila Healthcare Ltd. v. Dabur (India) Ltd. 2998 (38) PTC 130 (discussed)

[para 44] e

Cluett Peabody & Co. Inc. v. Arrow Apparals 1998 PTC (18) 156 (discussed)

[para 53]

Dr. Tulzapurkar in Vali Pattabhirama Rao & Anr. v. Sri Ramanuja Ginning & Rice Factory P. Ltd. & Ors. MANU/AP/0002/1983: [1986] 60 CompCas 568 (AP): AIR 1984 AP 176 (mentioned) [para 5]

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Hindustan Embroidery Mills Pt. Ltd. v. K. Ravindra & Co. 1976 BLR 146 (mentioned) [para 43]

L.K.S. Gold Palace & Ors. v. L.K.S. Gold House P. Ltd. MANU/TN/1420/2004: [2004] 122 CompCas 896 (Mad): [2005] 57 SCL 362 (Mad) (mentioned) [para 5]

Marico Ltd. v. Agro Tech Foods Ltd. MANU/DE/3131/2010: 174 (2010) DLT 279: MIPR2010 (3) 226: 2010 (44) PTC736 (Del) (mentioned) [para 44]

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Parksons Cartamundi Pot. Ltd. v. Suresh Kumar Jasraj Burod MANU/MH/0485/2012 (mentioned) [para 20]

Piruz Khambatta & Anr. v. Soex India Pvt. Ltd. & Ors. MANU/DE/7211/2011: 2012 (49) PTC330 (Del) (discussed) [para 37]

Power Control Appliances & Ors. v. Sumeet Machines Pot. Ltd. MANU/SC/0646/1994: (1994) 2 SCC 448: 1994 (1) SCALE 446: JT 1994 (2) SC 70: [1994] 1 SCR 708(discussed) [para 53]

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SKOL Breweries Ltd. v. Som Distilleries & Breweries Ltd. & Anr. 2009 (11) LJSOFT 23: AIR 2010 Bom. R 249 (discussed) [para 20]

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- Stokely Van Camp Inc. & Anr. v. Heinz (India) Pvt. Ltd.* MANU/DE/1202/2010: 171
a (2010) DLT 16: 2010 (44) PTC 381 (Del) (mentioned) [para 44]
- Stokely Van Camp Inc. & Anr. v. Heinz India Pvt. Ltd.* MANU/DE/3132/2010:
MIPR2010 (3) 273 (mentioned) [para 44]
- Wyeth Holdings Corporation & Anr. v. Burnet Pharmaceuticals (Pvt.) Ltd.* MANU/
MH/0070/2008: 2008 (36) PTC478 (Bom): AIR 2008 Bom 100: 2008 (2) ALLMR405:
b 2008 (2) BomCR 739: (2008) 110 BomLR 409: MIPR2008 (1) 275 (discussed)
[para 53]

ISSUES AND FINDING

- Intellectual Property Rights — Infringement of trade mark “Madhur” — Limits on the effect of registered trade mark — Section 30 of the Trade Mark Act, 1999 — Whether by the virtue of Section 30 Defendants would be saved from the charge of infringement of trade mark?**
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Held, Section 30 provides for the limits on effect of registered trade mark, but these provisions would come to the Defendant’s aid only if the Defendant established that the use of the mark in relation to goods was to indicate their quality or it established that the use of the mark was a *bona fide* description of the quality of
d the goods. It was held that the use of the impugned mark was as a trade mark and not as descriptive of the Defendant’s products sold under the mark. These provisions, therefore, did not come to the Defendant’s aid.

- Intellectual Property Rights — Infringement of trade mark “MADHUR” — Injunction sought — Whether Defendants were guilty of infringing the trade mark of Plaintiff by using the mark “MADHUR”**
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Held, there was no delay or laches to an extent that would disentitle the Plaintiffs to an injunction against infringement. It was difficult to dismiss the Plaintiffs contention that they learnt about the Defendant’s use of the mark only prior to the filing of the suit. The application claims user of the mark from the year 1985. It was important to note, however, that the Defendant’s application was published
f on 16th June, 2006. The Plaintiff filed an opposition on 14th November, 2006, within the prescribed time. The mere claim of the user by the Defendant was not conclusive. The Defendant’s counter statement to the Plaintiffs opposition was filed only on 7th February, 2007. The Defendant thus had knowledge of the Plaintiffs claim, at least from 7th February, 2007. Therefore, the delay in the facts of this case would not disentitle the Plaintiffs to an injunction against infringement. The Defendant’s
g continued use of the mark was at its own peril.

- Intellectual Property Rights — Opposition to the trade mark registration — Whether the opposition made by the Plaintiff for the registration of the Defendant’s label mark was irrelevant?**

Held, when he opposes the registration of the mark, he claims the exclusive right
h to use the mark and thereby opposes the right of the others to use the mark or any mark deceptively similar thereto or to have it registered. A view to the contrary, was not even stable. Hence, Defendant was guilty of infringing the registered trade mark of Plaintiff.

