
(2015) 10 BOM CK 0149

In the Bombay High Court

Case No : Notice of Motion No. 1608 of 2011 in Notice of Motion (L) No. 1964 of 2014 in Suit No. 1184 of 2011

Sumeet Appliances Pvt. Ltd.

APPELLANT

Vs

Dilip Kumar Jain and Others

RESPONDENT

Date of Decision : 28-10-2015

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 7 Rule 11, 151
Copyright Act, 1957 — Section 63
Trade Marks Act, 1999 — Section 33

Citation : (2015) 10 BOM CK 0149

Hon'ble Judges : G.S. Patel, J.

Bench : Single Bench

Advocate : Vinod Bhagat, Dhiren Karania and Punit Jani, i/b G.S. Hegde and V.A. Bhagat, for the Appellant; Birendra Saraf and Puja Kshirsagar, i/b. ALMT Legal, for the Respondent

Judgement

G.S. Patel, J.

BACKGROUND

1. This is an action in trade mark and copyright infringement combined with a cause of action in passing off. The Plaintiff claims to be the registered proprietor of several trade marks bearing the word or name "SUMEET" and used in relation principally to kitchen appliances. It also claims to have the copyright in the get-up and artwork of its labels and packaging, the word "SUMEET" being displayed in a unique manner and stylization.

2. The Plaintiff is not, as it turns out, the original creator of the mark. It claims today to have an assignment of the trade mark registration, and that is a matter of some consequence to the defence. Further, this very matter has gone back and forth between the trial court and the appeal court in a number of interlocutory applications. A short history is necessary.

3. In the late 1950's, the German multinational, Siemens, then already a significant presence in India, commissioned a survey to identify potential products for domestic manufacture. The results apparently suggested a market for kitchen appliances and, in particular, mixer-grinders as they are known. At that time, small kitchen appliances could only be manufactured in the small-scale sector. Siemens could not on its own take up the project. One S.P. Mathur was then a senior engineer with Siemens. He asked Siemens for permission to start his own mixer manufacturing unit in Mumbai (then Bombay) in his wife's, Ms. Madhuri Mathur's, proprietary concern, M/s. Power Control & Appliances Company. Mr. Mathur received permission. Four other Siemens engineers joined him in his new venture, though Mr. Mathur himself kept his job at Siemens. After five years of development, Power Control & Appliances Company produced a unique design and motor. This appliance could both mix and grind food. Its motor was designed to run continuously for longer durations than other machines in the market. This was, apparently, most useful to the demands of preparation of Indian food. The product was called "SUMEET" and it was launched in 1963-64 for mixers and grinders manufactured by Power Control & Appliances Company. The Plaintiff claims that the word itself was coined by Mr. Mathur from Sanskrit; it means "good friend", and was meant to connote a "friend" in the kitchen. In 1969, Power Control & Appliances Company set up another unit in Madras, now Chennai. Mr. Mathur quit his job with Siemens to focus on building the product line and brand.

4. The devolution of the trade marks is, too, traced by the Plaintiff. It begins with the adoption of the trade mark by Mr. Mathur in 1963, with its first use in 1964 by Power Control & Appliances Company. That firm used it continuously till 1980. On 1st January 1981, Power Control & Appliances Company assigned and transferred its rights in this mark to Sumeet Research & Holdings Pvt. Ltd., a company promoted by Mr. and Mrs. Mathur. That company then used the mark continuously from the date of its acquisition till December 1992. On 21st December 1992, Sumeet Research & Holdings Pvt. Ltd. assigned and transferred all its rights in the mark to Sumeet Machines Pvt. Ltd., an entity promoted by Mr. Mathur's eldest son, Mr. Ajay Mathur. On 9th February 1993, the company changed its name to Sumeet Machines Ltd. It continued using the mark without interruption till April 2008. The Plaintiff claims that under two assignment deeds dated 28th April 2008 and 1st October 2008, and a supplementary deed dated 17th September 2008, all rights in this mark were assigned to the Plaintiff. It is to be noted that the Plaintiff's predecessors-in-title had multiple registrations, and this history is traced to all those registrations.

5. This is straightforward enough. But what the Defendants say is that there is material here that has been carefully and deliberately omitted; in essence, that the so-called assignments and transfers to the Plaintiff are in themselves void, and that the Plaintiffs can therefore claim no statutory or common law rights over them. To understand this, we must see how the marks in question came to be registered, when, and by whom.

