

(2022) 12 DEL CK 0197

In the Delhi High Court

Case No : Civil Suit (COMM) No. 280 Of 2020, I.A. No. 6169 Of 2020

New Bharat Overseas

APPELLANT

Vs

Kian Agro Processing Private Limited & Ors

RESPONDENT

Date of Decision : 23-12-2022

Acts Referred:

Code Of Civil Procedure, 1908 — Section 151

Trade Marks Act, 1999 — Section 29, 29(2)(c), 29(3), 29(6), 29(6)(c), 29(9), 30(1)
(a), 30(2)(c)(i), 30(2)(e), 56, 56(1), 56(2)

Citation : (2022) 12 DEL CK 0197

Hon'ble Judges : Navin Chawla, J

Bench : Single Bench

Advocate : Swathi Sukumar, Santanam Swaminadhan, Rahul Sharma, Kartik Malhotra, Naveen Nagarjuna, Ashish Aggarwal, Nalin Dhingra, S.K. Bansal, Amitabh Suman

Judgement

Navin Chawla, J

I.A. 9604/2020 [U/Or. XXXIX Rules 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908]

1. The present application has been filed by the plaintiff praying for an order of ad-interim injunction restraining the defendant nos.1 and 4 from using, selling, exporting, advertising or in any other mode or manner dealing in or using the mark 'TAJ MAHAL/' (word or device) (hereinafter referred to as 'TAJ MAHAL').

FACTUAL BACKGROUND

I) CASE OF THE PLAINTIFF

2. It is the case of the plaintiff that the plaintiff is engaged in the business of processing, marketing and exporting rice of various kinds, including basmati rice and non-basmati rice. It adopted and has used the mark 'TAJ MAHAL' in relation to rice since the year 1978 and has been selling the same all over India, as also exporting to Europe, U.S.A., Canada and the Middle East since the year 1978.

The said mark is also registered in Class 30 under the provisions of the Trade Marks Act, 1999 (in short, 'the Act') read with the Trade Marks Rules, 2002, as under:-

S. NO.

Trade Mark

Class

Registration

No.

Date of

Application

1.

Taj Mahal (Word)

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338004

30-06-1978

2.

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387177

03-03-1982

3. The said registrations were applied for by the predecessor-partnership firm of the plaintiff, which assigned the said trade marks to the plaintiff vide Assignment Deed dated 23.03.2018. The plaintiff has also applied to seek international registrations of the said marks in various countries, the details whereof are given in paragraph no. 8 of the amended Plaint. The plaintiff claims that its goods, that is, rice, is available across the world.

4. The plaintiff gives its sales figures from the years 1982-83 to 2019-20 in paragraph no. 9 of the amended Plaint. The plaintiff claims that it has also been extensively advertising the said mark by expending large amounts of money, thereby gaining goodwill and reputation in the mark.

5. The plaintiff had earlier filed the present suit impleading the defendant no.1 and its directors as the defendant nos. 2 and 3 respectively; the 'Principal Commissioner of Customs, Custom House, Mundra' as the defendant no.4; and 'Master Cert LLP' as the defendant no.5.

6. In the original Plaint, it was pleaded that the defendant nos. 1 to 3 have

adopted the same mark 'TAJ MAHAL' for the manufacture and export of rice and a complaint regarding the same was made to the defendant no.4 as the consignment of rice bearing the said mark was being exported to the Kingdom of Saudi Arabia (in short, 'Saudi Arabia') via Mundra Port at Gujarat. It was pleaded that as the erstwhile-defendant no.4 failed to act on the complaint, the present Suit was filed. It was further pleaded by the plaintiff that the erstwhile-defendant no.4 was impleaded for the proper implementation of any order passed by this Court.

7. The plaintiff impleaded 'Master Cert LLP' as the defendant no.5- stating that it is the investigating agency that issues the Certificate of Conformity for goods to be exported to Saudi Arabia and has issued the same in favour of the defendant no.1. It was pleaded that as the defendant no.5 would be in possession of the photographs of the infringing materials, its presence in the Suit as a necessary party is imperative.

8. As far as 'Abdul Aziz Hamad Alfares & Sons Company', which is the present defendant no.4 per the Amended Memo of Parties, in the original Plaint, it was alleged that the defendant no.4 was the distributor of the plaintiff for more than ten years, and that the plaintiff was continuously from the years 1999 to 2009 supplying rice under the mark 'TAJ MAHAL' to the defendant no.4 for sale in Saudi Arabia. The defendant nos. 1 to 3, despite knowledge of the fact that the said buyer is a former distributor of the plaintiff, started supplying rice to the defendant no. 4 under the trade mark of the plaintiff, that is, 'TAJ MAHAL'.

9. Most importantly, in the original Plaint, the defendant no.4 was not impleaded as a party.

10. The Suit was first listed before this Court on 27.07.2020. On hearing the parties, the erstwhile-defendant nos. 2 and 3, who were the directors of the defendant no.1-company, were deleted from the array of parties. As far as the plaintiff and the defendant no. 1 and present-defendant no.4 are concerned, it was further observed/directed by the Court as under:-

"8. Therefore, what has emerged from the aforesaid is that there are, presently, two registered trademarks. While the plaintiff has obtained registration of the trademark and trade device TAJ MAHAL, albeit in India, the aforementioned Saudi Arabian entity has also obtained registration of the trademark and trade device TAJ MAHAL which is similar to the plaintiff's trademark, under the laws prevalent in that country.

8.1 To my mind, the matter requires further examination.

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10. Mr. Aggarwal, however, offers to undertake on behalf of defendant no. 1 that the said defendant will not sell or distribute rice under the impugned mark either in India or in any other country [except Saudi Arabia] where the plaintiff has obtained registration of the trade mark and trade device TAJ MAHAL.

10.1 The statement of Mr. Aggarwal is taken on record.

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11. Defendant no. 1 shall maintain accounts of exports made to the aforementioned Saudi Arabian entity. Defendant no. 1 shall produce the same as and when required to do so by the Court.