Ratio Decidendi:

- “If a proprietor opposes the registration of a mark, it logically follows that he is opposed to the use of the mark by the Applicant”.*
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JUDGMENT

S.J. Vazifdar, J.

1. This is an application for the usual interim reliefs in an action for infringement and passing off. I have granted interim reliefs against infringement but not against passing off. I am unable to consider the Plaintiff's action for passing off at this stage by reason of certain orders I will refer to later.

2. Plaintiff No. 1 claims to be the registered proprietor of the marks "MADHUR GULAB", "MADHUR" and the word "MADHUR" written in devnagiri script pursuant to proceedings under Chapter IX of the Companies Act. Plaintiff Nos. 2, 3 and 4 were impleaded pursuant to an order dated 4th October, 2011, on the application of Plaintiff No. 1.

3. The Defendant has challenged the Plaintiff No. 1 proprietorship of the marks as well as its right to maintain this action for infringement. It is necessary, therefore, to trace the title to the marks as well as consider whether Plaintiff No. 1 is the registered proprietor of the marks.

4(A) Plaintiff Nos. 2, 3 and 4 alongwith one Mrs. Ratanben Lalji Shah (Ratanben) carried on business as partners in the firm, name and style of M/s. Hem Agencies on the terms and conditions contained in a deed of partnership dated 8th August, 1980.

(B) The mark "MADHUR GULAB" was registered as of 15th September, 1984, under class 3 in the name of Plaintiff Nos. 2, 3 and 4, trading as Hema Agencies. In view of the contentions raised by Mr. Chagla, it is necessary to note two things. The registration was under Part-B of the Trade & Merchandise Marks Act, 1958 (hereinafter referred to as the "1958 Act"). The name of the firm is typed in the certificate of registration as Hema Agencies and not Hem Agencies.

(C) By a supplementary deed dated 15th November, 1997, the name of the firm M/s. Hem Agencies was changed to M/s. Hem Corporation.

(D) By a deed of retirement dated 1st April, 1998, the said Ratanben retired from the firm. Thus, as of 1st April, 1998, Plaintiff Nos. 2, 3 and 4 were the only partners of the firm M/s. Hem Corporation. By the said deed of retirement, Ratanben declared that she had no right, title, claim or interest in any of the assets of the firm, including trade marks, licence and goodwill, and that she would be entitled only to the amount standing to the credit of her account in the books of the firm. Plaintiff Nos. 2, 3 and 4 took over the running business with all its assets and liabilities on an 'as is where is' basis. Clause 10 provided that all other terms of the earlier partnership deed would continue to apply between the remaining partners.

(E) With effect from 7th November, 2001, the word mark "MADHUR" and the device mark "MADHUR" written in devnagiri script were registered. Each of the certificates dated 7th November, 2001, has *inter alia* the following details:

Name: KISHORE LALJI SHAH

Category: Partnership Firm

Partners: UDAY LALJI SHAH,

HEMANT LALJI SHAH

Trading As: HEM CORPORATION

The certificate in respect of the word mark "MADHUR" states that the mark had been used since 31st December, 1981. The certificate in respect of the

- a* device mark "MADHUR" states that the mark had been used since 1st December, 1981. As on 7th November, 2001, Plaintiff Nos. 2, 3 and 4 were the only partners of M/s. Hem Corporation, the said Mrs. Ratanben Shah having retired with effect from 1st April, 1998.
- (F) By a supplementary partnership deed of admission dated 1st April, 2004, four more persons joined as partners of M/s. Hem Corporation.
- b* (G) The Plaintiffs admit that neither Ratanben's name nor the names of the four new partners who joined the firm on 1st April, 2004, were ever mentioned in the records of the Registrar of Trade marks.
4. On 5th January, 2005, the partners of M/s. Hem Corporation decided to register the firm into a private company, limited by shares under the provisions of Part IX of the Companies Act, 1956, for continuing and carrying on the business of the
- c* firm. This was under Section 566 of the Companies Act, 1956. A Memorandum of Association made on 26th March, 2006, between the seven partners of the firm M/s. Hem Corporation recorded the above facts. It is also recorded that the firm owned brands relating to the business and had a permanent capital of Rs. 6,00,000/- contributed and held by the partners to the extent specified in the subscription clause; that the partners had adjusted their rights and accounts in the firm to be
- d* registered as a joint-stock company for continuing and carrying on business of the firm having a permanent capital of Rs. 6,00,000 divided into 60000 equity shares of Rs. 10 each and that the joint-stock company be governed by the rules stated in the Memorandum of Association.
5. Sections 566 and 575 of the Companies Act, 1956, read as under:
- e* 566. Definition of "joint-stock company".-(1) For the purpose of this Part, so far as it relates to the registration of companies as companies limited by shares, a joint-stock company means a company having a permanent paid up or nominal share capital of fixed amount divided into shares, also of fixed amount, or held and transferable as stock or divided and held partly in the one way and partly in the other, and formed on the principle of having
- f* for its members the holders of those shares or that stock, and no other person.
- (2) Such a company, when registered with limited liability under this Act, shall be deemed to be a company limited by shares.....
575. Vesting of property on registration. All property, movable and immovable (including actionable claims), belonging to or vested in a company at the date of its registration in pursuance of this Part, shall, on such registration,
- g* pass to and vest in the company as incorporated under this Act for all the estate and interest of the company therein.
- Thus upon the conversion of the firm into a limited company under Part-IX of the Companies Act, all the assets of the firm stood automatically transferred to and vested in the first Plaintiff without the necessity of any further deed or document being executed. As this was not disputed by the Defendants, I will only note the
- h* judgments relied upon by *Dr. Tulzapurkar in Vali Pattabhirama Rao & Anr. v. Sri Ramanuja Ginning & Rice Factory P. Ltd. & Ors.*¹ 1986, (60) Company Cases 568 (DB) (AP) and *L.K.S. Gold Palace & Ors. v. L.K.S. Gold House P. Ltd.*² 2004 (122) Company Cases 896, (Madras).

