
(2010) 07 DEL CK 0120

In the Delhi High Court

Case No : I.A. No. 3021 of 2005 in C.S. (OS) No. 511 of 2005

Suttind Seeds Pvt. Ltd.

APPELLANT

Vs

Sutton and Sons India Pvt. Ltd.

RESPONDENT

Date of Decision : 09-07-2010

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 4, 151

Specific Relief Act, 1963 — Section 38

Trade Marks Act, 1999 — Section 27, 27(2), 28, 28(1), 33

Citation : (2010) 43 PTC 800

Hon'ble Judges : Aruna Suresh, J

Bench : Single Bench

Advocate : Pratibha M. Singh and Pema Yeshey, for the Appellant; David Mantosh and Sunil Goyal, for the Respondent

Final Decision : Allowed

Judgement

Aruna Suresh, J.

I.A. No. 3021/2005 (under Order 39 Rules 1 & 2 CPC) in CS(OS) No. 511/2005

1. This is an application filed by the plaintiff under Order 39 Rules 1 and 2 and Section 151 of the CPC (hereinafter referred to as 'CPC') read with Section 38 of the Specific Relief Act, seeking interim injunction against the defendant for restraining it through its directors etc. from manufacturing, selling, offering for sale, advertising directly and indirectly dealing in vegetable and flower seeds bearing the trade mark 'Sutton Seede's' within parallelogram as and/or any other trade mark, as may be identical with and/or deceptively and confusingly similar to plaintiff's registered trade mark 'Suttind Seeds' within parallelogram in class 31, as to pass off or enable others to pass off defendant's goods/product etc. as that of the plaintiff, with further directions to the defendant to withdraw/recover the infringing goods from third parties to whom the defendant or anyone of them have passed for commercial purposes.

2. plaintiff company is dealing with manufacturing and marketing of seeds, plants, bulbs, fruits and vegetables, grasses, flowers in the name of 'Suttind Seeds' since the year 1991 and it claimed that over the years it has acquired distinctiveness, reputation and goodwill among the consumers. In 1991 plaintiff company was incorporated under the name of M/s S. & S. Agro Industries Pvt. Ltd. having its registered office at Calcutta. Subsequently, it changed its name to M/s Suttind Seeds Pvt. Ltd. on 29th June, 1992 and changed its registered office to Delhi on 14th August, 1992.

3. Defendant company was earlier the registered proprietor of the trademark 'Suttind Seeds' within parallelogram in class 31 in all kinds of seeds. Defendant company assigned the said registered trademark to M/s S. & S. Agro Industries Pvt. Ltd., (erstwhile name of the plaintiff), vide Agreement dated 4th February, 1992. Later on parties entered into an agreement on 31st March 1999, thereby permanently assigning the said trade mark 'Suttind Seeds' within parallelogram in favour of the plaintiff company for whole of India and also to export the goods to any foreign country by the said trade mark. An Assignment Deed dated 19th April, 1999 was executed by the defendant company in favour of the plaintiff company. Defendant filed a civil suit in 2000 seeking declaration that the said Deed of Assignment dated 19th April, 1999 be declared cancelled, void and non est and also prayed for permanent injunction for restraining the plaintiff from using the said trade mark. Defendant allegedly adopted deceptively or confusingly similar and identical trade mark 'Sutton Seeds' within parallelogram and has also adopted the boxes, tin pouches, cartons of 'Sutton Seedes' within parallelogram for the vegetable and flower seeds which are identical with and/or deceptively and confusingly similar to plaintiff's trade mark 'Suttind Seeds' within parallelogram and its copy right in the artistic tin pouches etc., which is mala fide and fraudulent and actuated with a view to earn easy and illegal profits for itself by deceiving the innocent purchasing public and trade thinking that the defendant's goods are the same as of the plaintiff. Act of the defendant tantamounted to causing infringement of the registered trade mark and passing off its goods and business as that of the plaintiff.

