

(2012) 10 GUJ CK 0046
In the Gujarat High Court

Case No : Appeal from Order No. 242 of 2012 with Civil Application No. 7438 of 2012 in Appeal from Order No. 242 of 2012

M/s Dandi Salt Pvt Ltd. and Others

APPELLANT

Vs

M/s Indo Brine Industries Ltd. and Others

RESPONDENT

Date of Decision : 09-10-2012

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 4, Order 43 Rule 1(r), 24

Citation : (2012) 10 GUJ CK 0046

Hon'ble Judges : M.D. Shah, J

Bench : Single Bench

Advocate : S.K. Bansal and Mr. Harshadrai A. Dave, for the Appellant; S.N. Soparkar Mr. Y.J. Jasani and Mr. Pratik Y. Jasani, for the Respondent

Judgement

M.D. Shah, J.—This Appeal From Order under Order XLIII Rule 1(r) of CPC has been filed by the appellants-original defendant Nos. 2, 3 and 4 challenging the order dated 15-2-2012 passed below applications Ex. 5 in Regular Civil Suit No. 3 of 2011 by the learned Additional District Judge, Gandhidham-Kachchh, whereby ex-parte ad-interim injunction granted in favour of the plaintiff vide order dated 20-12-2011 was confirmed till disposal of the suit. The short facts are that a suit being Regular Civil Suit No. 3 of 2011 was filed by the present respondent No. 1-original plaintiff (hereinafter referred to as "the plaintiff" for short) against the present respondent No. 2-original defendant No. 1 (hereinafter referred to as "the defendant No. 1" for short) and present appellants (hereinafter referred as "the defendants Nos. 2 and 3" for short) seeking perpetual injunction and for damages as also for rendition of accounts for the violation of the vested property rights of the plaintiff in the prior used trade mark DANDI NAMAK/DANDI SALT and the copyrights in the packagings thereof and for passing off against the defendants together with application for temporary injunction Ex. 5.

2. Upon affording opportunity of hearing to the learned advocates appearing for the respective parties, the learned Additional District Judge, Gandhidham-

Kachchh, vide order dated 15-2-2012 confirmed the ex-parte ad-interim relief whereby the defendants were restrained from using the mark DANDI NAMAK and DANDI SALT till final disposal of the suit. Hence, the present Appeal From Order along with Civil Application for stay has been filed by the defendant Nos. 2 and 3.

3. Heard learned counsel, Mr. S.K. Bansal with learned advocate, Mr. Harshadrai A. Dave for the appellants and learned Senior Advocate, Mr. S.N. Soparkar with learned advocate, Mr. Y.J. Jasani for learned advocate, Mr. Pratik Y. Jasani for the respondents.

4. Learned counsel, Mr. S.K. Bansal, submitted that the defendant No. 2 is a company incorporated under the Companies Act, 1956 by one Mr. Suresh Chand Agarwal and his wife Mrs. Anju S. Agarwal, who are partners of M/s Kunvar Ajay Group of Industries and directors of M/s Kunvar Ajay Foods Pvt. Ltd. He further submitted that the defendant No. 2 is entitled to use the mark DANDI NAMAK/DANDI SALT as it is the prior user of the said mark. In this connection, he has relied on the copies of purchase orders made by Kunvar Ajay Foods Pvt. Ltd to the plaintiff, sale bills made by the plaintiff to Kunvar Ajay Foods Pvt. Ltd. and newspapers regarding sale of Salt under DANDI brand by Kunvar Ajay Industries. He further submitted as the defendant Nos. 3 and 4 had purchased 100 shares each of Suresh Chand Agarwal and his wife in an auction from Income Tax Department, they are the successors or part of Kunvar Ajay Group of Companies. He further submitted that plaintiff was a job worker for Kunvar Ajay Group and hence, plaintiff was not entitled to claim proprietary right in the trade mark DANDI NAMAK/DANDI SALT. He further submitted that a criminal complaint under Sec. 138 of Negotiable Instruments Act was filed by the plaintiff against Kunvar Ajay Foods Pvt. Ltd. and its directors being Criminal Case No. 285 of 2004 in the Court of Judicial Magistrate (F.C.), at Gandhidham and has also filed Civil Suit No. 1 of 2011, however, ex-parte ad-interim injunction was vacated by consent in an appeal before the Hon"ble High Court and injunction application is still pending before the trial court and hence, plaintiff is not entitled to file second suit along with application for injunction for the second time against the defendants under the pretext of prayer for passing off. He further submitted that since an undertaking was filed by the plaintiff that it will not take actions on the basis of registrations before the Hon"ble Intellectual Property Appellate Board, plaintiff is not entitled to sue even for passing off and as the issue is at large before the said Board, trial court ought to have waited till adjudication of the said controversy by the said Board. He further submitted that the trial court did not considered the above aspects and thereby committed a grave error in passing the impugned order. It is therefore prayed that the ex-parte ad-interim relief confirmed by the trial may be vacated by allowing the present Appeal From Order.