1 Ed.: MANU/AP/0002/1983: AIR 1984AP176

2 Ed.: MANU/TN/1420/2004: [2005] 57 SCL 362 (Mad)

6. The Defendant had, on 10th June, 2006, applied for registration of a label mark (Exh. F to the plaint) in respect of the same products *viz.* incense sticks, agarbattis and perfumery included in class 3. In the application, the Defendant claimed user since 1st January, 1985. a

7. On 25th September, 2006, Plaintiff No. 1 made an application before the Registrar of Trade marks to bring itself on record as a subsequent proprietor in respect of the marks "MADHUR GULAB" and "MADHUR". The application is pending. The application was not in respect of the device mark "MADHUR" in the devnagiri script. b

8. As I mentioned earlier, on 10th June, 2006, the Defendant made an application for registration of a label mark which contains the mark "MADHUR". On 14th November, 2006, the Plaintiffs filed an opposition thereto. On 7th February, 2007, the Defendant filed a counter statement to the opposition. This suit was filed on 29th September, 2009. c

9. Before dealing with the defenses to the application for injunction against infringement it would be convenient to note that it is not possible to consider at the interim stage, the application for interim reliefs against passing off.

10. The Defendant had filed Chamber Summons No. 525 of 2010 for inspection of various documents mentioned in the schedule thereto. Item 21 of the schedule reads as under: d

21. Plaintiff's profit and loss accounts, balance sheets, accounts and documents, along with particulars of sales and advertisement expenses of the Plaintiffs suit products from 1981 to 2009.

The Chamber Summons was disposed of by an order dated 30th January, 2011. The learned Judge accepted the statement made on behalf of the Plaintiffs that they would not be relying on the documents of which inspection was not offered to the Defendants. e

11. Mr. Chagla submitted that in view of the above statement the Plaintiffs are not entitled to rely upon any documents in support of the sales figures and promotional expenses. In that event, he contended, the Plaintiffs application for reliefs against passing off must fail, for absent such evidence, the Plaintiffs are unable to establish that their products sold under the said marks have developed reputation and goodwill to an extent sufficient to maintain successfully an action for passing off. f

12. The submission is well founded. I have, therefore, not granted any reliefs relating to passing off. g

13. Mr. Chagla firstly submitted that Plaintiff No. 1 is not the proprietor of the mark "MADHUR GULAB". The registration certificate stated that the mark "MADHUR GULAB" was registered in the names of Plaintiff Nos. 2, 3 and 4 "trading as Hema Agencies". The claim in the suit, however, is on the basis of M/s. Hem Agencies having been the registered proprietor of the mark. He submitted, therefore, that the mark was registered in the name of another firm *viz.* Hema Agencies which has not been impleaded. Referring to the certificate of registration and the plaint, he submitted that a firm by the name of M/s. Hema (and not Hem) Agencies was the proprietor of the mark. Plaintiff Nos. 2, 3 and 4 were the partners of M/s. Hema Agencies. M/s. Hem (and not Hema) Agencies which comprised of h
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a four partners *viz.* Plaintiff Nos. 2, 3 4 and Ratanben, was a different firm and, therefore, was not the proprietor of this mark. Accordingly, M/s. Hem Agencies (later known as Hem Corporation) could not have transferred the proprietorship of the mark to Plaintiff No. 1. Accordingly, nor could the proceedings under Chapter IX adopted by M/s. Hem (and not Hema) Agencies/Hem Corporation have transferred the proprietorship of the marks or the benefit of the registration thereof to Plaintiff No. 1.

b 14. It would make no difference whatsoever even assuming that there was a firm by the name M/s. Hema Agencies and that the mark "MADHUR GULAB" was registered in the names of Plaintiff Nos. 2, 3 and 4 as the partners thereof. If there was or if there be such a firm, this action for infringement would still be maintainable for the partners of the firm *viz.* Plaintiff Nos. 2, 3 and 4 have also been impleaded.

c It is not necessary for the firm to have been separately impleaded. In that event, the proceedings under Chapter IX of the Companies Act would be immaterial for such a firm, M/s. Hema (not Hem) Agencies/its partners would continue to be the proprietor/joint proprietors of the mark. Plaintiff Nos.2, 3 and 4 are the only stated partners of the firm and would, therefore, be entitled to maintain this action for infringement.

