
(1982) 07 CAL CK 0038
In the Calcutta High Court
Case No : Suit No. 861 of 1980

Bijoli Grill Spencer's Product

APPELLANT

Vs

Spencers and Co. Ltd. and Another

RESPONDENT

Date of Decision : 21-07-1982

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 27, 33, 34

Citation : AIR 1983 Cal 175

Hon'ble Judges : Padma Khastgir, J

Bench : Single Bench

Advocate : B.K. Bachawat, for the Appellant; B.N. Sen, for the Respondent

Judgement

Padma Khastgir, J.—This application has been taken out by Bijoli Grill Spencer's Product, a firm, against Spencers & Co. Ltd. and Spencer Aerated Water Factory Pvt. Ltd. (in Liquidation) for an order of injunction restraining the defendant No. 1 Spencers & Co. Ltd. and its servants, agents and assigns in any way from interfering with the petitioner's right to use and enjoy the trade mark and/or associated marks and the trade name "Spencer" as successor-in-interest of the defendant No. 2 concurrently with the defendant No. 1 in relation to mineral aerated waters and beverages and for other consequential reliefs.

2. In the plaint filed by the plaintiff against the defendants the plaintiff has asked for declaration to the effect that the defendant No. 2 was the registered proprietor of the trade marks and associated trade marks mentioned in the plaint and the trade name "spender. Further, it was entitled to use its trade name containing the word "spencer" in relation to mineral, aerated waters and beverages which was the predecessor-in-title and business of the plaintiff; declaration that the defendant No. 2 had the right to and was entitled to use the trade mark and the associated trade marks mentioned in the plaint and the trade name "spencer" in relation to mineral, aerated waters and beverages. Thirdly the plaintiff also has asked in the plaint for declaration that the defendant No. 1 is entitled to use its alleged trade marks subject to the condition and limitation of

concurrent user thereof with the marks of the defendant No. 2 and the plain-tiff as mentioned in the plaint itself. Plaintiff also prayed for perpetual injunction restraining the defendant No. 1, its servants, agents and assigns in any way from interfering with the plaintiffs right to use and enjoy the said trade mark and for other consequential reliefs.

3. The mark "spencer's" being the mark No. 6108 was duly registered under the Trade Marks Act, 1940 by one Sm. Bhakti Datta, who carried on the business under the name and style of Spencers & Co. Ltd. and Spencer Aerated Water Manufacturing Co. since 1929 continuously by using the said trade mark "spencers" in relation to mineral and aerated waters. According to the plaintiff, the said Sm. Bhakti Datta bona fide used her trade or business name containing the word ""spencer" in relation to the said goods. On 6th of Oct., 1942 the said mark was duly registered under the Trade Marks Act, 1940 and Sm. Bhakti Datta was the registered proprietor of the said mark "Spencer's". She continuously used the said mark and/or trade mark in relation to mineral and aerated waters. Thereafter the said trade mark was duly assigned by the said Sm. Bhakti Datta in favour of the Spencer Aerated Water Factory Pvt. Ltd.. the defendant No. 2. now in liquidation, and the same was duly entered in the register of trade marks which was duly notified on the 1st Sept., 1961. As a result the defendant No. 2 became the registered proprietor of the aforesaid trade mark. With the mark "spencer's" various other marks in respect of aerated waters and drinks, soda water, ginger, spencer's soda and various other items of similar nature were registered. Full particulars whereof had been given in para 3 of the plaint. Since 1st of Sept., 1961 the defendant No. 2 continuously used the said trade mark and associated trade marks in relation to the aforesaid mineral, aerated waters and beverages till 1975. By the order dated 23rd Sept., 1975 the defendant No. 2 was directed to be wound up and the Official Liquidator was appointed Liquidator of the defendant No. 2. On July 24, 1947, the defendant No. I applied before the Registrar of Trade Mark, Bombay, for registration of the mark "Spencer's Soda Water" and the defendant No. 1 also applied before the Registrar of Trade Mark, Bombay, for registration of the mark "Spencer & Co. Ltd." and on Aug. 14, 1961 the defendant No. 1 applied before the authority for registration of the mark "Spencer's" and obtained the same. On Jan. 9, 1974 the defendant No. 1 applied for the mark "Spencer's" being Trade Mark No. 293438. Thereafter, the business of the defendant No. 2 as indicated earlier was completely closed and by an order dated 23rd Sept., 1975 of this Hon''ble Court the defendant No. 2 was directed to be wound up and the Official Liquidator was appointed Liquidator. Thereafter, since 1975 all the associated trade marks registered by the defendant No. 2 being associated with the Patent Mark No. 6108 were removed from the register due to non-renewal thereof upon the expiry of 7 years from their respective dates of registration. The defendant No. 1 by virtue of the registration made in its favour, between March, 1977 and 30th April, 1978 manufactured and sold aerated water in Calcutta. Thereafter, the parent Trade Mark No. 6108 of the Spencer Aerated Water Works Pvt. Ltd. was