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14. In addition to the above, plaintiff will take steps to array the aforementioned Saudi Arabian entity as a party to the instant proceedings.”

(Emphasis Supplied)

11. Aggrieved of the above order of this Court directing the plaintiff to take steps to implead the defendant no.4 as a party to the present suit, the plaintiff filed an application being I.A. No. 7288/2020, praying for recall of the said direction. The said application, however, was withdrawn by the plaintiff, as noted in the order of this Court dated 24.08.2020.

12. The plaintiff thereafter filed I.A. No. 8189/2020 under Order I Rule 10 read with Section 151 of the CPC, seeking the impleadment of the present-defendant no.4, which application was allowed by this Court vide order dated 16.09.2020.

13. The plaintiff then filed I.A. No. 8433/2020 under Order VI Rule 17 read with Section 151 of the CPC, praying for amendments to its Plaint. The same was allowed by this Court vide order dated 22.09.2020.

14. In the amended Plaint, as far as the defendant no.4 is concerned, the plaintiff asserted that the defendant no.4 was aware of the statutory as also the common law rights of the plaintiff in the trade mark 'TAJ MAHAL'. In the year 1989, a consignment of rice bearing the infringing mark 'TAJ MAHAL' meant to be exported to the defendant no.4 was seized at the Kandla Port, Gujarat. Subsequent thereto, the defendant no.4 approached the plaintiff for buying rice under plaintiff's trade mark 'TAJ MAHAL'. A consignment of rice was exported by the plaintiff to the defendant no.4 as its distributor in Saudi Arabia, and, thereafter, the defendant no.4 continued to buy rice as per its requirements from the plaintiff till the year 2017. Per the case of the plaintiff, the defendant no.4 clandestinely obtained the registration of the impugned mark 'TAJ MAHAL' in Saudi Arabia, while continuing to import rice from the plaintiff.

15. As far as the defendant no.1 is concerned, the plaintiff further pleaded that in the year 2017 it had acted against one 'M/s. Bhagwati Lacto Vegetarian Foods Pvt. Ltd.', when goods bearing the mark of the plaintiff were found in the local market of Batala, Punjab. The said entity was also exporting a consignment of rice to Poland and New Zealand bearing the plaintiff's trade mark 'TAJ MAHAL'. The same were seized by the Police. The promoters and directors of 'M/s. Bhagwati Lacto Vegetarian Foods Pvt. Ltd.' thereafter incorporated the defendant no.1-Company by setting up their employees as the promoters/directors thereof

to continue their illegal trade activities.

II) CASE OF THE DEFENDANT NO. 1:

16. The defendant no.1 has asserted that it is not independently claiming any rights over the trade mark 'TAJ MAHAL' for rice; it is merely affixing the mark belonging to the defendant no. 4 for the export of rice made to the defendant no.4. It asserts that the plaintiff has filed the present Suit merely to defeat any competition for export of rice to the defendant no.4 and, therefore, the present Suit has been filed with mala fide intent.

17. Placing reliance on the judgments of the High Court of Madras in Crompton Greaves Limited v. Salzer Electronics Limited, 2011 SCC OnLine Mad 199 and Crompton Greaves Limited v. Salzer Electronics Limited, 2011 SCC OnLine Mad 882, the learned counsel for the defendant no.1 submits that the affixation of the trade mark 'TAJ MAHAL' by the defendant no.1 for the ultimate importer of rice in Saudi Arabia, that is, the defendant no.4, where the defendant no.4 is the registered proprietor of the said mark, would not constitute infringement of the plaintiff's trade mark 'TAJ MAHAL'.

18. The defendant no.1 further asserts that a comparison of the trade mark of the plaintiff and the defendant no.4 shows that the same are different. The learned counsel for the defendant no.1 asserts that the mark of the defendant no.4 is in Arabic, which as per the 'Census of India 2011' is the mother tongue of merely 0.0045% of the Indian population. He submits that, therefore, there is no possibility of confusion or deception being caused by the affixation of the impugned mark.

III) CASE OF THE DEFENDANT NO. 4:

19. The defendant no.4 asserts that the plaintiff cannot claim any exclusive right over the trade mark 'TAJ MAHAL'. Extensively placing reliance on various litigations between the plaintiff and 'M/s. KRBL' and its successors, the learned counsel for the defendant no.4 contended that the right of the plaintiff in the trade mark 'TAJ MAHAL' is seriously doubtful and in challenge before not only this Court but also before the learned erstwhile-Intellectual Property Appellate Tribunal (in short, 'IPAB'). He submits that the plaintiff, apart from making a vague assertion on the series of litigations it has with 'M/s KRBL', has suppressed the details thereof from this Court. He submits that the plaintiff is disentitled to claim any discretionary relief from this Court on account of suppression alone.

20. As far as its own right to use of the mark 'TAJ MAHAL', the defendant no.4 states that it honestly and in a bona fide manner adopted the said mark in Arabic letters with drawing of the Taj Mahal Palace inside a frame, demarcated by red and blue color, for its goods and business in the year 1983, and started importing rice of various kind under the said trade mark into Saudi Arabia. The said mark is depicted hereinbelow:-

21. In the year 1989, the defendant no.4 obtained the recommendation of

prominent business personalities who acknowledged the priority of the right of the defendant no.4 to get its trade mark registered, and the same was duly registered on 10.07.1999 for the period 27.08.1989 to 11.05.1999; thereafter the registration has been renewed from time to time and is now valid up to 25.01.2029.

22. In the year 2008-09, the defendant no.4 created and adopted a new and original artistic label for the trade mark 'TAJ MAHAL' represented as under:-

23. The defendant no.4 has been continuously using the said packaging, except for a slight variation in the colour scheme of blue and red, as is represented hereinbelow:-

24. The same has also been registered in Saudi Arabia vide no. 1439028602 on 04.02.2019, effective from 13.09.2018 and subsisting until 26.05.2028.