4. Defendant in its written statement has alleged that Sutton & Sons Ltd. of U.K. was in the business of producing and selling vegetables and flower seeds in U.K. since the last 200 years. It started its business in Calcutta about 100 years back. Since in 1968-69 there was a change of law with regard to foreign exchange regulations, it had to close its branch in India, being a foreign company, and incorporated a new company in 1991 Sutton and Sons India Pvt. Ltd. The company in U.K. started objecting to the defendant from exporting seeds abroad in the name of Sutton & Sons. Accordingly, defendant company registered a trade mark 'Suttind Seeds' in its name, being similar to the word 'SUTTON'. To avoid any further objection from UK Company, another company under the name of M/s S. & S. Agro Industries Pvt. Ltd. was incorporated in 1991. Both the companies were controlled by Mr. Suresh Kumar himself and through his nominees. An Agreement dated 4th February, 1992 with M/s S. & S. Agro

Industries Pvt. Ltd., permitting the said company to use trade mark 'Suttind Seeds' for a period of five years from 1st April, 1991 was executed, which was never renewed. Agreement dated 31st March, 1999 and Assignment Deed dated 19th April, 1999 were got executed from Suresh Kumar, who was aged about 80 years and a sick man, by playing fraud and undue influence as the consideration of Rs. 1,000/-, as per the Assignment Deed dated 19th April, 1999, was grossly inadequate. It is also averred that defendant has been using the trade mark 'Sutton Seede' since 1968 and is a prior user of the said trade mark, which fact was known to the plaintiff company and that trade mark 'Suttind Seeds' has not been registered in the name of the plaintiff company till date and the defendant company has applied for registration of the trade mark 'Sutton Seede' before the Registrar of Trade Marks to which objections have been filed by the plaintiff company. Therefore, claim of the plaintiff is unwarranted.

5. Ms. Prathiba M. Singh appearing on behalf of the plaintiff has argued that from perusal of the photocopies of plaintiff's trademark 'Suttind Seeds' within parallelogram on the tin boxes when compared with the photocopies of defendants' trademark 'Sutton Seede' within parallelogram on the tin boxes are identical and show visual similarity which is deceptively and confusingly similar so as to pass off defendant's goods/products as that of the plaintiff. Both these trademarks are also phonetically similar. She has further argued that both the parties are engaged in identical trade of selling seeds of vegetables, flowers etc. and the seed products are similar in nature. She has emphasized that class of consumers are identical which clearly indicate that defendant is using the trademark 'Sutton Seede' with a view to pass off its goods as that of the plaintiff as trade name 'Suttind Seeds' has acquired distinctiveness, substantial goodwill and reputation amongst its customers/dealers in a short span of time because of excellent quality of the products and high preference of the consumers for the same.

6. She has further argued that 'Sutton Seede' is not a registered trademark though an application has been filed by the defendant seeking registration of the said trademark to which plaintiff has already filed objections. It is argued that defendant vide Agreement dated 4th February, 1992 had permitted the plaintiff to use its registered trademark 'Suttind Seeds' and subsequently vide Agreement dated 31st March, 1999 plaintiff has been given perpetual rights to use the said trademark which further finds support from Assignment Deed dated 19th April, 1999 and that therefore, plaintiff is the exclusive user of the trademark 'Suttind Seeds' and the defendant with an ulterior motive started selling its goods under the trademark 'Sutton Seede' with a view to pass off its goods as that of the plaintiff and the said act of the defendant is prejudicial to the interest of the plaintiff and is adversely affecting its business, thereby causing loss to the plaintiff and therefore defendant should be restrained from using the trademark 'Sutton Seede' as plaintiff has a good prima facie case and also balance of equity and convenience in its favour. She has referred to M/s. Modi Threads Limited Vs. M/s. Som Soot Gola Factory and another, , Doctor

Morepen Limited v. Yash Pharma Laboratories Limited 2007 (35) PTC 7 (Delhi) and Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co., .

7. Mr. David Mantosh Advocate appearing on behalf of the defendant has submitted that defendant was using the trademark 'Sutton Seede's' since 1968 when defendant company was incorporated in India. Therefore, being prior user of the trademark, they are entitled to market their products under the trademark 'Sutton Seede's', which is not violative of any right of the plaintiff's trademark 'Suttind Seede's'. He further submitted that the Agreement dated 31st March, 1999 as well as the Assignment Deed dated 19th April, 1999 are forged and fabricated documents as Suresh Kumar, being an old man of 80 years of age and suffering from diabetes, having got his leg amputated because of gangrene, was unduly influenced, misled and pressurised by Dr. I.K. Arora to sign the said documents. It is argued that plaintiff was not permitted to use trademark 'Suttind Seede's', registered in the name of the defendant after the Agreement dated 4th February, 1992 came to an end by efflux of time i.e. after expiry of period of five years; the period for which plaintiff was permitted to use the trademark 'Suttind Seede's' upon payment of royalty 0.1% of the turnover.

