

(2022) 10 BOM CK 0116

In the Bombay High Court

Case No : Appeal Against Order No. 22 Of 2022

Konkan Agro Marine Industries Pvt

APPELLANT

Vs

M/S 7 Star Distilleries, M-79, MIDC-4

RESPONDENT

Date of Decision : 21-10-2022

Acts Referred:

Code Of Civil Procedure, 1908 — Order 39 Rule 1, Order 39 Rule 2

Copyright Act, 1957 — Section 2(c)

Trademark Act, 1999 — Section 27(2)

Citation : (2022) 10 BOM CK 0116

Hon'ble Judges : M.S. Jawalkar, J

Bench : Single Bench

Advocate : C.S. Dharmadhikari

Final Decision : Disposed Of

Judgement

M.S. Jawalkar, J

1. Heard learned Counsel for the appellant at the stage of admission. Though respondent is served, none for the respondent.

2. Being aggrieved by the order dated 04/01/2020 passed by the learned District Judge-7, Nagpur in Application under Order XXXIX Rule 1 & 2 in Trademark Suit No.3/2016 preferred by appellant thereby rejecting the application of appellant for restraint order against respondent from infringing the copyright of the appellant in its artistic label "Premium No.1" by reproducing the same in material form or by printing, publishing or using the impugned label in any other matter, the appellant is constrained to approach this Court, the said order being illegal and unsustainable in law.

3. The facts giving rise to the present appeal are as under :

The plaintiff is a company registered under the Companies Act 1956 deals in manufacturing country liquor under the brand name "Premium No.1" with distinctive design, colour scheme, layout, get up amounts to an Artistic Work as

defined under Section 2(c) of the Copyright Act, 1957. The plaintiff got designed the label for its country liquor from Shakti Offset Works and submitted it to the Commissioner, State Excise for approval. The said label was approved on 06/03/1997. The plaintiff submitted that in or around January 2016, it came across the label of the defendant inasmuch as the product of the defendant under the name "Premium Deluxe Santra" which is also marketed and sold in Nagpur, Bhandara and Gondia districts. The plaintiff has submitted that the defendant has infringed the copyright of the plaintiff by adopting a label which is identical to that of the plaintiff. The defendant has adopted the label identical to that of the plaintiff being conscious of the fact that the country liquor of the plaintiff manufactured under the brand name "Premium No.1" has a robust market share and the same has been done with the mala fide intention. Hence, the plaintiff issued notice to the defendant on 01/03/2016 calling upon him to cease and desist from using the infringing label and from passing off its country liquor as that of the plaintiff.

4. The appellant preferred Trade Mark Suit No.3/2016 before the Hon'ble Principal District Judge, Nagpur the respondent from infringing the copyright of the appellant in its artistic label "Premium No.1" by reproducing the same in the material form or by printing, publishing or using the impugned label and further restraining the respondent from passing off the country liquor of the respondent manufactured under the brand name "Premium Deluxe Santra" as that of appellant.

5. The learned District Court observed that there is no appearance as to any deceptive similarity, phonetical and visual similarity between the labels of goods of both the parties and hence rejected the application of the appellant. Hence appellant filed the present appeal against order.

6. It is the contention of the appellant that the appellant company is engaged in the business of distillation, manufacturing and sale of country liquor since the year 1995, and is one of the oldest; most reputed and trusted country liquor manufacturing companies in the State of Maharashtra. Over the years the appellant has introduced into the market a number of country liquor products manufactured by it, and marketed them under various brand/trade names. The respondent has shamelessly copied the label of the appellant in all its essential aspects, to the extent that the label of the respondent is identical to that of the appellant and there is no discernable difference between the two labels.

7. It is further contended by the appellant that the learned Lower Court failed to appreciate the fact that the appellant is the owner of the copyright subsisting in the label, it being an artistic work made by the author (Shakti Offset) under a contract of service with the appellant. That the appellant has the exclusive right to reproduce or adapt the said artistic work, and that the respondent's reproduction/ adaption of the same for the labels of its product, amounts to infringement of copyright of the appellant, and each such label used by the respondent is an infringed copy.

