

(2009) 09 MAD CK 0123

In the Madras High Court

Case No : O.A. No's. 1096 and 1097 of 2008 and Application No. 4695 of 2008
in C.S. No. 949 of 2008

Maya Appliances

APPELLANT

Vs

Urooj Ahmed, Lords Enterprises (India) and The Proprietor,
Chandra Stores

RESPONDENT

Date of Decision : 10-09-2009

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 7 Rule 11
Copyright Act, 1957 — Section 62(2)
Designs Act, 2000 — Section 2
Trade and Merchandise Marks Act, 1958 — Section 53

Citation : (2009) 09 MAD CK 0123

Hon'ble Judges : K. Chandru, J

Bench : Single Bench

Advocate : T.V. Ramanujun, SC for M.N. Surya Senthil, for the Appellant; V.P. Raman, for the Respondent

Judgement

K. Chandru, J.—Heard both sides. All the three applications were filed by the plaintiff.

2. The suit is filed by the applicant/plaintiff, seeking for a permanent injunction restraining the defendants, their servants, agents, employees,

representatives or any one claiming through or under them, from in any manner infringing the registered design bearing No. 198147 comprised

in/reproduced on the plaintiff's products, also for a permanent injunction to restrain the defendants from in any manner passing off the defendant's

goods as that of the plaintiff's by selling, advertising, offering to sell, using the plaintiff's trade dress or any mark or product which is identical with

or deceptively similar or confusingly similar to the plaintiff's trade dress of the products, also for a direction to the defendants to surrender to the

plaintiff for destruction all the infringing goods and associated items such as moulds, dies, articles, packets, cartons, packaging materials,

advertising materials etc. and all other things used in connection with the manufacture or marketing of the infringing goods and also for a direction to

the defendants to pay compensation of Rs. 2,50,000/- to the plaintiff by way of damages for the infringement and the loss suffered by the plaintiff.

3. The suit was admitted on 29.09.2009. Pending the suit, these three applications were taken out by the plaintiff.

4. O.A. No. 1096 of 2008 is for an ad-interim injunction, restraining the defendants, their servants, agents, employees, representatives or anyone

claiming through or under them, from in any manner infringing the registered design bearing No. 198147 comprises in/reproduced on the plaintiff's

products.

5. O.A. No. 1097 of 2008 is for an interim injunction to restrain the defendants, their servants, agents, employees, representatives or anyone

claiming through or under them, from in any manner passing off the defendants' goods as that of the plaintiff's by selling, advertising, offering to

sell, using the plaintiff's trade dress or any mark or product which is identical with or deceptively similar or confusingly similar to the plaintiff's trade

dress of the products.

6. A. No. 4695 of 2008 is filed seeking for an appointment of an Advocate Commissioner to conduct a local inspection of the place of the

defendants, take an inventory and seize all infringing goods and associated items such as moulds, dies, articles, packets, cartons, packaging

materials, advertising materials etc. and all other things used in connection with the manufacture or marketing of the infringing goods and to produce

them before the court and to file his report.

7. In all the three applications, initially only notice was ordered on 07.10.2008. In the meanwhile, the respondents/defendants filed an application in

A. No. 5533 of 2008 for rejecting the plaint under Order 7 Rule 11 CPC. This Court, by an order, dated 19.01.2009, held that the suit has to be

construed as a suit for infringement of the copyright in the registered design of the plaintiff and that the plaintiff has got the design registered and the

registration of the design was still in force. Therefore, by virtue of Section 62(2) of the Copyright Act, 1957 read with Section 11 of the Designs

Act, 2000, this Court has jurisdiction to entertain the suit. It was also found that the plaintiff was residing within the jurisdiction of this court and

carrying on business within the jurisdiction and the suit is, therefore, maintainable.