8. He has argued that defendant has not violated the trademark of the plaintiff and that defendant, being a prior user of 'Sutton Seede's', has every right to conduct its business under the trademark 'Sutton Seede's'. He has submitted that plaintiff is not entitled to any interim relief as prayed, claim of the plaintiff being baseless, false and frivolous. He has referred to N.R. Dongre and Others Vs. Whirlpool Corpn. and Another, , to emphasize that defendant being a prior user of the trademark 'Sutton Seede's' and registered owner of the trademark 'Suttind Seede's' being misused by the plaintiff through deception to obtain economic benefit and of reputation, it cannot be said that defendant is using the trademark of the plaintiff for passing off its goods as that of the plaintiff. He has submitted that in an action for passing off, it is not material whether misrepresentation or deception has proceeded by a registered or unregistered user of the trademark.

9. Now, it is to be seen if plaintiff can maintain an action for passing off against the defendant which is running its business in India since 1968 and as claimed has been marketing its goods under the unregistered trademark 'Sutton Seede's' prior to the registration of trademark 'Suttind Seede's', being used by the plaintiff since 1991-92.

10. Section 27 of the Trademarks Act 1999 (hereinafter referred to as the 'Act') prohibits a person to file a suit or any other proceedings to prevent, or to recover damages for the infringement of an unregistered trademark but this Section recognizes the common law rights of the trademark owner to take action against any person for passing off the goods as the goods of another person or as services provided by another person or the remedies thereof.

11. Section 28 of the Act speaks of rights conferred by registration of a

trademark.

12. Section 28(1) of the Act, registration of a trademark gives to the registered proprietor thereof exclusive right to use the same in relation to the goods in respect of which it has been registered. However, this provision is subject to other provisions contained in the Act and therefore, it is clear that the right conferred on a trader is not an indefeasible right as is clear from Section 27(2) of the Act.

13. Section 33 of the Act also speaks of vested right of a prior user. As per this Section, nothing in the Act entitles a registered proprietor of a trademark to interfere with the use of the trademark by prior user of the same. Therefore, the right created by Section 28(1) of the Act in favour of the registered proprietor of a trademark is not an absolute right but is subservient to other provisions of the Act, namely, Sections 27(2) and 33 etc.

14. In *Bimal Govindji Shah Vs. Panna Lal Chandu Lal*, , Sections 28 and 33 of the Act were interpreted by this Court as below:

(7) For the purpose of adjudicating the issues posed before me it would be necessary to deal with the main questions which arise for my prima facie determination,

(I) whether the plaintiff not being a registered proprietor of trade mark Flora in respect of hardware goods can maintain an action for passing off against the defendant in respect of the use of the same which has been registered in its favor in respect of the said goods

(8) u/s 28(1) of the Trade and Merchandise Marks Act (hereinafter called the Act) registration of a trade mark gives to the registered proprietor thereof exclusive right to use the same in relation to the goods in respect of which it has been registered. Accordingly, in the present case in terms of the aforesaid provision the defendant being the registered proprietor of the trade mark Flora in respect of hardware goods could claim to have the exclusive right to use the same in relation to hardware goods in respect of which it is registered. But when the opening words of Section 28(1) are noticed which opens with the expression "subject to other provisions" it is crystal clear that the aforesaid right conferred on a registered proprietor is not an absolute right as the same is made subject to other provisions of the Act. The aforesaid view is fortified by the provisions of Section 27(2) of the Act which provides that "nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof". Accordingly, it is manifestly clear that Section 28 of the Act and other provisions come within the over-riding effect of Section 27(2) of the Act. Similarly, the provisions of Section 33 of the Act also saves vested right of a prior user when it lays down that "nothing in the Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a

predecessor in title of his has continuously used that trade mark from a prior date.?

