

(2012) 03 BOM CK 0241
In the Bombay High Court
Case No : Suit No. 3653 of 2007

Skol Breweries Limited

APPELLANT

Vs

Fortune Alcobrew Pvt. Limited, Hindustan Breweries and
Bottling Limited and Shaw Wallace and Co. Limited

RESPONDENT

Date of Decision : 31-03-2012

Acts Referred:

English Trade Marks Act, 1994 — Section 10(6)
Trade Marks Act, 1999 — Section 10(6), 29, 29(8), 30, 30(1)

Citation : (2013) 3 BomCR 324 : (2012) 114 BOMLR 2313 : (2012) 50 PTC 413

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

Bench : Single Bench

Advocate : Virag Tulzapurkar, with Mr. Himanshu W. Kane, Mr. Hiren Kamod instructed by Himanshu W. Kane, for the Appellant; Alankar Kirpekar instructed by Mr. S.J. Khera for Defendant No. 1, Mr. S.J. Khera instructed by S.J. Khera and Sucharita Patra for Defendant No. 2, for the Respondent

Judgement

S.J. Vazifdar, J.—This is an action for infringement and passing off. The plaintiff is the registered proprietor of the trademark "Haywards 5000" The first defendant has adopted the mark "50000" in respect of beer. The second defendant-Hindustan Breweries and Bottling Limited has adopted the mark "Prestige 50000". These defendants used their impugned mark in respect of similar products namely beer.

The plaintiff acquired the trademark from defendant No.3, Shaw Wallace & Co. Ltd., against which no reliefs are claimed. The reference to "the defendants" in this judgment is, for convenience, to defendant Nos.1 and 2 only.

2(A). The plaintiff's case is this. In the year 1983 defendant No.3, Shaw Wallace and Company Limited adopted the trademark "Haywards 5000" of which the numeral 5000 forms a dominant and essential feature for and in respect of strong beer with a view to distinguish its goods from those of others. The numeral 5000 is a fancy numeral in the context of the trademark and does not

have any reference to the character, quality or the strength of the beer. The plaintiff has referred to and relied upon various labels containing the trademark used by defendant No.3 and/or its licensee. Between the years 1983 and 2000 defendant No.3 got manufactured from its contract bottlers strong beer of particular taste and quality and sold it under the trademark "HAYWARDS 5000" on a continuous and extensive basis. Between the years 2001 and 2005 Shaw Wallace Breweries Limited under license from defendant No.3 got manufactured from its contract bottlers and sold the same beer under the same mark also on a continuous and extensive basis.

(B). Defendant No.3 got registered in its name with effect from 19th April 1995 the said label mark/word mark under class 32 with the following conditions and limitations: -

REGISTRATION OF THIS TRADE MARK SHALL GIVE NO RIGHT TO THE EXCLUSIVE USE OF THE ALL DESCRIPTIVE MATTERS APPEARING ON THE LABEL.

(C). Defendant No.3 has also made applications for registration of the trade mark 5000 in other classes which are pending. The same are not relevant for the present purpose.

(D). By a Deed of Assignment dated 27th May 2005 defendant No.3 and Shaw Wallace Distilleries Ltd. assigned to the plaintiff all their right, title and interest in the said trademarks for the consideration and on the terms and conditions contained therein. It was necessary for Shaw Wallace Distilleries Ltd to join in the assignment for reasons which are not material to the judgment as defendant No.1 has not contested the proprietorship of either the plaintiff or its predecessors in respect of the said marks.

(E). By an order dated 20th December 2007, the plaintiff's name was brought on record as the registered proprietor in place of defendant No.3.

3. The plaintiff is thus the registered proprietor of the mark "Haywards 5000".

4. During the year 1993-1994, 9,20,000 cases of beer were sold under the said mark. The sales increased over the years. In the year 2003-2004, 1,38,10,000 cases of beer were sold under the said mark. During the corresponding years the annual publicity and sales promotional expenses also increased from Rs.2.00 crores to Rs.11.60 crores. The same establishes the enormous goodwill and reputation developed by the plaintiff's predecessors in the said mark.

Mr. Tulzapurkar relied upon several publications to establish the enormous reputation and goodwill developed in respect of products sold under the said mark. Even assuming that the contents of the publications are not proved, the fact that there were articles regarding the said products is not irrelevant. It is not suggested that the articles were published mala-fide or with a view to assist the plaintiff or its predecessors in these proceedings.

5. Mr. Kirpekar, the learned counsel appearing on behalf of the defendants,

submitted that the limitations and conditions subject to which the registration was granted disentitles the plaintiff from claiming an exclusive right to use the numeral 5000 in respect of products falling under class 32.