5. In this connection, he relied on the following decisions:

- i) The Fairdeal Corporation (Pvt.) Ltd. Reported in (1985-PTC-80);
- ii) Om Prakash Gupta Vs. Parveen Kumar & Anr. reported in 2000 PTC page 326;

- iii) Hindustan Pencils Private Limited and another Vs. Universal Trading Company reported in 2000 PTC 561 (DB);
- iv) Uniply Industries Ltd. Vs. Unicorn Plywood Pvt. Ltd. & Ors. Reported in 2001 PTC 417 (SC);
- v) Ganesh Plastic Vs. Lajpat Rai Sobti & Ors. Reported in 2001 PTC 839 (Del) (DB);
- vi) Vijay Kumar Ahuja Vs. Lalita Ahuja reported in 2002 (24) PTC 141 (Del);
- vii) QRG Enterprises and Another Vs. Surendra Electricals and Others, ;
- viii) Motorpresse International Verlagsgesellschaft Holding mbH & Co. Vs. Mistrale Publishing Pvt. Ltd. Reported in 2005 (30) PTC (Del) 489 (DB); and
- ix) Trans Tyres India Pvt. Ltd. Vs. Double Coin Holdings Ltd. & Anr. Reported in 2012 (49) PTC 209 (Del)(DB).

6. Learned Senior Counsel, Mr. Soparkar, submitted that the plaintiff is doing the business of manufacturing, selling and exporting iodized free flow salt for human consumption under the trade mark and label of Kohinoor as also under the trade mark and labels containing and consisting of name Dandi Namak in Hindi script as also DANDI SALT in English since June, 1998. He further submitted that defendant No. 1 is also engaged in the business of manufacturing "salt for human consumption" under the identical and deceptively similar mark Dandi Namak in Hindi and Dandi Salt in English and selling the same through the defendant No. 2 which is incorporated by its directors Mr. Suresh Agarwal and Mrs. Anju Agarwal as being partners of M/s Kunvar Ajay Group of Industries and directors of M/s Kunvar Ajay Foods Pvt. Ltd. till August, 2004. However, the plaintiff has been using the said mark since 1998 and hence, the plaintiff is the prior user and owner of the mark Dandi Namak and, therefore, plaintiff is exclusively entitled to use the said mark and, therefore, the impugned order passed by the trial court is just, legal and proper and hence, it does not require to be interfered with. He has also relied on the following decisions:

- i) 1953 (0) GLHEL-SC 19416 in the case of National Sewing Thread Company Ltd. Chidambaram Vs. James Chadwick and Brothers Limited;
- ii) 1994 (0) GLHEL-HC 203277 in the case of Duncans Agro Industries Limited Vs. Somabhai Tea Processors Private Limited;
- iii) 1994 (2) GLH page 557 in the case of M/s Power Control Appliances & Others Vs. M/s Sumeet Machines Pvt. Ltd.
- iv) (1997) 6 SCC page 35 in the case of Tube Investments of India Ltd. Vs. Trade Industries, Rajasthan;
- v) 2005 (0) GLHEL-HC 216069 in the case of Neon Laboratories Limited Vs. Medical Technologies Limited;

vi) AIR 2007 SC page 1433 in the case of M/s Meghraj Biscuits Industries Ltd. Vs. Commissioner of Central Excise, U.P.; and

vii) A decision of a Division Bench of this Court in the case of Ratan Food Products & Ors. Vs. Jasvindersing Harchanransingh Madan in Letters Patent Appeal No. 877 of 2010 in Special Civil Application No. 3871 of 2010

7. This Court has gone through the order passed by the trial court and also the documents shown by the learned advocates for the parties.

