

(2003) 02 BOM CK 0071

In the Bombay High Court

Case No : Notice of Motion No. 2830 of 2001 in Suit No. 3919 of 2001

Pidilite Industries Ltd.

APPELLANT

Vs

S.M. Associates and Others

RESPONDENT

Date of Decision : 10-02-2003

Acts Referred:

Copyright Act, 1957 — Section 12(1), 30, 32
Trade Marks Act, 1999 — Section 122

Citation : (2003) 5 BomCR 295 : (2004) 28 PTC 193

Hon'ble Judges : S.J. Vazifdar, J

Bench : Single Bench

Advocate : Virendra Tulzapurkar, Virag Tulzapurkar and Ravi Kadam, instructed by H.W. Kane, for the Appellant; Avinash Shivade, instructed by V.R. Giri, for Defendant Nos.1 to 3 and Subodh Joshi, instructed by Lokandwala and Co. for Defendant No. 4, for the Respondent

Judgement

S.J. Vazifdar, J.—The Plaintiff has filed this suit to restrain the first Defendant from infringing its copyright in its artistic work and its registered trade mark "M-Seal" and for passing off.

2.From 1968 Mahindra Van Wijk and Visser Ltd. commenced use of the trade mark M-SEAL in respect of its goods.

On 21st September, 1970, one K.E. Motiwala, a partner of Defendant No.1 was employed as an engineer by Mahendra Van Wijk and Visser Limited, which was later named as Mahindra Electrochemical Products Ltd. (MEPL).

M.E.P.L. applied for and obtained with effect from 16.8.1972 registration of the trade mark "M-Seal" (label mark) under registration No.282, 168 in Class-I in respect of epoxy resin compositions included in Class-I used for cementing cracks, holes, leaks and similar defects in metal articles and for other technical purposes. The certificate stated that the registration shall give no right to the exclusive use of the word "Seal". The mark was also stated to be associated with No.282, 169. The registration of the said mark is valid and subsisting having

been renewed upto 16th August, 2007.

M.E.P.L. merged with Indian National Diesel Engine Co. Ltd. pursuant to an order passed by this Court on 20th April, 1978. The name Indian National Diesel Engineering Co. Ltd. was changed to Mahendra Engineering and Chemical Products Limited (MECPL). On 18th December, 1980, K.E. Motiwala resigned from and on 11th November, 1982 he rejoined M.E.C.P.L.

From 1987, the Plaintiff started using continuously and extensively cartons in respect of the goods, the artistic work whereupon was created by an artist in the employment of Everest Advertising Pvt. Ltd. engaged by M.E.C.P.L.

The Plaintiff claims to be the assignee of the trade mark and the copyright of the artistic work I shall refer to the same later.

In 1988 K.E. Motiwala was appointed as a Director on the Board of Kliptronic Components Pvt. Ltd. On 19th January, 1990 K.E. Motiwala resigned from M.E.C.P.L. On 30th January, 1990 his resignation was accepted by M.E.C.P.L. Thus, for a short duration he was an employee of M.E.C.P.L. as well as a Director of Kliptronic Components Pvt. Ltd.

3. The association of Motiwala with the Plaintiffs predecessors was thus substantial, indicating his knowledge of and familiarity with the said trade mark and copyright.

4. On 1st September, 1992, a partnership firm Electro Components Manufacturing Co., was formed of which K.E. Motiwala was a partner. He resigned as a partner in October, 1995.

5. In 1994 M.E.C.P.L. filed Suit No.4 of 1994 against Kliptronic Components Pvt. Ltd. in respect of the use of the trade mark "Klip-Seal". Motiwala was impleaded there as Defendant No.3. By an order dated 16th July, 1994, the District Judge, Pune, dismissed M.E.C.P.L.'s application for interim reliefs. I will deal with these proceedings subsequently as they have been referred to on behalf of the first Defendant to oppose the present Notice of Motion.

6. On 1st April, 1998, Defendant No.1 was formed. It manufactures and sells the said goods. Defendant No.2 is the distributor of the goods of Defendant No.1. Defendant Nos.3 and 4 are dealers and agents inter-alia of the said goods manufactured and sold by Defendant No.1.

7. By deeds of assignment of copyright and of trade mark both dated 27th March, 2000, M.E.C.P.L. assigned and transferred to the Plaintiff its said copyright and trade mark together with the good-will of the business. On 27th March, 2000 the Plaintiff also made a request in Form T to the Registrar of Trade Mark to enter its name as the subsequent proprietor of the registered trade mark. The request is pending.

8. According to the Plaintiff in October, 2001, it learnt that the Defendants were manufacturing and selling the said goods which were inferior in quality to those

of the Plaintiff. In the circumstances, the Plaintiff filed the present Suit on 5th November, 2001.

9.I will first deal with the Plaintiffs case regarding infringement of copyright.

By two deeds of assignment dated 27.3.2000 the copyright and the trade mark were assigned to the Plaintiff by its predecessors, MECPL. At present, we are concerned with the deed of assignment of copyright. Dr. Shivade, the learned counsel appearing on behalf of the Defendants submitted that the deeds of assignment did not pass on to the Plaintiffs the copyright. It is therefore necessary to deal with this contention before considering whether the Defendants have infringed the copyright.

10.In support of his contention, Dr. Shivade relied upon the following clauses in the deed of assignment of copyright :

1.1 Definitions

iv)"Copyrights" means all right, title and interest in relation to the original artistic work, comprised in the distinctive colour scheme, layout, designs of the labels, packaging materials, sales promotional materials, advertisements in any media used by MECP in relation to the products of MECPs business of sealants and adhesives, including those of which copies/descriptions are annexed as Annexure A hereto, excluding the right, title and interest in the copy rights in relation to the original artistic work comprised in the trademark "M-Seal (stylized)" per se and under/on any of the said labels, packaging materials, sales promotional materials and advertisements in any media."

1.2 Interpretations

2."In consideration of a sum of Rs.50,00,000/- (Rupees fifty lakhs only) paid by PIL to MECP, the receipt thereof MECP does hereby acknowledge, MECP hereby assigns the entire right, title and interest in and to the said Copyrights throughout the world for the full term of the copyrights to PIL, to hold the same unto PIL absolutely free from any and all encumbrance, charge, claim or liability, but subject to the reservation that the right, title and interest in the Copyrights does not include the right, title and interest in the copyrights in relation to the original artistic work comprised in the trademark "M-Seal" (stylized per se and the word "Mahindras" and "Mahindra and Mahindra" under/on any of the labels, packaging materials, sales promotion materials and advertisements."

4."It is clarified, agreed and confirmed by PIL that thee copyright comprised in the distinctive label "M-Seal (stylized)" per se is being retained by MECP and that PIL does not, by these presents, acquire any right, title or interest in relation thereto.".....

8.MECP agrees that the use, by PIL, of "M-Seal (stylized)" per se, as a part of any labels, packaging materials, sales promotional materials, advertisements in any media in respect of the Sealants and Adhesives Products or in respect of the

goods listed in Annexure L, shall not be deemed to constitute infringement of MECPCs copyright in the original artistic work comprised in "M-Seal (stylized)" per se."

According to Dr. Shivade "M-Seal" (Stylized) is specifically excluded from the assignment. Relying on clause 2, he submitted that the transferred copyright does not include the right, title and interest in the copyright in relation to the original artistic work comprised in the trade mark "M-Seal" (Stylized) per-se. He submitted that clause 4 further made it clear that copyright in the label "M-Seal" (Stylized) per-se was retained by MECPL and that the Plaintiff did not acquire any right, title and interest in the said label. At the highest, according to him, the deed of assignment of copyright created a licence in favour of the Plaintiff in respect of the said copyright. In other words, according to him, the copyright had not been assigned exclusively to the Plaintiff. The Plaintiff was thus not the proprietor of the copyright and is therefore not entitled to maintain an action for infringement thereof.

11. Dr. Shivades arguments at first blush did seem attractive. A careful consideration however of the deed of assignment of copyright, read with the deed of assignment of the trade mark negates the contention.