6. This point stands concluded against the defendants by the judgment of a learned single Judge of this Court in Shaw Wallace & Co. Ltd. & Anr. v. Mohan Rocky Spring Water Ltd. dated 5th April 2006 in Notice of Motion No.3480 of 2004 in Suit No.3443 of 2004, I am bound by this judgment. The same contention raised in respect of the same mark Haywards 5000 was rejected. Following the judgment, I rejected the same contention raised before me in Skol Breweries Limited Vs. Som Distilleries and Breweries Limited and Shaw Wallace and Company Limited, . It was inter-alia held that disclaimer placed by the Registrar did not pertain to the numeral 5000 and that whenever the Registrar intends ordering the disclaimer in respect of a numeral, it is specifically so provided.

7. The plaintiff's mark came up for consideration in Shaw Wallace and Company Limited Vs. Superior Industries Limited 2003 (27) PTC (Del). The defendants used the mark "SUPERIOR 5000". The learned Judge held that in respect of the plaintiffs said label, the numeral "5000" is inter alia emphasized prominently. The defendants contended that the numeral 5000 lies in the public domain and the plaintiff had no right to appropriate the same. Following the previous judgments of the Delhi High Court, the learned Judge came to the conclusion that a person may have a right to trade mark in numerals as well; that the plaintiff had been using the numeral in connection with its products and had been exclusively using the numeral resulting in the general reputation in respect of the products sold under the numeral and that the products sold under the numeral were identified in the minds of the consumers with the plaintiff's products. The learned Judge held that the defendant had used the numeral 5000 in respect of its products to cash in on the reputation and the goodwill built over the years by the plaintiff. The injunction was granted in the plaintiff's favour.

The defendant in that case thereafter used the numeral 50000. I am informed that the contempt proceedings filed by the plaintiff for the same are pending.

8. Mr. Tulzapurkar also relied upon several orders passed in similar matters by this Court which are annexed to the plaint. It is not necessary to refer to all of them except for the purpose of establishing that the plaintiff and its predecessors have been vigorously and diligently taking steps to protect their mark.

9. The submission that the disclaimer in the present case included the numeral 5000 is therefore rejected.

10. Mr. Kirpekar also submitted that the registration is only in respect of a neck label. He submitted that the shape of the label is such that it can only be placed on the neck of a bottle and nowhere else and that therefore the registration is confined to the label being placed at the neck of a bottle. The plaintiff had not used the registered mark in this manner.

11. The registration certificate does not mentioned anything to this effect namely that the label can be used only by placing it on the neck of a bottle. There is no such restriction or requirement in the registration certificate. The shape of the label may be one of the features of the label/label mark. The essential and dominant features thereof are the words "Haywards 5000", "Haywards" and "5000". The plaintiff is entitled to use the mark exclusively in such manner as it pleases in respect of the said products. There is nothing that prevents the plaintiff from placing the label even on different types of containers such as on cans or plastic or paper sachets or even on the outer cover of the containers in which the bottles, cans or sachets are placed. Once it is held that the words "Haywards 5000" or "Haywards" or "5000" are the significant and dominant features of the registered mark, it follows that the use thereof substantially in that manner is permissible. A similar contention was also rejected in Skol Breweries Limited Vs. Som Distilleries and Breweries Limited & Anr. (supra).

12. Mr. Kirpekar submitted that the impugned mark "50000" used by the defendants is not deceptively similar to the plaintiff's mark.

13. I think it is. The mere addition of a zero makes no difference. Deception is possible in a variety of ways. Firstly, it is difficult to distinguish the numeral "5000" from "50000" visually. Even though there is no phonetic similarity between "5000" and 50000" it is probable that a consumer may well be put in a state of wonderment as to the numeral he had in mind. Further, the label is affixed on cylindrically shaped containers. A slight turn of such a container on the shelf could conceal a "0" thereby exposing the figure 5000 instead of 50000.

14. Mr. Kirpekar then contended that the unit of thousand i.e. numbers in which all but the first numeral are zeros is common to the trade. He relied upon paragraphs 55 of the first defendants' affidavit-in-reply where it is alleged that there are several brands of beer with numerals such as 5000, 10000, and 50000 and that the customers do not demand the beer by the numerical mark alone but by a reference to the entire mark.

15. The affidavit in reply certainly mentions several brands with such numerals as a suffix. In the affidavit in rejoinder, the plaintiff expressly stated that the mere reliance upon applications for registration is of little if any assistance and that the plaintiff has not seen in the market products bearing the said marks except in respect of which actions have been filed; that the mere applications for registration and obtaining licenses neither establishes user nor can any presumption be drawn on their correctness. It is important to note that the plaintiff expressly averred that the defendants had been unable to produce any evidence of open and continuous sale of products containing such numerals.