d 15. Let me now assume as, in fact, appears to have been the case that the registration certificate contains a typographical error and that the marks were registered in the name of M/s. Hem Agencies. The names of all the partners were not shown in the certificate of registration of the said trade marks. Ratanben's name was not included although she was a partner when the mark was registered and the names of the four persons who joined the firm on 1st April, 2004, were not brought on the register either.

e Mr. Chagla submitted that it is mandatory for the names of all the joint proprietors of a mark to be mentioned in the certificate of registration of a trade mark. Section 24 of the Act reads as under:

f 24. Jointly owned trade marks.-(1) Save as provided in sub-section (2), nothing in this Act shall authorise the registration of two or more persons who use a trade mark independently, or propose so to use it, as joint proprietors thereof.

(2) Where the relations between two or more persons interested in a trade mark are such that no one of them is entitled as between himself and the other or others of them to use it except-

g (a) on behalf of both or all of them; or
(b) in relation to an article or service with which both or all of them are connected in the course of trade,

those persons may be registered as joint proprietors of the trade mark, and this Act shall have effect in relation to any rights to the use of the trade mark vested in those persons as if those rights had been vested in a single person.

h 16. I will presume that under Section 24, the names of all the partners/joint proprietors must be mentioned. In the facts of the present case, it would make no difference.

i 17. The first infirmity pointed out by Mr. Chagla was that Ratanben's name was not mentioned in the register, although she was a partner of the firm. That would make no difference for she admittedly retired from the partnership firm as is evident

by the said retirement deed dated 1st April, 1998. Thereafter and till 1st April, 2004, Plaintiff Nos. 2, 3 and 4 were the only partners. They were, therefore, entitled to maintain the action for infringement from 1st April, 1998 to 31st March, 2004, as there were admittedly no other partners during this period. It is doubtful whether the certificate of registration is *void ab initio* or for all time to come where the name of a partner/one of the joint proprietors is omitted to be mentioned in a certificate of registration of trade mark. *Prima facie*, that does not appear to be so. In that event, upon such a joint proprietor ceasing to have any rights in the mark, the action for infringement would be maintainable by the remaining joint proprietors whose names are on the register for the infirmity, if any, would have disappeared.

18. The second infirmity is on account of the names of the four persons who joined as partners by the supplemental deed of partnership dated 1st April, 2004, not having been brought on record in the certificate of registration of the trade marks. Mr. Chagla submitted that these four persons could not have transferred the benefit of registration of the marks to Plaintiff No. 1, including by adopting proceedings under Chapter IX of the Companies Act. Plaintiff Nos. 2, 3 and 4 could not have done so either as they were not the only joint proprietors of the mark.

19. In respect of both the infirmities stated by Mr. Chagla it is important to note that the names of Plaintiff Nos. 2, 3 and 4 are not shown merely as joint proprietors, but as partners of the firm. This is evident from the words "trading as Hema Agencies". It is even more important to note that the certificate of renewal of the registration of the trade mark "MADHUR GULAB" was in the name of Hem Corporation. The certificate of registration of the other two marks also refers to Plaintiff Nos. 2, 3 and 4 as partners of Hem Corporation. A firm name is a compendious method of referring to the partners of the firm. Thus, *prima facie*, at least, it appears that when the certificate of registration refers to the name of a firm, it includes the names of all the partners. During the subsistence of a partnership, partners leave a firm, including by death or retirement and others join the firm as new partners. *Prima facie*, at least, if the certificate of registration of a trade mark is in the name of a firm or in the names of persons as partners of a firm, it would be deemed to include the names of all the partners of the firm from time to time.

20. In the result, the transfer/assignment of the marks by the seven partners by virtue of the provisions of Part-IX of the Companies Act, 1956, is valid. Plaintiff No. 1 is entitled to maintain this action as the registered proprietor of the mark. That the application under Section 45 to register its title and to register it as the proprietor of the trade marks is pending would not prevent it from doing so. (*SKOL Breweries Ltd. v. Som Distilleries & Breweries Ltd. & Anr.* 2009 (11) LJSOFT 23: AIR 2010 Bom. R 249, affirmed by a Division Bench of this Court by a judgment dated 21st March, 2012, in *Parksons Cartamundi Pvt. Ltd. v. Suresh Kumar Jasraj Burod³* — Appeal No. 57 of 2012 in Notice of Motion No. 2665 of 2011 in Suit No. 2249 of 2011).

21. Mr. Chagla submitted that the Defendant uses the word "MADHUR" not as a trade mark, but only to describe its products. He submitted that the Defendant's trade mark is "MANGALDEEP".

