
(1994) 09 MAD CK 0008

In the Madras High Court

Case No : Application No. 499 of 1994 and Application No. 4431 of 1994 in C.S. No. 608 of 1994

Modern Food Products

APPELLANT

Vs

Ushodaya Enterprises Limited

RESPONDENT

Date of Decision : 07-09-1994

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Section 11

Trade and Merchandise Marks Act, 1958 — Section 10, 12(3), 33, 78, 79

Citation : (1994) 09 MAD CK 0008

Hon'ble Judges : Jayasimha Babu, J

Bench : Single Bench

Advocate : K. Sampath, for the Appellant; U.N.R. Rao, for M/s. K. Mahesh C. Danial, D. Parthasarathy, K. Hemaprakesa Rao and B. Muralidhar, for the Respondent

Judgement

Jayasimha Babu, J.—The question for consideration in this application is as to whether the plaintiff, pending trial of the suit, is entitled to an

interim injunction to restrain the defendant from using the trade mark "priya" on the pickles manufactured and marked by the defendant. The

affidavits and documents produced by the parties prima facie show that both who carry on business from Baroda and the defendant which has its

registered office at Hyderabad and its factories at Vijayawada, have been using this trade mark for pickles having conceived the same

independently of each other since 1980 viz., for the last fourteen years. The trade mark was registered in 1992 in class 29 under No. 366103-B

with effect from 15.9.1980 in the name of the petitioner/Pathiath Babu Rajendran who has filed this suit in his trading name.

2. While the plaintiff claims that as the registered proprietor of the mark, he is

entitled to an interim injunction as a matter of course to prevent the invasion of its proprietary right, the defendant claims to be a prior user whose rights are protected under S. 33 of the Trade and Merchandise Marks Act and in any case, concurrent and honest user of the trade mark for fourteen years such user being open, extensive and continuous to the knowledge of the plaintiff and that the plaintiff was acquiesced in the same. The defendant claims it has built up and established an extensive market for its pickles marketed under this mark in India and abroad particularly in U.S.A. by its extensive promotional and marketing efforts that therefore the balance of convenience, even if there be a prima facie case in favour of the plaintiff, lies in not granting any interim injunction, as such injunction if granted, would bring to a grinding halt an honest well established business presently employing over 1000 workmen.

3. It is also the case of the defendant that injury complained of by the plaintiff is compensable in damages and this defendant is financially capable of meeting such a claim while the plaintiff does not have this financial capacity to compensate the defendant for the loss that will be sustained by the defendant, if it is held at the trial that the plaintiff is not entitled to injunction. The defendant also alleges that plaintiff has not come to court with clean hands and that this action is tainted by mala fides having been instituted at the instance of the defendant's disgruntled former agent in the U.S.A. The validity of the registration in favour of the plaintiff has also been called into question.

4. Sri K. Sampath, learned senior counsel for the plaintiff raised a preliminary objection to the defendant being heard in the matter, as according to him, the defendant has committed contempt of Court by failing to obey the ex parte interim injunction granted by this Court and therefore, till the defendant purges itself of this contempt, the defendant cannot be heard on the merits of the applications. The contempt alleged is that the defendant has continued to advertise its pickles under the trade mark "Priya" despite ex parte injunction. This allegation has been met by the defendant in the counter affidavit dated 22.8.1994. The defendant has produced, along with that affidavit copy of a letter by which its advertising agency has confirmed that as per the defendant's instructions, they have got cancelled the Priya pickles ad campaign in press as well as in Doordharshan, Zee

TV, Sun TV which had been approved earlier by the defendant on 19.7.1994. The ex parte order of injunction was served on the defendant on

26.7.94. Regarding the advertisement in ENADU the defendant has stated that despite instructions given not to publish the advertisement, the

instructions had not been carried out and that since then, the defendant has withdrawn the blocks concerning the advertisement from ENADU from

their contractors and printers. It is also stated that in the affidavit that they had intended participating in a trade Exhibition in Johannesburg, South

Africa organised by the Government of India to begin on 22.8.1994 and though over a sum of Rs. 3 lakhs had been spent on this project, they

have withdrawn their participation in view of the exparte order of injunction. The defendants have thus placed prima facie material to show that

they have not committed contempt. However, I am not deciding this issue as to whether the defendants have committed contempt or not, finally, as

it is submitted that the plaintiff has taken out a separate application for contempt against the defendant.

5. Learned Counsel for the plaintiff submitted that the Court will not permit the contemnor to address the Court unless the contemnor purges itself

of the contempt. In support of this submission, Learned Counsel relied on decisions reported in 1993 TNLJ 269 Saroj Goenka v. Vimal Goenka,

1989 TNLJ 13 (T.MA. Abdul Hameed v. S. Radhakrishnan); 1928 MWN 462 (M.S.A.P.L. Palaniappa Chettiar v. Ramu Chetty and Others);

and 1974 (I) M.L.J. 155 (B. Yegnanarayananiah and Alladi Subramaniam v. B. Yegnanarayananiah & another).

6. It is not necessary to discuss the rulings cited by the counsel for the plaintiff, in view of the law laid down by the Supreme Court in the case of

State of Jammu & Kashmir Vs. Mohd. Yaqoob Khan and Others, on which the learned senior counsel for the defendant Sri U.N.R. Rao rightly

relies. In that case which arose out of an order made on a contempt petition, the Court observed:

The scope of a contempt proceedings is very different from that of the pending main case yet to be heard and disposed of. Besides the

respondents in a pending case are at a disadvantage if they are called upon to meet the merits of the claim in a contempt proceeding at the risk of

being punished.... We therefore hold that the High Court should have first taken up the stay matter without any threat to the respondents in the writ

case of being punished for contempt. Only after disposing it of, the other case should have been taken up.