8. In the common affidavit filed in support of the applications, it was stated that the plaintiff Company had invested Rs. 80 Crores and they are the

manufacturers of Preethi range of home appliances and were the undisputed pioneer and market leader in the household kitchen appliances since

1978. They are manufacturing, marketing and exporting mixer grinders, microwave ovens, electronic rice cookers, Coffee makers and other

appliances. They had about 32% market share in the organized mixer grinder market. They also export to Sri Lanka, Middle East, Canada and the

USA. They have over one million customers with 20 branches, 3000 authorized service centers and over 1500 dealers. The applicant had opened

Rs. 10 crore plant in Himachal Pradesh to produce gas stoves and wet grinders besides coffee maker machines and mixer grinders. The applicant

launched a new range of mixer grinders bearing trade mark "PREETHI BLUE LEAF". Within a few months of launch, it proved to be successful in

major markets in India.

9. It was also stated that in order to reinforce their intellectual property right and to protect its trade mark, trade dress and design of its newly

launched products ""Preethi Blue Leaf"" series, an application was made under the Trade Mark Act, 1999 and Designs Act, 2000 for registering

their product. They followed necessary legal procedures for registration of the trade mark and all the legal requirements have been complied with

and their trade mark application filed on 29.03.2008 which was also published in the Journal number 1393. The registration process has reached

the penultimate stage of granting the registration certificate. The design of ""Preethi Blue Leaf"" series is a novel and aesthetic design and has been

granted design registration. The design is exclusively associated with the applicant's product by the trade and public and it has become distinct of

the applicant's goods. The company's Research and Product Development Unit had conceived the original design. The striking features of the

design is the peculiar ""Leaf Motif"" shape of the body of the mixer, the leaf like power control switch, the shape and size of the jars and also the

handle of the jars. The aesthetically appealing design of the applicant's products has added credit to the goodwill of the applicant's product. The

registration certificate pertaining to the design was granted on 6.1.2005 bearing No. 198147 by the Controller General of Patents, Designs and

Trade Marks. The design registration details along with the number for the design is printed on the top of the packaging carton in a prominent way

to caution the public about their right on the design.

10. It was further stated that, at that time, the applicant came to know that the second defendant had been selling the mixer grinders manufactured

by the first defendant with the same design as that of Preethi Blue leaf design. Pursuant to the said information, the applicant went to the second

defendant's shop and purchased one mixie of Lords Enterprises at a cost of Rs. 1800/- on 13.8.2008 and obtained a receipt for the same. The

first defendant, driven by profit motive and crave for illegal gains, had infringed their product. The second defendant knowing fully well about the

design and trade dress of the applicant's product, had connived with the first defendant to market the infringed products. The first defendant's

product is an exact replica of the applicant's Preeti Blue Leaf series. The first defendant's product marketed by the second defendant, the eye

catching feature will be the body of the mixie and the peculiar shape that carries all the essential features of the Preethi Blue Leaf series. The

applicant was granted design registration for employing the special Leaf Motif design to the body of the mixie. Unlike the conventional mixer

grinders that are usually designed in L shape or oval shape, Preethi Blue Leaf series was designed in a leaf motif design. The first defendant is also

manufacturing their products with the same design and the body of the mixie is of the same shape. The shape and size of the central grinding unit

found in defendant's mixer grinder is an exact replica and identical design of the plaintiff's registered leaf motif. There will be no doubt that a

normal customer will immediately relate the said infringed products to the design protected Blue Leaf Series mixers of the applicant. The design of

the applicant is a novel feature and is not anticipated by any other company. The first defendant's attempt is nothing but a cheap imitation of the

plaintiff's design. The first defendant had pirated the registered design of the applicant over the shape, aesthetic look and appearance of the central

grinding unit of Preethi Blue Leaf and are liable to be proceeded u/s 22 of the Designs Act, 2000.

11. It was further stated that the applicant had invested an huge capital for the research and development of the new product according to the

changing need of the customers and that cannot be copied by unscrupulous acts of the defendants. It was also stated that the defendants have been

manufacturing the infringed goods in an extensive scale and distributing the same to various parts of the country through many retail and wholesale

commercial outlets. It will result in deception and confusion among the consumers who will associate the infringed products with that of the

applicant. Therefore, there was an imminent necessity to stop the defendants from continuing their infringing acts through an injunction. Further, if

an Advocate Commissioner is not appointed immediately, the defendant will surely conceal the infringed goods and the applicant will be put to

severe hardship. In the light of these averments, the applicant prayed for allowing these applications.