12. Firstly, as Dr. Tulzapurkar rightly pointed out the Defendants had not denied in the pleadings the Plaintiffs case that it is the proprietor of the said copyright. He further submitted and, in my view rightly, that this contention ought to have been raised in the pleadings as the Plaintiff would then have been able to counter the same appropriately. The submission is well founded specially in view of the fact that the deed of assignment in the facts of this case would require to be considered keeping in mind the surrounding circumstances, including the deed of assignment of the trade mark.

13. Dr. Tulzapurkar also challenged Dr. Shivades interpretation of the deed of assignment of copyright.

14. It is necessary firstly to ascertain the copyright works claimed by the Plaintiffs predecessors. This is evident from the last but one recital which reads as under :

"AND WHEREAS MECP represents that:

(a) MECP is the first owner of copyright under the provisions of the Copyright Act, 1957, and/or otherwise well and sufficiently entitled to the exclusive copyright in relation to the original artistic work comprised in the distinctive colour scheme, layout, designs of the labels, packaging materials, sales promotional materials, advertisements in any media used by MECP in relation to the products of MECPCs business of sealants and adhesives, including hereto (hereinafter referred to as "Copyrights");

(b) MECP is the first owner of copyright under the provisions of the Copyright Act, 1957 in relation to the original artistic work "M-Seal (stylized)" per se."

Annexure "A" inter-alia refers to several original artistic works created for the Plaintiffs predecessors by Everest Advertisement Pvt. Ltd. Everest Advertisement Pvt. Ltd. confirmed that it was the author of the original artistic work and that it had no objection to MECPL dealing with the same in any manner as the absolute owner thereof. It is agreed that one such copyrighted work is what is annexed as Exhibit "A1" to the Plaint. While I shall be describing the same in detail when dealing with the question of infringement, at this stage it may only be noted that the same comprises of the entire label with a distinctive colour scheme, layout and design. Recital (b) above further refers to MECPL being the first owner of the copyright in relation to "M-Seal (stylized)" per-se.

Dr. Tulzapurkar was therefore correct in submitting that the deed of assignment refers to two artistic works viz. the copyright work consisting of the entire label (as shown in Annexure "A1" to the plaint) and the copyright work consisting of the word "M-Seal (stylized)" per-se i.e. as shown in Exhibit "A" to the plaint.

15. The expression "Per-se" means "by or in itself". Thus, what is excluded in the above clauses is the right, title and interest in the copyright relating to the artistic work comprised in the trade mark "M-Seal (stylized)" per-se. This is the limited exclusion. There is no exclusion of the entire label, Annexure "A" to the plaint. If this were not so, there would have been no necessity for clause (b) in the aforesaid recital. Nor would there have been any necessity of excluding the right, title and interest in the copyrights in relation to the artistic work comprised in the trade mark "M-Seal (stylized)" per-se only and separately. If Dr. Shivades argument was correct, the deed of assignment of copyright would have excluded the copyright work in the entire label itself.

16. The reason for this limited exclusion is also obvious. As pointed out by Dr. Tulzapurkar, the copyright work "M-Seal" (stylized) per-se was also retained by MECPL as a trade mark in respect of the goods falling in clause 17. The Plaintiffs predecessors assigned the trade mark "M-Seal" (stylized) per-se to the Plaintiff only in respect of the goods registered in clause 1. MECPL continued to be the owner of the registered trade mark "M-Seal" (stylized) per-se as regards the goods falling in clause 17. The exclusion was necessary therefore for protecting MECPLs user of the trade mark from an action for infringement against it by the Plaintiff.

17. Thus, the Plaintiff would be entitled to maintain an action for infringement of copyright in respect of the copyrighted work contained in the label, Exhibit "A1" to the plaint.

18. This then brings me to the question as to whether the Defendant has infringed the Plaintiffs copyright in the said label.

19. I will deal firstly with the front portion of the cartons of the Plaintiff and Defendant No.1 for they formed the major part of the controversy. The front part of the Plaintiffs carton consists of a thin band divided equally in the colours black and red. The Defendants label in this respect is identical except that it is

narrower. Below this, in the Plaintiffs label, is a white rectangular box which comprises about one third of the label. On the left top corner of the white box, is a triangular portion in yellow with the word "New" therein. In the center of the white portion, in a rectangular box, is the word "PIDILITE" the corporate name of the Plaintiff. The outline of the rectangle and the name "PIDILITE" are in black. Below this, is the registered trade mark "M-Seal" in the stylized manner. In the Defendants label too, below the top red and black band, is a white rectangular box only marginally narrower than the one in the Plaintiffs carton. The mark S M-Seal appears in the white box. The word "Seal" is underlined by a horizontal line starting from the bottom of the last limb of the letter M as in the Plaintiffs mark. The Defendants label naturally does not contain the name "PIDILITE". Nor does it contain the yellow triangular portion with the word "New" found in the Plaintiffs carton.

The bottom portion of the Plaintiffs label is divided equally into black and red rectangular portions. The division is vertical. The bottom portion of the label of Defendant No.1 is also divided into black and red portions. However, the black portion is larger than the red portion. The two portions are not divided vertically but by a slanted line. The black portion in the Plaintiffs label contains the following words placed one under the other: "Seals", "Joins", "Fixes", "Builds". In the black portion of the first Defendants label, the following words are similarly written, also one under the other: "Seals", "Joins", "Insulates", "Builds" in identical lettering.

In the Plaintiffs label, the black portion is on the left and the red portion is on the right in the upper and lower bands. In the first Defendants label, the black portion is on the right and the red portion is on the left.

20. The essential features therefore of the artistic works comprise of the use of three colours viz. red, white and black, the division of the label into three parts/bands, two of which are divided into red and black colours, the third being a white band, the use of the words "M-Seal" and "S M-Seal" in the white band/portion, the placement of the words in the black portions and the division of the upper and lower parts with red and black parts. These essential features are to be found in both the works.

21. In C. Cuniah and Co. and Others Vs. Balraj and Co. and Another, the Division Bench held :

7. "The sole question for our consideration, therefore, is whether the respondents picture is a copy or a colourable imitation of the appellants picture. In Hanfsataengl v. W.H. Smith and Sons 1905 1 Ch.519, Kekewich J. defined the copy thus :

"A copy is that which comes so near to the original as to suggest that original to the mind of every person seeing it. Applying this test, the degree of resemblance between the two pictures, which is to be judged by the eye, must be such that the person looking at the respondents picture must get the suggestion that it is

the appellants picture....."

The judgment in C. Cuniah & Co. Vs. Balraj & Company was followed by a Division Bench of the Madras High Court in The Daily Calendar Supplying Bureau, Sivakasi Vs. The United Concern, . It was also referred to by the Supreme Court in R.G. Anand Vs. Delux Films AIR 1967 SC 1613 and followed by this Court in Astra-IDL Limited Vs. TTK Pharma Limited, and by the Karnataka High Court in Associated Electronic and Electrical Industries (Bangalore) Pvt. Ltd. Vs. M/s. Sharp Tools, Kalapatti, .

22. The observations in Hanfsataengl Vs. Baiens & Company 1895 AC 20, that ;

".....it depends really on the effect produced upon the mind by a study of the picture and of that which is alleged to be a copy of its design"

have been held in The Daily Calendar Supplying Bureau, Sivakasi Vs. The United Concern, as laying down the correct test even after the new Copyright Act came into force.

23. In R.G. Anand Vs. Delux Films (supra) the Supreme Court held that it was not necessary that the infringement should be an exact copy of the original but its resemblance in the original in a large manner is sufficient to indicate that it is a copy. The following is one of the important tests laid down by the Supreme Court in paragraph 46 (3) while considering whether one work is a copy of the other :

46. (1)

(2)

(3)One of the surest and the safest test to determine whether or not there has been a violation of copyright is to see if the reader, spectator or the viewer after having read or seen both the works is clearly of the opinion and gets an unmistakable impression that the subsequent work appears to be a copy of the original."