25. It is the case of the defendant no. 4 that the plaintiff has been well-aware of the above registrations and the right of the defendant no.4 in the said trade mark/label, however, intentionally concealed the same from this Court.

26. It is further asserted that the defendant no.4 imports rice from India from various rice vendors/millers/processors under the said trade mark/label 'TAJ MAHAL', as per the specifications provided by the defendant no.4, for sales and distribution in Saudi Arabia, including from 'M/s KRBL', 'Amirchand Jagdish Kumar' and 'R.T. Agro Pvt. Ltd', to name a few entities. It started importing rice from the defendant no.1 since the year 2010 only. It asserts that it is importing and selling rice under the said trade mark only for Saudi Arabia.

27. It further asserts that it had business dealings with the plaintiff for the supply of rice under the said trade mark/label sporadically somewhere from the year 2003, and on being dissatisfied with the quality of the rice supplied in the year 2009, it stopped dealing with the plaintiff. Thereafter, at the insistence of the plaintiff, the defendant no.4 imported one shipment of 240MT of rice from the plaintiff under the said trade mark/label 'TAJ MAHAL' in the year 2017.

28. The learned counsel for the defendant no.4 drew my attention to various documents exchanged between the plaintiff and the defendant no.4, as also to the copies of invoices raised by third-party suppliers on the defendant no.4 for the export of rice to the defendant no.4 with the mark 'TAJ MAHAL'. He submits that all these documents were intentionally concealed by the plaintiff from this Court, thereby disentitling the plaintiff to any relief on account of suppression alone.

29. He further submits that the defendant no.4, being the registered proprietor of the mark 'TAJ MAHAL' in Saudi Arabia and having been using the said mark since the year 1983, would otherwise also be entitled to the use of the said mark for its import from India. In support of this assertion, he places reliance on the following judgments:-

- (i) QRG Enterprises & Anr. v. Surendra Electricals & Ors. 2005 SCC OnLine Del 480;
- (ii) Warner Bros. Entertainment Inc. & Anr. v. Harinder Kohli & Ors., 2008 (38) PTC 185 (Del);
- (iii) Amritdhara Pharmacy v. Satya Deo Gupta, (1963) 2 SCR 484;
- (iv) Vrajlal Manilal & Co. v. Bansal Tobacco Co., 2001 SCC OnLine Del 40;
- (v) KRBL Ltd. v. Lal Mahal Ltd. And Anr., 2015 SCC OnLine Del 13793; and
- (vi) Vikas Makhija v. The Bengal Phenyle & Allied Products (P), 2001 SCC OnLine Del 643.

30. He submits that even otherwise, it is the plaintiff who has copied the packaging of the defendant no.4 and is, therefore, not entitled to any relief. In support of the same, he places reliance on Glaxo Orthopedic U.K. Ltd. v. Samrat Pharmaceuticals, AIR 1984 Del 265.

31. The learned counsel for the defendant no.4 further submits that the plaintiff applied for registration of its mark 'TAJ MAHAL' for the purposes of export of rice under Class 30, however, the same has still not been registered. The plaintiff, therefore, cannot claim to be the registered proprietor of the mark for purposes of export of rice.

III) SUBMISSIONS ON BEHALF OF THE LEARNED COUNSEL FOR THE PLAINTIFF

32. The learned counsel for the plaintiff, while reiterating the averments made in the plaint, submits that the plaintiff is admittedly the registered proprietor of the mark 'TAJ MAHAL' in word as also in device form. The defendant no.1 and/or the defendant no.4 are not the registered proprietor(s) of the mark 'TAJ MAHAL' in India. She submits that the use of the registered mark by the defendant no.1 and/or the defendant no.4 would, therefore, amount to infringement of the said mark in terms of Section 29(2)(c) read with Section 29(3) of the Act.

33. She submits that as the trade mark used by the defendant nos.1 and 4 is identical to the registered mark of the plaintiff; and applied to the same goods, that is, rice, an injunction must follow. In support of this submission, she places reliance on the following judgments:-

- (i) Renaissance Hotel Holdings Inc. v. B. Vijaya Sai and others., (2022) 5 SCC 1;
- (ii) Kaviraj Pandit Durga Dutt Sharma v. Navratna Pharmaceutical Laboratories, AIR 1965 SC 680;
- (iii) KEI Industries Limited v. Raman Kwatra and another., 2022 SCC OnLine Del 1459; and
- (iv) Century Traders v. Roshan Lal Duggar & Co., 1977 SCC OnLine Del 50.

34. She submits that affixation of the mark even for the purposes of export

would amount to its 'user' and in support, she places reliance on Section 56 of the Act and on the following judgments:-

(i) M/s. Friends Overseas v. Swadi Product U.K. Ltd. & Ors., 2012 SCC OnLine Del 3353;

(ii) UFO Contemporary, INC v. Creative Kids Wear (India) Pvt. Ltd. & Ors., CS(COMM) 375/2020;

(iii) TIL Healthcare v. Bioconic Remedies, MANU/TN/2611/2022;

(iv) The Coca-Cola Company v. Bisleri International Pvt. Ltd. & Ors., 2009 SCC OnLine Del 3275; and

(v) Kirorimal Kashiram Marketing and Agencies Pvt. Ltd. v. Sachdeva & Sons Industries Pvt. Ltd., 2008 SCC OnLine Del 1328.