7. An allegation of contempt cannot therefore be used as a weapon by a plaintiff to prevent the defendant from urging his defence to the main or

interim relief claimed by the plaintiff. The law regarding contempt of Court, is not intended to confer any such unjust benefit or advantage to the

party who alleges contempt by the other party to the proceedings. It is always open to the Court to take action against the contemnor when the

contempt alleged is established. The preliminary objection raised by the plaintiff is rejected.

8. The plaintiffs case is that it has been manufacturing and marketing pickles, chanteys food products and juices from 1974 under the registered

trade mark "priya"; that this mark is exclusively identified with the plaintiffs products and has earned a wide net work of customers in India and

abroad; that the products have a large market in U.S.A.; that the trade mark "Priya" has gained popularity all over the world; that the defendant is

fully aware of the fact that the trade mark is registered in the name of the plaintiff in clause 29 with the No. 366103-B from 15.9.1980; that the

trademark has been renewed from time to time and is subsisting and that from the beginning this trade mark has been exclusively used by the

plaintiff According to the plaintiff, the defendant which opposed the plaintiffs application for registration and was at all times aware of the plaintiffs

use of the mark is snatching away the fruits of the plaintiffs years of hard work in building up the reputation for this mark. It is alleged that the

defendant is defrauding the plaintiff's valuable reputation in the overseas market especially in the U.S.A

9. The plaintiff claims to have come to know about the defendant's acts of infringement when it received a letter from a marketing firm in U.K. on

9.8.93 enclosing a copy of the defendant's letter to that firm. Thereafter plaintiff sent notices dated 10.9.93 and 9.3.94 to the defendant. This suit

came to be filed on 23.5.94 for the relief of permanent injunction restraining the defendant from manufacturing and marketing its products,

especially pickles under the trade mark "Priya" in India and abroad including the United States of America, and for other incidental reliefs.

10. The plaintiff has produced and relic upon certificates of registration in Form O-2 for pickles and chutney dated 31.3.92 as also for certain

other food products under the trade name "Priya" the orders of the Assistant Registrar of Trade Marks on the plaintiff applications; the letter from a firm in U.K. dated 9.3.93; the notices is sued prior to suit and the reminder; the intern reply from the defendant; the advertisement of the defendant in News India, copies of a fax message from defendant to VRS International U.S.A of 31.10.1991; and of the defendant's bills of lading dated 29.6.1992 and 21.8.1993 the plaintiffs delivery note dated 31.12.93 to its agent Subashree Enterprises; the renewed certificate of registration dated 3.2.94, the certificate of registration dated 12.8.94 with the true copy of its entry in the Register of Trade Marks; and a message dated 16.6.94 from the plaintiffs counsel. The renewed certificate of registration as also the certificate with copies of the entry in the register were produced at the time of hearing of these applications and had not been filed with the plaint.

11. The plaintiff is shown in the cause title to the suit as Modern Food Products represented by its agent Subashree Enterprises. These are trading names. The suit ought to have been filed in the name of the registered proprietor of this mark who is an individual and the name of the person appointed as his agent ought to have been mentioned instead of her trading name. However, as these technical defects can be corrected at any stage of the proceedings by way of amendment to the cause title, the application filed by the plaintiff cannot be rejected on this sole ground. The identity of the persons is disclosed in the long cause title, the registered owner being Pathiath Babu Rajcndran carrying on trade as Modern Food Products and his agent being Smt. Ambujammal carrying on trade as Subashree Enterprises.

11A. The case of the defendant is that the defendant company was originally incorporated as Priya Food Products Private Limited on 12.8.74 and it has been manufacturing and marketing its products under the label "Priya" since 1974. The company also holds the patent for the design Priya embossed on the bottles used for packing the defendant's products. The name of the company was changed to Ushodaya Enterprises Private Limited with effect from 17.4.86. The further case of the defendant is that it has been manufacturing pickles and chutney from the year 1979 and has established a flourishing business for those products in India and abroad. The turn over of all their food products under the trade mark "Priya"

from the year 1979 till March 1994 is Rs. 35.63 crores of which the turnover of pickles till March 1994 is Rs. 32.60 crores. According to the defendant, the total sales promotional expenditure on pickles alone from 1979 till March 1994 is Rs. 3.03 crores. A statement showing the yearly turnover (domestic and exports) and the total sales promotion expenditure incurred on pickles alone by the defendant duly certified by a Chartered Accountant has been filed.

11B. The defendant has also produced, besides its balance sheet, the copies of advertisement issued by it for pickles and chutney in the newspapers and magazines from the year 1980. The advertisement issued by the defendant in the newspaper circulated abroad has also been filed.

The defendant has also produced invoices showing the sales of pickles the earliest invoice being from 28.4.1980. Subsequent expenditures incurred by the defendant for advertisement in Doordharshan Telecasts in 1992 and 1993 have also been produced.

12. The value of the pickles exported by the defendant in the year 1982-83 was Rs. 10.3 lakhs which had risen to Rs. 68.16 lakhs by 1988- 89; Rs. 181.91 lakhs by 1991-92 and Rs. 184.56 lakhs by 1992-93 and Rs. 260.88 lakhs by 1993-94.