12. In support of the applications, the applicant had filed a list of documents, containing registration certificate, the trade mark journal publication of

the mark and trade dress of the plaintiff's product Preethi Blue Leaf, the home page of the first defendant's website showing the infringing product,

packaging carton of the first defendant showing the infringing product, the cash bill received from the second defendant while purchasing the

infringing product, the plaintiff's advertisement expenses in the media as well as the statement of turnover for Preethi Blue Leaf.

13. On notice on these applications, a common counter affidavit, dated 27.11.2008, was filed by the first defendant. It was stated by the first

defendant that they are the registered proprietor of the design in relation to mixing machines being manufactured and sold under the trade mark

LORDS"" with registration No. 215928, dated 17.04.2008. In view of the said registration granted in favour of the first respondent, they have

statutory right to use the said design. Therefore, the suit for infringement is not maintainable. The plaint was not verified as per the provisions of the

CPC. The applicant had not disclosed as to when they started selling its mixing machines under the name Blue Leaf. They have not supported the

self boasting averments with any evidence to show the success of the Blue Leaf range of mixing machines. The statement of turnover filed along

with the plaintiff had not been attested by the Auditor and it was a self generated statement. The said turnover cannot be taken to be the turnover of one particular brand among many sold by the applicant. Filing an application for trademark registration did not confer any statutory right until the trademark is registered and it would not amount to protecting the rights of the applicant as no right accrues until the application for registration is accepted and the mark is registered. It is for the applicant to prove the alleged registration of any trade dress as it is neither defined nor included in the definition of the trademark in the Trade Marks Act. u/s 2(d) of the Designs Act, 2000, the term design has been defined not to include a trade mark. Even as per the applicant's own admission, the trademark of the applicant is Preethi/Preethi Blue Leaf. The design of the applicant is being novel and aesthetic is denied.

14. It was further stated that the shape of the applicant's product is functional in nature and not ornamental. The design registration itself has been granted only because the fact that the design helps in reducing table space, was suppressed before the Controller of Designs. The applicant has not disclosed any particular portion of mixing machines, in which novelty of design resides. Insofar as the leaf motif design is concerned, the design of respondents is entirely different and distinct from the alleged design of the applicant. The shape and configuration of the two competing designs is entirely different. If only the design of the respondent is an infringement of the applicant's registered design, the Controller of Patents and Designs would have refused registration in favour of the first respondent. The Controller General of the Patents and Designs found that the designs were entirely different and distinct and on that basis allowed the registration of the defendant. The design registration did not confer rights on all different parts of the design when the design as a whole has been registered. The mixing machines of the applicant bears a novel design or aesthetic appeal is also denied. The design made by the applicant is purely functional. The most important and distinctive feature used by the applicant is the word Preethi and there was no use of identical or deceptively similar word by the respondent. Instead, the first respondent is using the word Lords. The important feature of the applicant's product is the use of the word and colour Blue, whereas the first respondent is using the colour Red, which is

totally different. All other features including the alleged leaf shape are purely functional and consequently, no one can claim any design rights or passing off.

15. The first respondent is a successful entrepreneur and is selling its products without committing any of the alleged acts of infringement of design and passing off. The plaintiff had registered the shape of the full mixing machine and such registration did not give exclusive right to the shape of each and every part or component of such mixing machine. Unless and until the applicant establishes beyond doubt that the entire shape of mixing machine was registered by them was copied by the first respondent, they will have no case against the respondents. The first respondent is the registered proprietor of the trademark Lords in Clauses 7, 9, 11 and 21 of the relevant Trade Marks Act. The first respondent had established their own goodwill and reputation in respect of various aforesaid products being sold throughout the India.