8. It appears that the plaintiff has also filed another suit being Regular Civil Suit No. 1 of 2011 against the present appellants for infringement of trademark together with an application for injunction at Ex. 5 and the same Court i.e. Additional District Judge, Gandhidham at Kutch granted ex-parte injunction vide order dated 18-10-2011. Said order was challenged by the present appellants by way of filing Appeal being Appeal From Order No. 467 of 2011 and said appeal was allowed vide order dated 21-12-2011 and quashed and set aside the ex-parte injunction granted by the trial court and direction was given to dispose of the injunction application Ex. 5 in accordance with law and on its merits after giving opportunity of hearing to all the concerned parties by passing the following order in paragraph 7 and 8:

7. Under the circumstances, with the consent of the learned advocates appearing on behalf of the respective parties and in view of the interim order passed by the Intellectual Property Appellate Board dated 23/11/2011 in M.P. Nos. 8 & 9/2011 in OA/1/2011/TM/AMD and M.P. Nos. 10 & 11/2011 in OA/3/2011/TM/AMD suspending the registered trade mark "dandi" in favor of the respondent-original plaintiff and the undertaking filed by the respondent-original plaintiff that they shall not initiate any proceedings for infringement of the said trade mark "dandi", without further entering into the controversy whether the learned trial Court was justified in granting such an ad-interim injunction without notice to the appellants-original defendants and whether the said ex-parte ad-interim order is contrary to the decision of this Court in the case of I Infotech Consumer Services Ltd. (Supra), the present Appeal from Order is allowed and the ex-parte ad-interim relief granted by the learned Additional District Judge, Gandhidham, Kutch dated 18/10/2011 passed in Regular Civil Suit No. 1/2011 below Exh. 5 is hereby quashed and set aside and the learned trial Court to decide and dispose of the said application, Exh. 5 in accordance with law and on its own merits

8. With this, the present Appeal from Order is allowed. As and when application, Exh. 5 is decided and disposed of by the learned trial Court the same shall be decided in accordance with law on its own merits and after giving an opportunity to all the concerned. No cost.

9. However on 20-12-2011, a day prior to passing of the above order dated 21-12-2011, Regular Civil Suit No. 3 of 2011 was filed by the plaintiff against the present appellants for passing off and on the same day i.e. on 20-12-2011, same learned Judge, i.e. learned Additional District Judge, Gandhidham-Kachchh,

granted ex-parte injunction in favour of the plaintiff. Said order was challenged by way of filing Appeal From Order No. 7 of 2012 wherein this Court vide order dated 15-2-2012 has disposed of the Appeal From Order by giving following directions to dispose of the injunction application within stipulated time:

[a] In the notice of motion pending before the trial Court in Civil Suit No. 3 of 2011, the defendants shall file their reply; if they so choose to do within one week from the date of this order;

[b] the plaintiffs shall file affidavit-in-reply if deemed necessary within three days thereafter;

[c] hearing of the Injunction Application thereafter shall be completed by the trial Court as expeditiously as possible but the same may not be done later than four weeks of this order;

[d] Ex parte injunction granted by the Court shall continue to operate for a period of four weeks. If in any eventuality the trial Court finds it difficult to pronounce the order within stipulated time frame, it shall be within its power to extend the relief till the pronouncement of the order.

[e] Both the parties shall cooperate and adhere to the stipulated time period.

10. It is also to be noted that after appearing in the suit, the defendant immediately filed application under Order 39 Rule 4 of CPC for vacation of injunction granted vide order dated 20-12-2011 passed in Regular Civil Suit No. 3 of 2011. The defendant has also filed written statement, reply to injunction application along with various documents. However, said application has not been decided till date and is kept pending. In the opinion of this Court, learned Addl. District Judge ought to have decided the injunction application filed by the plaintiff as well as the application submitted by the defendant under Order 39 Rule 4 of CPC by a common order.