6. There are in fact five registered trade marks in question in this suit. All five are label marks. Four of these are for "SUMEET". They are, respectively, under registration numbers: 263836 as of 18th April 1970; class 07 in respect of mixing machine (electric); 574504 as of 2nd June 1992 in class 07 in respect of mixing machines and spare parts thereof; 574506 as of 2nd June 1992 in class 09; and 574508 as of 2nd June 1992 in class 11. The fifth is 1328115 of 24th December 2004 for " SUMEET MACHINES PALM GRINDER" (label) in respect of mixer-grinders included in class 07. The Plaintiff also claims copyright in the artistic work of all these. The fifth of these, number 1328115, seems to be a registration obtained directly by the Plaintiff itself, i.e., it is not the subject matter of any of the devolutions, assignments or transfers. The first four marks, however, are another matter. All these were originally registered to Mrs. Mathur and the Plaintiff claims to be the assignee or transferee of each of them. As regards registration number 263836, the Plaintiff's name has been entered in the register as the registered proprietor. The registration certificates are also appended to the Plaint.¹ Legal proceedings certificates are also annexed.² The registrations for the marks under numbers 574504, 574506 and 574508 however continue to stand in the name of Sumeet Research & Holdings Pvt. Ltd. Applications have been made to record the Plaintiff as the subsequent registered proprietor. Copies of the Deeds of Assignments dated 21st December 1992 and 1st October 2008 are annexed,³ and they relate to the four marks under numbers 263836, 574504, 574506 and 574508. The Plaintiff claims to have acquired these marks under the three Deeds of Assignment and Transfer of 2008. At that time, Mr. Ajay Mathur was the Chairman and Managing Director of Sumeet Machines Ltd. (in whose name those registrations then stood) and the Plaintiff. There is, in addition, a copyright registration No. A-87055/2009 that shows the first year of publication as 1964.⁴

7. The Defendants say that Sumeet Machines Ltd. was ordered to be wound up by an order dated 17th June 2005 in Company Petition No. 299 of 1994. Sumeet Machines Ltd. filed Appeal No. 667 of 2005 against that order of winding up. The Appeal Court seems to have granted a stay. The Defendants claim that without leave of the Court, there could have been no transfer or assignment of any property of Sumeet Machines Ltd., including its trade marks, once the order of winding up was passed. Thus, according to the Defendants, no valid title to the marks in question ever passed to or vested in the Plaintiff.

8. I mention this because it was substantially the subject of the Defendants' Notice of Motion (L) No. 2290 of 2014, one that sought inter alia the dismissal of the suit and its rejection of the plaint. I dismissed that Notice of Motion with costs on 7th October 2014. I said:

"6. In my view, this Notice of Motion is thoroughly misconceived. Indeed, it is very likely vexatious and frivolous. The application made by the Defendants is that since at some point in the Plaintiffs' or their predecessors' or associates' corporate history, there was an order of winding up, and since that matter was

carried to the Appeal Court where the company in question agreed not to dispose of its assets, the Plaintiffs could not have obtained an assignment of trade marks that they now seek to protect. This argument does not lie in the mouth of this Defendant. It may be a possible argument or a cause of action in the hands of a petitioning creditor. In the hands of the present Defendants, one whom I have already found *prima facie* at the ad-interim stage to be infringing the Plaintiffs' copyright and trademark, this is no defence at all. It certainly does not give the Defendants a licence to continue with the acts that I have found in my ad-interim order to be a patent illegality.

7. The Defendants also submit that all this material about the winding up order, the appeal and so forth ought to have been disclosed by the Plaintiffs. I disagree. This is entirely irrelevant to the Plaintiffs' cause of action in this suit. There is some controversy about whether the appeal in the winding up proceeding is or is not disposed of. As far as I can tell there is an order of 9th April 2010 by which the Appeal, earlier dismissed for default, was restored to file. It appears that there is a subsequent order saying that the Appeal does not survive. However, that is a matter of complete irrelevance to the issues at hand. The Defendants are needlessly seeking to confuse entirely distinct issues, matters from which they can derive no support for their Notice of Motion."

9. The Defendants took the matter higher in Appeal (L) No. 649 of 2014 (Appeal No. 671 of 2014). That Appeal and its accompanying Notice of Motion (L) No. 2406 of 2014 were disposed of by an order dated 27th October 2014.⁵ The appeal was admitted. Interim reliefs in the appeal were, however, declined. What the Appeal Court said is this, with emphasis added:

"3. The impugned order has been passed in an application for rejection of the plaint and for dismissal of the suit under section 151 and Order 7 Rule 11 of the Code of Civil Procedure. The basis of the application was that an alleged assignment by Sumeet Machines Limited in favour of the respondent is void in view of section 537 of the Companies Act. This contention, in turn, is based on the fact that by an order dated 17th June, 2005, Sumeet Machines Limited was ordered to be wound up. Although an appeal has been filed against the said order winding up Sumeet Machines Limited, no stay has been granted against the order of winding up. Accordingly, it was contended that the assignment by Sumeet Machines Limited of the trademarks which are the subject matter of the above suit, which is an action for infringement and passing off in favour of the respondent, is void.

