

(2011) 09 BOM CK 0107

In the Bombay High Court

Case No : Notice of Motion No. 828 of 2007 in Suit No. 603 of 2007

Skol Breweries Limited

APPELLANT

Vs

Som Distilleries and Breweries Limited and Shaw Wallace and
Company Limited

RESPONDENT

Date of Decision : 05-09-2011

Acts Referred:

Trade and Merchandise Marks Act, 1958 — Section 17
Trade Marks Act, 1940 — Section 13

Citation : (2012) 1 BomCR 333 : (2011) 113 BOMLR 3257 : (2012) 49 PTC 231

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

Bench : Single Bench

Advocate : D.D. Madon Himanshu Kane, Hiren Kamod and Mushraf Bukhari., i./b., H.W. Kane, for the Appellant; Arif Y. Bookwala, Anand Kumar, i./b., Anand Kumar and D. Jehangir for Defendant No. 1., for the Respondent

Judgement

S.J. Vazifdar, J.

1 This is an action for infringement and passing off. The Plaintiff is the registered proprietor of a label mark comprising of the words "HAYWARDS 5000 SUPERSTRONG BEER" within a label of which "HAYWARDS 5000" forms a dominant and essential feature. The Plaintiff also claims to be the proprietor of the word mark "HAYWARDS 5000".

2. In the year 1983 the 2nd Defendant, 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 the 2nd Defendant and/or its licensee. Between the years 1983 and 2000 the 2nd Defendant 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 the 2nd Defendant got manufactured from its contract bottlers and sold the same beer under the same mark also on a continuous and extensive basis.

3. The 2nd Defendant 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.

4. During the year 1993 - 94 9,20,000 cases of beer were sold under the said mark. The sales increased over the years. In the year 2003 - 2004 1,000 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 crores to Rs. 11.60 4 NMS828.07 crores. The same establishes the enormous goodwill and reputation developed by the Plaintiffs predecessors in the said mark.

5. By a Deed of Assignment dated 27th May 2005 the 2nd Defendant 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.

6. Mr. Bookwala, the learned senior counsel appearing on the half of Defendant No. 1 submitted that in view of the limitations and conditions placed by the Registrar in respect of the registration of the said mark the Plaintiff cannot claim a monopoly/exclusive right to use the numeral 5000 with respect to products falling under class 32.

7. The submission is answered in the Plaintiffs favour in view of the judgment of a learned single Judge of this Court in the case of Shaw Wallace and Company Limited and Anr. v. Mohan Rocky Spring Water Breweries Ltd. (2006) 3 All Maharashtra Reports 439. In that case it was contended on behalf of the Plaintiff that it had an exclusive right to use the trademark "HAYWARDS 5000" an essential feature whereof included the numeral 5000 and that the Defendant had committed the acts of infringement and passing off by using that trademark "PRESTIGE 5000" and "FOUR SQUARE 5000". In that case also the Defendant contended that the Plaintiff was not entitled to claim an exclusive right to use the numeral 5000 as it was descriptive and common to the trade and due to the disclaimer stipulated in the registration certificate. The learned Judge held as under: -

12. It is submitted that there is No. disclaimer. The registration certificate and

the entry relating thereto clearly does not mention any disclaimer regarding the numeral "5000". It is submitted that whenever the Registrar required any numeral to be disclaimed, he made a specific reference to that as is to be found in the documents produced by the Defendants along with the further Affidavit of the said Kolambe dated 10th January, 2005 in respect of Application No. 941704 in respect of "Haywards 5000" advertised before acceptance. The Registrar had suggested disclaimer in respect of numeral "5000". Thus, whenever there is a disclaimer in respect of a numeral the reference is specifically made. In the instant case i.e. the mark which is registered, there is No. such disclaimer in respect of the numeral "5000" and disclaimer is for descriptive words which obviously are "strong beer". In any event, the Plaintiffs have by their letters dated 20-3-2003 objected to the disclaimer in the matter of the Plaintiffs" another application No. 940878 in class 32 which are to be found at page 9 of the Affidavit of Sonali Chanda dated 20-1-2005.