13. A Against the prima facie evidence produced by the defendant regarding the scale of their exports and the extent of their advertisement, the plaintiff apart from filing the documents to show the registration of the trade mark in the name of the plaintiff; has not produced any material to show the scale of its operation or the expenditure incurred in promoting the products and thereby popularising the market either for the period prior to the date of registration or for the period thereafter. As regards exports, the only document produced by the plaintiff is the photo copy of the sale invoice for Rs, 15,180/- dated 23.12.1993 from the plaintiff to its agent M/s. Subashree Enterprises, Madras.

14. This suit has been filed by the plaintiff through M/s. Subashree Enterprises in the trading name of the proprietrix Smt. Ambujam Ammal. It is not disputed that the said Ambujam Ammal is the wife of one Shri Vasudevan who is carrying on business as VRS International in U.S.A. and was the agent of the defendant from 1988 to 1991. The plaintiff has produced a letter dated 31.10.1991 from the defendant to the said VRS

International which discloses the sale of 43,200 Kgs. of Priya pickles during the period from January to August 1991.

15. It is the case of the defendant that this suit has come to be filed at the instance of the said Vasudevan. It is alleged by the defendant that the

said Vasudevan, made attempts to register the trade mark "Priya" in his name in U.S.A. and therefore the defendant terminated the agency. The

documents produced by the defendant show that the said Vasudevan had applied for registration of the Mark "Priya" in his name in U.S.A. and

was unsuccessful in obtaining the registration. Further, a suit was filed by the said Vasudevan against the defendant herein in O.S. 1470/1992 on

the file of the V Addl. City Civil Judge Hyderabad for injunction restraining the defendant from exporting "Priya" brand pickles to any one except

to his company and the same was dismissed by that court on 13.9.1993. It was around that time that a notice dated 10.9.93 came to be issued by

the plaintiff to the defendant asking it to cease using this trade mark.

16. The further case of the defendant is that Vasudevan's wife, Smt. Ambujam Ammal carrying on business under the name and style of Subashree

Enterprises, Madras was subsequently constituted as the agent of the plaintiff on 17.5.94 and this suit came to be filed on 23.5.1994 through the

said agent. Interestingly enough, the said Ambujam Ammal as Proprietrix of Subashree Enterprises has also filed a representation before the

Assistant Registrar of Trade Marks, Madras on 3.5.1994 seeking the registration of the Trade Mark "Priya" for all products covered under Class

29. The representation filed by her is almost a replica of the one used by the defendant except that the letters VRS is written above the word

"Priya". The representation shows that the sole distributor of the trade mark holder is VRS Enterprises Inc. New Jersey. The registration number

mentioned in that representation is 74/230531/ which is the number given to the application filed by VRS International before the Registering

authority in U.S.A. The computer print out of the Registry at U.S.A. sent to the defendant by its counsel at Chicago has been produced by the

defendant, and it shows that VRS International had applied for registering the mark Priya for preparing Indian style foods and side dishes and that

application was treated as abandoned on 18.10.1993.

17. The defendant therefore contends that this suit has been filed at the instance

of Shri Vasudevan with a view to secure the export market

developed by the defendant for well over a period of 10 years by sustained efforts and by incurring huge expenditure. It is also contended by the

defendant that the plaintiff was at all times aware of the defendant's bonafides honest and concurrent user of the trade mark "priya" in the domestic

and export markets and had acquiesced in the user of the mark by the defendant and that it was only the defendant who was exporting the pickles

under this trade mark.

18. It is submitted for the plaintiff that by virtue of the registration of the trade mark the applicant was of right entitled to interim injunction to

restrain any person from invading his proprietary right and that the registration by itself constitutes sufficient basis for obtaining the interim injunction

without anything more. Further submission is that the delay in the registration is not on account of the plaintiffs negligence but on account of the

delay on the part of the trade mark registry in completing the process relating to the objections filed by the defendant and the further delay in the

issuance of the certificate even there after. It is submitted that the delay in issuing the certificate which was nearly 12 years from the date of

application and the renewal of the certificate long after the expiry of the initial period of 7 years does not vitiate or render invalid either the

registration or its renewal. The plea of the prior user pleaded by the defendant, according to the plaintiff, cannot be entertained as such a plea had

been raised by the defendant in its opposition to the plaintiff's application and the same had been rejected and that would constitute Res judicata.

It is further submitted that any amount of use in the past would not afford any excuse for the continued violation of the: plaintiffs statutory rights, and

that even if there is any delay on the part of the plaintiff in coming to the Court, such delay would not disentitle him from obtaining an order of

interim injunction. The further submission for the plaintiff was that the motive with which or identity of the person at whose instance the plaintiff has

come to the court are not relevant in deciding the plaintiff legal rights.