4. We are not inclined to grant any interim reliefs on the basis of the contentions taken in the above application filed by the appellant which was dismissed by the impugned order for more than one reason. Firstly, the appeal against the order dated 17th June, 2005, is pending in this Court. Secondly, section 537(1)(b) provides that any sale without the leave of the company court of any of the properties or effects of the company after the commencement of the winding up shall be void. Mr. Saraf, the learned counsel appearing on behalf of the

appellants⁶ contends that the leave must be taken prior to the assignment and that the assignment, if void, cannot be validated. This is a point which would require further consideration at the hearing of the appeal. In any event, it would be open to the Official Liquidator and/or to the respondent to make an application to the company court even today for the assignment of the trademarks by the company in liquidation Sumeet Machines Limited, to the respondent. We cannot presume at this stage that the company court will reject such applications, if made. More important, however, is the fact that all these questions in the winding up proceedings would be between the company in liquidation and the respondent and all other parties concerned with the outcome thereof. The appellant has, admittedly, no interest in the matter whatsoever. The appellant is neither a shareholder, nor a creditor, nor a contributory in respect of Sumeet Machines Limited. We see no reason then, especially at this stage, to grant such drastic interim orders which would, in effect, prevent the respondent even from making any application for interim reliefs in the above suit.

5. The Notice of Motion is, therefore, dismissed. The order of costs is, however, with the consent of the respondent, stayed at this stage. The same shall be decided at the final hearing of the appeal. Needless to clarify that these observations are prima facie and will not affect any other defences that the appellant may have at the hearing of the application for interim reliefs or at the hearing of the suit."

10. The reason for setting this out at some length is that even at the hearing of these two Notices of Motion, the same argument was sought to be re-opened by Dr. Saraf and Ms. Kshirsagar. They claimed not to be "going behind the registrations per se" but only questioning the validity of the assignments. Given the order of the Appeal Court, saying that this precise question is to be determined at the final hearing of the Defendants' appeal, I do not see how I can possibly examine this question at all. That would be over-reaching the Appeal Court. I must proceed, therefore, on the basis that the Plaintiff has valid registrations in its favour.

11. On 30 September 2015, I put this to the parties. For, if the Defendants were abandoning or withdrawing their appeal, and only in that eventuality, would I be able to address the issue of the validity of the trade mark assignments. Dr. Saraf sought time to take instructions. A few days later, he confirmed that the Defendants were not prepared to withdraw the appeal. I then indicated quite clearly that, in consequence I had no choice but to proceed on the basis that the assignments were valid and that I would not address myself to the question of the validity of the assignments. In this judgment, therefore, I have not considered that question at all. It continues to be pending in appeal.

12. There is another dimension to this matter, too, and this concerns the two present Notices of Motion. The first of these, Notice of Motion No. 1608 of 2011 was filed at about the time of the suit. There was no ad-interim order on that Notice of Motion. The Plaintiffs then filed Notice of Motion (L) No. 1964 of 2014,

complaining about a further infringement by the Defendants. The difference between the two Notices of Motion is that the 2011 Notice of Motion is in respect of the Defendants' rival mark "MI-SUMEET" ("the first impugned mark") and the 2014 Notice of Motion relates to another mark later adopted by the Defendants, "SUMEET SASSAKI" ("the second impugned mark"). On 1st September 2014, I passed an order granting an ad-interim injunction in terms of prayer clauses (a), (b) and (c) of the 2014 Notice of Motion. The Defendants filed Appeal No. 480 of 2014 against that order. That appeal was admitted and, by consent, finally disposed of by an order dated 23rd September 2014. The ad-interim injunctions granted were not disturbed. However, a statement was noted by the Plaintiff's counsel that should these two Notices of Motion not be finally heard within four weeks, the injunction in respect of the first impugned mark, "MI-SUMEET", would end and would be subject to orders on the Notice of Motion. Paragraph 7 of the Appeal Court's order contains further directions to operate should the Defendants succeed in the Notice of Motion of 2011 (relating to the first impugned mark, " MI-SUMEET").

II. THE PLAINTIFF'S CASE ON FACTS

13. An image of the Plaintiff's mark "SUMEET" is annexed to the Plaint. This is the word written in red. The lettering is heavily stylized, not in any common font. It seems to be a variant of a block or geometric font: there are no serifs, brackets or beaks,⁷ the shoulders and spines of the letters are straight and thick. The "S" is slightly set apart, but the other letters are joined; and the connector between the "u" and the "m" is such that it almost looks like a "w". The "m" has two distinct notches on the upper arms. Most distinctive of all are the two "e"s, both depicted as triangles perched on one tip. This is the mark:

14. Paragraph 12 of the Plaint says that in early October 2010 the Plaintiff found the Defendant using the same word Sumeet in a manner deceptively close to that of the Plaintiff's mark. A copy of the Defendants' catalogue showing that impugned mark is annexed.⁸ The lettering is in black, not red, but set on a red background. The font is also a block or geometric font. The letters are separated, and the "e" is in small-caps, not lower case (although the "t" is in lower case). The Plaintiff filed an FIR under Section 63 of the Copyright Act with the Goregaon Police Station. Later that month, the Plaintiff learnt from a customer in Pune that the Defendants had started using the impugned mark with the prefix "mi". The Plaintiff filed a FIR in Pune. It seems that the Defendants produced a copyright search certificate obtained from the Trade Marks Registry and this complaint did not progress. The Plaintiff then made a representation to the Trade Marks registry and the search certificate was cancelled. The Defendants continued using that mark, including in public advertisements. This is the first impugned mark:⁹