Thus a conjoint reading of the aforesaid provisions persuaded me to conclude on a reading of the aforesaid provisions conjointly the natural deduction is that the right conferred by Section 28(1) of the Act in favor of a registered proprietor of a trade mark is not an absolute right but is subject to the other provisions of the Act namely - Sections 27(2) and 33. It is also to be noted that neither Section 28 nor any other provision of the Act prohibits an action for passing off by an anterior user of a trade mark against a registered user of the same. In other words registration of a trade mark does not provide a defense to the proceedings for passing off as provided for u/s 27(2) of the Act. A prior user of a trade mark is entitled to maintain an action against a subsequent user of identical trade mark including registered user thereof.

(15) The legal proposition that emerges from all the aforesaid decisions is that the registration is immaterial in a case of passing off and the criteria for granting an in junction is the prior user of the trade mark by the parties. In other words, "in an action for passing off, in order to succeed in getting an interim in junction the plaintiff has to establish user of the mark prior in point of time than the impugned user by the defendant and that the registration of the mark or similar mark prior in point of time to user of the plaintiff is irrelevant in an action of passing off and the mere presence of the mark in the register maintained by the Trade Mark Registry did not prove its user by the persons in whose names the mark was registered and it is irrelevant for the purposes of deciding the application for interim in junction unless evidence had been led or was available of user of the registered trade mark". (Jai Prakash Gupta's case (supra)).

15. Thus, it is clear that the exclusive right obtained by registration cannot operate against the right of prior user of the same or similar trademark. The conditions necessary for this protection are that the trademark must have been used from a date prior to the use of the registered trademark or its date of registration whichever is earlier, the prior use claimed must be by the proprietor himself or by the predecessor in title and user claimed must be continuous. When these conditions are fulfilled, the registered proprietor cannot interfere with or restrain the use of similar mark by the person, who claims prior use.

16. By virtue of Section 33 of the Act, Registrar in such circumstances cannot refuse registration of prior user of trademark by reason only of existence on the register of the registered trademarks.

17. Suttons and Sons Ltd. of U.K. dealing in the business of producing and selling vegetables and flower seeds started its branch office in Calcutta. There was change in law in 1968-69 with regard to foreign exchange regulations. This resulted into the company closing down its branch office in Calcutta being a foreign company. Thereafter, a new company under the name and style of "Suttons & Sons India Pvt. Ltd." was incorporated in 1968, defendants in this

case. Defendant company was not entitled to use the Royal Warrant of the U.K. company, therefore, it started using the unregistered trade mark "Sutton Seede" since after its incorporation.

18. In or about 1991 Suttons of U.K. objected to the use of trade mark "Sutton Seede" by the defendant company. Accordingly, defendant company got trade mark named "Suttind Seede" registered in its name. Thereafter, a new company in the name of "S & S Agro Industries Pvt. Ltd." was incorporated in 1991 by Mr. Suresh Kumar, who was also in complete control of the defendant company.

19. It is a common case of the parties that parties to the suit entered into an agreement dated 4.2.1992. Vide this Agreement "S & S Agro Industries" was permitted to use the trade mark "Suttind Seede" for a period of five years from 1st April, 1991 on payment of royalty at the rate of 0.1% of the turnover.

20. "S & S Agro Industries Pvt. Ltd." changed its name to "Suttind Seede PVT. LTD." and continued to use the trade mark "Suttind Seede" for its vegetables and flowers seeds even after expiry of period of five years.

21. On 31.3.1999 parties entered into another Agreement whereby plaintiff was given permanent right to use trade mark "Suttind Seede" for its products. Clause 6 of this Agreement reads:

6. This assignment deed shall remain in force permanently. However, as the Registered Trade Mark has been renewed upto 10.4.2005, the renewal application after the said date will be submitted by the Registered Users. There will be no control of the Registered Proprietors as well as no liability as the said Trade Mark has been permanently assigned to the Registered Users.

22. This Agreement was annexed with an affidavit of Suresh Kumar, the Director of the defendant company and registered Proprietor of the trade mark "Suttind Seede". Another Deed of Assignment dated 19.04.1999 followed this Agreement. Vide this Assignment Deed, defendant company assigned and transferred its entire right, title and interest in and to its registered trade mark "Suttind Seede" together with the goodwill of the business concerned in the goods, which the defendant company had been enjoying, thereafter to be enjoyed by the plaintiff company, its successors and assignees.