19. Sri U.N.R. Rao learned senior counsel for the defendant on the other hand submitted that the defendant's user of the trade mark "Priya" was

prior to the commencement of the user by the plaintiff and that the registration in favour of the plaintiff subsequently would not entitle the plaintiff to

seek an order of injunction against the defendant. Alternate submission made by the defendant was that the defendant in any event was honestly

and concurrently using the brand name Priya which was the very name of the defendant at the time of incorporation in 1974 being Priya Foods

Private Limited. It was further submitted that it was due to the efforts of the defendant that a large market both domestic and export has been

established for the pickles manufactured under the brand name Priya the defendant having achieved sales of over Rs. 23 crores in this period of

over 15 years for a item like pickles which is not so easy to market on such a large scale. The plaintiff, had, it is submitted, acquiesced in the user

by the defendant. It was also submitted for the defendant that the very registration as also the renewal of the trade mark in favour of the plaintiff

was not valid on account of the long delay. Learned Counsel for the defendant further submitted that the plaintiff had obtained an ex parte order of

injunction without producing any registration certificate or any document to show that the same had been renewed and it was subsisting as on the

date of the suit; that the plaintiff has not filed the suit in the name of the registered owner of the trade mark and further the "infringement" is not

mentioned in the prayer. Certain grounds for rejecting the plaint were also urged. They have been considered separately in the order made in A.

No. 4430/94.

20. Learned Counsel for the defendant also relied on the fact that the plaintiff had himself invoked S. 12 (3) when he applied for registration

thereby clearly admitted the fact that defendant was a user of this mark from a time prior to the date of the plaintiffs application for registration.

Counsel relied on S.33 of the Act and submitted that the rights of the prior user remain in act notwithstanding the registration of the mark in the

name of the plaintiff. The balance of convenience, it was submitted, was clearly in favour of the defendant, the injury complained of being

compensable in damages.

21. The course of events which preceded the institution of the suit as also the conduct of the plaintiff in not having taken any action despite the

knowledge of the fact that the defendant was independently manufacturing and selling pickles, using the trade mark "Priya" for its pickles ever since

1974, it was submitted, would clearly show that the plaintiff had acquiesced in

the use of the mark by the defendant, even if the plaintiffs registration and its renewal are regarded as valid.

22. Learned Counsel for the plaintiff in support of his submission on that the plea of the defendant regarding the prior user was barred by the

principles of res judicata as such a plea has been raised and had not been accepted by the Asst. Registrar of Trade Marks prior to the grant of

registration in favour of the plaintiff submitted that though the Asst. Registrar is not a court as contemplated under S. 11 of the C.P.C. and the

proceedings before him was not a suit, nevertheless, the principles of res judicata as part of public policy would be attracted to the decision

rendered by an officer who was exercising a quasi judicial powers under the special jurisdiction created under the Trade and Merchandise Marks

Act, 1958. When once an issue is raised and decided in the proceedings before him, the same issue cannot be allowed to be raised in a

subsequent legal proceedings even if such proceedings are by way of suit filed in a Court having unlimited jurisdiction.

23. In support of his submission, Learned Counsel relied upon the decisions of the Supreme Court reported in Vishwamitra Press Karyalaya Vs.

The Workers of Vishwamitra Press, Judgment Today 1993 (5) SC 448 Sulochana Ammal v. Narayana Nair and of Division Bench of the then

Mysore High Court in AIR 1973 Mys 74 K.R. Chinnikrishnan Setty and others v. Sri Ambal & Co. Madras.

24. Is not in dispute that the plaintiff applied for registration of the trade mark on 15.9.1980. The order made by the Asst. Registrar on 16.5.1988

allowing the application of the plaintiff for registration makes a reference to the fact that the plaintiff had claimed benefits under S. 12 (3) of the Act.

Thus, the plaintiff has accepted the fact that the defendant was also using the trade mark at the time when the plaintiff applied for registration. The

order of the Assistant Registrar Ahmedabad dated 18.7.91 on the objection filed by the defendant from its factory at Vijayawada, refers to the

fact that the defendant has claimed user of the trade mark from 8.3.1980. The reason for rejecting the defendant's objection appears to be that the

plaintiff had filed a licence from the Ministry of Food and Agriculture dated 17.3.71 and had filed invoices from the year 1974. It is not clear from

the order of the Asst. Registrar as to whether the invoices filed related to the

pickles and chutney in respect of which registration was made and as to whether the licence referred to was for the manufacture of pickles and chutney. The plaintiff has not chosen to produce the licence referred to in that order in these proceedings nor has any evidence or invoice been produced to show that the plaintiff had been manufacturing and selling pickles and chutney under the trade name Priya prior to March 1980.

25. Section 33 of the Trade and Merchandise Marks Act, 1958 saves vested right and reads thus:

S. 33. Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with or restrain the use by any

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 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 these goods in the name of the proprietor or a predecessor in title of

his Whichever is earlier, and the Registrar shall not refuse (on such use being proved) to register the second mentioned trade mark by reason only

of the registration of the first mentioned trade mark.

The effect of this section is that notwithstanding the registration of the trade mark, if it is established by the defendant that he had been using the

trade mark from a date prior to the registration or from the date of its user by a registered owner, his right to continue to use the trade mark is

unaffected by the registration.

26. The issue that arose for consideration on the application filed by the plaintiff for registration was as to whether the plaintiff was entitled the

registration of the trademark. The fact that the plaintiff succeeded in having the trade mark registered in his name by having the defendants

opposition overruled would not disentitle the defendant from proving that its user of the mark in relation to the goods was from a date prior to the

date of user or the registration of the trade mark in respect of similar goods by the registered owner. While the defendant has placed prima facie

material to show that it had been manufacturing and marketing the pickles under the trade name is Priya from March 1980, the plaintiff has chosen

to rest content with the registration certificate as also the order of the Asst. Registrar of Trade Marks These documents however do not establish

with fair amount of certainty that the plaintiff was in fact manufacturing and selling the pickles from the date prior to 8.3.1980 under the trade mark

Priya particularly in the context of the fact that plaintiff had claimed to be honest and concurrent user of the mark at the time of his application for

registration claiming benefit under S. 12 (3) of the Act It is not therefore possible to hold, on the materials available that the defendant is not

entitled to raise the plea of prior user by invoking the principle, of res judicata.

