
(2014) 02 BOM CK 0284

In the Bombay High Court

Case No : Appeal from Order No. 9 of 2013

Viraj Alchoholes and Allied Industries Ltd.

APPELLANT

Vs

Brihan Karan Sugar Syndicate Pvt. Ltd.

RESPONDENT

Date of Decision : 26-02-2014

Acts Referred:

Copyright Act, 1957 — Section 14, 51, 55
Trade Marks Act, 1999 — Section 2(h), 27, 27(2)

Citation : (2014) 02 BOM CK 0284

Hon'ble Judges : A.I.S. Cheema, J

Bench : Single Bench

Advocate : S.P. Shah, Advocate for the Appellant; H.W. Kane, Advocate and Dinesh Y. Mali, Advocate h/f. V.P. Raje, Advocate for the Respondent

Final Decision : Dismissed

Judgement

A.I.S. Cheema, J.—This Appeal from Order is filed by the original Defendant of Regular Civil Suit No. 1 of 2012 pending before the Court of District Judge, Amalner. The Respondent-original Plaintiff has filed the Suit for permanent injunction, damages, accounts and other reliefs, for infringement of copy right under the Copyright Act, 1957 and for passing off under the Trade Marks Act, 1999 ("Copyright Act" and "Trade Marks Act" in brief). The District Judge has granted temporary injunction in favour of Plaintiff, restraining the Defendant from using, printing or publishing the impugned label, Annexure C attached to the Plaint, during the pendency of the Suit. Thus, this Appeal. I will refer to the Appellant as Defendant and Respondent as Plaintiff, the way in which they are arrayed before the trial Court.

2. In brief, the dispute is that the parties are manufacturers of country liquor. Plaintiff manufactures country liquor from sugar cane molasses. Defendant manufactures the same from the food grains. Plaintiff has been marketing its product under the brand name "Tango Punch", while Defendant is marketing its product under the brand name "Nimbula Punch". Plaintiff claims that its label of

"Tango Punch" is copyrighted and the Defendant is trying to pass off its product as if the same is of the Plaintiff.

3. I have heard learned counsel for both sides. Before considering the arguments on facts of the matter, brief reference needs to be made to the points of law involved and which have been argued by the learned counsel for both sides.

4. Learned counsel for Appellant-Defendant referred to the case of M/S S. M. Dyechem Ltd. Vs. M/S Cadbury (India) Ltd., it was observed as under:-

"35. It appears to us that this Court did not have occasion to decide, as far as we are able to see, an issue where there were also differences in essential features nor to consider the extent to which the differences are to be given importance over similarities. Such a question has arisen in the present case and that is why we have referred to the principles of English Law relating to differences in essential features which principles in our opinion, are equally applicable in our country."

According to the learned counsel for Defendant, if in the present matter the label of the Plaintiff is compared with the label of the Defendant, there are many differences and looking to the differences, there was no case made out by the Plaintiff for injunction.

5. Learned counsel for Respondent-Plaintiff however, referred to the case of Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd., where Larger Bench of the Hon'ble Supreme Court over-ruled above view expressed in the case of M/s. S.M. Dyechem Ltd. (supra). In the matter of Cadila Health Care, the proceedings arose from the Suit for injunction filed by Appellant against the Respondent in District Court at Vadodara. The Suit related to medicine being sold under the brand name "Falcitab" by the Respondent, which according to the Appellant was a brand name similar to the drug being sold by the Appellant under the brand name "Falcigo". The Appellant (before the Hon'ble Supreme Court) had, after introduction of the drug in 1966, applied to the Trade Marks Registry, Ahmedabad for registration of the same. The Drugs Controller General had granted permission to the Appellant to market the drug under the trade mark "Falcigo". The Appellant therein had started the manufacture and sale of drug of "Falcigo" since 1996. In April, 1997 Drugs Controller General permitted the Respondent company to manufacture drug containing "Mefloquine Hydrochloride" and permitted the Respondent to import the drug. Respondent marketed the drug under the trade mark of "Falcitab". Thus, the Suit came to be filed. Judgment in the matter of "M/s. S.M. Dyechem Ltd." came to be considered. The Hon'ble Supreme Court observed in Para 18 as under:-