also removed from the Register of Trade Mark for non-payment, on Oct. 4, 1978.

4. On 18th Sept., 1979 the defendant No. 2 instituted a suit in this Court against Bijoli Grill Caterers being Suit No. 754 of 1979 for infringement of the trade mark and for other consequential reliefs. On the same day i.e. 18th Sept., 1979 Mr. Justice Salil K. Roy Chowdhury (as he then was) passed an ad interim order restraining Bijoli Grill Caterers from using and/or utilising and/or exploiting the defendant No. 2's trade mark, The suit was ultimately compromised and by an order passed on 25th Oct., 1979 the Official Liquidator was directed to assign and transfer the good-will, trade name and trade mark, if any, in respect of the business of the defendant No. 2 in favour of Bijoli Grill Caterers. It was the case of the defendant No. 1 that from various advertisements published in The Statesman and also in the Amrita Bazar Patrika and some Magazine published in Delhi it had come to know that the plaintiff was selling and marketing mineral and aerated waters and beverages under the trade mark "Spencer's", which was all along the defendant No. 1's trade mark bearing Nos. 204176 and 293433. Thereafter, after tracing out the particulars of the advertiser with great difficulty, the defendant No. 1 came to know that Bijoli Grill was selling mineral and aerated waters and beverages under the defendant No. 1's trade mark "Spencer's" whereupon the defendant No. 1 called upon Bijoli Grill to desist forthwith from using and/or utilising its trade mark "Spencer's", in reply whereunto Bijoli Grill Spencers' Products completely denied to have used and/or infringed the defendant No. 1's said trade name. Thereafter the defendant No. 1 instituted a suit on 12th Dec., 1979 being Civil Suit No. 649 of 1979 against the plaintiff in the High Court at Madras for a permanent injunction restraining the plaintiff from infringing the defendant No. 1's registered trade mark. In the said suit an application was moved by the defendant No. 1 on 14th Dec., 1979 for granting an injunction restraining the plaintiff herein from using and/or utilising the defendant No. 1's trade mark and on the same day an order was passed in favour of the defendant No. 1 by the Madras High Court. Thereafter on 21st Feb., 1980, after the suit was filed by the defendant No. 1 before the Madras High Court, the Official Liquidator of this Court by a registered deed of assignment duly transferred the said good-will, trade name and trade mark of the defendant No. 2 to Bijoli Grill. When the application for injunction came up for final hearing before the Madras High Court on Nth March, 1980 the plaintiff herein submitted before the learned Judge about the order that had been passed by this Court on 25th Oct., 1979. However, the said order of injunction was confirmed by the Madras High Court Thereafter only on 25th Sept., 1980 the present suit had been filed by the plaintiff for certain declarations as regards its right to use the trade mark and consequential orders of injunction as indicated earlier. In this application an ad interim order had been passed by Mr. Justice Salil K. Roy Chowdhury (as he then was) permitting the plaintiff herein to use the said trade mark in West Bengal even after the order of injunction was confirmed by the Madras High Court restraining the plaintiff herein to use the said mark anywhere in India.