27. The principles of res judicata should always be invoked with great caution and should not be applied except in cases which are free from

doubt, as the application of that doctrine would have grave consequences for a litigant depriving, him as it does of the valuable right of having his

plea adjudicated on its merits.

28. The plea of prior user raised by the defendant cannot be said to be without any basis in view of the facts that defendant company had used the

name "Priya" as part of its name when it was incorporated as Priya Foods Private Limited in 1974; defendant had claimed user from March 1980

in its evidence filed before the Asst. Registrar in the enquiry on the plaintiff's application dated 15.9.80; and in view of the fact the defendant has

produced invoices and consignment orders from April 1980, as also advertisements in leading magazines taken out by the defendant in 1980.

29. The claim of the plaintiff that it had developed large export market in U.S.A. is wholly unsustainable on the materials available on record, and is

not credible. The documents produced by the defendant show that the defendant has been exporting on a large scale to U.S.A. and that Shri

Vasudevan was its agent in U.S.A. for over three years and that the said Vasudevan had attempted to register the very same trade mark priya in

U.S.A. apparently with a view to take advantage of the goodwill for the goods under this brand name created for the defendant's products during

this period. The fact that the said Vasudevan had filed a suit to restrain the defendant herein from marketing the product in U.S.A. would also

indicate that the export of the defendant's goods in U.S.A. was profitable and the said Vasudevan wanted to have the benefit of such profits. As

against the documentary evidence on the side of the defendant, the plaintiff has

produced only an invoice dated 23.12.1993 for Rs. 12,500/- for export of plaintiff's goods through the wife of the said Vasudevan after Vasudevan had fallen out with the defendant. Apparently, with the aid and assistance of Vasudevan and at his instance the plaintiff has now come forward with this suit with a view to enter market in U.S.A. taking advantage of the market created by the defendant for Priya pickles.

30. The plea of the defendant that plaintiff is acting at the behest of Vasudevan receives ample support from the fact that the plaintiff has apparently acquiesced in the application filed by Vasudevan's wife Smt. Ambujammal for registration of this mark in her name; that mark being practically a replica in its lettering, arrangement, colour and general appearance to that used by the defendant.

31. Though it was argued for the defendant that the registration in favour of the plaintiff is invalid having been effected long after the lapse of seven years from the date of application and the renewal effected five years after the date of expiry of the registration is also invalid, as the delay that has occurred was due to the delay in considering and deciding the objections filed by the defendant, and not on account of plaintiffs negligence, the registration certificate as also the renewal thereof certified by the Asst. Registrar cannot be discarded. The registration certificate is prima facie evidence of a valid registration. As to whether it was beyond the powers of the statutory authorities to issue such certificate of registration can only be considered at the time of trial.

31-A Though there is prima facie evidence to show that the plaintiff obtained registration of the trade mark Priya pursuant to his application dated 15.9.80, the other evidence on record would show that the defendant had also independently, conceived and used the mark from a point of time prior to the date of the application for registration by the plaintiff. The question as to whether such user by the defendant was prior to the date on which the plaintiff commenced using the trade mark is a question that has to be decided only at the trial and the material now available to court does not afford a reasonable basis to hold that the plea of prior user raised by the defendant is devoid of merits. If the plaintiff fails to show at the trial of the suit that the plaintiff was using the trade mark in relation to pickles from a date prior to March 1980, the plaintiff will not be able to

succeed in this suit as against the defendant although the plaintiff may be in a position to maintain such an action against any other user violating his statutory rights.

32. The conduct of the plaintiff in riot taking any action against the defendant for the last fourteen years supports the defendant's plea of

acquiescence and laches on the part of the plaintiff. It is settled law that an action for passing off is available to the owner of trade mark and that

registration is not essential for restraining a defendant from passing off its goods as that of the plaintiff. Plaintiff was admittedly aware of the

defendant's use of the mark, having claimed the benefits under S. 12 (3) of the Act before the Assistant Registrar of Trade Marks. Even after the

defendant's objections were rejected in 1988 no. action was initiated. The defendant obtained registration in 1992 and did not commence any

action till 1994 and till Vasudevan and his wife apparently prompted him to initiate that action. Considering the scale of operations of the defendant

and the extensive publicity of the mark by the defendant in well known magazines, newspapers and electronic media, the plaintiffs plea that it came

to know of the defendant's infringement only in September 1993 is not worthy of belief. Thus, the plaintiff had acquiesced in the use of the mark

by the defendant from a time prior to plaintiff's application for registration and for several years after the defendant's objections to the plaintiffs

application for registration was rejected. The plaintiff by his conduct has induced the defendant to expand its business under this mark and has now

brought this action to appropriate the fruits of the defendant's labour.