15. The second impugned mark, Sumeet Sasaki, is the subject matter of Notice of Motion (L) No. 1964 of 2014. In this, the Defendants applied for registration in Class 07 in respect of mixer grinders, etc. on 26th February 2014, claiming user from 1st December 2010.¹⁰ The mark is this:

16. Mr. Bhagat's submission is direct: it is not only the use of the word "Sumeet" that is in question. There is also the fact that in both the first impugned mark, and more clearly in the second impugned mark, the Defendants have copied the Plaintiff's distinctive presentation and get up in the use of that word. It is being used in relation to the same type of goods. The addition of the prefix "mi" in the first impugned mark and the additional word "Sassaki" in the second makes no difference. The manner in which "Sumeet" is depicted is virtually identical and, to all intents and purposes, indistinguishable from the Plaintiff's mark. A complete case in trade mark infringement, copyright infringement and passing off is made out. There is no conceivable reason for the Defendants' to have adopted this very mark and even if there be one, there is certainly no reason for them to have adopted it in this very fashion. "SUMEET" is the leading and essential feature of the Plaintiff's mark, one that has been in use since 1964, and there is no tenable explanation as to why the Defendants have chosen an identical stylization for their mark and label. The adoption cannot be bona fide or honest; and if there was any doubt about the Defendants' intentions at least in relation to the first impugned mark, this is put to rest by their adoption of the second impugned mark, one that is wholly indistinguishable from the Plaintiff's and certainly has no possible cause. The Defendants' intention to trade on the Plaintiff's reputation and goodwill and to pass off their goods as having originated from the Plaintiff is clear, he submits.

III. THE DEFENCE ON FACTS

17. The principal defence, apart from the one on devolution of title by assignment, and which I have mentioned earlier, is of delay, acquiescence and, I take it, some form of estoppel or waiver. The Defendants claim is that they have been using "Mi-SumEEt" since 1993.¹¹ They say they have invoices to show this. The Plaintiff knew of this, since the Plaintiff appointed one of the Defendants' concerns as its authorised distributor and specifically allowed the Defendants to sell its own products under the "Mi-SumEEt" mark. The Defendants widely advertised the "Mi-SumEEt" mark on hoardings and advertisements, and the Plaintiff cannot have been unaware of this. By standing by and allowing the Defendants to continue to grow their business, the Plaintiff has acquiesced in the Defendants' use of the " Mi-SumEEt" mark.

18. Annexed to the Affidavits filed by the Defendants in the first Notice of Motion 1608 of 2011 are copies of some of the Defendants' invoices. Some of these are in the name of one Manibhadre Industries, admittedly one of the Defendants' concerns. The Defendants say that they used the mark "Mi-SumEEt" through Manibhadre Industries from 1993 to 1999.¹² The Defendants then began using this mark through another concern, Pet & Minerals, and have so used it from 1999 till today. Sample invoices of both concerns are annexed to the Defendants' affidavits.¹³ Dr. Saraf says that these establish beyond a shadow of doubt that the Defendants have been using the " Mi-SumEEt" mark since 1993/1994.

19. Mr. Bhagat disagrees. He says that none of these invoices are in the least credible, at least at the prima facie stage. They are all, he says, fabricated; or, at any rate, far too many of them are. For instance, there are Manibhadre Industries' invoices dated 28th February 1994,¹⁴ 15th February 1994,¹⁵ and 4th January 1994,¹⁶ but all of these reference Sales Tax registrations of 16th March 2004, i.e., of a date well beyond the date of the invoices. These are not isolated cases. Even for the second concern, Pet & Minerals, there is an invoice of 9th February 2001,¹⁷ and this references a Central Sales Tax registration No. 2259 said to be effective 1st April 2001.

20. Mr. Bhagat's point is well taken. At least at this stage it is difficult to see how any credence can be given to such invoices. Dr. Saraf's answer, a letter dated 4th July 2011 from the Commercial Tax Officer, saying that the Manibhadre Industries' registrations under the local and central Sales Tax Acts were cancelled in 2001 does not help.¹⁸ That letter instead confirms that the Manibhadre Industries' sales tax registrations were only effective from 16th March 1994. How, therefore, there could have been earlier invoices referencing this date is unclear. This document also does not show actual use by the Defendants.