"18. We are unable to agree with the aforesaid observation in Dyechem's case (supra) as far as this Court is concerned, the decisions in the last four decades have clearly laid down that what has to be seen in the case of a passing off action is the similarity between the competing marks and to determine whether there is likelihood of deception or causing confusion. This is evident from the

decisions of this Court in the cases of National Sewing Thread Co. Ltd. Vs. James Chadwick and Bros. Ltd. (J. and P. Coats Ltd., Assignee), , Corn Products Refining Co. Vs. Shangrila Food Products Ltd., , Amritdhara Pharmacy Vs. Satyadeo Gupta, , Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, , F. Hoffmann-la Roche and Co. Ltd. Vs. Geoffrey Manner and Co. Pvt. Ltd., Having come to the conclusions, in our opinion, incorrectly, that the difference in essential features is relevant, this Court in Dyechem's case (supra) sought to examine the difference in the two marks "Piknic" and "Picnic". It applied three tests, they being 1) is there any special aspect of common feature which has been copied? 2) mode in which the parts are put together differently i.e. whether dissimilarity of the part or parts is enough to make the whole thing dissimilar and 3) whether when there are common elements, should one not pay more regard to the parts which are not common, while at the same time not disregarding the common parts? In examining the marks, keeping the aforesaid three tests in mind, it came to the conclusion, seeing the manner in which the two words were written and the peculiarity of the script and concluded that "the above three dissimilarities have to be given more importance than the phonetic similarity or the similarity in the use of the word PICNIC for PIKNIK".

In Para 35 the observations were:-

"35. Broadly stated in an action for passing off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors to be considered:

- a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks, i.e. both words and label works.
- b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.
- c) The nature of the goods in respect of which they are used as trade marks.
- d) The similarity in the nature, character and performance of the goods of the rival traders.
- e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.
- f) The mode of purchasing the goods or placing orders for the goods and
- g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

Weightage to be given to each of the aforesaid factors depends upon facts of each case and the same weightage cannot be given to each factor in every case."

Thus, Hon"ble Supreme Court inter-alia found that the similarity in nature, character and performance of the goods is a relevant factor.

6. Learned counsel for Respondent-Plaintiff referred to the case of Pidilite Industries Ltd. Vs. S.M. Associates and Others, It was a matter where the Plaintiff brought Suit to restrain Defendant from infringing its copyright in its artistic work and its registered trade mark "M-Seal" and for passing off. In that matter, this Court had examined the two works. The product of Plaintiff was being marketed under the label "M-Seal" and Defendant started marketing similar product under the mark "SM-Seal". In para 41 it was observed that, if the two marks are seen as a whole, it is clear that there is a likelihood of confusion or deception in view of the similarity between the two. The essential features of the two marks are very similar. It was found that Defendant's use of the impugned mark was causing confusion and deception as to the origin of the goods. The mark of the Defendant had incorporated the essential and substantial features of the Plaintiff's work. Consequently, it was found that the case of the Plaintiff that front face of Defendant's carton infringe the copyright of Plaintiff was well founded.

7. Learned counsel for the Respondent-Plaintiff referred to the unreported Judgment in the matter of Deccan Bottling & Distilling Industries Private Limited vs. Brihan Maharashtra Sugar Syndicate Limited-Appeal from Order No. 76 of 2008, dated 19th September, 2008. That was the matter where dispute arose between the parties regarding use of labels of "Sakhu Santra" and "Paro Santra", both, country liquor products. In that matter, this Court had referred to various Rulings relevant to matter of present nature and it was concluded in Para 10 as under:-

"10. The principle emerging broadly from the number of Judgments cited supra is that marks must be compared as a whole to ascertain as to whether in totality the mark objected to is likely to cause deception or confusion in the minds of persons accustomed to the existing trade marks. The Court would consider impression of a person of an average intelligence and imperfect recollection. A very close microscopic examination of two marks for ascertaining alleged deceptive similarity may not be adopted. There need not be actual deception or confusion and that only likelihood is sufficient. Keeping two trade marks side by side for comparison and for close examination would also not be a sound test. The Court will have to consider probable effect on minds of ordinary people. It is not necessary that deception shall be intended to cause such confusion."