33. The damages that would be caused to the defendant by reason of injecting the defendant from using the trade mark Priya in relation to pickles

which trade mark was also independently conceived by the defendant, and was nurtured and promoted, by it on an extensive scale both in

domestic and export markets for a period of well over a decade, during which period its business has steadily grown, would be so high that the

plaintiff would not be in a position to make good the damages to the defendant if ultimately the plaintiff fails in the action. As against this, the

damages that would be caused to the plaintiff by reason of the continued user of the trade mark Priya, which is being used by the defendant since

atleast 10.3.1980 cannot be regarded as so high as not being capable of being

compensable in damages as for all these years the plaintiff has been carrying on the business in competition with the defendant and the turnover of the plaintiff's business is but a small fraction of that of the defendant.

The claim made by the plaintiff that it has developed export market is wholly unsubstantiated by any documentary evidence. On the other hand, the evidence on the side of the defendant would disclose that it is the defendant which has developed the export market all along.

34. Mr. Sampath learned senior counsel for the plaintiff invited my attention to numerous-authorities in support of his submission on that the registration confers statutory monopoly and the registration entitles the registered owner to an interim injunction to prevent invasion of his proprietary rights in the trade mark and that if there had been any delay on the part of the owner, such delay would not disentitle the plaintiff from obtaining the relief.

35. In the case of London Rubber Co. Ltd. Vs. Durex Products, arising under Trade Marks Act, 1940 it was held that the question of volume of use is always a relevant question in considering the honest, concurrent use and it would depend upon the facts of each case. No hard and fast rule can be laid down regarding the volume of use for the purpose of Sub-sec. 2 of S. 10 of that Act. It would be sufficient if it is shown that there was a commercial use of the trade mark.

36. In the decision reported in Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, the Court pointed out the distinction between an action for infringement of the trade mark and the action for passing off. The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off but is the sine qua non in the case of an action for infringement. The Court also pointed out that in case of trade mark infringement, the same has to be decided by comparison of the two trade marks and that if the two trade marks are identical, no further question arises for them that infringement is made out.

37. In the case of Ruston and Hornby Ltd v. Zamindara Engg. Co. AIR 1970 SC 1647 the Court again adverted to points of distinction as also similarity in action for infringement and action for passing off. The Court observed that in an action infringement where the defendant's trade mark is identical with the plaintiff's mark, the court will not enquire whether the

infringement is such as is likely to deceive or cause confusion

38. In the case of State of U.P. Vs. Ram Nath, Partner, Panna Lal Durga Prasad, Kanpur, the Supreme Court held that under S. 78 and 79 of the

Act infringement of a trade mark whether registered, unregistered or even abandoned would give rise to criminal liability.

39. In the case of Parle Products (P) Ltd. Vs. J.P. and Co., Mysore, the Supreme Court pointed out that to decide the question as to whether the

plaintiffs right to a trade mark has been infringed, in a particular case, the approach must not be that in an action for passing of goods of the

defendant as and for these of the plaintiff.

40. In the decision reported in AIR 1987 Del 353 M/s. Hindustany Radiators Co. v. M/s. Hindustan Radiators Limited, a learned Single Judge

pointed out various factors required to be established by the plaintiff in an action for infringement of trade mark or passing of in order to establish a

prima facie case. The Court then went on to observe that once a prima facie case is established, balance of convenience would follow. It was

further observed that where the plaintiff's position is infinitely superior to that of the defendant who intends to use the trade mark and trading style

of the plaintiff, there will be no difficulty to hold that balance of convenience lies in the grant of ad interim injunction. The Court also held that the

likelihood of confusion being caused and likelihood of the plea of common or concurrent user being raised at a later stage would be the irreparable

injury to the plaintiff. The court further observed that once plaintiff has established that he has got prima facie case in respect of the same or similar

goods, he would be prima facie entitled to ad interim injunction and heavy burden would be upon the defendant to prove that the plaintiff should

not be granted ad interim injunction,

41. In the decision reported in 1974 Del 12 Kadar Nath v. Monga Perfumery & Flour Mills, Delhi it was held that temporary injunction must be

granted when there is clear infringement of plaintiff's registered trade mark and his right to its exclusive use.

42. In the case of M/s. Avis International Ltd. v. Mis. Avis Footwear Industries and another (AIR 1991 Del 22) it was held that the statutory

monopoly conferred upon the plaintiffs in connection with the use of the mark has to have primary precedence over any other considerations in

relation to grant or non-grant of an injunction, especially when the matter is at an interlocutory stage and is yet to be tried. The Court also held that the balance of convenience would be in favour of the plaintiffs to ensure that by concurrent user, during the period of trial, no other rights came into existence.

43. In the case of M/s. Sathivel Cigar Factory (1988 TNLJ 121) it was held that once the trade mark is registered under the Act, it gets its sanctity and until the sanctity is lost or taken away in the manner known to law, any infringement thereof cannot be countenanced and the plaintiff can certainly maintain the action for injunction.

44. In the decision reported in Astra-IDL Limited Vs. TTK Pharma Limited, a learned single Judge held that the delay of about two years does not disentitle the plaintiff from claiming relief when the plaintiff prima facie case is very strong. The court also referred to the decision reported in AIR 1970 Del 19 and held that even where there is an honest concurrent user by the defendant then inordinate delay or laches may defeat the claim for damages or rendition of accounts but the relief of injunction should not be refused.

45. In the decision reported in AIR 1975 Del 149 Jagan Nath Prem Nath v. Bhartiya Dhoop Karyalaya Khari Dali, Delhi, the Court has held that notwithstanding the fact an application for rectification having been filed, the court can grant interim injunction.