16. Section 22 of the Designs Act did not prevent the registered proprietor from using his design. It can be enforceable against persons who were not registered proprietors. The first respondent had also been granted registration under the Designs Act, 2000. The words Preethi and Lords are totally different and no one will make mistake in choosing the product of their choice. There is no similarity or confusion between the mixing machines of the two parties.

17. It was also submitted that this court has no territorial jurisdiction to try the present suit under the Designs Act and Trade Marks Act. The applicant has shown only one instance of sporadic sale and thus, created a cause of action to file the suit. They have not made out any prima facie case for the grant of an interim order. If any interim order is granted, the first respondent will be put to grave loss. Even on the ground of balance of convenience, the applications are liable to be rejected.

18. In support of the contentions, Mr. T.V. Ramanujun, learned Senior Counsel, leading Mr. N. Surya Senthil, Counsel appearing for the applicant/plaintiff, also produced before this Court the two mixies and tried to demonstrate the similarities between the two mixing grinders.

19. The learned Senior Counsel for the applicant placed reliance upon the decision of the Bombay High Court in Notice of Motion No. Nil of

2009 in Suit (L) No. 1036 of 2009 in Maya Appliances Pvt. Ltd. v. Jaipan Industries Ltd. and Ors. and stated that in an identical circumstance,

the Bombay High Court granted an interim injunction. In paragraph 6 of the order, it was observed as follows:

6. Truly speaking registration of mixer-grinder manufactured by the plaintiff and the defendants both fall in class 31. However strangely enough the

registration of the defendants' mixer-grinder has been obtained under class 07 suggesting thereby that it is to be operated manually. Had the

defendants' application been for registration under class 31 the authority concerned would have undoubtedly and minutely examined as to whether

the same infringes the registered design of the plaintiff. In that view of the matter prima facie I am of the view that the registration of the defendants'

mixer-grinder has been deceptively obtained or at any rate has been wrongfully obtained. The product of the defendants is not hand operated

product but a mechanically operated mixer-grinder. In this view of the matter the defendants are not entitled to claim that prima facie their

registration of the product is good. It appears from the material placed on record that M/s. Sairaj Industries from whom the defendant Nos. 1 & 2

claim the right to assemble and sale the product is only manufacturing the plastic cover and not the instrument as such. As I am prima facie of the

view that the infringing product of the defendants infringes the design mark of the plaintiff's product the plaintiff is entitled to ad-interim relief....

20. The learned Senior Counsel also placed reliance upon the judgment of the Calcutta High Court in Western Engineering Co. Vs. Paul

Engineering Co., and stated that the Calcutta High Court had observed that apart from the pleadings of the parties, the original exhibits produced

can be looked into and the points of similarity and the points of differences can be identified. Therefore, in the light of the material exhibits

produced by the applicant, an injunction should be granted.

21. Mr. V.P. Raman, learned Counsel appearing for the respondents elaborately submitted that the suit filed by the plaintiff was not maintainable

and in any event, there was no prima facie case in their favour. In this context, the learned counsel relied upon the judgment of the Delhi High Court

in Glaxo Smithkline Consumer Healthcare GmbH and Co. Kg and Another Vs. Anchor Health and Beautycare Private Limited, . In that case, the

court prima facie found that there was no novelty in the aesthetic handle of toothbrush manufactured by the plaintiff. It was also found that the novelty and newness was very small and for establishing novelty, it should be really novel and not a mere pretext of novelty. In that view of the matter, the court declined to grant any relief to the plaintiff.

22. Thereafter, the learned Counsel placed reliance of the judgment of the another Delhi High Court judgment in Tobu Enterprises Pvt. Ltd. v.

Megha Enterprises and Anr. reported in 1983 (3) PTC 359 (Del). In that judgment, it was held that though Section 47 of the Trade and

Merchandise Marks Act, 1958 creates a substantive right in favour of a person whose design is registered, but that provision did not stipulate that

a registration earlier in time will prevail against a later registration. After analysing the various provisions, it was held that Section 47 did not create

any right of preference in favour of earlier registration and Section 53 did not provide for any remedy of injunction. The registration of a design can,

therefore, prevail and is to be protected against infringement only when the opposite party does not possess any registration. The result is that of

each of the parties is having registration of design can use the design for their products. The right against passing off is a common law right, but that

right is subject to the provisions of a particular statute.