35. As far as 'M/s KRBL' is concerned, she submits that even as per the assertions of the defendant no.4, the right of the plaintiff to the mark 'TAJ MAHAL' has not been cancelled. At best, the plaintiff does not have any order of injunction against 'M/s KRBL' as of today, however, the same cannot inure to the benefit of the defendant no.1 and/or defendant no.4. The litigation between the plaintiff and 'M/s KRBL' is, therefore, not relevant to the present suit and, in any case, the defendant no.4 cannot claim any benefit therefrom. She submits that third-party infringement is not a defence for infringement or passing off. She places reliance on the following judgments:-

(i) Pankaj Goel v. Dabur India Ltd., 2008 SCC OnLine Del 1744;

(ii) Prakash Roadline Ltd. v. Prakash Parcel Service (P) Ltd., 1992 SCC OnLine Del 138;

36. She further submits that the adoption of the infringing mark by the defendant no.4 is mala fide . She submits that this is evident from the letter dated 21.08.1989 addressed by the defendant no.4 to 'M/s KRBL', stating that the plaintiff is asserting its right as a proprietor of the mark 'TAJ MAHAL'. Immediately thereafter, the defendant no.4 filed its application seeking registration of the said mark in Saudi Arabia on 27.08.1989. Placing reliance on the following judgments, she submits that no amount of use thereafter can purge dishonest adoption:-

(i) Hindustan Pencils Private Limited v. India Stationary Products Co. & Another, 1989 SCC OnLine Del 34;

(ii) Midas Hygiene Industries P. Ltd. And another v. Sudhir Bhatia and others, (2004) 3 SCC 90;

(iii) Dr. Reddy's Laboratories Ltd. v. Reddy Pharmaceuticals Limited, 2004 SCC OnLine Del 668; and

(iv) MAC Personal Care Pvt. Ltd. & Anr v. Laverna GMBH & Co. KG & Anr., 2016

SCC OnLine Del 530.

37. She submits that the plea of the defendant no.4 that the defendant no.4 was importing rice from other third-parties can also not come to the aid of the defendant no.4, inasmuch as the plaintiff cannot be held to have acquiesced their right as the import which was made behind its back. In support, she places reliance on the judgments of this Court in Dr. Reddy's Laboratories Ltd. v. Reddy Pharmaceuticals, 2004 SCC OnLine Del 668 and Ansul Industries v. Shiva Tobacco Company, 2007 SCC OnLine Del 74.

ANALYSIS AND FINDINGS

38. I have considered the submissions made by the learned counsels for the parties.

39. It is not denied by either the defendant nos.1 and/or 4 that they have a prior use to that of the plaintiff or have any statutory rights in the mark 'TAJ MAHAL' in India. The defendant no. 1, in fact, does not claim any right in the said mark, and claims to be affixing the same only for the defendant no. 4; while the defendant no. 4 claims such right only in Saudi Arabia. It is also not denied that the plaintiff is a registered proprietor of the mark 'TAJ MAHAL' in India and is using the same in India.

40. Though the learned counsel for the defendant no.4 spent a substantial time in explaining the various litigations that have been initiated and are pending between the plaintiff and 'M/s KRBL', the same are not relevant to the present suit inasmuch as the defendant nos.1 and/or 4 are not claiming any right under or through 'M/s KRBL' for the use of the mark 'TAJ MAHAL' for rice. Whether the plaintiff has a superior right to the use of the mark 'TAJ MAHAL' for rice against 'M/s KRBL' or not, is not to be determined in this Suit.

41. Section 29(2)(c), Section 29(3), Section 29(6) and Section 56 of the Act are relevant to be considered for appreciating the submissions made by the learned counsels for the parties, and are reproduced hereinbelow:-

"Section 29. Infringement of registered trade marks.--

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(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of—

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(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall

presume that it is likely to cause confusion on the part of the public.

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(6) For the purposes of this section, a person uses a registered mark, if, in particular, he--

- (a) affixes it to goods or the packaging thereof;
- (b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;
- (c) imports or exports goods under the mark; or
- (d) uses the registered trade mark on business papers or in advertising.

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Section 56. Use of trade mark for export trade and use when form of trade connection changes.-- (1) The application in India of trade mark to goods to be exported from India or in relation to services for use outside India and any other act done in India in relation to goods to be so exported or services so rendered outside India which, if done in relation to goods to be sold or services provided or otherwise traded in within India would constitute use of a trade mark therein, shall be deemed to constitute use of the trade mark in relation to those goods or services for any purpose for which such use is material under this Act or any other law.

(2) The use of a registered trade mark in relation to goods or services between which and the person using the mark any form of connection in the course of trade subsists shall not be deemed to be likely to cause deception or confusion on the ground only that the mark has been or is used in relation to goods or services between which and the said person or a predecessor in title of that person a different form of connection in the course of trade subsisted or subsists."

(Emphasis Supplied)

42. From a comprehensive reading of the above provisions, it is clear that the mark in which export is being made by the defendant no.1 to the defendant no.4 is identical to the registered trade mark of the plaintiff; and the goods for which it is used, that is, rice, is also identical. In terms of Section 29(2)(c) read with Section 29(3) of the Act, such use would amount to infringement of the registered trade mark of the plaintiff.

43. The submission of the learned counsel for the defendant no.1 that as the mark is being affixed in Arabic language, there shall be no infringement, cannot be accepted. Section 29(9) of the Act states that where the distinctive element of a registered trade mark consists of or include words, the trade mark may be infringed by the spoken use of those words. It is also now well settled that the use of the infringing mark in the form of a translation (same trade mark but in a

different language) or its transliteration amounts to infringement. Reference in that regard is drawn to *The Indian Express Ltd. & Anr. v. Chandra Prakash Shivahare*, 2015 SCC OnLine Bom 5541; the order of this Court dated 06.05.2022 in *Pepsico Inc. & Anr. v. Jagpin Breweries Limited & Anr.*, CS(COMM) 288/2022 and *M/s Bhatia Plastics v. Peacock Industries Ltd.*, 1994 SCC OnLine Del 1387.

44. The only question, therefore, to be determined is whether affixation of the mark for the purposes of export would amount to 'use in the course of trade' under Section 56 of the Act.

45. Section 29(6)(c) of the Act states that for purposes of Section 29 of the Act, a person uses a registered trade mark if he 'imports or exports goods under the mark'. Section 56 of the Act further states that the application in India of a trade mark to goods to be exported from India would deem to constitute use of the trade mark. Section 56(2) of the Act, however, states that the use of a registered trade mark in relation to goods or services between which and the person using the mark any form of connection in the course of trade subsists, shall not be deemed to be likely to cause deception or confusion on the ground only that the mark has been or is used in relation to goods or services between which and the said person or a predecessor in title of that person a different form of connection in the course of trade subsisted or subsists.