3 Ed.: MANU/MH/0485/2012

a 22. The most prominent feature in the Defendant's packaging/label is indeed the word "MANGALDEEP" written in a stylised manner within the device of a rectangle with red borders. To the right of the rectangle is the word "MADHUR 100" written in red letters within a horizontal oval device with a white background. The letters in the word "MADHUR" are indeed much smaller than the letters in the word "MANGALDEEP". The word "MANGALDEEP" is more prominent than the mark "MADHUR 100". That, however, to my mind, makes no difference for the mark

b "MADHUR 100" appears as a part of a composite mark "MANGALDEEP Madhur 100" and not as merely a term descriptive of the products sold under the mark "MANGAL DEEP". The placement of the word "MADHUR 100" right next to the word "MANGALDEEP" enhances the possibility of the consumer considering the mark to be "MANGALDEEP Madhur 100" and not "MANGALDEEP" alone.

c 23. The Defendant contended that its agarbattis are sold under the mark and its various variants containing descriptive sub-brands such as "MOGRA", "JASMINE", "SANDALWOOD", "MADHUR" and "MADHUR 100"; that "MANGALDEEP" is the umbrella brand and that it uses this brand in conjunction with descriptors such as "MADHUR" and "MADHUR 100" and that the descriptors are used to signify the quality and characteristics of the products and are used only in

d conjunction with the umbrella brand "MANGALDEEP".

24. Even assuming that the Defendant genuinely intended using the mark only to describe the aroma of the products, it would make no difference if the use of the mark is likely to be taken as being used as a trade mark. Dr. Tulzapurkar's reliance upon Section 29(1) and Section (2)(zb)(ii) of the Trade Marks Act, 1999, is well founded. Sections 29(1) and 2(zb)(ii) read as under:

e **29. Infringement of registered trade marks.**-(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a

f trade mark.

2. Definitions and interpretation.-(1)(zb)

"trade mark" means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colors; and

g (ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or byway of permitted user, to use the mark whether with or without any

h indication of the identity of that person, and includes a certification trade mark or collective mark;

[Emphasis supplied]

i 25. The intention to use a mark as a trade mark is not the only factor that constitutes infringement. A registered trade mark is infringed by a person if he uses it in such a manner as to render the use of the mark likely to be taken as a trade mark. In other words the use of a registered trade mark would constitute an infringement if

it indicates a connection in the course of trade between the person and his goods or services irrespective of his intention. This is clear from the phrase in Section 2(1)(zb)(ii) "for the purpose of indicating or so to indicate".^a

26. I have already come to the conclusion that the use of the mark by the Defendant is as a trade mark and not merely as descriptive of the product.

27. I also find well founded Dr. Tulzapurkar's submission that the Defendant, in fact, intended using the word "MADHUR" as a trade mark and not merely to describe its products. Dr. Tulzapurkar rightly prefaced his reference to the various factors with the comment that although each of these factors taken by themselves may not support his submission, taken together they do.^b

28. The reliance upon the Defendant's application for registration of the label mark is, however, of no assistance in considering this aspect. The application for registration was not of the word mark "MADHUR". The label contains the entire get-up of the packaging, including the words "MANGALDEEP Madhur 100". The label by itself only begs the question viz. whether the word "MADHUR" is used as a mark or not.^c

29. Dr. Tulzapurkar then relied upon various averments in the affidavit in reply which refer to "MANGALDEEP" as the umbrella brand and the use of the trade mark "MANGALDEEP" in conjunction with other words such as "MANGALDEEP Madhur", "MANGALDEEP Mogra", "MANGALDEEP Jasmine" and "MANGALDEEP Madhur 100" as sub-brands. Dr. Tulzapurkar relied upon these references in the affidavit in reply. In paragraph 7, it is stated that the Defendant's label trade mark application "MANGALDEEP Madhur" was advertised in the TM Journal. In Paragraph 10(h), it is stated that the Defendant launched its brand of agarbattis "primarily under its umbrella brand "MANGALDEEP" and this umbrella brand was further associated with a wide range of descriptive sub-brands like ... Madhur etc." In Paragraph 10(q), the Defendant has furnished the total sales figures for the "brand MANGALDEEP Madhur". Paragraph 10 states that the Defendant's agarbattis under the "brand MANGALDEEP Madhur" are patronized by a wide cross-section of population and the brand "MANGALDEEP" and all the descriptive sub-brands enjoy considerable goodwill and reputation.^d

30. There is indeed a reference to "MANGALDEEP Madhur" as a descriptive sub-brand. A sub-brand does not fall outside the ambit of a trade mark if it is used as a mark. In fact, a reference to it as a sub-brand would indicate that it is a brand name/mark.^e

31. I do not suggest that the averments in the affidavit in reply constitute an admission that the brand "MANGALDEEP Madhur" is used as a trade mark. Whether such references constitute an admission would require a reading of the affidavit as a whole. I would presume that in matters such as these, affidavits would be settled by lawyers. I can hardly presume that while defending an action for infringement, the Defendant was advised to admit that its use of the word "MADHUR" was as a trade mark. It was not. This is clear from the fact that it has also been expressly contended that the word "MANGALDEEP" is used with the descriptor "MADHUR"; that the word "MADHUR" was used in conjunction with the word "MANGALDEEP" as descriptive and as a direct reference to the quality and characteristic of the product viz. a sweet fragrance and that the word "MADHUR" has multiple adjectival meanings and is used as a descriptive word by traders. The affidavit *per se*, therefore, does not contain an admission.^f