21. I cannot also accept Dr. Saraf's submissions that his client had "no opportunity" to answer this case on the invoices since the Plaintiff's did not plead it. I do not think it is at all reasonable or even necessary for a party to put on affidavit every argument and submission it may have in response to the other side's documents, and it is no part of a plaintiff's duty to afford the defendant opportunity after opportunity to plug loopholes in the defence. On the contrary, it is and always has been the duty of every party to place before the court the whole of its case and to do so truthfully. This is, in my view, a significant problem with our approach to affidavits today, when we accept or even expect them to be replete with legal submissions and arguments that are best reserved for a hearing. Affidavits should state facts. When they annexed certain affidavits, the Defendants committed themselves to a certain position, contending that these properly and correctly showed use since 1993. Implicit in this assertion is the genuineness and authenticity of those invoices. It was, in my view, entirely unnecessary for the Plaintiff to set out their submissions on individual invoices, and wholly unreasonable to expect this of the Plaintiff. What purpose would this have served? That the Defendant might then add to the already voluminous affidavits by putting out some other explanation, demanding yet another response, and on and on in this vein with no end in sight? The record in Notice of Motion No. 1608 of 2011 alone runs to over 720 pages. That was surely more than enough opportunity for the Defendants to put forward their case fully and accurately. When a party annexes a document he stands or falls by it, and it was for the Defendants, having annexed these invoices, to defend them.

22. Unfortunately for the Defendants, this is not an isolated instance either. Much the same thing is true of the Defendants' mention of their "hoardings". A set of

photographs of these are produced by the Defendants.¹⁹ These are said to be hoardings of 1995 and 1996. These hoardings mention "Sumeet Engineering Works", another enterprise of the Defendants. But that entity was, even according to the Defendants themselves, formed only in 2010.²⁰ How could the hoardings of 1995 and 1996 possibly reference an enterprise not formed till 14 or 15 years later? Dr. Saraf's response, that the claim of user since 1993 is not user by Sumeet Engineering Works, but by the Defendants' group is I think wholly destroyed by the endorsements on the pages showing photographs of the hoardings. These clearly mention the supposed dates (or at least the years) when these hoardings were put up, and these are repeated at two places in the record as annexures to two different affidavits much separated in time.²¹ Dr. Saraf also relies on a statement dated 18th April 1999 from an advertising agency,²² saying that Manibhadra Industries were the agency's clients, and that hoardings had been put up regularly showing goods under the "Mi-SumEEt" mark. If this is indeed so, then it is confusion worse confounded, for this does not in any way help to explain how those images of the hoardings shows Sumeet Engineering Works and not Manibhadre Industries.

23. These discrepancies, afterthoughts and prevarications extend also to the sales figures produced by the Defendants. At one place they show Annual Sales figures of Manibhadre Industries.²³ This is an unsigned, unverified statement and no one knows what these figures represent, because the statement does not say it is for sales under the "Mi-SumEEt" mark. In any case, even on the Defendants' own showing this statement cannot possibly be true. The Defendants themselves say they sold goods under this mark through Manibhadre Industries from 1993 to 1999 and then switched to Pet & Chemicals.²⁴ But the statement at page 35 of the paperbook in Notice of Motion 1608 of 2011 purports to show sales through Manibhadre Industries from 1993 till 2010 and these are supposed to evidence sales.

24. What the Defendants do in response does not help. If anything, it makes matters worse. In yet another affidavit, filed much later in sequence on 6th July 2011, the Defendants have annexed certified statements of sales and expenses.²⁵ The figures seem to tally exactly with the ones disclosed earlier; but now the statement is that these are sales by "Dilipkumar M. Ranawat/Jain and Manibhadra Industries and its associates for sales of MI Sumeet". The second statement relates to expenses. It is impossible not to see these as complete afterthoughts, documents prepared only for this litigation, and it is no accident at all that both statements are dated 30th June 2011, six weeks after the Defendants' first Affidavit in Reply to which the uncertified statements were annexed.

25. As to the advertisements in newspapers, the ones I was shown were all of 2010 and 2011, not from 1993.²⁶ There is but one, in Navhind Times, of 1989;²⁷ but prima facie this does not seem to be of the Defendants' products or mark at all, but of the Plaintiff's mark. For, at that time, the Defendants were

not using the second impugned mark, and what is shown in the advertisement is the Plaintiff's mark, not the Defendants' first impugned mark.

26. The Defendants also claim that the Plaintiff knew both of the Defendants and of the Defendants' use of the "Mi-SumEET" mark at least since 2005. There is a peculiar twist in this particular tale; for the Plaintiff agrees that there was a transaction in June 2005, but says that this only demonstrates that the Defendants were aware of the Plaintiff's mark, and not that the Plaintiff permitted the Defendants to use their (i.e., the Defendants') own competing mark, viz., the first impugned mark. Exhibit "M" to the Plaintiff's Reply²⁸ is a letter dated 17th June 2005 from the Plaintiff to one Shree Sai Marketing, admittedly one of a clutch of concerns or enterprises of the Defendants' group. The letter is signed by Mr. Ajay Mathur, a Director of the Plaintiff. It appoints Shree Sai Marketing as the authorised distributor of the Plaintiffs' "SUMEET"-branded products for Goa. The letter does not say it has any enclosures. It is on a letterhead, and the name of the Plaintiff and its address (at the top left, aligned with the name) are in a sans-serif font. The subsequent documents show sales by the Plaintiff to the Defendants.²⁹