13. Now, if in the light of these rival submissions the record of the case is perused, it becomes clear that the trade-mark of the Petitioner "HAYWARDS 5000" is a registered trade-mark. Perusal of the registration show that numeral "5000" is not disclaimed. What is disclaimed is the descriptive material on the label. Whenever numeral in the label or trade mark is disclaimed, it is clear from the material available on record that it was specifically so mentioned and, therefore, in my opinion, it is clear from the material available on record that so far as the registration of the label of "HAYWARDS 5000" is concerned, the numeral has not been disclaimed and, therefore, in view of the registration of the trade-mark and the label, the Plaintiffs will have a statutory right to prevent the Defendants from using a deceptively similar mark. In so far as the question whether the numeral is an essential part of the label is concerned, perusal of the judgment of this Court in Notice of Motion No. 1259 of 1994 in the case of Shaw Wallace & Company Ltd. v. Castle Douglas Industries Ltd. and Anr., dated 20-6-1996 shows that in that case the trade-mark involved was "HAYWARDS 2000". In that case the numeral "2000" was specifically disclaimed, still the court held that the said numeral was an essential part of the trade mark of the Plaintiff. In view of the judgment of this Court referred to above, in my opinion, it cannot be said in the present case that the numeral "5000" is not an essential part of the trade-mark of the Plaintiff and is not associated exclusively with the Plaintiffs. In the present case, as has been rightly contended by the Plaintiffs, the Defendants have, while entering into an agreement with the Plaintiffs which are on record, admitted that the Brand "HAYWARDS 5000" is a well-known brand and that the Defendants have No. right and are not entitled to question the popularity or the suitability of the brand. From the material available on record it is clear that the Defendants were aware, when they adopted their brand about the popularity of the registered trade mark of the Petitioners, and therefore, it prima facie appears that the adoption of the impugned trade-mark by the Defendants was dishonest and they adopted the trade mark to take advantage of the popularity of the trade-mark of the Plaintiffs and, therefore, in my opinion, as

there is No. disclaimer of the numeral "5000" at the time of registration of the trade-mark and as the numeral "5000" is an essential part of the registered trade mark label of the Plaintiffs, the Plaintiffs will prima facie have a statutory right to prevent the Defendants from using a deceptively similar trade label and trade mark. The Plaintiffs would be entitled to a temporary injunction also because it prima facie appears that the adoption of the impugned mark by the Defendants appears to be dishonest. So far as the defence that there are others who are using the numeral "5000" in relation to beer and therefore it is common to the trade is concerned, apart from the fact that one party other than the Defendant who was using the numeral "5000" has been proceeded against by the Plaintiff, the Defendant has not produced material on record to show as to what is the extent of sale and business of the other parties who according to the Defendant are using the numeral "5000". In the absence of production on record of the above referred material, the Defendant cannot successfully confer that the numeral "5000" is common to the trade.

8. The judgment supports Mr. Kane's submission that the disclaimer placed by the Registrar did not pertain to the numeral 5000. It also supports his contention that whenever the Registrar intends ordering a disclaimer in respect of a numeral it is specifically so mentioned. Apart from being bound by the judgment the evidence on record in the present case also supports the submission.

I am not inclined to uphold Mr Bookwalla's submission that the judgment is per in curium as the learned Judge had not considered the judgment of the Supreme Court in The Registrar of Trade Marks Vs. Ashok Chandra Rakhit Ltd., . The case dealt with the order of the Registrar rectifying the register by directing the Respondents to disclaim the exclusive use of the word "Shree" from the registered mark. The mark was a device which comprised inter alia of the words "Shree Durga Chandra Rakhit". The court therefore referred to various factors relied upon by the Registrar while insisting upon the disclaimer. The question was whether the disclaimer was rightly insisted upon by the Registrar. The learned judge had however held that there was No. disclaimer of the numeral 5000. The judgment therefore cannot be said to be per in curium .