- ^a 32. What is important, however, is that the affidavit in reply discloses the manner in which the Defendant dealt with the word "MADHUR" and the manner in which its use of the word was perceived by itself and others. The Defendant perceived the mark "MANGALDEEP Madhur 100" to be a sub-brand. The affiant honestly did not run away from the same, but sought to explain it away. I am not inclined to accept this explanation.
- ^b 33. In Paragraph 10(q), the Defendant furnished the sales figures "for the brand "MANGALDEEP Madhur." In Paragraph 10(p), the Defendant furnished the total sales and advertisement figures for the "MANGALDEEP" brand of agarbattis generally. The Defendant, in other words, has maintained separate accounts or has identified in its accounts separately the sales figures for the brand "MANGALDEEP Madhur". The affidavit does not state that separate accounts
- ^c were maintained in respect of each of the sub-brands for the purpose of indicating the sales of the products with different aroma. In other words, the affidavit does not state that separate accounts were maintained only to indicate the success or otherwise of the products with a particular aroma. *Prima facie*, it appears that the Defendant maintained a separate account or indicated separately in its accounts the sales figures in respect of "MANGALDEEP Madhur 100" as a separate brand,
- ^d albeit under the umbrella brand "MANGALDEEP".
34. This, in fact, is how the Defendant's Chartered Accountants also perceived the matter. The Defendant's Chartered Accountants have certified the "sales for MANGALDEEP MADHUR agarbatti" and not "MANGALDEEP" agarbatti with a sweet aroma. I appreciate that the Chartered Accountant did nothing more than use the terminology referred to him by the Defendant *viz.* "sales for MANGALDEEP
- ^e MADHUR agarbatti". The Defendant furnished the details of the "sales for MANGALDEEP MADHUR agarbatti". The Chartered Accountants certified these details to be correct on the basis of their examination of the statements furnished "with the books of accounts, segment reports and other relevant records". The Chartered Accountant's certificate, therefore, confirms that the Defendant's books of account and other records have dealt with the Defendant's sales in respect of
- ^f its products sold under the mark "MANGALDEEP MADHUR 100" separately. The certificate does not indicate that this bifurcation was only on the basis of the aroma. There is nothing on record to indicate that the Defendant maintains separately, accounts on the basis of every conceivable variant of a product.
35. Exh. 9 to the affidavit in reply virtually concludes this aspect of the matter against the Defendant. Exh. 9 is referred to in Paragraph 21 of the affidavit in
- ^g reply in which the affiant avers as follows:
- I say that several traders use ... Madhur ... etc., to denote sweet fragrance for agarbattis. Annexed hereto and marked Exh. 9 are images of the products/packaging using the word(s) ... Madhur etc.
- ^h Exh. 9 is a label mark. Against a white background is the word "MADHUR" written all over in capital letters. On this background is a rectangle with a red background against which in white lettering are the following words "Garden Fresh", "Madhur" and "Agarbathi". To the left of the rectangular box is the sketch of a rose and to the right is a device of four lit agarbattis on a agarbatti stand. There is absolutely no doubt that the word "MADHUR" is used as a trade mark and not as a descriptive mark. The descriptive words
- ⁱ are Garden Fresh and Agarbatti. Thus, even assuming that the word

"MADHUR" can be used as a descriptive word in the very case referred to by the Defendant, it has been used as a trade mark. a

36. Thus, though the affidavit in reply did not intend admitting that the mark "MADHUR" is used as a trade mark it admitted as a question of fact that the Defendant used the mark "MANGALDEEP Madhur" as a sub-brand. This was on the basis on which the Defendant had, in fact, used the mark. The affidavit in reply, therefore, honestly stated that the word "MANGALDEEP Madhur" constituted a sub-brand. Whether a sub-brand constitutes a trade mark or not is another matter. I think it does. b

37. Dr. Tulzapurkar relied upon the judgment of a learned single Judge of the Delhi High Court in *Piruz Khambatta & Anr. v. Soex India Pvt. Ltd. & ors.*⁴ 2012 (49) PTC 330 (Del). In that case, the Plaintiff was the registered proprietor of the mark "Rasna". The action was one for infringement on the ground that the Defendants had used the mark "Pan Rasna" which, it was contended, was deceptively similar to the Plaintiff's mark. The Defendants contended that Pan Rasna is not a trade mark and is only one of the many flavoured tobaccos sold by it under the trade mark "AFZAL". The learned Judge held in paragraph 36 that the use by the Defendants of the trade mark Pan Rasna could not be said to be merely to describe their products and that the Defendants used the words was in such a manner as to indicate the same to be a sub-brand. In Paragraph 40, the learned Judge held that the use of the mark Rasna by the Defendants as a mark or sub-mark amounted to infringement. c
d

38. The test is not whether a person terms the use of a mark as a brand name or a sub-brand. If the use of a mark is to distinguish or is capable of distinguishing the goods or services of a person, it is a trade mark amenable to the provisions of the Act. That, it is a sub-brand makes no difference. A view to the contrary would virtually erode, not merely the value of trade marks, but their very existence by the simple expedient of an infringer adding to his "main brand" any embellishment constituting it then as a "sub-brand". The Act knows no such thing as a sub-brand. e