5. Mr. B. K. Bachawat appearing in support of this application submitted that u/s 33 of the Trade & Merchandise Marks Act, 1958 it has been provided that nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor-in-title of his has continuously used that trade mark from a date prior --

(a) to the use of the first mentioned trade mark in relation to those goods by the proprietor or a predecessor in title of his; or

(b) to the date of registration of the first-mentioned trade mark in respect of those goods in the name of the proprietor or a predecessor in title of his,

Whichever is the earlier and the Registrar shall not refuse to register the said mentioned trade mark by reason only of the registration of the first-mentioned trade mark. Mr. Bachawat also craved reference to Section 34 of the said Act which provides as follows :--

"Section 34. 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."

Mr. Bachawat, submitted that it is an admitted fact that the plaintiff had been in continuous concurrent user of the trade mark. Although there is an application pending made by the plaintiff herein for renewal of the said registration before the Registrar of Trade Marks, but in view of the fact that no order has yet been passed on that application, under these circumstances, by virtue of the right that had been created in favour of the plaintiff by an order passed by this Hon'ble Court as indicated earlier, the Liquidator on payment of a sum of Rs. 25,000/- in two instalments had transferred the right, good-will and trade name as also the business of the defendant No. 2 in favour of the plaintiff. Under these circumstances, in view of the fact that an order of injunction had been obtained by the defendant No. 1 restraining the plaintiff from using the said trade mark, the defendant had attempted to interfere with the plaintiff's right to use. Mr. Bachawat also craved reference to Section 2, Sub-section (k) of the said Act and submitted that inasmuch as under the definition clause "name" includes any abbreviation of a name and inasmuch as the plaintiff had already acquired the right to use the trade name, good-will and the business of the defendant No. 2, under the circumstances, the plaintiff was entitled to use the word "Spencer". In this connection Mr. Bachawat cited several cases reported in 70 Reports of Patent Cases, p. 235 at p. 257 and 51 Reports of Patent Cases, p. 98 at p. 109 and submitted that an order should be passed restraining the defendant No. 1 from in any way interfering with the plaintiff's right to use and/or utilise and manufacture and sell the said products under the trade name "Spencer". Mr. Bachawat further submitted that unless such an order is passed his client's

business will be completely ruined and it will not be possible for the plaintiff to continue manufacturing and sale of aerated waters under the trade name "Spencer". This application has been opposed to by Mr. B. N. Sen. He submitted that the suit riled is not maintain-able. It will appear from the plaint that the plaintiff had asked for various declarations to the effect that the defendant No. 2 was the registered proprietor of the trade mark and the trade name "Spencer" and it was entitled to use its trade name containing the word "Spencer" in relation to mineral and aerated waters and beverages; that the defendant No. 2 had the right to and was entitled to use the trade mark and the trade name "Spencer" in relation to mineral and aerated waters and beverages; that the defendant No. 1 is entitled to use its alleged trade mark subject to the condition and limitation of concurrent user thereof. Before the assignment of the rights of the defendant No. 2 by the Official Liquidator pursuant to the order passed by this High Court the plaintiff did not have any right of any use of the said trade mark as indicated earlier. Apart from that the business that had been carried oa by Spencer Aerated Water Factory Pvt. Ltd. had continued till 1975 and thereafter there had been discontinuance in the business in respect of the said trade mark. A copy of the application, if any, made by the plaintiff herein under the Trade and Merchandise Marks Act, 1958 has not been produced before this Court. Under the circumstances this Court could not look into the grounds on which the application was made. However, it will appear that such application was not made by the last user of the registered trade mark or the proprietor thereof. But an application has been made by Bijoli Grill Spencers Products, who admittedly was not the user of the said trade mark prior to the registration made in favour of the defendant No. 1. Such application was neither made by Sm. Bhakti Dutta nor by the Official Liquidator on behalf of the company in liquidation. From Section 33 quoted above it will appear that a right has been created in favour of the bona fide user of the trade mark identical with or nearly resembling it in relation to the goods relating to the registered user of the trade mark or the proprietor and, to my mind, such right has been created by way of defence in an action takes out by the proprietor or the registered user of the registered trade mark, which amounts to interference with the use, by a person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor in title of his has continuously used that trade mart from a date prior to the use of the registered trade mark holder. Under the circumstances it appears that the provisions made in Sections 33 and 34 of the said Act are by way of defence, more particularly, in the nature of a shield and as a protection in an action taken out by a proprietor or a registered user of any registered trade mark. Under the circumstances it appears that the plaintiff's present suit and the reliefs as asked for against the defendant No. 2 appear to be not maintainable. Apart from that u/s 27 it has been specifically provided that no person shall be entitled to institute any proceeding to prevent, or recover damages for, the infringement of an unregistered trade mark. Admittedly, there has been no registration of the trade mark used by the plaintiff and this is a case of the plaintiff that such an application is pending for