Despite the said averments, no material was produced by the defendants. Mr. Kirpekar fairly stated that he did not have any evidence or material to substantiate the contention.

16. It is necessary, at this stage, to consider Notice of Motion No.801 of 2012

filed after I reserved the matter for judgment. By this Notice of Motion, the defendants have sought leave to file a sur-rejoinder.

17. After the above Notice of Motion was heard and the judgment was reserved, an application was made to withhold the pronouncement of the judgment on the ground that the defendants wanted to produce material in support of the above submission. By an order dated 16th March 2012, I rejected the application stating that I would furnish reasons for the same while dealing with this Notice of Motion. It would be appropriate to furnish the reasons for the same at this stage.

18(A). The suit was filed on 19th December 2007 i.e. over four years ago. The plaintiff made an application for ad-interim reliefs. By an order dated 10th January 2008, the learned Judge recorded that the counsel had agreed that this Notice of Motion may be heard finally to obviate another round of submissions at the ad-interim stage. It was also recorded that the affidavit in reply would be filed on or before 24th January 2008 and the affidavit-in-rejoinder would be filed on or before 31st January 2008. The Notice of Motion was directed to be taken up at the end of the ad-interim board for final disposal on 4th February 2008. For one reason or the other, the Notice of Motion could not be heard finally till now.

(B). Even before me, the matter was adjourned on several occasions. The matter was argued before me extensively. The arguments concluded on 7th March 2012 and the matter was directed on that day to be listed on 12th March 2012 for pronouncement of judgment.

(C) The matter was not placed on board on 12th March 2012 for pronouncement. It was instead kept for pronouncement on 16th March 2012. Taking advantage of the same, on 14th March 2012, the defendants' advocate filed a praecipe seeking leave to file an affidavit in sur-rejoinder along with supporting documents. The matter was mentioned before me on 15th March 2012. I permitted the defendants to have the papers produced on 16th March 2012. It appears that on 14th March 2012, the defendants had also filed the said Notice of Motion No.801 of 2012 for the same reliefs viz. to file an affidavit in sur-rejoinder dated 15th March 2012 and in the alternative to permit the defendants to file a list of documents which were downloaded from the internet site of the Government of India.

19. Mr. Kirpekar submitted that the material could not be produced on the previous occasion. I think what he meant really was the material was not produced. There is no reason why the material could not have been produced earlier. He stated that he was briefed in the matter only recently and that he found that there was no material to substantiate this defence. He stated that he had advised the defendants that the earlier cases had gone by default due to the negligence of the advocates in those matters and it was necessary, therefore, for the defendants in this case to produce evidence in support of this contention.

20. In view of the order dated 10th January 2008, the defendants had time from 10th January 2008 to produce the necessary evidence. As the parties had agreed

to have the Notice of Motion heard finally, the plaintiff has not even had an opportunity of making an ad-interim application.

21. If this Notice of Motion is allowed and a sur-rejoinder is allowed to be filed at this stage, it would be unfair to the plaintiffs. The plaintiffs would then suffer for what Mr. Kirpekar himself described as the defendants' negligence. I, therefore, rejected the Notice of Motion.

22. It is not necessary therefore to consider Mr. Tulzapurkar's submission that this application is not maintainable, in view of the fact that it is made after the judgment was reserved. It is sufficient only to note the judgments relied upon by him in this regard namely Citizen Aster Co-operative Housing Society Ltd. and Others Vs. Fredrick J. D'Souza and Others, and Arjun Singh Vs. Mohindra Kumar and Others, .

23. There is, as admitted by Mr. Kirpekar himself, and even otherwise no evidence to substantiate the contention that the use of the unit of "thousand" with all but the first numeral being a zero is common to the trade. The reliance upon the claim of user in the applications for registration by third parties can be of no assistance to the defendants for actual user has not been established.

24. Mr. Kirpekar then submitted that the plaintiff had acquiesced in the defendants using the numeral 50000. He submitted that the defendants had filed a caveat with respect to the use of the mark "Prestige 5000" by the defendants sister concern, as this Court had in Shaw Wallace & Co. Ltd. & Anr. v. Mohan Rocky Spring Water Ltd. (supra) granted an injunction against the use of the numeral 5000. Despite that the present suit was filed only on 19th December 2007. He submitted that the delay of two and a half years established that the plaintiff had acquiesced in the defendants using the numeral 50000.