23. Defendant has not disputed the execution of these two documents. However, it is urged that these documents were procured by Dr. I.K. Arora by playing fraud, misrepresentation and by using undue influence and pressure upon Suresh Kumar, who happen to be the Director of the defendant company and therefore plaintiff was not assigned any right to continue to use trade mark "Suttind Seede" for its products after the expiry of Agreement of 1992.

24. Counsel for the defendant has pointed out that defendant has filed a suit for declaration claiming that the alleged Deed of Assignment dated 19.4.1999 was void, non-est and the same should be cancelled and also has sought permanent injunction for restraining the plaintiff (herein) from using the trade mark "Suttind

Seeds?. He has also filed another suit seeking similar relief against the plaintiff from using the trade mark "Suttind Seeds" on its price list, etc. I find no force in these submissions. Prima facie execution of these documents is not in dispute. It is pertinent that in the Civil suit No. 2036/2000 seeking cancellation of assignment deed and restraining the plaintiff from using the trade mark "Suttind Seeds" filed in December, 2000, defendant had filed an application under Order 39 Rule 1 & 2 CPC seeking interim injunction against the plaintiff. The City Civil Court granted ex-parte injunction on 7.12.2000. This resulted into filing of an application by the plaintiff under Order 39 Rule 4 CPC. Vide its detailed order dated 21.07.2001, the learned Judge was pleased to vacate the ex-parte ad interim injunction and dismissed the application of the defendant filed under Order 39 Rule 1 & 2 CPC. While dismissing the application the court observed that by a registered document, the defendant had assigned the trade mark to the plaintiff who were carrying on business and after such deed of assignment the title in respect of the trade mark passed in favour of the plaintiff and only formality left was to the registration of the trade mark by the registering authority. It was also observed that admittedly the trade mark "Suttind Seeds" had been assigned to the plaintiff by Deed of Assignment on 31.3.1991 and therefore prima facie it was apparent that the title of the trade mark was now with the plaintiff. This order of the City Civil Court was challenged by the defendant in appeal being FMAT No. 2267/2001 in the High Court of Calcutta. The said appeal was dismissed on 2.08.2001. Thus, the order of the City Civil Court dated 21.07.2001 attained finality.

25. Thereafter another suit was filed by the defendant being Suit No. 774/2002 seeking declaration that the trade descriptions of various seeds are the trade descriptions of the present defendants and also to restrain the plaintiff from using the said trade descriptions, specially in its price list, catalogue or packing. Again defendant managed to get an ex-parte order which was vacated by the City Civil Court on 7.3.2005 on an application filed by the plaintiff under Order 39 Rule 4 CPC. The order dated 7.3.2005 was challenged in appeal being FMAT No. 892/2005 before the High Court of Calcutta. The said appeal was dismissed on 12.5.2005. Defendant filed an application for review of the said order dated 12.05.2005 which was also dismissed on 22.07.2005. SLP against the said two orders of the High Court of Calcutta filed by the defendant was also dismissed.

26. Chain of litigations as narrated above clearly indicate that even in the civil cases defendant remained unsuccessful in getting an ad-interim injunction against the plaintiff on the plea that agreement dated 31.3.1999 and Assignment Deed dated 19.04.1999 were obtained by misrepresentation, coercion and fraud and were fabricated documents.

27. As discussed above, execution of the documents is not disputed by the defendant. Only their authenticity is under challenge. Whether the documents were got executed by Dr. I.K. Arora by playing fraud or misrepresentation or coercion on Suresh Kumar is a question which needs adjudication and has to be

decided only on merits after the trial is complete.

28. By virtue of Agreement dated 4.2.1992 plaintiff was assigned the use of registered trade mark "Suttind Seeds", may be for a period of five years. plaintiff continued to use this trade mark for its products even after the expiry of five years without any objection or resistance from the defendant. Prima facie plaintiff has been using trade mark "Suttind Seeds" since 1991 till date with the consent of the defendant. Submission of the defendant that after expiry of the agreement dated 4.2.1992, plaintiff was not entitled to use the trade mark stands forfeited in view of the agreement dated 31.3.1999 and subsequent Assignment Deed dated 19.4.1999.