24. That the Plaintiffs work is an artistic work entitled to protection under the Copyright Act, is not in dispute. The only question for my consideration on this aspect is whether the front face of the first Defendants carton is a copy or a colourable imitation of the front face of the Plaintiffs carton. On examining the two works, I have little hesitation in holding that the first Defendants work is an attempt on its part to copy the Plaintiffs work. The similarities relate to the "fundamental" and "substantial" aspects of the works I have already referred to earlier. It is clear to me that there has been an infringement of the Plaintiffs copyright by the first Defendant. The first Defendants work has incorporated the essential and substantial features of the Plaintiffs work. The differences, it is equally obvious, have been incorporated thereafter. That being the case, one of the strongest tests of infringement of copyright goes against the first Defendant.

25. The variations in the two works can be of no consequence to the Plaintiffs

case of infringement of copyright. That in the Plaintiffs work the red and black portions were to the right and left sides respectively whereas, in the Defendants work they are, to the left and right side respectively, that the upper band is marginally narrower in the Defendants work than the Plaintiffs, that the black portion in the lower band is larger in the first Defendants work and that in the first Defendants work, the black and red portions were divided not by a vertical but by an slanted line are to my mind nothing but minor variations. Despite these variations, I am of the view that the viewer would nevertheless be clearly of the opinion and get an impression that the first Defendants work is a copy of the Plaintiffs work. These differences are not substantial and do not have any effect on the Plaintiffs case. The variations to my mind are nothing but a reminder that every intelligent copying must introduce a few changes.

26. It is well established now that while deciding the question of infringement of copyright it is not necessary that the Defendants work must be an exact reproduction of the Plaintiffs work. What is essential is to see whether there is a reproduction of the substantial part of the Plaintiffs work. In *D.C.S. Bureau Vs. United Concern* (supra) the Division Bench held :

"It appears to us that these variations should have been made by the defendants only after they had incorporated in their picture the substantial features of the plaintiffs painting already referred to most probably by using a photographic process. For the purpose of infringement of copyright, an exact reproduction or copy is not necessary. What is essential is to see whether there is a reproduction of substantial part of the picture..... But the essential reproduction of the substantial features of the plaintiffs picture has already been effected and that constitutes the infringement of the copyright. The further modifications or variations will not alter the effect of such infringement as long as the mind is able to form on an examination of the two pictures that basically and in substance one is a reproduction of the other."

27. The use of the name "PIDILITE" in the rectangular box in the white band in the Plaintiffs work and the absence thereof in the first Defendants work makes no difference. Indeed, even if the first Defendant had placed its own name in its work in a similar manner, it would have made no difference. It would be obvious that the names in the two works would be different as they would be products belonging to different entities.

28. Thus, the front face of the first Defendants carton has the same colour scheme, lay out, design and get up as that of the front face of the Plaintiffs carton. I have no hesitation therefore in coming to the conclusion that the Plaintiffs case that the front face of the first Defendants carton infringes its copyright in the front face of its carton is well founded.

29. The facts of the present case also force me to the conclusion that it was no mere coincidence that the first Defendants work was similar to the Plaintiffs work. I have already set out above the long and substantial involvement of K.E.

Motiwala, a partner of the first Defendant in the Plaintiffs predecessors organisation and his knowledge of and familiarity with the aforesaid work and product. It is difficult to believe in these circumstances that the similarity was a mere coincidence and bona-fide. In any event, it is necessary to remember that intention to plagiarise is not essential to a liability for infringement of a copyright. One may be held liable for infringement which is unintentional or which is done unconsciously, R.G. Anand Vs. Delux Films (supra) paragraph 18.

30. I also find that the top face of the first Defendants carton infringes the copyright of the Plaintiff in the top face of its carton. In both the cases the top face is divided into red and black portions, though of different proportions with a white rectangular box in the middle, containing the marks "M- Seal" and "S M-Seal". The Defendants work however also contains a similar triangular yellow portion on the top left-hand side with the word "New" and the name "PIDILITE" in the same manner as on the front face, I have described earlier. Thus, the top face of the first Defendants carton infringes the Plaintiffs work on the top face.

31. I am however unable to agree with Dr. Tulzapurkars contention that the rear face of the first Defendants carton infringes the Plaintiffs copyright in the rear face of its carton. The two portions are fundamentally different in their pectoral representation relating to the instructions for use. Considering the nature of the material packaged in the carton, it is not surprising that the text in both would be similar. But the entire get up of the rear face of the carton is otherwise different.

32. The left-side face and the right-side face of the two cartons are also substantially different. The only similarity is in the use of black, white and red colours. Thus, the left and right side faces of the first Defendants carton do not infringe the Plaintiffs copyright in the corresponding parts of its cartons.

33. Dr. Shivade relied upon the proceedings in the suit filed by the Plaintiffs predecessors MECPL against M/s. Kliptronic Components Pvt. Ltd. (hereinafter referred to as Kliptronic) in the Court of the District Judge, Pune. Motiwala who is a partner of Defendant No.1 in this suit was Defendant No.3 in the Pune suit. The suit was filed to restrain the Defendants from passing off the products of the Defendants as those of the Plaintiff and for infringement of the Plaintiffs trade mark. Dr. Shivade invited my attention to various parts of the plaint to indicate that the suit was also filed with respect to an alleged infringement of the copyright contained in the artistic work referred to above. Reading stray sentences, one may get the impression that the submission is correct. However, reading the plaint as a whole, I do not find that it was one for infringement of a copyright as alleged in the present suit. The suit in substance really was one for passing off.

By an order dated 16.7.1994 the learned District Judge dismissed MECPLs application for interim reliefs. The mark which fell for consideration in the Pune suit was "Klip-Seal". Dr. Shivade relied upon the observation of the learned

District Judge in paragraph 18 of the order in support of his contention that it had already been held that there was no infringement of copyright as alleged by the Plaintiff in the present suit. Paragraph 18 of the order reads as under :

"The plaintiff has contended that the products Klipseal manufactured and marketed by the defendants the packing or carton is the deceptively similar to the product M-Seal manufacture and marketed by the plaintiff. The plaintiff has filed the carton or packing in which the M-Seal products is passed off. The plaintiff has also filed the carton or packing of Klipseal in which the said products is passed off by the defendants. On comparing these two cartons one will find that on the carton of the product manufactured by the plaintiff "Mahindras M-Seal" is printed, whereas on the carton of the product manufactured by the defendant "Klipseal Seals all" is printed. Though the colour combination of these two cartons is one and the same, these two cartons do not appear to similar or identical with each other. On the cartoons of the products manufactured by the plaintiff there are four pictures. These four pictures are not identical on the carton of the product manufactured by the defendant. The entire material printed on the carton of the product manufactured by the plaintiff is in English, Whereas on the carton of the product manufactured by the defendant the word "Klipseal" is printed in Devanagari Script as well as in English language. Moreover the matter printed under the caption "Application" on the carton of the products manufactured by the plaintiff and defendant are totally different."

34. It is true that the front face of the Defendants carton in the Pune case is similar to the front face of the first Defendants label in the suit before me. I fail to see however how this fact can be of any assistance to the Defendant in the present case. Dr. Shivade contended that Defendant No.3 in the Pune suit is the partner of the first Defendant. This can be of no assistance to him as Defendant No.3 was impleaded in the Pune suit as a Director of Defendant No.1 therein. It was further submitted that the business of Kliptronic was the business of Defendant No.3. This contention is without any substance. Kliptronic is a company limited by shares, incorporated under the provisions of the Companies Act, 1956 and a separate legal entity. Its business cannot be said to be the business of its Directors. In any event there is nothing on record to substantiate the submission. It was also contended that the business of Kliptronics was later carried on by the firm Electrical Components Manufacturing Company of which Motiwala was a partner. There is nothing on record to substantiate this contention either. The further submission therefore that in view of the order of the District Judge rejecting the contention of the Plaintiff therein, Motiwala bona-fide adopted the artistic work comprised in the Plaintiffs label is also without substance. In any event even assuming this to be so the same cannot affect the Plaintiffs rights in this suit.