25. At the highest, the plaintiff having filed the suit after two and a half years would establish delay on its part and nothing more and it certainly does not establish acquiescence. In this regard, it is significant to note that the plaintiff has filed a contempt petition in respect of the use of the numeral 50000 despite the order in Shaw Wallace Company Limited Vs. Superior Industries Limited (supra). Moreover, the defendants' application for registration of the mark made on 4th March 2005 was advertised on 1st August 2006 and the plaintiff filed an opposition thereto on 22nd January 2007, within the prescribed time. These facts militate against the plaintiff's having acquiesced in the defendants' use of the impugned mark.

26. There is no explanation why the defendants used the numeral 50000. Absent any explanation on this important aspect, it must be presumed that they did so to make their mark deceptively similar to the plaintiff's popular label mark one of the dominant features whereof is the numeral 5000.

27. Mr. Kirpekar submitted that as the defendants use of the impugned mark was bona-fide and in accordance with honest practices of the trade, it is protected u/s

30(1) of the Trade Marks Act, 1999 which reads as under :

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

(b) is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark."

28. The reliance upon section 30(1) is misplaced. The purpose of section 30(1) is entirely different. Section 30(1) entitles a person to use a registered mark of another for the purpose of identifying the goods or services of such registered proprietor and not for the purpose of identifying his goods or services.

29. The opening or principle part of section 30(1) is almost identical to the principle part of section 10(6) of the English Trade Marks Act of 1994. Section 10(6) of the English Trade Marks Act reads as under :

Nothing in the preceding provisions of this section shall be construed as preventing the use of a registered trade mark by any person for the purpose of identifying goods or services as those of the proprietor or a licensee.

But any such use otherwise than in accordance with honest practices in industrial or commercial matters shall be treated as infringing the registered trade mark if the use without due cause takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.

30. Kerly's Law of Trade Marks and Trade Names, (14th Edition) at page 387 states that section 10(6) of the English Act was specifically drawn to address the issue of comparative advertising. However as I will shortly demonstrate neither section 10(6) nor 30(1) is limited to comparative advertising. The opening or principle part of section 10(6) of the English Act of 1994 is almost identical to the principle part of section 30(1) of the Indian Act of 1999. Section 29(8) which I will set out shortly and the proviso to section 30(1) of the Act of 1999 correspond substantially to the second part of section 10(6) of the English Act, 1994.

31. It is not necessary in this case to trace the origin of comparative advertising in trademark law. This is dealt with in Kerly's work. It is sufficient in this case to note the purpose and ambit of section 30(1) which certainly does not support the defendants and in fact, militates against Mr. Kirpekar's submission.

32. In Barclays Bank PLC v. RBS Advanta, (1996), R.P.C., 307, Mr. Justice Laddie referring to the Parliamentary Debates, House of Lords Official Report traced the introduction of section 10(6) in the English Trade Mark's Act, 1994. Under the English Act, 1938 comparative advertising constituted an infringement. This was

later thought to be undesirable. During the passage of the Trade Marks Bill through the House of Lords in 1994, the Government Minister stated that there was no harm in comparative advertising provided that it makes fair use of a registered mark. It was stated that the Bill sought to chart a middle course by allowing comparative advertising, but providing safeguards for the owner of the registered mark. The learned Judge has also referred to the EEC Trade Mark Directive 89/104/EEC and the Paris Convention and observed that the first half of the section was home-grown.

33. It is not necessary to refer to the EEC Directive or the Paris Convention, as this case does not involve the question of comparative advertising or any other use falling within the ambit of section 30(1) at all. The question whether, the defendants' use of the mark falls within the restrictions placed by section 29(8) and the proviso to section 30(1) therefore does not arise in this case. It is sufficient to note that section 30(1) does not provide a defence to an action for infringement generally. The restrictions and qualifications in the proviso to section 30(1) and in section 29(8) relate and are with respect to the opening part of section 30(1) and not to infringement in general.

34. Section 29(8) reads as under :

(29) Infringement of registered trade marks :

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

Whereas the opening or principle part of section 30(1) permits the use of the trade mark by a person in the manner stated therein, the proviso thereto and section 29(8) place limits and restrictions upon such use of the mark.

35. Comparative advertising which clearly falls within the scope of section 30(1), furnishes a useful illustration to demonstrate that the proviso to section 30(1) does not provide a defence to infringement generally and only applies qua such use of a trade mark as is permissible by the opening or principle part of the section.