In the case before me the Plaintiffs registered mark has not been rectified. It cannot therefore be challenged in these proceedings. I must therefore presume the same to be valid. The mark is the same as the one before the learned single judge and I consider myself therefore bound by the judgment in Shaw Wallace & Company Limited and Anr., v. Mohan Rocky Spring Water Breweries Ltd. (2006) 3 AMR 439.

9. Mr. Bookwala relied upon various advertisements before acceptance in respect of the Plaintiffs application for registration of its marks.

Firstly he relied upon an application for the registration of a label mark a dominant and essential part whereof consisted of the words "HAYWARDS 5000 SUPERSTRONG BEER". The advertisement before acceptance stated:

REGISTRATION of THIS TRADE MARK SHALL GIVE No. RIGHT TO THE EXCLUSIVE USE of THE DISCLAIMER of NUMERAL 5000 and EXPRESSION "SUPER STRONG" and ALL DESCRIPTIVE MATTERS APPEARING ON THE LABEL

It was submitted that the intention always has been to insist on a disclaimer inter-alia of the numerals including the numeral 5000.

10. The advertisement not only does not support the Defendant No. 1 but in fact supports the Plaintiff. Firstly it is only an advertisement before acceptance. The Plaintiffs application for registration is pending. The Plaintiff has not accepted this condition to the registration. The Registrar is yet to decide the issue. The advertisement by itself therefore cannot be relied upon against the Plaintiff.

Further it is pertinent to note that this advertisement in fact supports the Plaintiffs contention that whenever the Registrar insists on a disclaimer in respect of a numeral he specifically provides for the same. This is clear from the fact that in the above advertisement the numeral 5000 is treated as distinct and separate from "all descriptive matters appearing on the label". In the present case there is No. such disclaimer insisted upon by the Registrar to wit, a disclaimer 11 NMS828.07 specifically in respect of the numeral 5000 has not been insisted upon.

A condition or limitation placed in respect of one registration cannot be read into a separate and distinct registration albeit of the same trademark.

11. The submission that the disclaimer in the present case includes the numeral 5000 is, therefore, rejected.

12. In any event even assuming that the disclaimer extends to the numeral 5000 it would not affect the Plaintiffs case for passing off. Mr. Kane's reliance upon the judgment of another single Judge of this court dated 20th June 1996 in Shaw Wallace and Company Limited v. Castle Douglas Industries Ltd in Notice of Motion No. 1259 of 1994 in suit No. 2037 of 1994 is well founded.

In that case the Plaintiffs sought to restrain the Defendant from using the numeral 2000 in relation to the beer sold by the Defendants on the ground that doing so would amount to passing off the Defendants beer for that of the Plaintiffs. The Plaintiffs contended that they had been marketing their products under distinctive trademarks such as "HAYWARDS 5000" in respect of extra strong lager beer. The learned judge noted that the Plaintiff had applied for registration of the trademark underclass of 32 but that the Registrar of trademarks was not satisfied that the numeral 2000 had been sufficiently used by the Plaintiff to denote distinctiveness of the origin of the goods and therefore required the Plaintiff to disclaim any right for the exclusive use of the numeral 2000. A further application for registration of the trademark met with the same fate. The two registered trademarks contained disclaimers including as to the right to the exclusive use of the numeral 2000. It was contended before the learned judge that inasmuch as the Plaintiffs had disclaimed the exclusive right

to use the numerals 2000 they could not assert such a right. It is pertinent to note that the learned judge noted and dealt with the judgment of the Supreme Court in *The Registrar of Trade Marks Vs. Ashok Chandra Rakhit Ltd.*, . The learned judge held as under: -

9. In the case of *The Registrar of Trade Marks Vs. Ashok Chandra Rakhit Ltd.*, , the Supreme Court pointed out that the proviso to Section 13 of the Trade Marks Act, 1940 (which corresponds to Section 17 of the Trade Marks Act, 1958) declares the effect of a disclaimer. The contention of the Defendant from the beginning has been that by virtue of the disclaimer contained in the two registered trademarks of the Plaintiffs, the Plaintiffs are disentitled from claiming any exclusive right to use the numeral "2000" in relation with their goods. It would be necessary to consider the effect of disclaimer at this stage. The effect of disclaimer is dealt with in proviso to Section 17 of the Trade & Merchandise Marks Act, 1958 (which corresponds to Section 13 of the Trade Marks Act, 1940). Dealing with the effect of disclaimer under the 1940 Act, the Supreme Court pointed out:

... The disclaimer is only for the purposes of the Act. It does not affect the rights of the proprietor except such as arise out of registration. That is today, the special advantages which the Act gives to the proprietor by reason of the registration of his trade mark do not extend to the parts or matters which he disclaims. In short, the disclaimed parts or matters are not within the protection of the statute. That circumstance, however, does not mean that the proprietor's rights, if any, with respect to those parts or matters would not be protected otherwise than under the Act. If the proprietor has acquired any right by long user of those parts or matters in connection with goods manufactured or sold by him or otherwise in relation to his trade he may, on proof of the necessary facts, prevent an infringement of his rights by a passing off action or a prosecution under the Indian Penal Code. Disclaimer does not affect those rights in anyway.

(See at pages 262 and 263 of the Report)

10. The interpretation put by the Supreme Court upon the proviso to Section 13 of the Act of 1940 would apply equally to the effect of the proviso to Section 17 of the Act of 1958. The contention of the Defendants that inasmuch as the Plaintiffs had disclaimed exclusive right to use the numeral "2000" in respect of their goods, they cannot assert such a right now, cannot be accepted and has to be rejected. All that the disclaimer means is that the Plaintiffs would not be entitled to resort to the statutory action of infringement in respect of the said numeral. If the Plaintiffs succeed in showing that they have, by continuous and exclusive use of the numeral "2000" in connection with their Beer, acquired a distinctive right to use the said numeral in connection with their Beer, the Plaintiffs would be justified in taking action which is available to them under common law, namely, an action for passing off.

....

13. Turning to the present case, it is the Plaintiffs' contention that they used the mark numeral "2000" as a part of their mark with an intention of denoting the potency of the Beer. It is the Defendants who put forth this case as an idea common to the trade. There is hardly any material which, even prima facie, points out to such a co-relation between numerals used and the alcohol contents of the Beer. In my view, in such a situation, a heavy burden lies on the Defendants to explain to the Court as how they hit upon the numeral "2000" as part of their mark. On this issue, there is an ominous silence on the part of the Defendants. The contention of the Defendants, therefore, cannot be accepted.

13. Mr. Bookwala then relied upon another advertisement before acceptance which also contained an exclusion of the exclusive right to use the numeral 5000.

14. Firstly, this is also merely an advertisement before acceptance. The mark has not proceeded to registration. The issue is therefore not concluded. Further the application was under class 31 whereas in the present case the registration is under class 32.

15. Mr. Bookwala's reliance upon an advertisement before acceptance which contained a disclaimer insisted upon by the Registrar of the numeral 2000 is also of no assistance to the first Defendant. That was in respect of an application under class 25. Moreover it was also only an advertisement before acceptance and the mark has not proceeded to registration. The issue is therefore not concluded against the Plaintiff in this case either.

16. Mr. Bookwala then relied upon an advertisement before acceptance dated 15th June 2005 and published on 28th October 2005 in respect of the Plaintiffs application for registration of the trademark "5000" insofar as it mentioned the user to be as of 23rd February 1996. He submitted that the same therefore belied the Plaintiffs case that it had been using the mark since 29th July 1985.

17. This document was only tendered across the bar and was never referred to relied upon by the first Defendant either on affidavit or otherwise. It would be unfair therefore to confront the Plaintiff with the same at this stage. Had the document been relied upon the Plaintiff would have had an opportunity of dealing with the same. The danger in permitting a document to be relied upon in this manner is evident from the facts of this case itself. The Plaintiff had nothing to do with the advertisement. It is obvious that the reference to the user detail as of 23rd February 1996 was an error on the part of the Registrars office. I therefore permitted Mr. Kane to produce the application made by the Plaintiff for registration. In the application the Plaintiff has in fact claimed user of the mark from 29th April 1985. Further having noted the error in the advertisement the Plaintiffs advocate by a letter dated 23rd November 2005 pointed the same out to the Registrar.