46. In *Kirorimal Kashiram Marketing and Agencies Pvt. Ltd.* (supra), the Court held that affixation of a mark for export would amount to use of the trade mark under Section 56 of the Act. Following the above judgment, in *M/s. Friends Overseas* (supra), this Court reiterated that merely because goods bearing an impugned mark are only exported, it does not follow either as a question of law or even a fact that the proprietor of the mark is not likely to suffer substantial damage to his property in the goodwill.

47. In *The Coca-Cola Company* (supra), this Court again held that exporting goods from a country is to be considered as sale within the country from where the goods are exported, and the same amounts to infringement of a trade mark.

48. In *UFO Contemporary, INC* (supra), the Court repelled the challenge of the defendant on the ground of non-use of the trade mark by the plaintiff in India, relying upon Section 56 of the Act and observing that although goods are to be exported from India, it is deemed to constitute the use of the trade mark in relation to those goods.

49. In *TIL Healthcare* (supra), the High Court of Madras also relied upon Section 56 of the Act to hold that as the mark was being applied in India, it would amount to infringement of the mark.

50. As far as the judgment of the learned Single Judge of the High Court of Madras in *Crompton Greaves Limited* (supra), relied upon by the learned counsel for the defendant no.1 is concerned, the learned Court framed the following

questions for consideration:-

"25. In the light of the above pleadings and the documents, the questions that arise for consideration are: (i) whether the use of the mark MCG by the First Defendant in the products intended for export to the Second Defendant would constitute an infringement in terms of the Act, and (ii) whether the use of the mark in the inner casing of the switchgear, in a manner not visible to the end users, but visible only after the opening of the outer casing by removing the screws, would constitute an infringement."

51. The Court answered the above questions observing as under:-

"27. A plain reading of Section 56(1) makes it clear that if a trademark is applied in India, upon goods to be exported from India, it shall be deemed to be the use of the trademark in relation to those goods, for any purpose for which such use is material under this Act or any other law. But the condition for such a deeming fiction to come into play is that such an Application of the trademark, if done in relation to goods to be sold within India, should constitute use of a trademark. In other words, the Court must first test whether the application in India, of the trademark, upon goods or services traded within India, constitutes the use of the mark or not. If it does, then the application of the trademark upon goods exported from India would also constitute the use of the mark.

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29. As a matter of fact, Section 29(6)(c) itself stipulates that for the purposes of Section 29, a person will be said to be using a registered mark, if he exports goods under the mark. Interestingly, the whole of Section 29 deals with infringement and sub-section (6) of Section 29 gives an indication of what constitutes the use of a registered mark, for the purposes of Section 29 viz., infringement. Section 56(1) speaks of the "use of a trade mark", but does not speak either of "the use of a registered mark" or about "infringement", though Section 29(6) speaks of "the use of a registered mark" for the purpose of determining whether there was "infringement" or not. Curiously, sub-section (2) of Section 56 speaks of the use of a registered trademark, though sub-section (1) of Section 56 does not speak of the use of a registered trademark, but speaks only of the "use of a trade mark".

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31. The expression "use of the mark" in the Act, is intended to serve two purposes, viz., (i) to see if such use by third parties, constitutes infringement, and (ii) to see if there is bona fide usage of the mark by the proprietor of the mark himself, to enable him either to obtain registration or to continue to have the benefit of registration under Chapter VI. To put it differently, the expression "use of the mark" is used in the Act, (i) in some places with reference to the use by the proprietor of the mark himself, and (ii) in other places with reference to the use by persons other than the proprietor of the mark. Therefore, the

meaning to be assigned to the expression, depends solely upon the context. This is why, a distinction is maintained between the use of the same expression in Chapter IV including Section 29(6)(c) and the use of the same expression in Chapter VI including Section 56(1). In Chapter IV, the expression "use of the mark" is used predominantly in connection with the use by third parties, tantamounting to infringement and the limitations upon the registered proprietor for prohibiting the others from using his mark. On the other hand, in Chapter VI, the same expression is used in connection with the use of the mark by the proprietor himself, either for the purpose of entitling him to the registration of the mark or for the purpose of retention of the already registered mark in the Register."

(Emphasis supplied)

52. Having observed the above, the Court, on facts found that the application of the trade mark 'MCG' on the goods supplied by the first defendant to the second defendant therein as not intended to either cause confusion in the minds of the public or to create an impression that the goods are that of the plaintiffs. It was in that light and based on the said finding that the Court further observed as under:-

"34.... Even if the First Defendant makes exports without affixing any trademark on the goods, the supplier for whom they are intended, viz., CEF, would affix and would be entitled to affix their registered trademark MCG before tapping the market. At that stage, the Plaintiff would have no cause to complain, since the use of a registered trademark by the proprietor, would not tantamount to infringement of the registered trademark of another. This is clear from Section 30(2)(e) of the Act.

35. Though to claim protection under Section 30(2)(e), both the registered trademark as well as the infringing mark should have been registered under this Act, a similar protection would be available to the Defendants herein, for two reasons:

(i) While the application of the mark MCG by the First Defendant takes place in India, the infringement, if at all there is any, takes place outside India, due to the fact that the supply is to a specific customer outside India, who himself has registration for the said trademark at the place of supply viz. , UK.

(ii) In the European market, the Plaintiff has obtained registration of the CG logo as a Community Trade Mark (CTM) and the ultimate supplier viz., CEF has also obtained registration of the trademark MCG in UK. Therefore, if the Plaintiff initiates action in UK against CEF, they would have protection under the European Council Directives, under provisions similar to Section 30(2)(e) of our Act. As a matter of fact, under Section 11(1) of the U.K. Trade Marks Act, 1994, a registered trademark is not infringed by the use of another registered trademark in relation to goods or services for which the latter is registered.