The very purpose of comparative advertising negates infringement. Infringement defeats the purpose of comparative advertising. Comparative advertising is antithetical to infringement. Comparative advertising by its very nature involves the manufacturer of products sold under his mark conveying to the public a distinction between his goods sold under his mark and his competitor's goods sold under the competitor's mark. The purpose of comparative advertising is, in fact, to indicate to the public that the advertisers' goods sold under his mark do

not originate from his competitor and vice-versa. In comparative advertising the advertiser advocates the superiority of his goods and services and invites the market to prefer them to those of his competitor. He does so by representing his business to be different from that of his competitors. He does so by disassociating himself and his goods and services sold under his mark from those of his competitor sold under the competitor's mark. In doing so, he refers to the competitor's mark. That he does to trace the origin of the goods and services of the competitor to the competitor. He does not use the competitor's mark to pass off his goods as those of the competitor for that would defeat the purpose of his advertisement.

36. Section 30(1) is not limited to comparative advertising. It would include the use by any person of the mark of another in any other manner or for any other purpose so long as it is for the purpose of identifying the goods or services as those of the proprietor of the mark and such use is not contrary to section 29(8) and the proviso to section 30. The use of the mark in this manner maintains the trade connection between registered mark of the proprietor thereof and the goods and services sold and offered by him under the mark.

37. In fact at page 389 (14-103) in Kerly it is stated :

Although, as noted above, the subsection was specifically introduced to address the issue of comparative advertising, it is not in fact so limited, for it also covers any other use of a trade mark for the purpose of identifying the genuine goods or services of the proprietor. The two sorts of use are not quite the same. In the case of a comparative advertisement, the mark is primarily being used in relation to the genuine goods or services of the proprietor and those are not goods or services in which the advertiser is actually dealing.

38. Section 30(1) may well operate in other cases too. For instance, a retailer of goods would be entitled in accordance with the honest trade practices to identify the goods dealt with by him as being the goods of the registered proprietor inter alia by using the mark. In other words, the use of the mark by the retailer must be such as to convey to the public that the products sold under the said mark originate not from him but from the proprietor of the mark and that he deals in them only as a retailer.

39. Mr. Kirpekar relied upon the judgment of a learned Single Judge of the Delhi High Court dated 16.9.2011 in Radicon Khaitan Ltd. Versus Carlsberg India Pvt. Ltd (1A No. 8122/2011 in CS(O.S.) 1216/2011). The plaintiff was the registered proprietor of the mark 8PM and several other marks in which 8PM was the dominant feature. The defendant, who had been using the mark "PALONE/OKACIM PALONE" subsequently started using the mark "PALONE 8" wherein the numeral "8" was used in a prominent manner and in fact as a primary mark.

It was contended on behalf of the defendant that the plaintiff was not entitled to the exclusive proprietary rights over the numeral "8" inter-alia as the mark "8" was descriptive of the goods, publici juris and common to the trade and non-

distinctive. It was also contended that there was no possibility of deception.

The learned Judge after referring to sections 29 and 30 of the Act, discussed the ambit and nature of the words "honest practices in industrial and commercial matters" appearing therein and concluded as under :

32. The propositions which are emerging from the abovementioned discussions are as under:-

a) That Section 30 acts as an exception to Section 29 which provides for infringement of trademark;

b) Section 30(1) safeguards the use of the trademark by anyone other than the registered proprietor if the use of the said trademark is in accordance with the honest practices in the industrial or commercial matters and is not such as to take CS(OS) No.1216/2011 Page No.29 of 81 unfair advantage of or be detrimental to the distinctive character or repute of the trade mark.

40. I am, with respect, unable to agree with the observations in paragraph 32(b) to the effect that section 30(1) safeguards the use of the trade mark "by everyone other than the registered proprietor". The plain language of section 30(1) is to the contrary. Section 30(1) permits the use of a trade mark by "any person" but such use is to be "for the purpose of identifying the goods or services "as those of the proprietor" In other words, section 30(1) does not permit "any person" to use the mark for the purpose of identifying the goods or services as those of himself. It does not permit the use of the mark for the purpose of identifying the goods or services as those of anyone other than the proprietor of the mark. A view to the contrary would render the provisions of the Act relating to registration of trade marks and infringement otiose. It would be contrary to the legislative intent and purpose behind section 30(1). Unfortunately the learned Judge's attention was not invited to the above factors.

41. Even assuming that Mr. Kirpekar's interpretation of section 30 (1) is correct it would make no difference in the facts and circumstances of the case. To put the plaintiff's case at its lowest, the defendants have not been able to establish that they have used the mark in accordance with honest practices. Much less have they been able to establish that their use of the mark has not taken unfair advantage of and is not detrimental to the distinctive character or repute of the plaintiff's mark. In the circumstances, the Notice of motion is made absolute in terms of prayers (a) and (b). This order is stayed upto and including 11th May 2012 to enable the defendants to challenge the same.