46. In the decision reported in 1978 Del 250 (Century Traders v. Roshan Lal Duggar & Co. and others) the Court held that the registration of the mark or similar mark prior in point of time to user by the plaintiff is irrelevant in an action for passing off and the mere presence of the mark in the register does not prove its user by the person in whose names the mark is registered and is irrelevant for the purposes of deciding the application for interim injunction unless evidence has been led or is available regarding user. It was further held that if there is a likelihood of the offending trade mark infringing the proprietary right, a case for infringement is made out.

47. In the decision reported in AIR 1992 Del 302 Shri Gopal Engg. & Chemical Works v. M/s. POMX Laboratory, the Court refused to grant interim injunction in view of the unexplained delay of 14 months in filing the application and failure to establish adverse effect on sales and in view of

the sinister motive on part of infringer".

48. In the case of AIR 1940 39 (Lahore) it was held that where the name of one particular individual or firm has gained universal reputation in

connection with a particular class of goods and a second person enters the trade under a name which is the same or similar and which is likely to

cause confusion in the minds of the intending purchasers and the harm thus caused is prima facie such as no compensation would be enough to

counter balance it, Court can restrain that person from trading under a name which is similar by granting injunction.

49. In the decision reported in K.M. Multani Vs. Paramount Talkies of India, Limited, it has been held: that in a suit for injunction the Court can

grant relief in the alternative as and by way of damages in the event of the Court holding that though there was an infringement the plaintiff was not

entitled to the equitable relief of injunction but could be adequately compensated by payment of damages. The Court held that the only thing that

can confer a right is user and reputation and not merely prior user.

50. Counsel for the plaintiff also relied on the Maxim Nullus Commodum Capere Potest De Ijuria Sua Propria - No man can take advantage of his

own wrong and referred to Broom's legal Maxim's Tenth Edition at page 191. The defendant, it was submitted, having unsuccessfully objected to

the registration of the mark, cannot by continuing to use the mark even after it was registered in the name of the plaintiff by its own wrongful action

claim any equitable relief on the ground of balance of convenience.

51. Mr. U.N.R. Rao learned senior counsel for the defendant placed strong reliance upon the decision of the House of Lords in the case of

American Cyanamid 1975 AC 396 wherein the principles on which interlocutory injunction should be granted were laid down. Counsel also relied

on the decision of the Supreme Court in the case of Wander Limited and another v. Antox India Private Limited and the decision of this Court

dated 8.4.1988 in O.S.A. 203 and 204 of 1987. Proctor and Gamble Company v. Christian Holden (India) Private Limited, wherein the

principles laid down in the case of American Cyanamid were applied by the Supreme Court and in this High Court.

52. In the case of American Cyanamid it was reiterated that grant of an interlocutory injunction is a remedy that is both temporary and

discretionary. It was observed:

The object of the interlocutory injunction is to protect the plaintiff against injury by violation of the right for which he could not be adequately

compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial; but the plaintiff's need for such protection

must be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from

exercising his own legal rights for which he would not be adequately compensated under the plaintiff's undertaking in damages if the uncertainty were

resolved in the defendant's favour at the trial. The Court must weigh one need against another and determine where the balance of convenience

lies. As to that, the governing principle is that the Court should first consider whether if the plaintiff were to succeed at the trial in establishing his

right to a permanent injunction, he would be adequately compensated by an award of damages for the loss he would have sustained as a result

of the defendant's continuing to do what was sought to be enjoined between the time of the application and the time of trial. If the damages in the

measure recoverable at common law should be an adequate remedy and the defendant would be in a financial position to pay them, no interlocutory

injunction should normally be granted, however strong the plaintiff's claim appeared to be at that stage.

53. The Supreme Court in the case of *Wander Limited and another v. Antox India (P) Ltd.* 1991 1 PTC 2 at para 9 observed:

Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged

violation are both contested and uncertain and remain uncertain (sic) they are established at the trial on evidence. The Court at this stage acts on

certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the

interlocutory injunction is stated to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated

in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be weighed against

the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his legal rights for

which he could not be adequately compensated. The Court must weigh one need against another and determine whether the "balance of

convenience" lies. The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie. The

Court also in restraining a defendant from exercising what he considers his rights but what the plaintiff would like to be prevented, put into scales,

as a relevant consideration whether the defendant has yet to commence his enterprise or whether he has already been doing so in which latter case

considerations somewhat different from those that apply to case where the defendant is yet to commence his enterprise, are attracted.

54. Counsel for the defendant also relied on a passage in Halsbury's Laws 4th Edition Vol. 48 at para 100: Wherein it is stated:

A plaintiff's right of action for the infringement of a trade mark may become barred by consent, acquiescence or inordinate delay. Clearly, consent

is a bar to an action. However, where there has been an express terminable licence consent may be withdrawn. Acquiescence may bar a claim

where the proprietor has in some way encouraged the infringer so that the subsequent enforcement of the right would be unconscionable. Mere

delay on the plaintiff's part, even with knowledge of the defendant's activities does not amount to acquiescence, although inordinate delay will itself

give rise to a defence. Delay may also affect a plaintiff's right to damages or other remedies.

55. Reliance was also placed on the decision in *Mclaw Stevenson & Orr Limited* (1906) 23 RPC 1 Ch. D. wherein it was held that in an action of

infringement and passing off brought after a delay of four years during which the plaintiff's had knowledge of the defendant's infringement, besides

failing on merits, the plaintiff should fail by reason of delay in bringing the action.