8. In another litigation relating to use of such labels on country liquor bottle, in unreported Judgment dated 13th August, 2007, in the matter of M/s. 7 Stars Distilleries vs. Brihan Maharashtra Sugar Syndicate Ltd., Appeal from Order No. 38 of 2007, after considering the case law concerned, it was observed in Para 12 as under:

"12..... The product in question i.e. country liquor being consumed mostly by lower strata of society. The effect of the label on such consumers would, therefore, have to be considered. The trial Court on the basis of comparison of the labels reached the conclusion that the general

scheme of the colour of both the labels is the same. The words "Deshi Daru" and "Premium" are appearing to be identical. The words on the label being in the background of the picture of orange. The similarity in both the labels according to the trial Court was sufficient to confuse an illiterate or labour class consumer of country liquor. The trial Court applied the tests known to law; and reached a conclusion that if the said tests are applied then the impression could be created in the mind of a person that the original label of the Plaintiff and the impugned label of the defendant are deceptively similar. In my view, the finding of the trial Court that a prima facie case has been made out for the grant of temporary injunction on the basis of infringement of trade mark and passing off action cannot be faulted with. The trial Court also has come to a conclusion that though the word "Rambo" appears in the label of the respondent Plaintiff and the word "Tango" appears in the impugned label, there is phonetic similarity in them. Though alphabetically the word "Rambo" is different from word "Tango" but while pronouncing the words "Rambo" and "Tango" phonetically they would sound same. The important aspect to be considered that the country liquor is mainly purchased and consumed by class of people who are not in position to carefully look into and identify small distinguishing points in the products. This aspect has been rightly considered by the trial Court while considering the issue of deceptive similarity. In my view, minor points of difference here and there would not absolve the defendant."

9. Learned counsel for the Plaintiff referred to the Plaintiff pleadings. It is mentioned in Para 2 that Mr. Kanyalal Kimatram Kalani is the director and authorized signatory of the Plaintiff company. It is mentioned in Para 5 of the Plaintiff that erstwhile registered owner of the copyright/label "TANGO PUNCH" was a company called as M/s. Brihan Maharashtra Sugar Syndicate Ltd. In 2001 Shri Kanyalal Kimatram Kalani created and designed for and on behalf of the M/s. Brihan Maharashtra Sugar Syndicate Ltd. for valuable consideration, an original artistic trade mark label inter-alia containing the words "TANGO PUNCH" along with the device of a lemon. Plaintiff Para 6 mentions that the said company vide date of assignment, assigned the artistic copy work of the said label to Plaintiff. Plaintiff Para 7 refers to Plaintiff changing the name of license holder upon the trade mark label "TANGO PUNCH" which is being used by the Plaintiff. Plaintiff Para 8 mentions that the owner of trade mark label "TANGO PUNCH" had secured registration of the copyright in the said artistic trade mark label under No. A-63544/2003, dated 19th February, 2003.

10. Learned counsel for Plaintiff then referred to the Written Statement filed by the Defendant, where Defendant with reference to the contents of Para 5 and 6 of the Plaintiff mentioned that it has no concern with the same and hence Defendant was offering no comments. Even with regard to Plaintiff Para 7, Defendant referred to approval to Plaintiff from Commissioner of State Excise and changing the name of license holder and added that the same has no concern with the Defendant and hence no comments. Learned counsel pointed out that the Written Statement did not offer any reply to contents of Plaintiff Para 8

dealing with registration of TANGO PUNCH under the Copyright Act. Plaint Para 9 dealing with Plaintiff popularizing the label between 2008 to 2012 and spending huge amount for the same and Plaint Para 10 claiming that Plaintiff has exclusive right to publish, reproduce and use the artistic label are not denied in Written Statement. Learned counsel referred to the Written Statement to say that the averments of above Plaint Paragraphs were not referred to even formally deny the same. Thus, according to the learned counsel, these facts must be treated as undisputed.

11. Learned counsel for Defendant submitted that even if the Defendant did not specifically deny that the label had been registered under the copyrights, still the Plaintiff was bound to prove that he has a copyright in his favour. I find that there is no substance in the submission when the pleadings are not denied. Even otherwise, the Plaintiff has kept on record copy of certificate issued by Registrar of Copyrights dated 6th March, 2013, stating that there is copyright regarding the concerned label and that name of Plaintiff has been entered in the register of copyrights with regard to the concerned label. When there is no specific denial in the pleadings on these counts, the argument of learned counsel for Plaintiff needs to be accepted. It has to be held that copyright of the label Annexure B of the Plaint is with the Plaintiff and that Plaintiff has spent substantial amounts to make the label popular.