registration before the Registrar. u/s 25, Sub-section (3) of the said Act, before the expiry of the last registration of the said trade mark, it is required that the Registrar shall send notice in the prescribed manner to the registered proprietor and upon fulfillment of the conditions as to payment of fees and otherwise upon which a renewal of registration may be obtained, and if at the expiration of the time prescribed in that behalf those conditions have not been duly complied with, the Registrar may remove the trade mark from the register. Under Sub-section (4) it is provided that in a case where a trade mark has been removed from the register for non-payment of the prescribed fee, the Registrar may, within one year from the expiration of the last registration of the trade mark, on receipt of an application in the prescribed form, if satisfied that it is just so to do, restore the trade mark to the register and renew the registration of the trade mark either generally or subject to such conditions or limitations as he thinks fit to impose.

6. In the instant case such an application had not been made by the registered trade mark holder or the company in liquidation but by Bijoli Grill Spencers Products, who had no right to make such an application under the Act. Mr. B.N. Sen had drawn my attention to Rule 66 and Form TM-12 in which such application ought to have been made by the last registered holder for restoration of the registration. Assignment in favour of the plaintiff by the Official Liquidator pursuant to the order passed by Mr. Justice Salil K. Roy Chowdhury (as he then was) had been made only in Feb., 1980 after the order that was passed by the Madras High Court restraining the plaintiff from using the said trade mark.

7. As indicated above this is an application for an order of injunction restraining the defendant No. 1 from in any way interfering with the petitioners Bijoli Grill's right to use the mark "Spencers" on mineral waters and/or beverages. An interim order was passed by Mr. Justice Salil K. Roy Chowdhury on this application allowing the petitioner to use the said mark in the State of West Bengal Mr. Bachawat appearing in support of the application submitted that unless an order is passed as prayed for the entire business of the petitioner would come to a standstill inasmuch as in a previously instituted suit by the defendant No. 1 against the plaintiff before the High Court at Madras the plaintiff had already obtained an order of injunction restraining the defendant No. 1 from using the said mark anywhere in India. Under the circumstances unless the interim order passed in this suit is confirmed the petitioner would not be able to use the said mark at all and would be guilty of violation of the injunction order which had been passed by the Madras High Court restraining the petitioner from using the said mark. The petitioner contested the said proceedings before the Madras High Court and on the petitioner's prayer an order had already been passed directing the defendant No. 1 to secure the claim of the plaintiff to the tune of Rs. 35,000/- calculating the loss of profit of Rs. 5,000/- per month alleged to have been suffered by the petitioner.