35. It will thus be noticed that whereas the Pune suit was filed against Kliptronic Components Pvt. Ltd., the present suit is filed against the first Defendants, who started their business in 1998. My attention has not been invited to any material

which would indicate that the business of Kliptronics was taken over by first Defendant herein. That being the case, the first Defendants herein cannot claim the benefit of an alleged user of the artistic work by Kliptronics. Similarly, nor can the first Defendant claim the benefit of the alleged user of the label mark of Klip-Seal having the same colour scheme as that of the impugned label of the first Defendants in this suit.

36. A vague and a curious statement was made on behalf of the first Defendant that the name of M/s. Kliptronic Components Pvt. Ltd. was changed to ECMC i.e. the partnership firm in which Motiwala was a partner. Apart from denying this statement, the Plaintiff, in paragraph 7 of its rejoinder stated that upon taking search of the record provided by the Registrar of Companies, it appears that Kliptronic Components Pvt. Ltd. continues to exist as a Private Limited Company. It is further expressly stated that the Defendants had failed to produce the documents showing that Kliptronics has changed the name of its business to ECMC and that in its written statement filed in the Pune suit it had not pleaded that its name has changed. Motiwala has filed a sur-rejoinder. He neither denied the above contentions in paragraph 7 of the rejoinder nor adduced any material to substantiate the Defendants contention in paragraph 5 of the affidavit in reply. It is also pertinent to note that the Plaintiffs averment in paragraph 7 of its sur-rejoinder that Kliptronic has ceased to carry on its business of selling and manufacturing Kliptronic components under the impugned trade mark "Klip-Seal" is not denied.

37. In these circumstances, Dr. Tulzapurkar was justified in submitting that the first Defendant was not entitled to claim the benefit of user of the colour scheme adopted by Kliptronic Components Pvt. Ltd.

38. Thus, even assuming that similar issues were raised in the Pune suit and decided by the learned District Judge in the aforesaid order dated 16.7.1994, the same can be of no assistance to the first Defendant. That was a litigation between the Plaintiffs predecessors against a different Defendant. It could not be, and in fairness to Dr. Shivade, he did not contend that the order of the District Judge would be binding either on the Plaintiffs or even on its predecessors qua different marks and even different Defendants. There arises no question of res-judicata on the basis of the Pune proceedings. The mere fact that Motiwala, a partner of the first Defendant was impleaded as a Defendant in the Pune suit can also make no difference. He was impleaded in the Pune suit in his capacity as a Director of the first Defendant therein. In any event, he was not impleaded and could not then have been impleaded as a partner of the first Defendant herein which commenced business only in 1998.

39. The next question is whether the first Defendant has infringed the Plaintiffs registered trade mark. The Plaintiffs registered trade mark consists of the mark "M-Seal" with a disclaimer of the word "Seal". The trade mark was registered on 16.8.1972. The registration is valid till 16th August, 2007 as is clear from the certificate produced at Exhibits "B1" and "B2" to the plaint. The Plaintiff has

made an application for registration of the trade mark showing it as the registered proprietor.

40. Before coming to the question of the effect of the disclaimer, it is necessary to see whether apart from the disclaimer, there is any infringement of the Plaintiffs trade mark.

To decide this question, I must compare "M-Seal" vis-a-vis "S M-Seal". The Plaintiffs label mark "M-Seal" comprises of a hyphen between the letter "M" and the word "Seal". The letter "M" contains a horizontal line at the upper level, extending downward to meet the bottom left of the letter "M". The bottom right of the letter "M" has a horizontal line extending to its right, above which is the word "Seal" in running hand. The first Defendants mark (S M-Seal) also has a hyphen between letter "M" and the word "Seal" and the lower horizontal line. The word "Seal" is however in capital letters. The Lettering in the two marks is also different.

41. If the two marks are seen as a whole, it is clear that there is a likelihood of confusion or deception in view of the similarity between the two. The essential features of the two marks are very similar. Apart from the horizontal line extending vertically down to the left of the letter "M", different lettering and the letters in the word "Seal" appearing in the Plaintiffs mark in running hand and in the first Defendants mark in capital letters, there is no difference. The addition of the letter "S" would make no difference either. If I were to judge this matter, as I must, by the test of an ordinary person with average intelligence and an imperfect recollection the case must be answered in the Plaintiffs favour. Whether the letters in the words "Seal" are in running hand or in capitals would make no real difference considering the overall get up of the letter "M" with a horizontal line below the word "Seal". The emphasis even in the Defendants mark is on the "M-Seal" portion. I have no hesitation in holding that the essential features of the Plaintiffs trade mark have been adopted by the first Defendants. It would not be reasonable for the Court to expect members of the public to recollect vividly the lettering in the Plaintiffs mark or the fact that the word "Seal" is in running hand.

42. The addition of the letter "S" would also not make any difference. The Plaintiffs customers may well suppose that it is the Plaintiff who for reasons of its own has added the same. As held by the Supreme Court in Parle Products (P) Ltd. Vs. J.P. and Co., Mysore, :-

"Moreover, variations in detail might well be supposed by customers to have been made by the owners of the trade mark they are already acquainted with for reasons of their own."

The Supreme Court in Parle Products also held as under :

8."According to Kerlys Law of Trade Marks and Trade Names (9th Edition Paragraph 838) :

"Two marks, when placed side by side, may exhibit many and various differences, yet the main idea left on the mind by both may be the same. A person acquainted with one mark, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted. Thus, for example, a mark may represent a game of football; another mark may show players in a different dress, and in very different positions, and yet the idea conveyed by each might be simply a game of football. It would be too much to expect that persons dealing with trade marked goods, and relying, as they frequently do, upon marks, should be able to remember the exact details of the marks upon the goods with which they are in habit of dealing. Marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole.

9."It is therefore clear that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him. After all, an ordinary purchaser is not gifted with the powers of observation of a Sherlock Holmes."

43. A Division Bench of this Court in *Hiralal Parbhudas Vs. Ganesh Trading Company and Others*, , referring to various judgments, analysed the same as under :

5."What emerges from these authorities is (a) what is the main idea or salient features, (b) marks are remembered by general impressions or by some significant detail rather than by a photographic recollection of the whole, (c) overall similarity is the touchstone, (d) marks must be looked at from the view and first impression of a person of average intelligence and imperfect recollection, (e) overall structure, phonetic similarity and similarity of idea are important and both visual and phonetic tests must be applied, (f) the purchaser must not be put in a state of wonderment, (g) marks must be compared as a whole, microscopic examination being impermissible, (h) the broad and salient features must be considered for which the marks must not be placed side by side to find out differences in design and (i) overall similarity is sufficient. In addition, indisputably must also be taken into consideration the nature of the commodity, the class of purchasers, the mode of purchase and other surrounding circumstances."

44. Applying these principles, I am of the view that the Plaintiffs case of infringement of its trade mark is well founded and must succeed.

45. On the question of infringement of the trade mark there remains a further aspect for consideration viz. the effect of the disclaimer of the word "Seal". Dr. Shivade contended that while considering the question of infringement of trade mark I must ignore the word "Seal" and then judge whether the first Defendants mark is deceptively similar to the residual part of the Plaintiffs mark which would now only comprise of the letter "M".

If the approach adopted by Dr. Shivade is correct, there is no infringement. I am however unable to accept this to be the correct approach while deciding the question of infringement in respect of the registered mark with a disclaimer.

46. Dr. Tulzapurkar invited my attention to the case of GRANADA Trade Mark (1979) 13 R.P.C. 303. it was held :

"I do not think, therefore, that a disclaimer per se effects the question of whether or not confusion of the public is likely when that question is for determination u/s 12(1), a context other than one that is concerned solely with the exclusive rights of a proprietor. As Lloyd-Jacob, J. put it in Ford-Works Application (1955) 72 R.P.C. 191 lines 30 to 38, a disclaimer does not affect the significance which a mark conveys to others when used in the course of trade. Disclaimers do not go into the market place, and the public generally has no notice of them. In my opinion matter which is disclaimed is not necessarily disregarded when question of possible confusion or deception of the public, as distinct from the extent of a proprietors exclusive rights, are to be determined. In making the comparison u/s 12(1) therefore I consider that I must have regard to the whole of the opponents mark, including the disclaimed matter, and must assume use of it in a normal and fair manner for, inter alia, the applicants goods. The applicants are very well known as manufacturers of motor cars. The opponents are registered as merchants of their goods. Although the opponents are not manufacturers of motor cars I do not think that this difference in the parties activities should lead me to make the required comparison on any basis other than that, so far as identical goods are concerned, the normal and fair manner of use of the marks would also be identical."