27. The Defendants say that though a letter was indeed issued on 17th June 2005, it was not the one at Exhibit "M" to the Plaintiff's Reply. They say a wholly different letter was issued. A copy of that letter, the one claimed by the Defendants, is Exhibit "5" to the first Affidavit in Reply.³⁰ This letter is on a completely different letterhead, one that seems to have been clumsily cobbled together. There is a standard serif-font for the Plaintiff's name and the Plaintiff's address does not align correctly. Prima facie, this appears to be a computer-generated letter. But it does not end there. The letter is said to have been signed by one Vinayak Karkera for the Plaintiffs and it is said to have had enclosures. Though it also purports to appoint the Defendants as authorised distributors, the text of the letter is materially different from the one produced by the Plaintiffs. One of the documents said to have been annexed is a "Policy for Distributors".³¹ The plural is important; it appears in two places. Evidently, this is supposed to be some general policy used for all distributors by the Plaintiff. But the last page of this "policy" is most strange: it contains a "note" that reads

"NOTE: You can sale your Product M.I Sumeet along with our product."

28. There are many reasons to doubt the authenticity of this document, and this is certainly not word against word as Dr. Saraf would have it. First, if this is a general policy for distributors then it remains unexplained how it came to pass that a clause specific to the Defendants was inserted into such an omnibus policy. Second, the letter produced by the Defendants is, Mr. Bhagat says, a fabrication.³² It is seen not to be on the Plaintiff's letterhead; the font differs from that used by the Plaintiff; the Plaintiff's address is incomplete; only Mr. Ajay Mathur and no one else ever signed correspondence on behalf of the Plaintiff; and no inspection of the original of this document was given, though demanded, and this is contrast to the Plaintiff, which offered and gave inspection

of the document it annexed as Exhibit M to the Plaint. The Plaintiff has also annexed to its Affidavit in Rejoinder an affidavit of Vinayak Karkera, the purported signatory of the document produced by the Defendants.³³ He says in this that though the signature on the Defendants' document is similar to his, it is not in fact his own and that he never signed any such document. He confirms that all letters to distributors were signed by Mr. Mathur and no one else. The response, in the Defendants' Affidavit dated 23rd February 2012, is that the original of this letter was stolen by a taxi driver in Mumbai on 21st March 2010.³⁴ Other papers were stolen too, and these are said to have related to the Defendants' mark. The Defendants rely on a copy of an FIR said to have been filed that day.³⁵ But this FIR does not accord with the averments. It does not, for one thing, refer to the mark " Mi-SumEEt" at all, but to a mark " SUMEET"; and the documents mentioned in the FIR all relate to Sumeet Engineering Works, an enterprise set up in 2010. The distributorship appointment letter and so-called "policy" are of 2005 and Sumeet Engineering Works did not exist at that time.

29. As far the letterhead and font are concerned, the Defendants rely on other documents exchanged to show that this was indeed the letterhead used by the Plaintiff itself.³⁶ These, too, have been disputed by the Plaintiff, saying they are all fabrications and no such letters were ever issued.³⁷ In any case, as Mr. Bhagat points out, those further documents do not in fact disclose any use by the Defendants of the first impugned mark.

IV. RIVAL SUBMISSIONS ON LAW; FINDINGS

30. Mr. Bhagat's submissions on whether it is permissible to go behind the registration are based on previous decisions of this Court.³⁸ The principle set out in these decisions was considered in the recent Full Bench decision in *Lupin Vs. Johnson and Johnson*--> , and I do not think it is possible any longer to accept those earlier decisions as binding. In any case, for the reasons I have earlier discussed, and given the pendency of the Defendants' appeal, I cannot examine the question of the validity of the assignments today.

31. On the question of delay and acquiescence, Mr. Bhagat points out that it is now well settled that a mere delay in bringing an action is insufficient to defeat a grant of injunction.³⁹ If, *prima facie*, the adoption appears to be dishonest, an injunction is necessary.

32. Section 33 of the Trade Marks Act, 1999 says:

Section 33 - Effect of acquiescence

(1) Where the proprietor of an earlier trade mark has acquiesced for a continuous period of five years in the use of a registered trade mark, being aware of that use, he shall no longer be entitled on the basis of that earlier trade mark-

(a) to apply for a declaration that the registration of the later trade mark is invalid, or

(b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used,

unless the registration of the later trade mark was not applied in good faith.

(2) Where sub-section (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark, or as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark may no longer be invoked against his later trade mark."

33. The principles relating to acquiescence have been restated by the Delhi High Court in *M/s. Hindustan Pencils Pvt. Ltd. Vs. M/s. India Stationery Products Co. and Another*, , a decision that has been consistently followed and applied.⁴⁰

34. In *Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd.*, the Supreme Court cited the decision in *Electrolux LD. v. Electrix* (1954) 71 RPC 23, which in turn approved the decision of Fry J in *Willmott v Barber* (1880) 15 Ch.D. 96 as to the very many ingredients required to constitute acquiescence. *Power Control* itself has been consistently applied.⁴¹