29. plaintiff has referred to a letter dated 29.03.2001 addressed to the plaintiff by ?Suttons Consumer Products Ltd.? U.K. Perusal of this letter reflects that ? Suttons Consumer Products Ltd.? had no branch office of any kind in India and they had not appointed any sole representative in this country and no company, therefore, was authorized by them to claim to be their sole representative. It was except that ?Suttind Seeds Pvt. Ltd." i.e. the plaintiff is an authorized distributor of "Suttons Consumer Products Ltd.". and imports packeted seed directly from the company. This letter prima facie makes it clear that defendant company no longer was a representative company of the erstwhile Suttons and Sons

30. From the averments of the defendant itself, after an objection was raised by Sutton & Sons Pvt. Ltd., U.K. to the user of ?Sutton Seedes? trade mark for export of its product, it had to get its trade mark registered in the name of ? Suttind Seeds?. ?Suttind Seeds? was registered as a trade mark on 11th April, 1984. After its registration, defendant could not have continued to use the trade mark ?Sutton Seedes?. The documents placed on record by the defendant to emphasis that it has been using the trade mark ?Sutton Seedes? and is a prior user of the same since long relate to the retail price list pertaining to the year 2001-2005. Apparently, it seems that, after defendant failed in getting an interim relief against the plaintiff it started using ?Sutton Seedes? as a trade mark on its price list. It is pertinent that retail price list of 2000-2001 does not find mention of trade mark ?Sutton Seedes? within the parallelogram and the original packing of Suttons Seeds U.K. Of course, there are documents pertaining to the year 1967-68 till the period 1991-92, some of which reflect the use of trade mark "Suttons Seeds" in parallelogram as that of "Suttind Seeds". There is no document to indicate that after the user of trade mark "Suttind Seeds" was assigned to the plaintiff, the defendant had been using the trade mark "Sutton Seedes" despite the objections raised by "Sutton Seeds & Sons U.K." to the user of the said trade mark by the defendant company. Apparently, it re-started using the trade mark "Sutton Seedes" after filing the civil suit in the city Civil Court Calcutta to misguide the Court that user claimed was continuous.

31. In ?N.R. Dongre and Ors. ?s case (supra) a suit was filed by the Respondent on a passing off action to restrain the appellant (defendant) from manufacturing, selling, advertising or anyway using the trade mark "WHIRLPOOL" in any other

trade mark deceptively or confusingly similar to the trade mark of 'Whirlpool' in respect of their goods. The claim of the plaintiff (respondent) was based on a prior user of the trade mark 'Whirlpool' on a vast reputation indicating that any goods marketed with the use of the mark 'Whirlpool' gave the impression of it being goods marketed by the respondent. Respondent sought temporary injunction which was granted by the Single judge and affirmed by the Division bench of the High Court. While dismissing the appeal, the Supreme Court observed:

...The concept and principle on which passing off action is grounded is that a man is not to sell his own goods under the pretence that they are the goods of another man. A trader needs protection of his right of prior user of a trade mark as the benefit of the name and reputation earned by him cannot be taken advantage of by another trader by copying the mark and getting it registered before he could get the same registered in his favour. We see no reason why a registered owner of a trade mark should be allowed to deceive purchasers into the belief that they are getting the goods of another while they would be buying the goods of the former which they never intended to do. In an action for passing off it should not matter whether misrepresentation or deception has proceeded from a registered or an unregistered user of a trade mark. He cannot represent his own goods as the goods of some body else.

xxx xxx xxx Applying this principle & the reasons already stated we have prima facie come to the conclusion that the appellants have acquired reputation & goodwill in respect of its goods bearing trade mark "WHIRLPOOL" in this country. Even though the appellants have no connection with the respondents, they are using the mark "WHIRLPOOL" for their products. Prima facie it appears to us that buyers are likely to be deceived or confused as to the origin and source of the goods. They will believe that the product is manufactured by the respondents, an impression not founded in truth. The limitation will pass off as genuine. No one can be permitted to trade by deceiving or misleading the purchasers or to unauthorisedly divert to itself the reputation and goodwill of others. u/s 27(2) an action for passing off against registered user of trade mark is maintainable at the instance of a prior user of the same, similar or identical mark. Since such a remedy is available against the registered user of a trade mark, an interim injunction restraining him to use the mark can also be granted to make the remedy effective.

