

(2010) 08 CAL CK 0074

In the Calcutta High Court

Case No : A.P.O.T. No. 389 of 2010 in G.A. No's. 1763, 1946, and 2213 of 2010 and C.S. No. 133 of 2010

Jai Rajendra Impex Private Ltd.

APPELLANT

Vs

Shambhu Nath and Brothers and Others

RESPONDENT

Date of Decision : 18-08-2010

Acts Referred:

Citation : (2010) 4 CALLT 35 : (2010) 4 CALLT 18

Hon'ble Judges : J.N. Patel, C.J; Bhaskar Bhattacharya, J

Bench : Division Bench

Advocate : S.K. Kapoor, Jishnu Saha, P. Sinha and Atish Ghosh, for the Appellant; Goutam Chakraborty, Sayantan Bose, Goutam Roy and T.K. Jana, for the Respondent

Final Decision : Allowed

Judgement

Bhaskar Bhattacharya, J.—This Letters Patent appeal is at the instance of a defendant in a suit for injunction based on the allegation of passing off and is directed against order dated 11th June, 2010 passed by a learned Single Judge of this Court by which the said learned judge disposed of an application filed by the appellant for variation of the ad interim order of injunction earlier granted and decided to continue such ad interim order till the disposal of the application for injunction on merit with the only modification that the appellant would be entitled to execute the export order dated May 2, 2010 but the sale proceeds thereof should be kept in a separate bank account.

2. Being dissatisfied, the defendant has come up with the present appeal.

3. The respondent before us filed a suit in the Original Side of this Court being C.S. No. 133 of 2010 thereby praying for the following relief:

a) Decree of perpetual injunction restraining the defendants, their men, servants, agents and assigns or any other person acting on their behalf from passing off their goods i.e., electric fans by using the impugned Trademark "TOOFAN" or any

other Mark which is identical with or deceptively similar both phonetically and/or structurally to your petitioner's Trade Mark "TOOFAN";

b) Decree of perpetual injunction restraining the defendants, their men, servants, agents and assigns or any other person acting on their behalf from manufacturing, selling or offering to sale or marketing goods or merchandise including electric fans using the impugned Mark "TOOFAN" or any other word either phonetically and/or structurally similar to the Trademark of the Plaintiff thereto in any manner whatsoever;

c) Decree of mandatory injunction on directing the defendants to deliver up and destroy upon oath of all the materials and/or documents used by the defendants bearing the Trademark "TOOFAN" and/or any other Mark either phonetically or structurally and/or deceptively similar to the Trademark "TOOFAN" of the Plaintiff thereto including labels, bills, invoice, cash memo or any other article used for the application of the impugned Trade Mark in the possession and custody of the defendants and verification upon oath that the defendants have no such further article bearing such Mark in their possession or control;

d) Injunction;

e) Attachment;

f) Receiver;

g) Costs;

h) Further or other relief;

4. The case made out by the respondent may be summed up thus:

a) The plaintiffs, at all material times, were carrying on business of manufacturing and marketing of Electrical Fans of all kinds under the trademark "TOOFAN" since 1987. The said goods manufactured by the plaintiff were distributed and sold extensively through the States of West Bengal, Bihar, Jharkhand, Orissa, Assam, Gujarat, Tamil Nadu, Uttar Pradesh, Madhya Pradesh, Andhra Pradesh and many other States through an established network of dealers and distributors.

b) The trademark "TOOFAN" is represented in a stylized manner and written prominently on the products, packaging materials, brochures as also on the bills/invoice used by the plaintiff and the common people to the trade and public at large recognize those goods sold under the trademark "TOOFAN" to have been originated from the plaintiffs only.

c) Any electrical fan sold under the trademark "TOOFAN" is understood by the purchasing public as also the members of the trade to have been originated from the business of the plaintiff and the plaintiff had huge turn over from the said business as disclosed in the plaint.