23. The learned Counsel also relied upon the decision of the Delhi High Court in Indo Asahi Glass Co. Ltd. v. Jai Mata Rolled Glass Ltd. and Anr.

reported in 1996 (16) PTC 220 (Del), wherein it was held that an injunction under Order 39 Rule 1 cannot be granted if the defendants have

registration of design in their favour though they might have been registered subsequently. Even if a prima facie case of infringement of design is

made out, no interim injunction can be granted till such time the registration in favour of the defendant is subsisting.

24. The learned Counsel also placed reliance upon the judgment of the Supreme Court in Dhodha House Vs. S.K. Maingi, for the purpose of

contending that the plaintiff must actually voluntarily reside to carry on business or personally work for gain at place of filing suit and merely

because its goods are sold at the said place would not mean that it carries business at that place. The civil court at that place has no territorial

jurisdiction to try the suit. Even u/s 28 of the Trade and Merchandise Marks Act

and Section 62 of the Copyright Act, the infringement of trade

mark activities on the part of the defendants must create a cause of action within the jurisdiction of the court.

25. The learned Counsel also placed reliance of the order of this Court passed by Prabha Sridevan, J., in Parle Products Private Limited Vs.

Surya Food and Agro Limited, and referred to paragraph 16 of the order:

16.If there is nothing to show that sales have taken place within the jurisdiction of this Court, then leave cannot be granted. There is no other

circumstance, which justifies the filing of the suit, within the jurisdiction of this Court because both the respondent and the applicant carry on

business elsewhere. Therefore, not only on the ground of forum convenience, but also because the applicant prima facie has failed to establish to

the satisfaction of this Court that sales had in fact taken place within the jurisdiction of this Court, leave must be revoked.

26. Therefore, it was submitted that in the present case, the contention of the applicant/plaintiff that they purchased the product and filed the receipt

as document No. 4 will not clothe any jurisdiction of this court, since the purchase was from a dealer who has his shop at Porur, which is outside

the jurisdiction of this court and a single isolated purchase cannot clothe jurisdiction of this court.

27. Mr. V.P. Raman, learned Counsel also produced a certificate of registration given by the Controller General of Patents, Designs and Trade

Marks, wherein their design of mixing machine with leaf motif was registered with design No. 215928. They have also produced a write up in the

website, dated 25.09.2008, stating that the new design of leaf motif is only to help in reducing the table space and there was no novelty in the

same.

28. In the light of the rival statements, it must be seen whether the plaintiff has made out any case for the grant of an injunction and for the

appointment of an Advocate Commissioner?

29. In the present case, the applicant/plaintiff had not shown that they were carrying on business within the jurisdiction of this court, except that

their office is at Chennai. The document No. 4, showing the cash bill for the purpose of purchasing the infringed product from the shop of the

second defendant, which is outside the jurisdiction of this court. Whether that by

itself will create a cause of action has to be gone into in the main suit. It is suffice to note that one isolated purchase cannot create a jurisdiction for this court to deal with the matter. At least for the purpose of denying the injunction that fact can be taken into account as held in Parle Products Private Limited.

30. Further, it must be stated that the respondents have also proved that they are also having registration of the design and their product is having different colour. As held in the decisions cited by the defendant that since they also have a registration and only if it is cancelled, an injunction can be granted. Therefore, the plaintiff neither made out any prima facie case nor the balance of convenience was in their favour for the grant of an injunction.

31. In the light of the above, O.A. Nos. 1096 and 1097 of 2008 will stand dismissed. In view of the dismissal of the O.As., the question of appointment of an Advocate Commissioner does not arise. Hence, the application No. 4695 of 2008 stands dismissed. No costs.