32. This judgment rather helps the plaintiff and goes against the claim of the Respondent.

33. Under these circumstances, prima facie it cannot be said that defendant company is in continuous user of trade mark 'Sutton Seede' much prior to the user of the trade mark 'Suttind Seede' by the plaintiff. After valid assignment of the trade mark 'Suttind Seede' within parallelogram being registered user of the said trade mark with long and established continuous user coupled with vast publicity given to the trade mark, the plaintiff company has acquired a statutory

and exclusive right to use the said trade mark and has copy right in the user of the same on the tin, pouches and carton and other packaging material, price list, etc.

34. Trade mark "Suttind Seeds" used by the plaintiff has acquired reputation and good will in the country and has become associated in the minds of the consumers/buyers as that of the goods of the plaintiff. This fact prima facie clearly demonstrate that the plaintiff was and is user of the trade mark "Suttind Seeds" since 1991 (though the trade mark "Suttind Seeds" has not been registered in its name) uninterruptedly and continuously till date after it was assigned to it by way of three documents executed from time to time.

35. True that trade mark "Suttind Seeds" has not been registered in the name of the plaintiff.

36. It is pointed out by the learned Counsel for the plaintiff that plaintiff has already sent the assignment of the said trade mark to Registry for necessary orders. As discussed above, registration is not a must to claim right in the user of the trade mark.

37. By virtue of assignment, plaintiff has become the owner of the trade mark. Defendant has disputed the consideration amount for permanent assignment of the trade mark to say that Assignment deed dated 19.4.1999 is a fabricated document. The fact remains that defendant has in fact sold or transferred its registered trade mark in favour of the plaintiff for a consideration since the year 1991.

38. In M/s. Modi Threads Limited's case (supra) plaintiff company was using the trade mark "COCK" registered in the name of M/s. Modi Spinning and Weaving Mills Company Limited, after it was assigned in its name by an Assignment Deed whereby all the rights of the assignee mill including the rights in the said trade mark etc. were transferred in favour of the plaintiff company, though the application of the company for getting the registered trade mark transferred in its name in the office of Registrar was pending consideration. It was held that it did not debar the company to protect the violation of its trade mark at the hands of unscrupulous persons by filing an action in court of law for injunction and that the defendant in the said case could not be allowed to make use of said trade mark "COCK" in order to get himself illegally enriched earning upon the reputation built up qua that trade mark by the predecessor-in-interest of the plaintiff company by selling its own goods which would lead to some confusion in the minds of the purchasers who have since long practice associated with the goods of the plaintiff under the trade mark "COCK".

39. In Doctor Morepen Limited's case (supra) there was an Assignment Agreement between the plaintiff and the defendant for the use of trade mark "Lemolate". Later, defendant made a breach of agreement by using trademark "Lemotab". plaintiff filed suit for permanent injunction against the defendant for restraining them from using trademark "LEMOTAB" which was deceptively similar

to mark of plaintiff. It was held that no one can claim exclusive right to use any word, abbreviation or acronym which has become public Jurisdiction but said principle would not apply where there was any agreement to the contrary and after having sold the trademark for consideration. The Court found that Defendant infringed the trade mark of plaintiff by using the trade mark "LEMOTAB" and said action could not be justified by the Defendant after having received consideration and entering into an agreement with plaintiff for not infringing the trade mark nor creating any trade mark which is similar to or resembling the trade mark "Lemolate". It restrained the Defendant from using trade mark "Lemotab" on the basis of good prima facie case established by the plaintiff.