39. Dr. Tulzapurkar rightly submitted that the Defendants reliance upon the search conducted by it on the internet, in fact, militates against the submission that the word "MADHUR" is incapable of registration. Some of the results refer to the term as a fragrance. What is important, however, is a press note which refers to the Defendants launch of "MANGALDEEP -MADHUR". The search, as it stands, indicates the composite expression "MANGALDEEP MADHUR" as a trade mark and not merely descriptive of the product. Another search also expressly refers to the Defendants "MADHUR 100" which indicates a perception that the use of the mark was not merely descriptive of the main brand "MANGALDEEP" but as a sub-brand. f
g

Even assuming that some of the items in the search refer to the term as descriptive of a sweet fragrance, the other items indicate the perception of the consumer/people in the trade that the word is used as a trade mark. This entirely supports Dr. Tulzapurkar's submission that, in any event, the use of the word by the Defendant and the manner in which the Defendant has used the word is capable of being construed as a trade mark to indicate the Defendant's products. h

⁴ Ed.: MANU/DE/7211/2011

a 40. In Paragraph 20 of the affidavit in reply the Defendant contended that the word "MADHUR" is common to the trade and stated that the search report showed various registrations containing the word "MADHUR" and words similar thereto such as "MADHUR MEELAN", "MADHUR MILAN" and "MADHUR". This, in fact, militates against Mr. Chagla's submission that the word is inherently incapable of registration. The Registrar has, in fact, registered the marks. Whether the submission that it is common to the trade is well founded or not is another matter which I will deal with later.

b 41. Mr. Chagla submitted that the word "MADHUR" is inherently incapable of registration being merely descriptive. He submitted that even though the marks have been registered, it is open to this court to refuse the injunction if it comes to the conclusion that the mark has been wrongly registered.

c 42. I am afraid it is not permissible for me to even consider the submission as I am bound by the judgments of this Court to the contrary. Mr. Chagla did not seriously dispute the fact that the judgments of this Court do not support him. He, however, relied upon certain other judgments including of the Delhi High Court which have held to the contrary. It is sufficient to note the judgments relied upon by Dr. Tulzapurkar and Mr. Chagla in this regard.

d 43. Dr. Tulzapurkar relied upon the judgment of this Court in *Hindustan Embroidery Mills Pt. Ltd. v. K. Ravindra & Co.* 1976 BLR 146 and *Biochem Pharmaceutical Industries v. Biochem Synergy Ltd.*, 1998 (18) PTC 267. In fact, in the latter judgment, the learned Judge held that once a mark is a registered, an interim injunction to prevent infringement can be granted howsoever wrongly the mark remains on the register. It was contended on behalf of the Defendant that the mark was inherently unregistrable, that the registration thereof was invalid and that no injunction should, therefore, be granted till the rectification application filed by the Defendant was finally decided. The contention was rejected, inter alia, on the ground that whatever be the worth of the Defendant's application, it cannot prevent the registered proprietor from asserting his rights under Section 28 of the 1958 Act so long as the trade mark continued on the register.

f 44. Mr. Chagla relied upon the judgments in *Stokely Van Camp Inc. & Anr. v. Heinz (India) Pvt. Ltd.*⁵ 171 (2010) Delhi Law Times 16; *Marico Ltd. v. Agro Tech Foods Ltd.*⁶ 174 (2010) Delhi Law Times 279 and *Stokely Van Camp Inc. & Anr. v. Heinz India Pvt. Ltd.*⁷, MANU/DE/3132/2010.

g 45. I am, however, bound by the judgments of this Court. I, therefore, did not permit Mr. Chagla to address me on this question in order to persuade me to take a different view.

h 46. Mr. Chagla submitted that I must at least keep in mind the fact that the trade mark "MADHUR GULAB" was registered under Part-B of the 1958 Act which itself indicates that the word "MADHUR" is a descriptive mark. It is unnecessary to consider this submission in view of the fact that the other two marks viz. "MADHUR" and the device mark "MADHUR" written in the devnagiri script were registered under the 1999 Act. These marks, therefore, passed the test of Section 9(1)(b) of the 1999 Act, which reads as under:

5 Ed.: MANU/DE/1202/2010: 171 (2010) DLT 16: 2010 (44) PTC 381 (Del)

6 Ed.: MANU/DE/3131/2010: MIPR2010 (3) 226: 2010 (44) PTC736 (Del)

7 Ed.: MIPR2010 (3) 273

9. Absolute ground for refusal of registration:

(1) The trade marks a

(a)

(b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or services; b

47. In this view of the matter, it is not necessary to consider Dr. Tulzapurkar's submission that even if the registered mark is used by another only in a descriptive manner, the registered proprietor is entitled to restrain such use in an infringement action. Dr. Tulzapurkar relied upon the judgment of the Delhi High Court in *Cadila Healthcare Ltd. v. Dabur (India) Ltd.* 2998 (38) PTC 130. Nor is it necessary for me to consider Dr. Tulzapurkar's submission that the presumption under Section 29(3) is irrebutable so long as the registration subsists. He further submitted that section 29(2)(c) will apply as the Defendant has used an identical mark. He submitted that if a registered mark forms even a part of the impugned mark if the same is identical, the provisions of Section 29(2)(c) would apply. It is not necessary for me to deal with this submission either. c
d

48. The series argument was not really pressed by Mr. Chagla for there was no evidence of use of the marks that were relied upon by the Defendant in support of this submission.