35. The principle is that no person can, while aware of the invasion of his or her rights by another, sit by, allow that invasion to continue and then complain of it. Acquiescence is a species of estoppel, a rule in equity and a rule of evidence. Being that, it must be pleaded and proved, and, at the prima facie stage, that proof must be convincing and apparent on the face of it, not something to be arrived at by a convoluted and circuitous process of inference, supposition, extrapolation and surmise. Encouragement or inducement by the plaintiff must be demonstrated: he or she must be shown to have encouraged the defendant and induced him to act to his detriment; and the defendant must know of the plaintiff's rights and the fact that the plaintiff has not pursued and is not now in pursuit of the enforcement of those rights. Proved acquiescence defeats a claim to exclusivity. But it requires the demonstration of positive acts. Mere silence or inaction is not enough. Laches, delay, negligence and oversight are not acquiescence. The right to exclusivity must be shown to have been abandoned. Dr. Saraf's reliance on the decision of the Karnataka High Court in *Sterling's MAC Fast Food Vs. MC Donald's Corporation and Another*, seems to me to be inapposite to this discussion. There, the delay was of 20 years; and, indeed, paragraph 33 of that decision seems to support the principle Mr. Bhagat advocates rather than being against it. That decision does not say that delay simpliciter is sufficient. The defendant in that action was able to demonstrate that it had commenced operations in 1982. The plaintiff issued a notice in 1993, but did not sue till 1998. The plaintiff was shown to have known of the defendant since 1982. In any case, if this decision is held to run counter to those of this Court, then it is the latter that bind me.

36. To succeed, therefore, Dr. Saraf must show prior or, at any rate, early user of great longevity and the Plaintiff's awareness of it for a considerable period of time. I have the greatest difficulty in accepting Dr. Saraf's submissions. The

evidence of use since 1993 of the "Mi-SumEEt" mark is not just scanty or erratic; there is very little to support it. There are contradictions piled on inconsistencies, and while there is certainly no principle of *falsus in uno, falsus in omnibus*, the converse, I imagine, must be true. A person may not be disbelieved in everything he says only because he is wrong in one of the things he says; but if everything he says seems to be untrue, it is difficult to see why one should accept any one thing he says as true. The invoices are not credible; the sales figures are unsubstantiated improvements; and the case on "agency" and the distributorship "policy" is riddled with more holes than a colander. There seems, *prima facie*, to be far less fact than fiction in the defence. Dr. Saraf's reliance on *Uniply Industries Ltd. Vs. Unicorn Plywood Pvt. Ltd. and Others*, seems to me to be misplaced; that decision clearly shows that on record were advertisements evidencing prior user. Here, that is not the case: the claim to hoardings is suspect, and the paper hoardings are of recent vintage, proximate to the date of suit.

37. The tests in trade mark law are well-settled: regard must be had to the salient, leading and essential features of the mark; the assessment is of the overall similarity; marks are remembered generally and as a whole, and not in precise detail; the test is of the quidam consumer, he of "average intelligence and imperfect recollection"; the test is of a general, overall phonetic, structural and visual similarity.⁴² All these tests are satisfied, Mr. Bhagat submits, and I believe he is correct in this.

38. Can the initial adoption said to be *bona fide* or, at any rate, not *mala fide* or dishonest? The Defendants claim that their adoption of the mark is inspired by the name of the 1st Defendant's son who died in 1993. But that hardly explains the manner of the adoption, and the taking of the look-and-feel of the Plaintiff's mark in both the first and the second impugned marks. Dr. Saraf says that the word "Sumeet" is a common Indian name; but once it is shown that the Plaintiff has acquired considerable goodwill and reputation in the use of that name within a particular channel or for a defined class of goods, and there is *prima facie* evidence to show a distinctive association with that name with the Plaintiff's products, coupled with long and continuous user, then the adoption of that very name by the Defendants is bound to cause confusion, lead to deception and result in a legal injury to the Plaintiff's goodwill and reputation. To allow another "Sumeet" to set up a rival business would be to foster confusion and deception and to allow others to trade on the Plaintiff's hard won reputation, market standing and goodwill. This is a fundamental principle in this branch of the law, and it is well settled.⁴³ If the user is thus tainted in its inception, no amount of user can remove that taint.⁴⁴

39. The balance of convenience is material but seldom in an infringement action, and only when the scales are evenly poised.⁴⁵ Even the *Wander Ltd. and Another Vs. Antox India P. Ltd.*, principle on which Dr. Saraf relies seems to me to echo this when it speaks of a situation where the rival contentions are

uncertain and remain uncertain till they are established at the trial by evidence. To arrive at this, I would have to arrive at a conclusion that there is, even prima facie, a vestige of a defence; that, at any rate, there is something to said for the Defendants on the question of user and, too, on the question of bona fide adoption. I am unable to do any of this.