18. The contention that the application if not the suit itself is liable to be dismissed on account of the Plaintiff having suppressed the above advertisements before acceptance is therefore rejected. These advertisements

are totally irrelevant. In fact, as stated above, the first advertisement referred to supports the Plaintiffs case that there is No. disclaimer insisted upon in respect of the numeral "5000".

19. Mr. Bookwala contended that the Plaintiff had abandoned the registered label mark. Relying upon paragraph 8 of the plaint read with Exhibit "E" thereto he submitted that the mark actually used by the Plaintiff was entirely different from the registered mark. The registered mark he submitted had never been used and must therefore be deemed to have been abandoned. acceptance which also contained an exclusion of the exclusive right to use the numeral 5000.

Exhibit "E" to the plaint is a photograph of a bottle with the label affixed thereon. The words "HAYWARDS 5000" form not only an important but a predominant part of the label. These letters and numerals are in the centre of the label and are about four times the size of the letters and numerals of the other material on the label. Reliance however is placed on the fact that the label in addition thereto contains considerable other material. Firstly the word PREMIUM is added to the registered mark. Below the mark "HAYWARDS 5000" are the words "PREMIUM SUPER STRONG BEER". Below these words is the device of a star within a circle and below the same the quantity is mentioned as 650 ml. Above the mark are the words "THE ORIGINAL". The use of this additional material, Mr. Book Walla contended, established that it is not the registered trademark that has been used by the Plaintiff but another trademark altogether.

20. The added material in the present case does not indicate that the Plaintiff has abandoned the registered mark or the word mark "HAYWARDS 5000". Nor does it indicate that the label on the bottle containing the Plaintiffs product does not constitute the use of the registered label mark. The submission that any variation or deviation from the registered mark does not constitute use of the registered mark is not well founded. Indeed in most cases the label affixed on the products or packages containing the products would contain in addition to the trademark, registered or unregistered, other material. The added material may be of the proprietors volition as well as on account of statutory compulsion. For instance the labels may contain the name of the entity packing/bottling the goods, the name and address of the manufacturer and the quantity of the contents of the package upon which the label is affixed. The label may also contain certification obtained by the manufacturer and the proprietors compliance with statutory requirements whether compulsorily required to be stated or not. If Mr. Bookwala's submission is accepted it would lead to the absurd result that the mere introduction/mention of such material would lead to the conclusion that the registered mark has not been used and consequently must be deemed to have been abandoned by the proprietor thereof. So long as the registered mark is used in substantially the same manner in which it is registered it must be deemed/considered to constitute the use of the registered mark itself. Where the use of a mark, registered or unregistered, is apparent the mere addition of material on the label or other material on which it appears would not lead to the

conclusion that the mark has not thereby been used. In either case the use of the mark must be apparent to wit, the Court must be satisfied that despite the added material the trademark has been used. The use of the mark must be as a trademark and must be obvious/perceptible. The mark must not be lost as a result of the added material for then it is not to the use of the mark for the purpose of an infringement or a passing of action.

21. Mr. Bookwala then contended that the numeral 5000 is merely descriptive. He stated that the same only denoted the extent of the strength of the beer. The Plaintiff therefore cannot claim any exclusive right in the numeral 5000.

22. The submission is answered against the first Defendant by the judgments I have referred to. Further I do not find this a valid explanation for the first Defendant's adoption of the numeral 5000 as a trademark. The reliance upon the "Indian Standard BEER -SPECIFICATION" is of No. assistance to the first Defendant and in fact the publication belies its case. The same in fact indicates dishonesty of adoption of the mark by the first Defendant. The first Defendant in its label describes its beer as "SUPER STRONG BEER". The publication stipulates "Super Strong" characteristic of beer to be "Above 6.0". If in adopting the impugned mark the first Defendant

had in fact followed the publication it ought to have used the numeral 6 or probably even 60, 600 or 6000. The explanation is therefore not convincing. There is nothing to indicate that any of the numerals bear any correlation to the actual strength of the beer as certified by any authority or known scientific method, criteria or formula.