40. In Ruston & Hornsby Limited's case (supra) the Court was faced with a question whether the user of trade mark "Rustam" by the Respondent amounted to infringement of trade mark "RUSTON" owned by the appellant. The Supreme Court while allowing the appeal held that, If the Respondent's trade mark is deceptively similar to that of the appellant the fact that the word "INDIA" is added to the Respondent's trade mark is of no consequence and the Appellant is entitled to succeed in its action for infringement of its trade mark. It was observed:

4. The distinction between an infringement action and a passing off action is important. Apart from the question as to the nature of trade mark the issue in an infringement action is quite different from the issue in a passing off action. In a passing off action the issue is as follows : Is the defendant selling goods so marked as to be designed or calculated to lead purchasers to believe that they are the plaintiff's goods

But in an infringement action the issue is as follows : Is the defendant using a mark which is the same as or which is a colourable imitation of the plaintiff's registered trade mark

It very often happens that although the defendant is not using the trade mark of the plaintiff, the get up of the defendant's goods may be so much like the plaintiff's that a clear case of passing off would be proved. It is on the contrary conceivable that although the defendant may be using the plaintiff's mark the get up of the defendant's goods may be so different from the get up of the plaintiff's goods and the prices also may be so different that there would be no probability of deception of the public. Nevertheless, in an action on the trade mark, that is to say, in an infringement action, an injunction would issue as soon as it is proved that the defendant is improperly using the plaintiff's mark.

7. In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the Court will not enquire whether the infringement is such as is likely to deceive or cause confusion. But where the alleged infringement consists of using not the exact mark on the Register, but something similar to it, the test of infringement is the same as in an action for passing off.

In other words, the test as to likelihood of confusion or deception arising from similarity of marks is the same both in infringement and passing off actions.

41. Trademarks ?Suttind Seeds? and ?Sutton Seeds? phonetically sound identical and visually look similar and the tin boxes containing trademarks ?Suttind Seeds? and ?Sutton Seeds? seem to be deceptively the same. Both the parties are dealing in the manufacturing and marketing of seeds, plants, bulbs, fruits, vegetables, grasses, flowers etc. and other seed products and the class of customers is common. Therefore, a consumer is very likely to be deceived and confused when he purchases product carrying trademark ?Sutton Seede? as that of the plaintiff.

42. Defendant had stopped using the trademark ?Sutton Seede? since 1991 on an objection raised by the principal company and it was under those circumstances that defendant got its trademark ?Suttind Seeds? registered within parallelogram in class 31 of all kinds of seeds. Trademark ?Suttind Seeds? has been assigned by the defendant in favour of the plaintiff and since 1991 this trademark is being used by the plaintiff as the registered proprietor of the said trademark.

43. As pointed out above, defendant probably started using its initial trademark ?Sutton Seede? after assignment of their trademark ?Suttind Seeds? within parallelogram in favour of the plaintiff somewhere in the year 2000 only. Prima facie therefore, plaintiff is the prior user of ?Suttind Seeds? as its registered proprietor since the year 1991 continuously till date. Use of trademark ?Sutton Seede? within identical parallelogram by the defendant is an infringement of the trademark ?Suttind Seeds? of the plaintiff. Prima facie it appears that buyers are likely to be deceived or confused as to the origin and source of the seeds. Under these circumstances, they are likely to believe that the product is manufactured by the plaintiff, an impression, which is not well-founded and based on misrepresentation.

44. Balance of convenience, under the circumstances, lies in favour of the plaintiff. It is the plaintiff who would suffer irreparable loss and injury if defendant is not restrained from using trademark ?Sutton Seede? within parallelogram on its products. Infringement of the trademark and passing off its goods as that of the plaintiff by the defendant will not only injure the reputation and goodwill made by the plaintiff in the market but will also adversely affect their business and cause them financial loss. It is noted that the suits filed by the defendant in the Calcutta Courts are still pending adjudication but, defendant has failed to get any relief for interim injunction against the plaintiff. Application filed by the defendant for registration of the trademark ?Sutton Seede? in its name and the objections filed by the plaintiff to the claimed registration are still pending consideration.

45. Hence, application is allowed. Defendant through its director, servants, agents, stockists, assigns, representatives and all others acting for and on its

behalf is hereby restrained from using the trademark 'Sutton Seeds' within parallelogram as and/or any other trademark, as may be identical with or deceptively and confusingly similar to plaintiff's registered trademark 'Suttind Seeds' on its products, packaging material, price list etc. till the final disposal of the case on merits. Observations made in this order are without prejudice to the rights of the parties on merits of the case.

CS(OS) No. 511/2005

46. List before the Regular Bench on 30th July, 2010 for further directions.