V. ORDER

40. Both Notices of Motion must be allowed. The second Notice of Motion must also be allowed simply because of the Defendants' pattern of conduct in adopting a mark that was completely indistinguishable from that of the Plaintiffs. That adoption is clearly bereft of any sort of bona fides whatsoever. It matters little that the Defendants say they have stopped using this mark; their conduct does not inspire confidence and it should not be argued that an order that limits itself to the first impugned mark leaves it open to the Defendants to resume using the second impugned mark. The prayers in the two Notices of Motion are identical, the only difference being that in the second Notice of Motion the second impugned mark, "SUMEET SASSAKI" has been included. Both Notices of Motion are disposed of in favour of the Plaintiffs in terms of prayer clauses (a), (b) and (c) of each Notice of Motion.

41. There will be no order as to costs.

42. Finally, my sincere apologies to both counsel and to the parties for the long delay in delivering this judgment.

1Plaint, Exhibit ?B? , pp. 31-45.

2Plaint, Exhibit ?B? , pp. 31-45 at pp. 32-36, and Motion 1964 of 2014 paperbook, pp. 106-111.

3Plaint, Exhibit ?C? , pp. 46-62.

4Plaint, Exhibit ?D? , pp. 63-64.

5S. J. Vazifdar J as he then was, and Ms. R. P. Mohite Dere J.

6The present Defendants.

7These are terms from typography.

8Plaint, Exhibit ?H? , p. 153.

9Plaint, Exhibit ?S? , p. 233.

10Motion (L) No. 1964 of 2014 paperbook, pp. 19-20.

11Motion 1608 of 2011 paperbook, pp. 10, 103 and 342.

12Motion 1608 of 2011 paperbook, pp. 102-103.

13Motion 1608 of 2011 paperbook, pp. 121-181.

- 14Motion 1608 of 2011 paperbook, p. 148.
- 15Motion 1608 of 2011 paperbook, p. 149.
- 16Motion 1608 of 2011 paperbook, p. 150.
- 17Motion 1608 of 2011 paperbook, p. 174.
- 18Motion 1608 of 2011 paperbook, p. 309.
- 19Motion 1608 of 2011 paperbook, pp. 200-203; 560-563.
- 20Motion 1608 of 2011 paperbook, p. 325, Affidavit of the 1st Defendant, paragraph 1.
- 21Motion 1608 of 2011 paperbook, pp. 200-203; 560-563.
- 22Motion 1608 of 2011 paperbook, p. 182 and 565.
- 23Motion 1608 of 2011 paperbook, p. 35.
- 24Motion 1608 of 2011 paperbook, pp. 102-103.
- 25Motion 1608 of 2011 paperbook, pp. 314-315; 564 and 566.
- 26Motion 1608 of 2011 paperbook, pp. 184-199; 539-559.
- 27Motion 1608 of 2011 paperbook, p. 538.
- 28Plaint, p. 192.
- 29Plaint, pp. 193-198F.
- 30Motion 1608 of 2011 paperbook, p. 37.
- 31Motion 1608 of 2011 paperbook, p. 38.
- 32Motion 1608 of 2011 paperbook, pp. 80-81, Affidavit in Rejoinder.
- 33Motion 1608 of 2011 paperbook, pp. 91-93, Exhibit 'B' to the Rejoinder.
- 34Motion 1608 of 2011 paperbook, pp. 344-346.
- 35Motion 1608 of 2011 paperbook, p. 601.
- 36Motion 1608 of 2011 paperbook, pp. 258-261.
- 37Motion 1608 of 2011 paperbook, p. 300; Plaintiff's further Affidavit.
- 38M/s Maxheal Pharmaceuticals (India) v Shalina Laboratories Pvt Ltd, Appeal No. 88 of 2005 in Notice of Motion No. 2638 of 2004 in Suit No. 2663 of 2004; judgment dated 16th February 2005; Hindustan Embroidery Mills Pvt. Ltd. Vs. K. Ravindra and Co., ; Poddar Tyres Ltd. Vs. Bedrock Sales Corporation Ltd. and Another, ;
- 39 Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others,

40 Schering Corporation & Ors. v Kilitch Co. (Pharma) Pvt. Ltd. PTC (suppl)(2) 22 (Bom) (DB) ; Jagdish Gopal Kamath and Others Vs. Lime and Chilli Hospitality Services ; Emcure Pharmaceuticals Ltd. Vs. Corona Remedies Pvt. Ltd., ; D.R. Cosmetics Pvt. Ltd. and Another Vs. J.R. Industries, , per Dr. D.Y. Chandrachud J, as he then was.

41 Bal Pharma Ltd. Vs. Centaur Laboratories Pvt. Ltd. and Another, ; Winthrop Products Inc. Vs. Eupharma Laboratories Ltd., , judgment dated 29th September 2015 in Notice of Motion 662 of 2014 in Suit No. 431 of 2014.

42 Gorbatschow Wodka K.G. Vs. John Distilleries Limited,

43 Dr. Reddy's Laboratories Ltd. Vs. Reddy Pharmaceuticals Limited, ; Bajaj Electricals Limited Vs. Metals and Allied Products and Another, .

44 Winthrop Products Inc. Vs. Eupharma Laboratories Ltd., ; Jolen Inc. Vs. Doctor and Company, .

45 Biochem Pharmaceutical Industries and Another Vs. Biochem Synergy Limited,