47. I am in respectful agreement that despite a disclaimer in respect of the word "Seal" I must have regard to the whole of the Plaintiffs mark including the disclaimed matter while deciding the question of infringement. A contrary view could lead to peculiar results. Take for instance where the disclaimed word is written in a distinctive style with embellishments within, on or around it, and the Opponents mark also consists of the disclaimed word written in the same distinctive manner. Were it open to the Opponent to contend that the disclaimed word ought to be ignored there would be nothing left to compare. Let me carry this illustration further with the modification that the embellishments in the two marks are different. If the disclaimed word is to be ignored all that would be left is the embellishments. This is not how a person in the market would view the marks while purchasing a product. There would remain an equal degree of possibility of deception and confusion as the public, being oblivious to the

disclaimer would not analyze the marks as suggested by Dr. Shivade. In the circumstances, the disclaimer in the present case does not affect the Plaintiffs right to obtain an injunction for infringement.

48. Dr. Tulzapurkar also relied upon an unreported judgment of a Division Bench of this Court in Indchemie Health Specialities Pvt. Ltd. Vs. Naxpar Labs. Pvt. Ltd. & Anr. (Appeal No.826/01 in Notice of Motion No.1840/01 in Suit No.2594/01). The Appellant was the registered owner of the trade mark "Cheri". The Respondents products were manufactured and sold bearing the mark "Cherish" which the Appellant contended was deceptively similar to its mark. The Appeal Court came to the conclusion that the two words were structurally, visually and aurally similar. The possibility of confusion in the minds of the public was held to be "all the more manifest because (the) entire mark of the Appellants is incorporated in the mark of the Respondents".

Dr. Tulzapurkar heavily relied upon this observation to meet Dr. Shivades contention. However, this judgment is not relevant while deciding the effect of a disclaimer, for that aspect did not fall for the consideration of the Appeal Court. The decision on facts in Indchemie's case is therefore of no assistance to Dr. Tulzapurkar on this issue.

I do not read the judgment of the Appeal Court as having laid down an inflexible rule that in every case where the entire mark of the Plaintiff is incorporated/finds place in the mark of the Defendant, the Plaintiff is entitled to succeed in an action for infringement of trade mark.

49. Moreover, as held by the Supreme Court in Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, if the essential features of the trade mark of the Plaintiff have been adopted by the Defendant, the fact that the get up, packing and the other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences or indicate clearly a trade origin different from that of the registered proprietor of the mark, would be immaterial. It is only in the case of passing off that the Defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the Plaintiff. The judgment was followed by the Supreme Court in Parle Products (P) Ltd. Vs. J.P. and Co., Mysore, .

50. Opposing the Plaintiffs case for infringement of a trade mark, Dr. Shivade relied upon section 122 of the Trade Marks Act which reads as under : 122."Trade usage, etc., to be taken into consideration - In any suit or other proceeding relating to a trade mark, the tribunal shall admit evidence of the usages of the trade concerned and of any relevant trade mark or trade name or get up legitimately used by other persons."

51. In paragraphs 26 to 28 of the affidavit in reply, the first Defendant has alleged that the word "Seal" is used by a number of manufacturers of Epoxy (Resin) compositions. The cartons of different manufacturers are produced by the first Defendants bearing the marks "my seal" "A-Seal" "Inn-Seal" "Jam-Seal"

"Max-Seal" and "Klip-Seal". Similarly, he contended that most of the traders use the colours red, black and white. I do not think there can be or is any dispute that the first Defendant is entitled to use any or all these colours. I did not understand Dr. Tulzapurkars arguments to mean that the first Defendant is barred from using these colours. It is the manner of use of the colours that is objected to by the Plaintiff.

52. As far as use of the word "Seal" as a suffix is concerned, Dr. Shivade was actually pressing into service the series theory. According to him, as various traders use the word "Seal" as a suffix just as the Plaintiff does, there would be no likelihood of confusion or deception. According to him, traders and the public have gained such knowledge of the common element or characteristics of the series "that when they meet another mark having the same characteristic they will immediately associate the later mark with the "series" of marks with which they are already familiar." The principle on which the series theory is based is that the consumer being aware of the fact that there are several marks with the common element will pay attention to the other features, thereby negating the possibility of any doubt/confusion.

53. It is important to note at the outset that other than annexing cartons bearing the aforesaid marks with the suffix "seal", there is no evidence produced as to its actual use much less the extent of its use. In paragraphs 26, 27 and 28 of the affidavit in rejoinder, the Plaintiff has categorically denied the existence of the said brands "A-Seal" "Inn-Seal" "Jam-Seal" "Max-Seal". The Plaintiff has further stated that the brands are not in use much less in continuous or extensive use. It is further denied that the colour scheme is used by most of the manufacturers. An affidavit in sur-rejoinder has been filed. Significantly, the first Defendant has even in the sur-rejoinder not furnished any evidence of actual use or the extent of such use.

54. The Supreme Court in Corn Products Refining Co. Vs. Shangrila Food Products Ltd., dealt with this question. In that case, it was contended that there were various trade marks with a prefix or suffix "Gluko" or "Vita" and that made it impossible to say that the common features "Gluko" or "Vita" were associated only with the Appellants products. The submission was based on a passage from Kerly on Trade Marks, (7th Edition, page 624) to the effect that where there are a series of marks registered or unregistered having a common feature or a common syllable if the marks in the series are owned by different persons, this tends to assist the Applicant for a mark containing the common feature. The statement in Kerlys book was in turn based on In Re, an application by Beck, Koller and Company (England) Ltd. (1947) 64 RPC 76. The Supreme Court held that before the Applicant can seek to derive assistance for the success of his application from the presence of a number of marks having one or more common features which occur in his marks also he has to prove that these marks had acquired a reputation by user in the market. The Supreme Court cited with approval, the following passage in the aforesaid judgment in which it was inter-

alia held that the "series" objections is primarily founded upon user. The reason given for this was that it is based on the principle that traders and the public would be aware of the common element or characteristics and that therefore when they meet another mark having the same characteristics, they would immediately associate the same with the series of marks with which they are already familiar. It was further held that when the question comes before the Registrar in opposition proceedings, the Registrar can draw the aforesaid inference based upon the user of other marks which must be established by evidence. Proceedings in a suit would be similar in this respect. In other words, if a Defendant in a suit for infringement of its trade mark seeks to rely upon the series theory in resisting the claim, he must establish the user upon which the objection is founded. Paragraphs 14 and 15 of the judgment read as under :

14."We may also refer to In re: Harrods Application (1934) 52 R.P.C. 65 mentioned in the quotation from Beck, Koller and Co."s case (1947) 64 R.P.C. 76, set out in the preceding paragraph. It was there said at p.70 ;

"Now it is a well recognised principle that has to be taken into account in considering the possibility of confusion arising between any two trademarks, that, where those two marks contain a common element which is also contained in a number of other marks in use in the same market such a common occurrence in the market tends to cause purchasers to pay more attention to the other features of the respective marks and to distinguish between them by those features. This principle clearly requires that the marks comprising the common element shall be in fairly extensive use and, as I have mentioned, in use in the market in which the marks under consideration are being or will be used."

15."The series of marks containing the common element or elements therefore only assist the applicant when these marks are in extensive use in the market. The onus of proving such user is of course on the applicant, who wants to rely on those marks. Now in the present case the applicant, the respondent before us, led no evidence as to the user of marks with the common element. What had happened was that the Deputy Registrar looked into his register and found there a large number of marks which had either Gluco or Vita as prefix or suffix in it. Now of course the presence of a mark in the register does not prove its user at all. It is possible that the mark may have been registered but not used. It is not permissible to draw any inference as to their user from the presence of the marks on the register. If any authority on this question is considered necessary, reference may be made to Kerly p. 507 & Willesden Varnish Co. Ltd. v. Young & Marten Ltd. (1922) 39 RPC 285. It also appears that the appellant itself stated in one of the affidavits used on its behalf that there were biscuits in the market bearing the marks Glucose Biscuits, Gluco biscuits and Glucoa Lactine biscuits. But these marks do not help the respondent in the present case. They are ordinary dictionary words in which no one has any right. They are really not marks with a common element or elements. We, therefore, think that the learned appellate Judges were in error in deciding in favour of the respondent basing

themselves in favour of the respondent basing themselves on the series marks, having Gluco or Vita as a prefix or a suffix."