11. It is further required to be noted that Regular Civil Suit No. 1 of 2011 which is filed prior to filing of Regular Civil Suit No. 3 of 2011 is still pending before the trial court and it was within the notice of the learned Judge that ex-parte order dated 18-10-2011 passed in Regular Civil Suit No. 1 of 2011 below Ex. 5 by the learned Addl. District Judge, Gandhidham, Kutch, was quashed and set aside by the High Court vide order dated 21-12-2011 passed in Appeal From Order No. 467 of 2011 and necessary direction was given to dispose of the injunction application. In pursuance of said directions, present appellants-original defendants filed reply, written statement and also produced documents on record. They also submitted application under Sec. 24 of CPC to transfer the case before the District Judge and said application is pending before the District Court. However, for the reasons best known to him, both the injunction application Ex. 5 in Regular Civil Suit No. 1 of 2011 and application submitted under Sec. 24 of CPC for transfer of the case are not decided as on date.

12. It is observed by the learned Judge while passing the order that as per the

order dated 15-2-2012 passed by this Court in Appeal From Order No. 7 of 2012, the Court is duty bound to dispose of the injunction application within stipulated time and, therefore, under the guise of order of the High Court directing to dispose of injunction application, learned Additional District Judge has disposed of injunction application filed by the plaintiff although learned advocate for the defendants was not present. It is also observed by the trial court that the written statements and documents were looked into by the trial court while deciding the injunction application.

13. However, it appears to this court that the documents produced by the defendants more particularly the undertaking given by the plaintiff and order passed by the Andhra Pradesh High Court as well as other relevant documents placed on record by the defendants were not taken into consideration by the trial court while passing the impugned order. However, only relying upon the documents placed by the plaintiff, trial court has disposed of the injunction by confirming the ex-parte injunction granted by it. It is also to be noted that although the application filed under Order 39 Rule 4 of CPC by the defendant is pending before him, the learned Addl. District Judge disposed of only the injunction filed by the plaintiff. Moreover, application under Sec. 24 of CPC for transfer of the case from the said court to another court as well as injunction application Ex. 5 in Regular Civil Suit No. 1 of 2011 are also pending. Regardless of all these, the learned Addl. District Judge has hastily disposed of the injunction application filed by the plaintiff and without deciding the application filed for vacation of injunction filed by the defendant under the pretext of dispose of the injunction application within stipulated time as per the order passed by this court.

14. As far as Regular Civil Suit No. 1 of 2011 is concerned, prayer was made for infringement of trade mark while prayer in Regular Civil Suit No. 3 of 2011 was made for passing off. It is to be noted that cause of passing off and cause of breach of infringement of trademark are two different causes of action. However, while deciding the prayer for passing off, the aspect qua breach of infringement of trademark will also emerge as one of the important aspects.

15. It is further noted that this Court vide order dated 21-12-2011 in Appeal From Order No. 467 of 2011 passed a reasoned order considering the order passed by the Andhra Pradesh High Court in Contempt Case No. 433 of 2009 as well as the undertaking given by the plaintiff to the effect that it will not take action on the basis of registrations before the Hon'ble Intellectual Property Appellate Board. Said issue is at large before the said Board.

16. All the aforesaid aspects have not been considered by the trial court and, therefore, a grave error has been committed by the trial court in passing the impugned order. Since aforesaid action of the learned Addl. District Judge does not appear to be in proper perspective, this Court, without deciding this matter on merits, thinks it imperative in the interest of justice that the matter be remanded to the trial court for a decision afresh after giving opportunity of hearing to both the parties.

17. In view of the above, order dated 15-2-2012 passed below application Ex. 5 in Regular Civil Suit No. 3 of 2011 by the learned Additional District Judge, Gandhidham-Kachchh is quashed and set aside and the matter is remanded to the learned District Judge, Kachchh at Bhuj. District Judge, Kachchh at Bhuj is hereby directed to place this matter before a Judge other than the one who decided the injunction application for a decision of the injunction application afresh together with application filed by the defendant filed under Order 39 Rule 4 of CPC after affording opportunity of hearing to both the parties on its own merits, in accordance with law and without being influenced by any earlier orders passed by the trial court as well as this order within a period of sixty days from the date of receipt of this order. Meanwhile, order dated 20-12-2011 passed by the learned Addl. District Judge, Gandhidham at Kachchh in Regular Civil Suit No. 3 of 2011 is directed to continue till disposal of injunction application. Office is directed to send copy of this order to the learned District Judge, Kachchh at Bhuj, immediately.