d) In order to acquire statutory protection to the exclusive right over the

trademark "TOOFAN", on or about October 27, 1995 the plaintiff filed an application being No. 605175 in class 11 under the Trade and Merchandise Marks Act, 1958. The said application is pending registration.

e) On October 2008 it came to the notice of the plaintiff on official search report that the defendant No. 1 had registered an identical trade "TOOFAN" in Telugu language in respect of Apparatus for Lighting, Heating, Steam Generating, Cooking, Refrigerating, Drying and Ventilating purpose including the Ceiling Fans, Table Fans, Wall Mounted Fans, Standing Fans, Exhaust Fans, Air Conditioners etc. and the defendant No. 1 had registered the impugned mark "TOOFAN" in respect of those goods claiming as used since January 1, 1976 which was false and fabricated.

f) Thereafter, the plaintiff caused search in the office of the Registrar of Companies and came to know that the defendant No. 1 was incorporated only on December 8, 2005 and as such, the purported user of the trademark by the defendant No. 1 on any date prior thereto was false, baseless and misleading.

g) It further appeared from search report that the defendant No. 1 made an application for registration of an identical trademark "TOOFAN" in Telugu with mala fide intention and in fact, obtained the registration of the same by making false statement with regard to the date of the use of the said mark and thereby misleading the Trademark Registry. The trademark of the defendant No. 1 is identical with and phonetically and structurally similar to the trademark "TOOFAN" of the plaintiff and the defendant No. 1 with full knowledge of existence of the plaintiffs' trader mark "TOOFAN" has adopted an identical mark with mala fide intention.

h) On coming to know of such registration, the plaintiff filed a rectification application before the Intellectual Property Appellate Board, Chennai, for removal of the said impugned registration of the trademark "TOOFAN" granted in favour of the defendant No. 1 Company from the register. The said rectification proceeding is pending adjudication.

i) In or about April, 2010 it came to the notice of the plaintiff that electrical fans manufactured by the defendant No. 1 are sold by the defendant No. 4 from his place of business within the jurisdiction of this Court under the trademark "TOOFAN" written in English language although registration of the said mark was obtained by the defendant No. 1 in Telugu language.

j) The defendant No. 1 with mala fide intention to encash the goodwill and reputation of the plaintiffs' trademark "TOOFAN" are passing off its inferior quality of product as those of plaintiffs, hence the suit.

5. On the basis of selfsame allegations made in the plaint, the plaintiff came up with an application for injunction in terms of the prayers made in the original suit and the learned Single Judge by order dated 20th May, 2010 passed an ad interim order restraining the appellant and respondent Nos. 4 and 5 from

manufacturing, selling or offering for sale of goods or merchandise including the electrical fan with the trademark "TOOFAN" or any other words phonetically or structurally similar to the same till 14th June, 2010.

6. The appellant entered appearance and filed an application for vacating the interim order thereby contending that the averments made in the plaint as well as that of the application for injunction are all false and the defence of the appellant was inter alia as follows:

a) The appellant is engaged in manufacturing and sales of various kinds of fans under the trademark "TOOFAN". The predecessor of defendant No. 1 along with the defendant No. 1 was established in this trade since 1976 and various documents were annexed to the application in support of such contention.

b) In the year 1976, the predecessor of the defendant No. 1, being one "Sunlight Electricals" under the sole proprietor Shri Devi Chand Jain, was engaged in the business of sale of fans under the trademark "TOOFAN" as a dealer. The said predecessor used to have fans under the brand name "TOOFAN" manufactured from various manufacturers on a job work basis and various purchase bills from the year 1976 were annexed.