55. In *National Bell Company Vs. Metal Goods Manufacturing Co. (P) Ltd. & Anr.* AIR 1971 SC 898, the Supreme Court held :-

"The plea of common use must fail, for, to establish it the use by other persons should be substantial. Though evidence was produced by the appellant companies to show that there were other bells in the market with Fifty or 50 inscribed on them, no evidence was led to show that the use of the word Fifty or the numeral 50 was substantial. In these circumstances, it is impossible to sustain the contention founded on Clause (c) of Section 32."

56. Faced with this situation, Dr. Shivade submitted that the judgment in *Corn Products* can be of no assistance as that was in a proceeding at the final hearing of the suit. In support of his contention, he relied upon a judgment of a learned Single Judge of this Court in *Reckitt & Coleman of India Ltd. Vs. Medicross Pharmaceuticals Pvt. Ltd.* 1994 IPL R 31. In that case the Plaintiff was a registered proprietor of a trade mark DISPRIN. The Defendants sold their medicinal products under the mark MEDISPRIN. Dismissing the Plaintiffs application for injunction to prevent infringement and passing off, N.D. Vyas, J. (as he then was) held in paragraph 13 as under :

13."It was next submitted by Mr. Tulzapurkar, relying on the decision of the Supreme Court in *Corn Products Refining Co. v. Shangrila Food Products Ltd.*, that it was defendants submission that their mark contained a common element because of their drug containing Aspirin and that there were series of marks in extensive use in the market and, therefore, the onus of proving such extensive user was on defendants who wanted to rely on such marks. This onus, according to Mr. Tulzapurkar, is not discharged. Mr. Patel, in reply, submitted that the said decision which requires evidence of use of the marks having common prefix was rendered on and would be applicable to a matter decided on final hearing after evidence is led. Thus, according to him at the interim stage it would be prima facie sufficient to show that marks with suffix "Spring" are in use with reference to Indian Pharmaceutical Guide and that in the instant case the defendants were not merely referring to the marks on the Trade Mark Register but to marks of products which are in use as indicted in the said Guide. I see considerable force in Mr. Patels submission. Prima facie, I am satisfied that several products containing Aspirin and having their trade marks with a suffix of "Sprin" are in use. Moreover, the fact of such products marketed under such marks is not disputed. In these circumstances, I reject Mr. Tulzapurkars submission."

57. I am unable to accept the submission that the ratio consisted of accepting the submission on behalf of the Defendant that the judgment of the Supreme Court in *Corn Products* would only be applicable to a matter decided at the final hearing after evidence is led. The above extract itself indicates that the learned Judge accepted as sufficient at the interim stage, the evidence produced before

him to establish prima-facie that several marks with the suffix "Sprin" were in fact in use. It is difficult to read the judgment as having held that though at the trial proof of extensive use of the series of marks is required at the interim stage it is not.

58. The fallacy of this submission lies in the misconception that the issue to be proved is different at different stages of legal proceedings. Whatever the stage of the proceedings, the issue to be proved or the content of the proof remains the same. It is the level of proof that varies depending on whether the order sought is at the interim stage or at the final hearing.

The judgment in Corn Products requires the Defendant to prove that the marks must be not merely in use but in "extensive use". Thus, even in interim proceedings, it is not sufficient merely for the Defendant to show prima-facie that there is some user of the marks. There must be prima facie evidence to show extensive use. At the final hearing of the suit the level of proof required is higher - the matter requiring to be proved viz. "extensive or substantial use" remaining the same.

For instance, in a given case, a Defendant may well establish conclusively in interlocutory proceedings that there was actual use of the marks in the market. He would thus have fulfilled the first requirement viz. actual use. He may however candidly admit that the extent of use is minimal. The Defendant could not in such circumstances resist an injunction on the series argument contending that at the interim stage the extent of use is not material.

59. A Division Bench of this Court in Schering Corporation & Ors. Vs. Kilitch Co. (Pharma) Pvt. Ltd. 1994 IPLR 1. had occasion, also at the interlocutory stage, to consider this question in similar circumstances. The judgment was delivered before the judgment in Reckitt & Coleman case. The judgment is relevant on facts as well as on law. At page 8 the Division Bench held as under : "One final point requires consideration. According to the Defendants Affidavit-in-reply, there were a number of similar dermatology products in the market ending with the suffix Derm. Six such products are enumerated in paragraph 6 of the said Affidavit-in-reply. It was suggested, which suggestion appears to have appealed to the learned single Judge, that Curoderm and Qriderm were in the market and that these marks are also very similar to Quadriderm. The argument was that if the Plaintiffs have not objected to these two marks the Plaintiffs are disentitled from objecting to or at any rate securing interim relief against the Defendants mark Coriderm. We find no substance in the plea. Apart from producing tubes and cartons and some bills the Defendants have not shown the extent of the sales of these products. Indeed, at the most it can be assumed that two similar products are in the market in January 1990. That will not, in our opinion, non-suit the Plaintiffs or disentitle them to interim relief against the Defendant."

60. Thus, even if I were to accept Dr. Shivades interpretation of the judgment in Reckitt & Coleman's case I must hold that the same is not good law in view of

the judgment in Schering Corporation & Anr. Vs. Kilitch Co. (Pharma) Pvt. Ltd. 1994 PLR 1 (D.B.).

61. Dr. Shivade relied upon the following passage in the matter of filing an application by Harrods Ltd. to Registrar of Trade Marks in Part B of the Register 1952 R.P.C. 65 :

"Now it is a well recognised principle, that has to be taken into account in considering the possibility of confusion arising between any two trade marks, that where those two marks contain a common element which is also contained in a number of other marks in use in the same market, such a common occurrence in the market tends to cause purchasers to pay more attention to the other features of the respective marks and to distinguish between them by those other features. This principle, however, clearly requires that the marks comprising the common element shall be in fairly extensive use and, as I have mentioned, in use in the markets in which the marks under consideration are being or will be used. Now in the present case the evidence shows that the Opponents Mark has been very widely used indeed."

I do not see how this judgment can be of any assistance to Dr. Shivade. The emphasized portion in fact, answers the case against Dr. Shivade.

62. Similarly, the judgment in the case of S.B.L. Ltd. Vs. Himalaya Drug Co., is of no assistance to Dr. Shivade. The judgment, paragraphs 13, 18, 20, 22.2 and 26 whereof were relied upon by Dr. Shivade merely deals with the principle of the series argument and does not carry his case any further.

63. In the circumstances, I am unable to agree with Dr. Shivades submission that at the prima facie stage, it is enough to show mere user and that it is not necessary for the Defendant to show the extent of user.

64. Moreover in the present case all the essential features and characteristics of the marks are, as I have already held, the same. The addition of the letter "S", I have also held, makes no real difference. In the circumstances, as rightly pointed out by Dr. Tulzapurkar, there is no other essential distinguishing feature which the purchaser would reasonably be able to draw on when faced with the Defendants mark and cartons. Added to this, is the fact that even the entire get up of the first Defendants carton is so similar to that of the Plaintiffs carton that I have come to a conclusion that the first Defendant has infringed the Plaintiffs copyright in respect thereof.

65. Dr. Shivade submitted that the Plaintiff had expressly or impliedly consented to the first Defendant using to the said trade mark. He founded this defence on section 30(b) of the Act which reads as under :

30."Acts not constituting infringement - (1)Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of the right to the use of a registered trade mark :

(a).....

(b)the use by a person of a trade mark 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;"

Dr. Shivade adverted to various facts in support of his contention.