23. Nor has the first Defendant produced any material to convince me that the numeral 5000 is common to the trade. In that view of the matter the observations in the above judgments apply equally to the present case.

24. I will for the purpose of this judgment and at this stage accept the sales figures furnished by the first Defendant of its products under the impugned mark though the same was strongly denied by Mr. Kane. I will also presume that the first Defendant has been using the impugned mark since the year 1988 in respect of gin and whiskey and from 1994 in respect of beer although even that was denied by Mr. Kane. Relying upon these factors Mr. Book Walla submitted that the Plaintiff had acquiesced in the use of the impugned mark. It was also contended that the balance of convenience is in favour of the first Defendant in view of the fact that it had been using the impugned mark for several years and the sales of the Defendants products under the said mark of the value of almost Rs. 80 crores per annum.

25. It is pertinent to note however that the first Defendant's products are sold only in three states in this country. I am not therefore inclined to accept the contention that the Plaintiff and its predecessors were at all times aware of the use of the impugned mark and had acquiesced in the same. Indeed the conduct of the Plaintiff and its predecessors establishes that they had not only not

abandoned their trademark and their statutory and common law rights in respect thereof but had actively protected the same. This is evident from the above judgments as well as other proceedings including before the Delhi High Court referred to therein. It is settled law that mere delay will not defeat an action for infringement or passing off. The fact of the matter is that the Plaintiff has been using the said mark prior to the use of the impugned mark by the first Defendant. The Plaintiffs mark was also registered prior to the alleged user of the impugned mark by the first Defendant.

26. The first Defendant ought to have inspected the register. Had it done so it would have noticed the Plaintiffs mark. Having failed to do so it must be considered to have been negligent. If in fact the first Defendant had taken inspection of the register and noticed the Plaintiffs mark and despite the same used the impugned mark its adoption would be dishonest. Either way therefore the defence of acquiescence, waiver, abandonment or delay is not open to the first Defendant.

27. In view of what I have said earlier I am also not inclined to accept the submission that the balance of convenience is in favour of the 1st Defendant. In cases such as these balance of convenience plays a role only in unusual circumstances.

It was then contended that the balance of convenience is in favour of the first Defendant in view of the fact that it had been using the impugned mark for several years and the sales of the first Defendants products under the said mark are now of the value of 24 NMS828.07 almost Rs. 80 crores per annum.

28. The issue of acquiescence and a balance of convenience are answered in the Plaintiffs favour in the judgment of a learned single Judge of this Court in Poddar Tyres Ltd. Vs. Bedrock Sales Corporation Ltd. and Another, . The learned single Judge relying upon the judgment of a Division Bench of this Court held that it is only in unusual circumstances that the balance of convenience should play a part in a matter where the Plaintiff is the owner of a registered trademark. Further in Bal Pharma Ltd. v. Centaur Laboratories Pvt. Ltd and Anr. 2002 (24) PTC 226 the Appellant who was the original Defendant contended that it had used the impugned mark from the year 1992 whereas the Plaintiffs/Respondent had not been able to show any use of its mark prior to the year 1998. The Division Bench held as under: -

9. Then we turn to the question of delay and acquiescence. Mr. Tulzapurkar, learned Counsel appearing for the Respondent cites the judgment of the Supreme Court in Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd., wherein the Supreme Court approvingly referred to the judgment of the Appeal Court in England in Electrolux LD v. Electrix and quoted a passage there from in paragraph 34 of its judgment. Our attention was also drawn to the judgment in Electrolux itself. Reference to the judgment in Electrolux shows that there is No. hard and fast rule that delay per se would defeat an application for