36. Therefore, I am of the view that the application by the first Defendant, of the registered trademark of the ultimate importer in UK, on the goods intended for export to such importer in UK, would not constitute an infringing use of the registered trademark of the Plaintiff, either under Section 29(6)(c) or under Section 56(1) of the Act."

53. The above judgment, while acknowledging that in view of Section 29(6) of the Act, affixation of a trade mark on the goods for purposes of export would amount to 'use of the trade mark' for purpose of an action for infringement; and under Section 56(1) of the Act for purpose of showing the use of the mark, on the facts of that case declined the relief of injunction.

54. In appeal, the Division Bench of the High Court of Madras in Crompton Greaves Limited (supra), observed as under:-

"15. Section 29 of the Trade Marks Act deals with infringement of trade marks and explicitly states as to the various acts which constitutes infringement. The ingredients of Section 29(1) are as follows:

1. The Plaintiff's mark is registered.
2. The Defendant's mark is identical with, or deceptively similar to the Plaintiff's registered mark.
3. The Defendant's use of the mark is in the course of trade in respect of Goods/ services covered by the registered trade mark.
4. The use by the Defendant is in such manner as to render the use of the mark likely to be taken as being used as a trade mark.
5. The Defendant's use of the mark is not by way of "permitted user" and accordingly unauthorized infringing use.

16. Section 29(6) of the Act states the circumstances when a person is considered to use a registered trade mark for the purpose of Section 29. Section 29(6) inter alia states that a person uses a registered trade mark if he imports or exports goods under the mark. Thus, under Section 29(6)(c) there is a deeming provision of infringement of registered trade mark even if the goods are imported or exported infringing the registered trade mark. Section 2(2) states that the reference to the use of a mark shall be construed as use upon or in any physical or in any other relation what so ever to such goods. In view of this provision, any use of the registered trade mark in any manner without the consent of the registered proprietor will fall within Section 29(6)."

(Emphasis Supplied)

55. Having observed the above, the Division Bench, again on facts, found that the infringing mark 'MCG' appearing in the outer casing of the switch gear as not similar to the mark of the plaintiff 'CG'. The appeal was accordingly dismissed.

56. The judgments in Crompton Greaves Limited, both of the learned Single

Judge as also of the learned Division Bench of the High Court of Madras, therefore, acknowledged that the affixation of a trade mark for purpose of export of goods would amount to its user in terms of Section 29(6) of the Act and, therefore, may even attract an action of infringement. The said judgments, therefore, cannot come to any aid of either the defendant no.1 or the defendant no.4.

57. The learned counsel for the defendant no.4 submitted that Section 29(6) of the Act would not apply as the defendant no.4 is neither importing goods into India nor exporting the same from India. The said submission is flawed inasmuch as the present ad-interim injunction is to operate against the defendant no.1, who is seeking to export rice with the impugned trade mark- which is registered in the name of the plaintiff. Merely because the defendant no.4 is the recipient of the said rice, said fact cannot come to the aid of the defendant no.1 unless an exception in favour of the defendant no.4 for the use of the said trade mark is made out.

58. The plea of the defendant no.4 that the application of the plaintiff seeking registration of its mark for the purposes of export is still pending, cannot also come to the aid of the defendant no.4 as the plaintiff would be entitled to seek relief on its already existing registrations in terms of Section 29(6) read with Section 56(1) of the Act.

59. The plea of the defendant no.4 being an honest concurrent user of the trade mark and thereby being entitled to protection under Section 30(1)(a) and/or under Section 30(2)(c)(i) of the Act, again does not prima facie impress me. Sections 30(1)(a) and 30(2)(c)(i) of the Act are reproduced hereinbelow:-

"Section 30. Limits on effect of registered trade mark.--- (1) Nothing in section 29 shall be construed as preventing the use of a registered trade mark by any person for the purposes of identifying goods or services as those of the proprietor provided the use--

(a) is in accordance with honest practices in industrial or commercial matters, and

xxxx

(2) A registered trade mark is not infringed where—

xxxx

(c) the use by a person of a trade mark—

(i) in relation to goods connected in the course of trade with the proprietor or a registered user of the trade mark if, as to those goods or a bulk of which they form part, the registered proprietor or the registered user conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trade mark;"

60. For invoking Section 30(1)(a) of the Act, the defendant has to show that its use of the mark of the plaintiff is in accordance with honest practices. For determining the same, the defendant no.4 has placed reliance on the registration of the trade mark obtained by it in the Saudi Arabia. While at first blush, the same comes out to be an impressive defence, on a deeper scrutiny not much merit is found therein. As noted hereinabove, the defendant no.4 itself has relied heavily on the inter se dispute between the plaintiff and 'M/s KRBL' not to assert its own right in the trade mark but to dispute the right of the plaintiff to the trade mark 'TAJ MAHAL'. As far as defendant no. 4's own right in the mark is concerned, the learned counsel for the plaintiff has drawn my attention to the letter dated 21.08.1989, written by the defendant no. 4 and addressed to 'M/s KRBL'. The same reads as under:-

"As you are aware that we are regularly importing Basmati Rice under Taj Mahal Brand from you since 1985. Originally we were given to understand by your goodself that you are the exclusively users of this. Brand for export with your maintain good quality of rice and our continues efforts in these five years Taj Mahal brand has become popular in whole of Saudi Arabia.

Recently we understand that one Mr. Khosla of New Bharat Rice Mill, Batala is claiming to be the legal owner of using this Taj Mahal Brand. He also tried to contact me while I was in India.

Kindly clarify the whole situation by return telex or fax about the facts of whole case.

We would also like to immediately register the brand Taj Mahal with the trade mark authorities so that their may not be any confusion for the future. Take this matter as serious.

Rest we are awaiting for your arrival in Damman for discussing ____."