66. Dr. Shivade in the first instance, invited my attention to a letter dated 17th November, 1998 addressed by MECPL to the first Defendant. MECPL stated that the first Defendants products "S M-Seal" in the 100 gm. pack had colours and was of a size similar to the Plaintiffs "M-Seal" 10 gm. pack. It was further stated that the brand name "M-Seal" is a registered trade mark and requested the first Defendant to withdraw the carton, which otherwise deceived the consumers. He then invited my attention to the first Defendants reply dated 15.12.1998 denying MECPLs contention raised in the letter dated 17.11.1998. It is his case that the first Defendant refused to withdraw its product from the market and continued manufacturing and selling the goods, using the said cartons and trade mark. According to Dr. Shivade, the Plaintiff thereafter did nothing to protect its rights, thereby acquiescing in and consenting to the first Defendant using the trade mark and the said cartons. Dr. Shivade also contended that the letter dated 17.11.1998 did not specifically demand a withdrawal of "S M-SEAL" as a trade mark. Nor, according to him did it allege any infringement of copyright.

The letter was written by the Plaintiffs predecessors. I cannot construe it as I would a formal legal notice. Moreover, the effect of this letter is a grievance regarding infringement of trade mark as well as of the copyright. Why otherwise would the Plaintiffs predecessors have referred to their trade mark as well as demanded the withdrawal of the cartons.

67. Dr. Tulzapurkar on the other hand contended that after the exchange of the said correspondence, the first Defendant in fact stopped manufacturing and marketing its goods.

It is necessary therefore to ascertain which of the versions is correct and assuming that the first Defendant is correct, whether the Plaintiff/MECPL was aware of the same.

68. To establish that between 3rd February, 1999 and June, 2001 the Plaintiff had manufactured and sold its goods in the said cartons, using the said trade mark, Dr. Shivade relied upon various factors.

(a)The first Defendant annexed to its affidavit in reply several invoices from 27.4.1998 to 26.11.2001, each of which described the product as "SM SEAL" G.P. EPOXY COMPOUND. As the notice was dated 17.11.1998, the invoices issued thereafter are relevant. Dr. Tulzapurkar submitted that out of 62 of these invoices

about 40 were fabricated at least in so far as the column therein referring to the description containing the mark "S M-Seal" is concerned. He stated this on the basis of the original invoices of which the Plaintiffs Advocates took inspection. Factually, he is correct. The originals do not describe the goods as "S M-Seal". They merely describe the goods as "G.P. Epoxy Compound". The invoices containing the description "S M-Seal" are to be found only after 20.6.2001. Only one of the invoices during the relevant period dated 12.2.2000 contains the description "S M-Seal". Thus, from 10.4.1999 to 20.6.2001 the invoices do not contain the description "S M-Seal". The Plaintiff filed the suit thereafter on 5.11.2001.

Dr. Shivade fairly admitted that factually the position pointed out by Dr. Tulzapurkar was correct. His explanation was that this was a bona-fide typographical error for which the first Defendant ought not to be held responsible. He further stated that the mistake having occurred once, was repeated in the remaining invoices as the typist probably used the copy and paste command on the computer. While I do not propose passing any definitive opinion against the first Defendant on this aspect without giving them an opportunity of establishing this explanation in evidence, I must add that I do not find it easy to accept this explanation at this interlocutory stage. Added to this is the fact that this explanation does not find place on affidavit. The least that can be said in favour of the Plaintiff in any event is that the invoices during the relevant time do not indicate that there was either any manufacture or sale of the first Defendants goods with the mark "S M-SEAL". The fact that the invoices after 20.6.2001 contain the mark "S M-Seal" establishes the Plaintiffs case that after receipt of the notice dated 17.11.1998 the first Defendant stopped the manufacture and sale of its goods packed in the said cartons, using the said trade mark till after 20.6.2001. Most important is the fact that there is no explanation as to why the invoices only during the relevant period i.e. between 17.11.1998 and 20.6.2001 do not refer to the mark "S M-SEAL". Dr. Tulzapurkar further pointed out that the first Defendant refused to offer inspection of the books of account for the relevant period. The explanation now offered viz. that the books of account were with the consultants for finalization of the income tax returns also does not find place in any affidavit. Nor was it stated in reply to the Plaintiffs Advocates notice for inspection dated 5.2.2002.

(b)Dr. Shivade then relied upon supply orders dated 24.8.2000 and 10.1.2001 for "Make "S/M-Seal" products. These orders do not help the first Defendants case either. They were placed on a stockist by an intending purchaser. As pointed out by Dr. Tulzapurkar the party placing the order may not even have known whether the products using the mark "S M-Seal" were being manufactured or sold at that time. Further, it is possible that a stockist may have old stock. The orders by themselves do not establish that the first Defendants sold the goods to the stockists on the date of the supply order.

(c)Dr. Shivade also relied upon certificates dated 26.7.1999 and 2.8.1999

addressed "To Whomsoever It May Concern" issued by a third party, certifying that he had tested "S M-Seal G.P. Epoxy Compound" of the first Defendant and found it satisfactory. I do not see how this certificate supports the first Defendants case either. There is nothing to indicate that the product tested by him was manufactured or sold during the relevant period.

(d)Dr. Shivade next relied upon an advertisement in the Pune Edition of Indian Express which contained an advertisement published by the first Defendant for its products containing the mark "S M-Seal", an advertisement pertaining to an Industrial Exhibition of the Dawoodi Bohra Community, Industrial Trade and Commerce Exhibition held between 1st and 3rd January, 2001 whereat it is alleged that Defendant No.1 displayed its goods with the mark "S M-Seal" in the stall of one Superior Engineers and a diary, distributed by Defendant No.1 which contained the mark "S M-Seal" therein. He also relied upon the first Defendants certificates of Registration under the Sales Tax Act, Profession Tax Act and challans evidencing payment of sales tax.

For the same reasons as above, I fail to see how any of this material establishes the first Defendants case of user of the mark during the relevant period. They certainly do not indicate that the products were manufactured and sold during the relevant time. These documents moreover do not even refer to the mark "S M-SEAL".

69. Even if I were to assume that the aforesaid material would in certain circumstances assist the Plaintiff in establishing its case of manufacture and sale of its products with the said mark "S M-Seal" during the relevant period, I am not inclined to draw such an inference in the facts and circumstances of the present case. The best evidence would have been the production of invoices supported by proof of actual sales. As I have observed earlier, the invoices not only do not support the first Defendants case, but in fact, destroys the same. Added to this strong circumstances against the first Defendants, is the fact that the first Defendant, despite being requested to do so, failed and neglected to produce its books of accounts. The Plaintiffs had by its Advocates letter dated 5th February, 2002 demanded inspection of the letter but the first Defendant refused to give inspection thereof.

70. The onus on the first Defendant to establish his case of user during the relevant period was even greater in view of the fact that on behalf of the Plaintiff three dealers had filed affidavits stating that the goods were not sold in the market during the relevant period. It is not without significance that the first Defendants have not even produced the affidavits of any dealers indicating the contrary.

71. The first Defendant has not produced sufficient, cogent evidence to indicate that the Plaintiffs or their predecessors were aware of the alleged manufacture and sale of the said goods using the said trade mark and the artistic work on its cartons. Moreover, there is no evidence of the knowledge of the alleged user by

the Plaintiff or its predecessor. There is no question therefore of there being any delay, much less acquiescence on the Plaintiffs part.

72. The Plaintiff has also claimed reliefs on the basis of passing off. The extent of the use of the mark "M-Seal" by the Plaintiff as well as the expenses incurred by it in respect thereof set out in the plaint are not disputed.

Between 1976 and 1999 the Annual Sales of the Plaintiff in respect of "M-Seal" have increased from Rs.48,15,000/- to Rs.17,36,12,000/-. During this period, the Plaintiffs advertisement and publicity expenses in respect of "M-Seal" have increased from Rs.1,38,000/- to Rs.96,79,000/-. During certain years, the expenses exceeded Rs.1,00,00,000/-. In 1996, the expenses were Rs.1,68,94,000/-. The Plaintiff has also referred to invoices of its predecessors and itself in respect of the sale of the said goods in cartons, containing the said trade mark. Further, the Plaintiff has annexed copies of advertisements and bills in respect of the publicity of the said goods bearing the said trade mark.