49. Mr. Chagla further relied upon Section 30(2) (a) and Section 35 of the Act which read as under: e

(30) Limits on effect of registered trade mark-(1)

(2) A registered trade mark is not infringed where:

(a) the use in relation to goods or services indicates the kind, quality, quantity intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services; f

(35) Saving for use of name, address or description of goods or services.- Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any *bona fide* use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any *bona fide* description of the character or quality of his goods or services. g

These provisions would come to the Defendant's aid only if the Defendant established that the use of the mark in relation to goods was to indicate their quality or it established that the use of the mark was a *bona fide* description of the quality of the goods. I have held that the use of the impugned mark was as a trade mark and not as descriptive of the Defendant's products sold under the mark. These provisions, therefore, do not come to the Defendant's aid. h

50. I do not find there to be delay or laches to an extent that would disentitle the Plaintiffs to an injunction against infringement or passing off. The Defendant commenced use of the mark in the year 2003. This suit was filed on i

- ^a 29th September, 2009. The Defendant contends that it has been using the mark since the year 2003 widely and openly in respect of the said products. It contends that it is clear, therefore, that the Plaintiffs deliberately chose to stand by and let the Defendant's business grow before commencing this action. The Defendant denied the Plaintiffs case that they had recently come to know about the Defendant's use of the mark.
- ^b 51. It is difficult to dismiss the Plaintiffs contention that they learnt about the Defendant's use of the mark only prior to the filing of the suit. On 10th June, 2006, the Defendant made an application for the registration of the label mark. The application claims user of the mark from the year 1985. It is important to note, however, that the Defendant's application was published on 16th June, 2006. The Plaintiff filed an opposition on 14th November, 2006, within the prescribed time.
- ^c The mere claim of the user by the Defendant is not conclusive. The Defendant's counter statement to the Plaintiffs opposition was filed only on 7th February, 2007. The suit was filed on 29th September, 2009.
52. The Defendant thus had knowledge of the Plaintiffs claim, at least from 7th February, 2007. Therefore, the delay in the facts of this case would not disentitle the Plaintiffs to an injunction against infringement. The Defendant's continued use of the mark was at its own peril.
- ^d 53. Mr. Chagla relied upon the judgment of a learned single Judge of this Court in *Cluett Peabody & Co. Inc. v. Arrow Apparals* 1998 PTC (18) 156. In that case, the mark had remained on the register for thirty years. The same had admittedly not been used. The learned Judge found that the mark had lost its distinctiveness, had dropped out of use and was allowed to die for non-user. This is not so in the present case. That the Plaintiff has not established the sales figures and advertisement expenses sufficient to maintain successfully an action for passing off in view of the statement recorded in the order dated 20th January, 2011 in Chamber Summons No. 525 of 2010, does not lead to the conclusion that the marks had never been used by the Plaintiffs at all since they were registered. There is nothing to believe the Plaintiffs claim that the marks had been used. The Plaintiffs are not entitled to establish the extent of the user as a result of the statement recorded in the said order. Further, in *Wyeth Holdings Corporation & Anr. v. Burnet Pharmaceuticals (Pvt.) Ltd.*⁸ 2008 (36) PTC 478 (Bom.), a learned single Judge of this Court held in paragraph 24 that the ingredients spelt out in the judgment of the Supreme Court in *Power Control Appliances & Ors. v. Sumeet Machines Pvt. Ltd.*⁹ (1994) 2 SCC 448 to establish acquiescence were lacking *inter alia* by reason of the Plaintiffs having opposed the
- ^e Defendant's application for registration.
- ^f 54. Mr. Chagla submitted that the Plaintiffs having opposed the registration of the Defendant's label mark is irrelevant. He submitted that an opposition to the registration of a mark only signifies the proprietor's opposition to the registration of the mark and not to the use thereof.
- ^g 55. I am entirely unable to agree. If a proprietor opposes the registration of a mark, it logically follows that he is opposed to the use of the mark by the Applicant. When he opposes the registration of the mark, he claims the exclusive right to use

⁸ Ed.: MANU/MH/0070/2008: AIR 2008Bom100: 2008 (2) ALLMR405: 2008 (2) BomCR 739: (2008) 110 BomLR 409: MIPR2008 (1) 275

⁹ Ed.: MANU/SC/0646/1994: 1994 (1) SCALE 446: JT 1994 (2) SC 70: [1994] 1 SCR 708

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the mark and thereby opposes the right of the others to use the mark or any mark *a*
deceptively similar thereto or to have it registered. A view to the contrary, I am
afraid, is not even statable.

56. In the circumstances, the Notice of Motion is made absolute in terms of prayer
(a). The order is stayed upto and including 30th June, 2012.