c) The said proprietor of M/s. Sunlight Electricals expired in the year 1989 and, therefore, the same was converted into a partnership firm and the said partnership firm continued to sell and deal with goods like electric fans and other allied products under the trademark "TOOFAN". Thus such business was continuously and extensively used by the predecessor of the defendant No. 1 since 1976 till March, 2006 and in the year 2006, the said firm M/s. Sunlight Electricals was dissolved and the said firm including the trademarks particularly "TOOFAN" along with the goodwill was assigned to the defendant No. 1. The deed of Assignment was annexed to the application for vacating the interim order. The trademark "TOOFAN" had continuously and extensively been used by the predecessor of the defendant No. 1 and subsequently, by the defendant No. 1 in course of trade since 1976 and as such, in consequence of the prior, anterior, and long continuous use of the trademark "TOOFAN" on the part of predecessor-in-interest of the defendant No. 1 along with defendant No. 1 itself, the said trademark had acquired tremendous, enviable and unreachable reputation and good will amongst the purchasing public and the members of the trade.

d) The defendant No. 1 is a manufacturer of fans and allied electrical products under the trademark and brand name "TOOFAN" and at least 40 people were in direct employment under it and besides, several other persons are working as either dealers, or suppliers or retailers. The sales turn over of the defendant No. 1 in the year 2007-08 was Rs. 33,21,200.00, for the year 2008-09, the was Rs. 57,57,217.00 and for the year 2009-10, it was Rs. 100,98,806.00.

e) In order to obtain statutory recognition and rights in respect of trademark "TOOFAN", the defendant No. 1 filed an application for registration of mark "TOOFAN" in Telugu being "Thufan" before the Registrar of Trademark, Chennai

for registration of the same in class 11 under application No. 1505280 dated 17th November, 2008 in respect of fan. Thus, the interim order passed earlier should be vacated.

7. As indicated above, the learned Single Judge by the order impugned herein disposed of the application for variation of interim order and while disposing of the said application, further extended the earlier order of injunction till the disposal of the application with the liberty to the appellant to execute an export order dated May 2, 2010 on condition that the sale proceeds thereof should be kept in a separate bank account.

8. Being dissatisfied, the defendant No. 1 has come up with the present appeal.

9. Mr. Kapoor, the learned senior advocate, appearing on behalf of the appellant, laboriously contended before us that while passing the order impugned the learned Single Judge failed to take into consideration the relevant factor, which are required to be taken note of while deciding the application for variation of the interim order. According to Mr. Kapoor, his client having produced material before the learned Single Judge showing that the appellant is the assignee from Sunlight Electricals who from the year 1976 had been using the word "TOOFAN" in Telugu language, the learned Trial Judge should have rejected the prayer of ad interim injunction on the ground of prior use of similar phonetic word. Mr. Kapoor contends that the action being one of violation of passing off and the undisputed fact being that his client having acquired the right of prior user of the same phonetic word "TOOFAN" from 1976 whereas the respondent plaintiff had been using the mark "TOOFAN" in English from the year 1987 it was a fit case for vacating the interim order. Mr. Kapoor contends that in a country like India where the nature of goods involved here is used by ordinary public, there was no justification of restraining his client from manufacturing or selling the fan in the name of "TOOFAN" subscribed in English language. In other words, according to Mr. Kapoor, the word "TOOFAN" being phonetically same, it is immaterial whether his client's predecessor had registration in Telugu language. Mr. Kapoor, therefore, prays for setting aside the order impugned and vacating the interim order granted by the learned Trial Judge.

10. Mr. Chakraborty, the learned senior advocate appearing on behalf of the plaintiff respondent, has, on the other hand, opposed the aforesaid contention advanced by Mr. Kapoor and has supported the order impugned. According to Mr. Chakraborty, the learned Single Judge on consideration of the materials on record having been satisfied with the prima facie case of the plaintiff-respondent and having granted the ad interim order of injunction, there is no justification of vacating the interim order particularly when the main application for injunction is yet to be heard on the basis of affidavits to be filed by the parties. Mr. Chakraborty, thus, prays for dismissal of the appeal.

11. After hearing the Learned Counsel for the parties and after going through the materials on record, we are quite conscious of the position that the main

application for temporary injunction is yet to be decided on merit. At this stage, we are only concerned whether on the basis of materials placed before the learned Single Judge, there was justification of restraining the appellant from selling or manufacturing the goods in question by using the word "TOOFAN".