73. The use was undoubtedly substantial and wide enough to conclude that the members of the public would associate the same with the Plaintiff. In addition to the facts I have already set out regarding the Plaintiffs reputation and goodwill, I must also refer to the affidavits of three dealers viz. R.N. Patel, M.R. Nishar and C.P. Parmar filed on behalf of the Plaintiff. The dealers confirm having regularly and extensively sold the Plaintiffs goods bearing the said mark and in the said cartons since 1991. They state that the goods are immensely popular and that the Plaintiffs said mark is exclusively associated with the goods of the Plaintiff. Finally, they state that the marks and get up, design and layout used by other manufacturers of the goods are different from that of the Plaintiffs.

74. What I have observed earlier also establishes that the first Defendant by using the impugned mark is causing deception and confusion as to the origin of the goods and the goods themselves.

75. Finally, there is clearly a likelihood of the Plaintiff suffering damages in the event of the first Defendants product being of inferior quality. Further, any act or omission of the first Defendant would have repercussions on the credit, reputation and goodwill of the Plaintiffs themselves which as I have pointed out is substantiated (see Poddar Tyres Ltd. Vs. Bedrock Sales Corporation Ltd. and Another,).

76. There is one further aspect which must be recalled at this juncture. Even assuming that on the basis of Dr. Shivades submission regarding the disclaimer of the word "Seal" were to be accepted while dealing with the question infringement of trade mark, it would have no bearing on the question of passing off.

77. Thus, the Plaintiff has established the essentials of the cause of action for passing off (The Scotch Whisky Association and another Vs. Pravara Sahakar Shakar Karkhana Ltd.,). This is not even a case of the first Defendant using the

mark in respect of different or even similar goods. The impugned mark has been used by the first Defendant in respect of the same goods. The possibility of confusion and deception is therefore inherent. Prima-facie, it appears that the first Defendant has attempted to use the reputation and goodwill attached to the Plaintiffs mark and by doing so, has infringed the Plaintiffs registered mark. Their action also amounts to passing off their business or trade as that of the Plaintiffs business or trade.

78. The mere fact that the product is a "technical product" as contended by Dr. Shivade is not material. The level of "technical" complexity does not appear to be of such a degree as would ensure a careful examination of the product by a trader before purchasing it. Nor can the fact that the setting time is different for each product to ensure that traders/purchasers will on that basis not be deceived. There is nothing on record to indicate the same either.

79. The facts narrated thus far also answer Dr. Shivades contention based on acquiescence on the part of the Plaintiff and its consent to the first Defendant using the said mark "S M-SEAL". Firstly, as a point of fact, there was neither any acquiescence nor consent on the part of the Plaintiff permitting the first Defendant to use the mark. The cease-and-desist notice 17.11.1998 called upon the first Defendant to withdraw the cartons. This was obvious for the reason that the same not only infringed the Plaintiffs predecessors copyright but also contained the impugned mark "S M-Seal". I am not inclined to accept Dr. Shivades contention that the cease-and-desist notice did not specifically call upon the first Defendant to refrain from using the said mark. Secondly, after the first Defendants reply to the cease-and-desist notice, as I have already held, the first Defendant stopped manufacturing and selling goods bearing the said mark till shortly before the Plaintiff filed the suit. This fact is pleaded in the affidavits of the three dealers filed on behalf of the Plaintiff. Significantly, there is no affidavit to the contrary filed on behalf of the first Defendant. I have already come to the conclusion that the first Defendant has failed to establish that there was any user on its part during the relevant time. Thirdly, the effect of the order of the Poona Court as I have once again already observed, does not establish either consent or acquiescence on the part of the Plaintiff or its predecessors. The mark impugned in this case "Klip-Seal" was in any event different.

80. Dr. Tulzapurkar relied upon a judgment in the case of Willmott Vs. Barber (1880) 15 Ch. D.96. It was held ;

"It has been said that the acquiescence which will deprive a man of his legal rights must "amount to fraud, and in my view that is an abbreviated statement of a very true proposition. "A man is not to be deprived of his legal rights unless he has acted in such a way as would "make it fraudulent for him to set up those rights". Let me pause here to say that I do not understand that, by the word "fraudulent", the learned Judge was thereby indicating conduct which would amount to a common law tort of deceit. "What, then, are the elements of requisites necessary to constitute fraud of that description ? In the first place

"the Plaintiff must have made a mistake as to his legal rights. Secondly, the Plaintiff must "have expended some money or must have done some act (not necessarily upon the Defendants land) on the faith of his mistaken belief. Thirdly, the Defendant, the possessor of "the legal right, must, know of the existence of his own right which is inconsistent with "the right claimed by the plaintiff. If he does not know of it he is in the same position "as the plaintiff, and the doctrine of acquiescence is founded upon conduct with a knowledge "of your legal rights. Fourthly, the Defendant, the possessor of the legal right, must know "of the Plaintiffs mistaken belief of his right. If he does not, there is nothing which "calls upon him to assert his own rights. Lastly, the Defendant, the possessor of the legal "right, must have encouraged the plaintiff in his expenditure of money or in the other "acts which he has done, either directly or by abstaining from asserting his legal right." The judgment applies to the present case. It is necessary however to note that the position of the Plaintiff and the first Defendant as they are usually met with are transposed in that case. The Plaintiff referred to in that case, corresponds with the Defendant in this case and vice-versa.

81. In the present case, the fact that the first Defendant was aware of the Plaintiffs mark is beyond doubt. The knowledge of Motiwala, who is the partner of the first Defendant, of the said mark establishes the same. Thus, there can be no question of the first Defendant adopting the impugned mark by mistake. Nor does the record indicate any encouragement on the part of the Plaintiff which led the first Defendant to expend any money or otherwise. Further, the first Defendant has not been able to establish that the Plaintiff has knowingly given up its right as a proprietor in the said mark.

82. The judgment in Willmott's case was referred to in *Electrolux LD Vs. Electrix* 1994 71 RPC 23 which judgment in turn was cited with approval by the Supreme Court in *Power Control Appliances Company Vs. Sumeet Machines Pvt. Ltd.* 1994 IPLR 117. None of the ingredients necessary to deny the Plaintiff relief on the ground of acquiescence have been made out by the first Defendant.

83. Nor has Dr. Shivade succeeded in making out a case for refusal of the relief on the ground of delay on the part of the Plaintiff. The above facts do not indicate any delay on the part of the Plaintiff. Shortly after learning that the first Defendant was manufacturing and selling its goods as aforesaid, the Plaintiff filed the present suit.

84. In the circumstances, the Defendants are not entitled to succeed on the grounds of balance of convenience either. Firstly, there are no un-usual circumstances justifying the Court going into the question of balance of convenience considering that the Plaintiff is the owner of the registered mark. Indeed, the circumstances are such that it would disentitle the first Defendant from any relief. The first Defendant did not adopt the marks bona-fide, under a mistaken impression and without being aware of the Plaintiffs right. The first Defendant was, in fact, fully aware of the same. Yet, the first Defendant adopted the mark as well as infringed the Plaintiffs copyright. The Plaintiff and the first

Defendant can hardly, in these circumstances, be said to be on the same level or that their rights are about equal. In these circumstances, I decline Dr. Shivades request to refuse an injunction on the grounds of balance of convenience (see Poddar Tyres Ltd. Vs. Bedroch Sales Corporation Ltd. AIR 1977 237.

85. In the circumstances, the Notice of Motion is made absolute in terms of prayer clauses (a), (b) and (c). Prayer clause (a) will be restricted to the front face and the top part of the carton used by the Defendant. The ad-interim order dated 27.11.2001 by which prayer (d), except the bracketed portion thereof, was granted is confirmed. Mr. Joshi on behalf of Defendant No.4 states that Defendant No.4 has no stock of the said goods in his possession. 86.The first Defendant shall pay to the Plaintiff the costs of this Notice of Motion fixed at Rs.10,000/-.

Parties to act on an ordinary copy of this order, duly authenticated by the Associate/C.S. of this Court.