(Emphasis Supplied)

61. A reading of the above letter would show that the defendant no.4 was seeking confirmation from 'M/s KRBL' of it being the exclusive user of the mark 'TAJ MAHAL' for export. It also sought this confirmation so as to register the impugned trade mark in Saudi Arabia. It is only thereafter that it went ahead and got its first registration in the impugned trade mark on 27.08.1989. It, therefore, prima facie appears that while applying for the registration of the mark in Saudi Arabia, the defendant no.4 was well-aware of the claim of the right in the said trade mark by the plaintiff. The defendant no. 4 was also banking on the alleged claim of the right of 'M/s KRBL' on the said mark, rather than asserting its own right over the same.

62. The plaintiff has further pleaded in its amended Plaint that in the year 1989, it made a complaint to the Police regarding the unauthorized export of rice with the trade mark 'TAJ MAHAL', on which complaint the goods were seized by the Police. The plaintiff further claims that on seizure of the consignment, the

defendant no.4 approached the plaintiff for purchasing rice under the trade mark 'TAJ MAHAL', and that the same were exported by the plaintiff to the defendant no.4 right till the year 2017. At this moment, I must note that the learned counsel for the defendant no.4 has submitted that the complaint filed by the plaintiff against 'M/s KRBL' failed, however, in my prima facie opinion, the same is not relevant to judge the subsequent conduct of the defendant no.4. A perusal of the order would show that the said complaint was dismissed because of the inter se claims and counter-claims of the plaintiff and 'M/s KRBL' to the impugned mark, and not for any purported claim of the defendant no.4 over the said mark.

63. The defendant no.4 has also asserted that it started importing rice from the plaintiff under the trade mark 'TAJ MAHAL' from the year 2003, although the same being done in an irregular manner. It has also asserted that at the same time, it was importing rice under the said trade mark from other suppliers and in this regard, has placed on record certain shipping bills. However, from these shipping bills, it is not evident that the plaintiff was in knowledge of such imports being made by the defendant no.4.

64. On the other hand, the plaintiff has placed on record an e-mail dated 29.05.2017 from the defendant no.4 to the plaintiff, which reads as under:-

"Thanks for your greetings and wishes, this is the holy month of Ramadan people extend their maximum cooperation and favour by doing righteous deeds that can be done by rich and poor, old and young, male and female, depending on each person's circumstances, ambition and energy, after the help of Allah.

We do expect you will stand on your commitment to Mr. Abdul Aziz by withdrawing legal case you had submitted to the exporter's (Amar Singh/ JP Sortex etc...) instead of feeding to lawyer's. Which shall result our business relation will become more stronger and stable by the mutual aid.

Refer to your email dated 25.05.2017 request to extending the shipment date, You must understand we made the contract to meet our customers demand / commitment during the Ramadan season, and the delay you made resulted in losing scheduled plan-

1. Our commitment with our customer particularly Ramadan season, we lost many orders, customers of this Flag Ship Brand and switched over to other competitors. We reduce the sales team target due to the unavailability of this brand

2. Now the Indian market situation has changed from the Contract Price, therefore the local selling price already reduced by our competitors all Saudi market.

We shall accept your request as a goodwill business gesture and your commitment for withdrawing the case against the exporter's.

Waiting your immediate confirmation with action on above commitment."

(Emphasis Supplied)

65. A reading of the above email would show that the plaintiff was, in fact, taking legal action against all suppliers who were trying to export rice with the impugned trade mark 'TAJ MAHAL' to the defendant no.4, although at the same time it was requesting the defendant no.4 to accept supplies from it. The plaintiff cannot, therefore, be said to have acquiesced their right in the export of the rice with the impugned trade mark 'TAJ MAHAL' to the defendant no.4.

66. The learned counsel for the defendant no.4 has also placed reliance on exchange of certain e-mails between the defendant no.4 and the plaintiff to contend that the said e-mails would show that the manner of packaging of rice was a call of the defendant no.4. He has submitted that the plaintiff never asserted that the defendant no.4 cannot use the mark 'TAJ MAHAL', but in fact went on to make supplies to the defendant no.4 under the impugned packaging. In my prima facie opinion, the said submission has no merit. Merely because the packaging of rice is in a manner approved by the defendant no.4, it does not mean that the plaintiff also accedes to the right of the defendant no.4 in the mark 'TAJ MAHAL', specially where what is being complained of is the infringement of a registered trade mark. Any sale made by the defendant no. 4 with the impugned mark would have been a sale inuring to the goodwill of the plaintiff, and in any case, with the consent of the plaintiff. For the said reason, the judgment of Glaxo Orthopedic (supra) relied upon by the learned counsel for the defendant no.4, will not also be applicable.

67. The concept of the acquiescence and the pre-conditions for its application were explained by the Supreme Court in *M/s Power Control Appliances and Ors. v. Sumeet Machines Pvt. Ltd.* (1994) 2 SCC 448 as under:

"26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In *Harcourt v. White* [(1860) 28 Beav 303 : 54 ER 382] Sr. John Romilly said: "It is important to distinguish mere negligence and acquiescence." Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in *Mouson (J.G.) & Co. v. Boehm* [(1884) 26 Ch D 406] . The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in *Rodgers v. Nowill* [(1847) 2 De GM&G 614 : 22 LJ KCH 404] ."

68. In *Glaxo Smithkline Pharmaceuticals Ltd. & Anr. v. Naval Kishore Goyal and Others*, 2019 SCC OnLine Del 10340, the learned Single Judge of this Court has again reiterated that in order to claim the defence of acquiescence, there should be a tacit or an express assent by the plaintiff to the defendant's using the mark

and in a way encouraging the defendants to continue with the business. I may quote from the judgment as under:

"25. It has been held in numerous decisions that mere inaction on the part of Plaintiff in a trademark infringement suit does not exclude the right owner Plaintiff from suing for infringement. In *Hindustan Pencils Private Limited v. India Stationary Products Co.*, AIR 1990 Del 19, this Court dealt extensively with the question of delay and acquiescence. It was held that in order to claim the defence of acquiescence, there should be a tacit or an express assent by the plaintiff to the defendant's using the mark and in a way encouraging the defendants to continue with the business. It is as if the plaintiff wants the defendant to be under the belief that the plaintiff does not regard the action of the defendant as being violative of the plaintiff's rights. In *Dr.Reddy Laboratories Pvt. Ltd. v. Reddy Pharmaceuticals*, 2013 SCC OnLine Del 3626, the question of acquiescence and laches was discussed elaborately and the Court took note of the fact that the owners of trademarks or copyrights cannot be expected to run after every infringer and thereby remain involved in litigation at the cost of their business time, but can wait till the time the user of their name starts harming their business interests and starts misleading and confusing their customers. In *Emcure Pharmaceuticals Ltd. v. Corona Remedies Pvt. Ltd.*, 2014 SCC OnLine Bom 1064, the Bombay High Court extensively discussed the defence of acquiescence as available to an alleged infringer of trademark. It was held that a mere failure to sue without a positive act of encouragement is no defence and is no acquiescence. Further, examining the concept of "acquiescence", it was observed that acquiescence is a species of estoppel, a rule in equity and a rule of evidence and it is essential to the acquiescence doctrine that it is accompanied by an encouragement or an inducement: he who possesses a legal right must have encouraged the alleged violator of that right in acting to the latter's detriment, confident in the knowledge that the former is not asserting his rights against the violator. Acquiescence is sitting by when another invades your rights and spends money in the doing of it. It is conduct incompatible with claims of exclusivity, but it requires positive acts, not mere silence or inaction (of the stripe involved in the concept of laches). Acquiescence is not mere negligence or oversight. There must be the abandonment of the right to exclusivity. In *Midas Hygiene Industries v. Sudhir Bhatia*, 2004 (28) PTC 121 (SC) the Apex Court held that mere delay in bringing action is not sufficient to defeat grant of injunction in infringement cases. Even otherwise, the act of infringement is a separate cause of action as held by the Supreme Court in *Bengal Waterproof Limited v. Bombay Waterproof Manufacturing Company*, 1997 (17) PTC 98 SC. In view of the facts on record and law on the subject, the Issue No. 4 is decided against the Defendants and in favour of the Plaintiffs."

69. In the present case, as it is evident, the plaintiff has been taking regular action against all suppliers of rice using the impugned trade mark, therefore, it cannot be said that the plaintiff acquiesced in the use of the impugned mark by the defendant no.4.

70. In ORG Enterprises and Anr. (supra), the claim was between the plaintiff therein and the original proprietor of the mark who had later assigned the said mark to the plaintiff. In the peculiar facts of that case, the Court observed that a defence under Section 30(2)(c)(i) of the Act is open where the proprietor of a registered trade mark has expressly or impliedly consented to the use of the said mark by the defendant. In the present case, as prima facie appears, the plaintiff has been acting against the third-parties who were trying to export rice to the defendant no.4 with the impugned trade mark. The said judgment, therefore, cannot come to the aid of the defendant no.4. The same also applies to the other judgments relied upon by the learned counsel for the defendant no.4 on this proposition.

71. Similarly, the judgments in Warner Bros. Entertainment Inc. (supra); Amritdhara Pharmacy (supra), Vrajilal Manilal & Co. (supra); KRBL Ltd. (supra); Vikas Makhija (supra) and Glaxo Orthopedic U.K. Ltd. (supra) were of their own facts and will not be applicable to the facts of the present suit.

72. To summarize the above, it is not disputed that the plaintiff is the registered proprietor of the mark 'TAJ MAHAL' in India, though such registration is in challenge by a third party to this suit, 'M/s KRBL'. As far the plaintiff and the defendant nos. 1 and 4, such registration, therefore, must operate unless cancelled on the action of 'M/s KRBL'. It is also not disputed that the defendant nos. 1 or 4 do not have any registration in the impugned mark in India. It is also not in dispute that the plaintiff is a prior adopter of the mark in India. Section 29(6) and Section 56(1) of the Act, would therefore, inure to the benefit of the plaintiff and against the defendant nos. 1 and 4. The mark being identical and the use of the same by the defendant no. 1 even for export of rice to the defendant no. 4, would amount to infringement of the mark.

73. As far as the plea of suppression is concerned, it is not the case of the defendant no.4 that the defendant no.4 had asserted its right in the trade mark 'TAJ MAHAL' against the plaintiff in any previous litigation or proceedings. As noted hereinabove, it is also evident that the plaintiff has been from time to time taking action against the third parties who were trying to export rice with the impugned trade mark to the defendant no.4.

74. In the present Suit also, the primary grievance of the plaintiff was against the defendant no.1 making export of rice with the impugned mark to the defendant no.4. Therefore, in my opinion, the plaintiff cannot be said to be guilty of concealment or mis-statement only on account of it not fully disclosing its relationship with the defendant no.4 at the initial stage of the Suit, or various litigations that have been undertaken between the plaintiff and 'M/s KRBL'. As stated hereinabove, they are of no relevance to the present Suit.

75. In that light, the submission of the learned counsel for the defendant that the ad-interim injunction should be refused to the plaintiff on account of concealment, is to be rejected.

76. In view of the above, the plaintiff has been able to make out a good prima facie case against the defendant nos.1 and 4. The balance of convenience is also in favour of the plaintiff and against the said defendants. The plaintiff is likely to suffer grave irreparable injury in case the ad-interim protection is not granted in its favour.

RELIEF

77. Accordingly, the defendant no.1 and/or the defendant no. 4 are by way of an ad-interim injunction, restrained from affixing the mark 'TAJ MAHAL' or any other mark deceptively similar to the registered marks of the plaintiff reproduced hereinabove, for the purposes of selling or marketing rice in India or for export to the defendant no. 4 or to any other entity, during the pendency of the present suit.

78. It is however made clear that this order shall not, in any manner, affect the right, if any, of the defendant no. 4 to use its impugned mark in Saudi Arabia, as the same is not a subject-matter of this judgment.

79. It is further made clear that any and all observations made herein above are only prima facie in nature and shall not influence this Court at the time of the adjudication of the Suit.

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80. List before the learned Joint Registrar (Judicial) for completion of pleadings and further proceedings on 27th February, 2023.