12. We are also quite alive to the position of law that in an appeal against grant or refusal of discretionary order like injunction, the appellate Court generally does not interfere with the discretion exercised by the learned Trial Judge unless the order passed by the learned Trial Judge is passed in violation of the well-settled principles of law or is patently wrong. Merely because from the selfsame fact another view is possible at the instance of the appellate Court, such fact will not enable the appellate Court to upset the order passed by the learned Single Judge.

13. Bearing in mind the aforesaid principle we now propose to consider the appeal on merit.

14. It appears from the order impugned that the learned Single Judge has taken note of the deed of assignment executed by Sunlight Electricals in favour of the appellant and in the said deed of assignment it is specifically stated that the assignor of the appellant had been using the word "TOOFAN" in Telugu from 1976. The learned Single Judge, as it appears from the order impugned, did not give any importance to the said document simply because the said deed of assignment was not annexed the objection filed to the rectification application filed by the plaintiff. In our opinion, such fact cannot be a ground for not taking into consideration a deed of assignment wherefrom it will appear that from the year 1976, the assignor of the appellant had been using the word "TOOFAN" in Telugu. The learned Single Judge has further held that as by the deed of assignment the word mark in Telugu has been assigned, non-user of the Telugu word mark by the appellant makes a prima facie case of the plaintiff. The learned Single Judge has also opined that no registered mark of Sunlight has been produced and, therefore, it is difficult to comprehend the registered trademark or word mark assigned.

15. We are unable to appreciate the reason assigned by the learned Single Judge for discarding the claim of the appellant as the action is initiated alleging passing off where the question of registration is immaterial. We, however, find that undisputedly from the deed of assignment it is clear that the appellant acquired the right of using trademark "TOOFAN" in Telugu. Once such word is found to be phonetically similar to the one used by the plaintiff admittedly from 1987, there was no justification of continuing with the interim order thereby restraining the user of a phonetically same word mark from carrying on business based on such prior use. Moreover, the learned Single Judge did not give any weight to the huge numbers of documents showing that Sunlight Electricals, the assignor of the appellant was dealing with the trade name "TOOFAN" from the year 1976 whereas it is the case of the plaintiff that it was dealing with the trade name "TOOFAN" from the year 1987. Thus, so long, those huge number of documents

filed by the appellant showing the various deals of its assignor from the year 1976 are not found to be forged or manufactured, there was no justification of totally ignoring those documents before final decision on merit by simply recording a statement that the invoice raised on Sunlight Electricals by third parties wherein "TOOFAN make fans" have been mentioned could not benefit the appellant. Once assignment from Sunlight Electrical in favour of the appellant has been proved by production of the documentary evidence, the above finding of the learned Single Judge was improper unless those documents were found to be forged or manufactured.

16. We are also convinced by the submission of Mr. Kapoor, the learned senior advocate appearing on behalf of the appellant that two year's delay even after detection of the alleged violation is sufficient to refuse at least the prayer of ad interim injunction when it appears that the turnover of the defendant No. 1 company for the last 3 years is huge and it has reached the figure of more than Rs. 1 crore in the last financial year.

17. On consideration of the materials on record, we, therefore, find that the learned Single Judge patently erred in law in restraining the appellant from using the trademark "TOOFAN" which admittedly the appellant and before acquiring such right by assignment, his predecessor had been using from 1976 and as such, at this stage, there was no justification of disbelieving the deed of assignment and other huge numbers of documents of Sunlight Electricals prior to the year 1987 in the absence of any material filed by the plaintiff rebutting genuineness of those documents.

18. We, therefore, set aside the order impugned and vacate the interim order earlier granted.

19. We make it clear that our aforesaid observation is based on materials placed before the learned Single Judge at the time of passing the order impugned and the learned Single Judge at the time of disposal of the main application for injunction will not be influenced by our observation but should be guided by the entire materials that will be placed before the learned Judge at the time of hearing.

20. The appeal is, thus, allowed.

21. In the facts and circumstance, there will be, however, no order as to costs.

J.N. Patel, C.J.

22. I agree.