8. Originally one Bhakti Dutta had been using this mark "Spencers" since 1928

as the sole proprietor of a business. Thereafter the said sole proprietary business of her was converted into a company under the name and style of Spencer's Aerated Water Co. Pvt. Ltd., the defendant No. 2 herein. The said defendant had been using the mark up to a certain period of time. Thereafter the said company was wound up by this High Court and the Court Official Liquidator was appointed as the Liquidator of the said company. In the meantime the defendant No. 1 Spencers and Co. Ltd. applied for the registration of the mark "Spencers" and the Registrar of Trade Marks and Merchandise granted and registered the defendant No. 1's right to use the said mark by way of concurrent user. The right of Bhakti Dutta as also of the defendant No. 2 lapsed inasmuch as no business was carried out by the said Bhakti Dutta or the company in respect of the said mark. As a result the registration, of the mark Spencers" went out of the registration and/or it was removed from the register. Thereafter by an order made by Mr. Justice S.R. Roy Chowdhury gave leave to the liquidator to compromise the suit filed by the defendant No. 2 against the plaintiff for infringement of the said mark which was registered in favour of the company. In the said compromise proceedings an order was passed giving leave to the Official Liquidator to sell the said right to the petitioner for a sum of Rs. 25,000/- but in effect such order was carried out only in Feb., 1980 and the payment was received by the Official Liquidator.

9. It was the case of the petitioner that it has already applied to the Registrar of Trade Marks and Merchandise at Bombay for renewal of the registration of the said mark. However, neither any copy of such application nor any other documents had been referred to corroborate such claim. In any event it has been submitted that such application had been taken out by the plaintiff Bijoli Grill Caterers. Under these circumstances the petitioners have no right whatsoever to apply for the same inasmuch as the petitioner was neither the proprietor, registered owner or even user of the said trade mark. No concurrent right whatsoever had been created in favour of the petitioner nor could the petitioner claim of any bona fide use prior to the registration in favour of the defendant No. 1. u/s 27 of the Trade Marks Act, the petitioner has no right to file a suit and bring any action against the defendant. The provisions as contained under Sections 33 and 34 of the said Act are in the nature of a defence as such those provisions could be used as shield and not as sword. Under these circumstances the petitioner against the claim of the defendant No. 1 before the Madras High Court, could have taken by way of defence those circumstances. By not preferring an appeal from the order of injunction passed by the Madras High Court and obtaining an order in its favour by securing its claim for damages the petitioner cannot overreach the said order of the Madras High Court by filing a suit before this Court by obtaining an order of injunction as prayed for. Apart from that on the principle of comity of Courts this Court should not pass an order restraining the defendant No. 1 from interfering with the petitioner's right to use the said mark inasmuch as that would amount to indirectly allowing the petitioner to do acts which would be contrary to the order of injunction passed by

the Madras High Court. Moreover the reliefs as prayed for in the plaint itself appears to be not maintainable. The cases referred to by Mr. Bachawat have no direct application to the instant case. The nature of the suits filed by the aggrieved parties was different from the instant case and the points that were taken by the parties by way of defence. Mr. Baohawat's submission that u/s 33 of the said Act the petitioner has a concurrent right and the petitioner has come before this Court for establishment of the said concurrent right was untenable inasmuch as the petitioner Bijoli Grill did not have any concurrent use of the mark. Mr. Bachawat's submission that inasmuch as pursuant to the order of the Court the plaintiff has purchased the goodwill, the business as also the trade name of the company "Spencers Aerated Water Pvt. Ltd." as a result by virtue of Section 2, Sub-section (k) of the said Act the petitioner was entitled not only to use the said trade name but also a portion thereof is unacceptable to this Court.

10. In view of what have been stated hereinbefore it appears that the plaintiff is not entitled to ask for the reliefs as prayed for, inasmuch as the plaintiff could not establish its right in the respect of the same. Under the circumstances this Court is of the view that the ad interim order that had been passed should be vacated. However, in view of the fact that pursuant to the ad interim order passed by Mr. Justice Salil K. Roy Chowdhury (as he then was) the plaintiff had been manufacturing and selling mineral and aerated waters and beverages, it would be difficult for the plaintiff to store the products which are perishable in nature until and unless permission is granted by this Court for sale of the existing stocks by the plaintiff in the meantime. However, the plaintiff will furnish a statement of the existing stocks to the Advocate-on-Record for the defendants M/s. Khanna and Co. within one week from today. Costs costs in the cause. There will be a stay of operation of this order for a fortnight from date.