interlocutory injunction. The judgment indicates that in a situation where the Defendant to an action has been using the mark, even if concurrently, without making himself aware of the fact as to whether the same mark is the subject-matter of the registration and belongs to another person, the first person cannot be heard to complain for he has been using it negligently inasmuch as he has not taken the elementary precaution of making himself aware by looking at the public record of Registrar as to whether the mark in question is the property of another. If, however, he had taken search and, knowing full well that the mark was the property of another person, continues to use the mark, then he runs the risk of a registered proprietor challenging his action for infringement and merely because it is done at a subsequent stage, he cannot be heard to complain on the ground of delay. Further discussion in the judgment shows that in order to deny an interlocutory injunction, the delay must be such as to have induced the Defendant or at least to have lulled him into a false sense of security to continue to use the trade mark in the belief that he was the monarch of all he surveyed. In our judgment, such are not the circumstances here. We are not satisfied from the record that a search was taken of the registry by the Appellant to assure itself that there was No. other person who owned the mark "MICRODINE". Assuming that the search was taken, and the Appellant has done it consciously, then the Appellant has to thank itself for having gambled by investing large amounts in a risky venture. Either way, we do not think that the defence can succeed, at this stage, at least.

....

11. Finally, that brings us to the question of balance of convenience. Even on balance of convenience, we are of the view that the learned Single Judge is right. The damage caused to the goodwill of the proprietor of a trade mark may be intangible and not computable in terms of money, but it has the long term effect of devaluing the trade mark itself which is the property of the registered proprietor. Another person, who consciously or without taking the necessary steps to assure himself of the existence of such a mark, uses it and invests money therein, does not obviously have the balance of convenience in his favour. At any rate, at this stage at least, we are satisfied that the judgment of the learned Single Judge cannot be faulted on the ground of balance of convenience also. Our attention is drawn to the judgment of Kurdukar, J. dated 8th March 1989 in Notice of Motion No. 1920 of 1988 in Suit No. 2903 of 1986 (Pepsico Inc. v. Express Bottlers Services Pvt. Ltd. and Anr.) which was confirmed in appeal by the judgment dated 8th February 1991 in Appeal No. 436 of 1989 by the Division Bench to which one of us (B.N. Srikrishna, J.) was a party and we stand confirmed in our view.

29. Lastly, Mr. Bookwala relied upon the judgment of the Supreme Court in *Shree Vardhaman Rice & General Mills v. Amar Singh Chawalwala* (2009) 19 SCC 257 to contend that in matters relating to trade marks, copyrights and patents, the Court ought to hear the suit finally and not consider interlocutory applications

therein.

30. The submission is a complete misreading of the judgment of the Supreme Court. There is not even a whisper to this effect in the judgment. In fact, the Supreme Court dismissed the petition for special leave which was filed against the judgment of the Division Bench of the High Court of Delhi which granted interlocutory reliefs. If Mr. Bookwala's interpretation of the judgment was correct, the Supreme Court would have set aside the order and judgment of the High Court and allowed the petition/appeal. All that the Supreme Court has said is that such matters ought to be decided very expeditiously by the trial court "instead of merely granting or refusing to grant injunction". Thus, far from holding that the trial court ought not to consider interlocutory applications, the Supreme Court has, in fact, held that not only must the interlocutory applications be considered, but even the suit should be decided finally. This is entirely different from saying that interlocutory applications in matters involving intellectual property rights ought not be considered.

31. I would not have thought it even necessary to deal with this construction of the judgment, but for the fact that this was not the first time that this judgment has been referred to in support of the same proposition. Indeed, if this interpretation of the judgment of the Supreme Court was correct, the entire law relating to intellectual property rights in this country would be rendered redundant.

32. I am, however, inclined to show some indulgence to the first Defendant on account of the contention that it's sales have increased to a large extent over the years.

33. In the circumstances, the Notice of Motion is made absolute in terms of prayers (a) and (b). The first Defendant shall, however, be entitled to dispose of its existing stock, latest by 31st March, 2012. The first Defendant shall file an affidavit on or before 30th September, 2011 furnishing details of the existing stock. The first Defendant shall also maintain accounts in respect of such stock as it may deal with under the impugned mark.

34. This order is stayed up to and including 31st October, 2011. Costs shall be costs in the cause.