8. It is contention of the applicant that plaintiff has made huge investment in design the label used on the bottle of the product having trade name "Premium No.1". It is submitted that the label used by the plaintiff in respect of the said product with the distinctive design, colour scheme, layout, get up etc. amounts to an "Artistic work" as defined under Section 2(c) of the Copyright Act. The plaintiff has spent sizable amount of money and promoting the brand name and as a consequence the label is exclusively associated with the name of the plaintiff by consumers as well as other distillers. The plaintiff is the first owner of the copyright subsisting in the label of the products having trade name "Premium No.1"

9. Learned Counsel for the appellant relied on following citations :

1. Burrough Wellcome (India) Ltd. V. Uni-Sole Pvt. Ltd., reported in 1997(3) Mh.L.J. 914.

2. Sanjay Soya Pvt. Ltd. V. Narayani Trading, reported in 2021 SCC OnLine Bom 407.

3. Cadila Health Care Vs. Cadila Pharmaceuticals, reported in (2001) 5 SCC 73.

4. S.R. Thorat Milk Products Pvt. Ltd. V. Sahyadri Dairy, reported in 2002 SCC OnLine Bom 33.

5. Satyam Infoway Ltd. V. Sifynet Solutions (P) Ltd., reported in (2004) 6 SCC 145.

6. Toyota Jidosha Kabushiki Kaisha Vs. Prius Auto Industries Ltd., and others, reported in (2018) 2 SCC 1.

7. N.R. Dongre and others Vs. Whirlpool Corporation and another, reported in (1996) 5 SCC 714.

8. Maidas Hygiene Industries (P) Ltd. And another V. Sudhir Bhatia and others, reported in (2004) 3 SCC 90.

9. Cadila Pharmaceuticals Ltd. Vs. Sami Khatib of Mumbai, reported in 2011 SCC OnLine Bom 484.

10. The learned Counsel for applicant submitted that the learned Trial Court passed order without application of mind and contrary to the facts on record. While answering the point in respect of prima facie case in the negative, it failed to appreciate the fact that "Premium No.1" and "Premium Deluxe Santra" are similar and may confuse the prospective buyers of country liquor. It is submitted that the consumers are mainly from Nagpur, Akola, Bhandara and Gondia. The most of the buyers are illiterate and these similarities may confuse them. He further submitted that as plaintiff's mark was not registered one, therefore, there is no suit for infringement of trademark. However, in view of Section 27(2) of the Trademark Act applicant is having right of action against any persons for passing of goods or services as the goods of another person or as services provided by

another person or the remedies in respect thereof. It is the contention of the applicant that this label is started using by the company since 06/03/1997 whereas the defendant using his label since 2004. As such he is subsequent user. The plaintiff has copyright and defendant passed over the products as of defendant making purchaser to believe that the said products are the products of plaintiff.

11. It is his contention that the learned Trial Court while recording findings against the plaintiff in respect of prima facie case considered the dissimilarities in the labels of "Premium No.1" of "Premium Deluxe Santra". However, the learned Trial Court ought to have considered the similarities while granting interim injunction. The learned Counsel for applicant relied on citation Cadila Health Care Ltd (supra) wherein the Hon'ble Supreme Court relied on the judgment in Amritdhara Pharmacy Vs. Satya Deo Gupta AIR 1963 SC 449 wherein it is observed as under:

"In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiffs and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated."

12. The Hon'ble Apex Court in Cadila Health Care Ltd (supra) observed as under:

"In a country like India where there is no single common language, a large percentage of population is illiterate and a small fraction of people know English, then to apply the principles of English law regarding dissimilarity of the marks or the customer knowing about the distinguishing characteristics of the plaintiff's goods seems to overlook the ground realities in India. While examining such cases in India, what has to be kept in mind is the purchaser of such goods in India who may have absolutely no knowledge of English language or of the language in which the trade mark is written and to whom different words with slight difference in spellings may sound phonetically the same. While dealing with cases relating to passing off, one of the important tests which has to be applied in each case is whether the misrepresentation made by the defendant is of such a nature as is likely to cause an ordinary consumer to confuse one product for another due to similarity of marks and other surrounding factors. What is likely to cause confusion would vary from case to case.