56. Learned Counsel for the defendant also referred to the decision of this Court in the case *Coromandel Fertilizer Limited v. Coromandel*

Cements Limited - IPLR (1988) 105 in support of his submission that by virtue of prior adoption of a name, as the name of the manufacturing

company, exclusive right to use that name may be claimed even if production and marketing of the product had not commenced immediately.

57. Another decision of this Court, to which counsel for the defendant referred to was to the case of *Modern Goldwater Breweries Private Limited*

v. Khoday Distilleries Private Limited 1977 IPLR 83 wherein it was held that for purpose of registration of a trade mark, the rights of the parties

had to be determined as on the date of application and that registration may be effected if the user by the objector was subsequent to the date of

the application.

58. The proposition that the registered owner can protect his trade mark against invasion of statutory right is subject to certain exceptions including

the one provided in S. 33 of the Act and also on the grounds of acquiescence and long delay. As regards delay, it is a matter to be considered in

the context of facts of each case and no general principle can be laid down. The object of registration is no doubt to enable the owner of the trade

mark to use the same exclusively, but subject to the provision of the Act, and subject to the general principles such as acquiescence, abandonment,

delay and the like.

59. Even if a prima facie case is established, it does not necessary follow that all the other considerations relevant to the grant of interim injunction

have also to be regarded as having been established in favour of the plaintiff. The balance of convenience is a factor of great importance when

considering the question of interim relief. It cannot be said that the balance of convenience is always tilted in favour of the registered owner of the

mark and I must express my respectful disagreement with the observations to the contrary contended in the rulings reported in AIR 1987 Del 353

and relied on by the plaintiff.

60. On the materials now available on record, it cannot be said that plaintiff has established a prima facie case of exclusive right to use the mark

"priya" for pickles as against the defendant which has placed materials to show that its user was prior to the date of the plaintiff's application for

registration.

As to whether the plaintiff had commenced using this mark for pickles even before the defendant started using the mark for the pickles

manufactured by it, is a matter which has to be decided at the trial of the action. Registration of the mark would not entitle the proprietor of the

mark to prevent a prior user of the mark from continuing to use the mark as the registration is subject to the rights of the prior user as expressly

provided in Section 33 of the Act.

61. The plaintiff having knowledge of the defendant's user acquiesced in the use of the mark by the defendant for over fourteen years, six of which

were after the defendant's objections to the plaintiff's application for registration were rejected, and by his conduct, allowed the defendant to incur

huge expenditure to promote the trade mark and develop an export market and increase the scale of its operations many fold, even if it is assumed

that defendant is not the prior user, the plaintiff is not entitled to an interim injunction against the defendant on the ground of acquiescence.

62. Considering the relative scale of operations and the financial capacity and capabilities of the parties, the plaintiff's turnover being but, small

fraction of that of the defendant, damages would constitute adequate remedy for the injury complained of and such damages can be secured by

requiring the defendant to furnish bank guarantee for a sum of Rs. 5 lakhs in view of the fact that it may take sometime for the trial of action to

commence, this amount being much more than the sum of Rs. One lakh claimed by the plaintiff as damages for past user.

63. The balance of convenience is in favour of the defendant which has been carrying on business of manufacture and sale of pickles under this

trade name for over fourteen years; has, after incurring huge expenditure on advertisement and promotion established a sizable domestic and

export market for a product like pickles, and now employs over 1000 persons. While refusal to grant interim injunction would not adversely affect

the plaintiff, as it can continue to carry on business in competition with the defendant even as it has done all these years ever since the plaintiff and

defend ant independently conceived and commenced user of this trade mark for pickles, the grant of an injunction would have the effect of

destroying a successful business enterprise marketing an indigenous product in the domestic and export market with a turnover of over Rs. 8

crores per annum and which is now providing employment to over thousand persons. The continued user of this mark by the defendant cannot be

characterised as an instance of a party taking advantage of its own wrongful action, as registration of the mark is subject to the rights of the prior

user, and also in view of the plaintiff's acquiescence in such user.

64. Present action has also to be characterised as one brought with the object of causing injury to the defendant and not for the purpose of bona

in order to protect the plaintiff's proprietary rights, thus disintitling the plaintiff to the interlocutory and discretionary relief of interim injunction. The

plaintiff having acquiesced in the use of the mark by the defendant with full knowledge of such use the plaintiff himself claiming to be an honest and

concurrent user of the mark when the defendant objected to the registration of the mark and having also acted on the basis that defendant was the

prior user and by having refrained from bringing any action against the defendant for over fourteen years, has now chosen to initiate this action

through the wife of Vasudevan, the disgruntled former agent of the defendant in U.S.A. after Vasudevan failed in his attempts to register the mark

in his own name in U.S.A and also failed in his attempt to compel the defendant to export its products to U.S.A. only through him, the object of the

action being the take over of the large domestic market as also export market developed by the defendant particularly in the U.S.A.

65. The observations made in this order are solely for the purpose of deciding the application for interim injunction. Accordingly, the plaintiffs

application 499 of 1994 for interim injunction is dismissed and the defendant's application 4431/94 for vacating ex parte ad interim injunction is

allowed, subject to the defendant furnishing a bank guarantee for a sum of Rs. 5 lakhs to the satisfaction of the Registrar of this Court and the

defendant furnishing accounts at the end of each quarter showing the quantities of pickles manufactured and sold in the domestic and export

markets and the value thereof, the first of such reports to be filed on 2nd January 1995.