13. The Hon'ble Apex Court gave broad factors to be considered while deciding the action for passing-off on the basis of unregistered trade mark which are as under:

"(a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.

(b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.

- (c) The nature of the goods in respect of which they are used as trade marks.
- (d) The similarity in the nature, character and performance of the goods of the rival traders.
- (e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/ or using the goods.
- (f) The mode of purchasing the goods or placing orders for the goods.
- (g) Any other surrounding circumstances which may be relevant in extent of dissimilarity between the competing marks."

14. The learned Counsel also relied on N.R. Dongre (supra) wherein the Hon'ble Apex Court held that finding of High Court that the mark/name whirlpool long associated with respondent who acquired trans India reputation in respect of the same, that there was no reliable evidence of appellants having marketed their products in that name for a considerable length of time, that irreparable injury would be caused to the respondent's reputation and goodwill are the products of appellant bearing that mark was of low standard and quality, whereas no injury would be caused to appellant by grant of injunction as their products could be sold by just removing / replacing the label whirlpool, accordingly injunction granted by the Hon'ble Court is upheld.

15. It is further held that trade mark already used by a company, got registered by another company through deception to obtain economic benefit of reputation by injuring goodwill and business of the other company, such passing off action by the affected party, even against the registered owner of trade mark is maintainable and party is entitled to the protection.

16. The learned Counsel for appellant pointed out that legal notice was given to the respondent on 01/03/2016 which was replied by respondent on 14/03/2016. It is pointed out that there is no denial that mark is deceptively similar. After considering all these aspects and on perusal of order passed by learned Trial Court, it is evident that the suit is for declaration and permanent injunction on account of infringement of copyright and passing off. The learned Trial Court while deciding the application under Order 39, Rule 1 and 2 for grant of temporary injunction ought to have seen that whether there is a prima facie case made out as held in the citation Cadila Health Care Ltd (supra) the assessment of the fact should be on the basis of similarities and not the dissimilarities. It is the case of plaintiff that he is using that mark since 06/03/1997 whereas registration of the respondent is itself of 2004 and if the defendant is using the said mark since then, as such, the mark is used prior in point of time by the plaintiff. The label is having similarities in respect of name, diagonal band, colour etc. As held by the Hon'ble Apex Court in N.R. Dongre (supra) the customer in India may confuse as most of the purchasers are not knowing English language.

17. The Learned Counsel for applicant also drawn my attention to the contents of

application wherein he has given the chart depicting the sale figures of the products "Premium No.1" in Nagpur, Akola, Bhandara and Gondia. As such the applicant is using the said mark around seven years prior to the use of the similar mark by the defendant company. The learned Trial Court ought to have considered these aspects while dealing with the application under Order 39 Rule 1 and 2. In my considered opinion, there is a prima facie case made out for grant of injunction against the defendant. The goodwill acquired by the applicant company is being used by using similar mark on the product by the defendant company. This will definitely cause loss to the applicant/plaintiff/company. Moreover if the product is not of the same standard may cause damage to the goodwill of applicant company. As such the order passed by the learned Trial Court which is contrary to the settled principle of law needs to be quashed and set aside. Accordingly I pass the following order:

ORDER

- i) The application is allowed.
- ii) The order passed by the learned District Judge, 7 Nagpur dated 04/01/2022 is hereby set aside.
- iii) The defendant by itself, its servant, dealer, retailer, distributor and agent are hereby restrained from infringing the copyright of the plaintiff in its artists label "Premium No.1" by reproducing the same in material form or by printing, publishing or using the impugned label in any other manner. They further restrained from passing of the country liquor of the defendant manufacturer under the brand name "Premium Deluxe Santra" during the pendency of the suit.
- iv) The suit is expedited and learned Trial Court is directed to conclude the proceedings as early as possible preferably within one year.

Appeal Against order stands disposed of accordingly.