12. Learned counsel for Defendant submitted that there were many dissimilarities between label Annexure B of the Plaintiff and label Annexure C of the Defendant. According to him, it cannot be said that the labels are deceptively similar. It has been argued that Plaintiff is selling country liquor under the label of "Tango Punch" whereas the Defendant is selling the same under the label of "Nimbula Punch". Although both of the products are country liquors, but Tango Punch of Plaintiff is prepared from sugar cane molasses while Nimbula Punch of Defendant is made from food grains. The names are dissimilar and persons purchasing such products cannot get deceived. The learned counsel stated that if the labels are juxtaposed in front of each other, the differences are apparent. It was argued that even the trial Court in Para 17 of the impugned order noticed that there were phonetic and other differences but still wrongly concluded that there was likelihood of deception of persons purchasing the goods.

13. Per contra, learned counsel for Plaintiff referring to the Rulings discussed above, argued that it is not the differences, but similarities which are to be seen. According to him, the two labels cannot be juxtaposed in front of each other to see as to what are the differences. According to him, buyers specially of product like country liquor, are persons from the lower strata of society, many of whom are illiterate and such consumers have imperfect memory and if without keeping the labels side by side, there is likelihood of the purchaser getting confused, it must be held that the labels are deceptively similar. Learned counsel referred to similarities drawn by the Plaintiff in Para 14 of the Plaint, between the two labels, which are as under:-

14. Thus, according to the learned counsel, keeping the ratio as drawn from the various Judgments, the Defendant has been rightly restrained by the learned trial Court.

15. Learned counsel for Plaintiff submitted that the label of Plaintiff is registered under the copyright and Section 14 of the Copyright Act states as to what is the meaning of copyright. The portions relevant, referred to by the learned counsel for Plaintiff may be reproduced:-

"14. Meaning of Copyright.-(1) For the purposes of this Act, "copyright" means the exclusive right, subject to the provisions of this Act, to do or authorise the doing of any of the following acts in respect of a work or any substantial part thereof, namely:-

(a).....

(b).....

(c) in the case of an artistic work,-

(i) to reproduce the work in any material form including depiction in their dimensions of a two dimensional work or in two dimensions of a three dimensional work;

....."

16. Thus, according to the learned counsel the copyright would include acts in respect of work or any "substantial part thereof" and with reference to the artistic work reproduction of the work in any material form would be relevant. According to the learned counsel, when the Plaintiff has the copyright of the label, copyright would be infringed as stated in Section 51 of the Copyright Act and the Plaintiff would be entitle for injunction in terms of Section 55 of the Copyright Act. It is the submission of learned counsel for Plaintiff that the Defendant is trying to pass off his product as if the same is of the Plaintiff, by using deceptively similar label of which the Plaintiff has the copyright. Learned counsel placed reliance on Section 27(2) of the Trade Marks Act, 1999. The Section reads as under:-

"27. No action for infringement of unregistered trade mark-

(1).....

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, of the remedies in respect thereof."

Relying on the sub-section 2 of Section 27 of the Trade Marks Act, learned counsel submitted that even if the trademark was unregistered, even in that case common law rights of trade mark owners to take action against any person for passing off goods as the goods of another person is saved and such action is maintainable. Section 2(h) of the Trade Marks Act mentions that a mark shall be

deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion.

17. It has been argued by the learned counsel for Defendant that Plaintiff did not approach the Court with clean hands, as while filing the Suit, the Plaintiff did not refer to the order of Excise Commissioner dated 12th July, 2010, where the Excise Commissioner, inspite of objection raised by the Plaintiff, had cleared the use of the disputed label in favour of the Defendant. The learned counsel relied on the case of Capt. Harcharanjit Singh Thind by his Constituted Attorney, Mr. Porus A. Doctor Vs. Deeksha Thind and Others, to submit that the Plaintiff suppressed material facts and so discretionary relief should not have been granted in favour of the Plaintiff.

18. To counter the above submissions, learned counsel for Plaintiff submitted that the jurisdiction of the Excise Commissioner for considering permission to use such labels is in a limited sphere. According to the counsel, when the Excise Commissioner approves such label, Excise Commissioner does not enter into the questions of copyrights or trade marks. Learned counsel referred to document marked Exhibit 1 filed with affidavit in reply of Respondent, dated 16th September, 2013 and pointed out that in another similar case where label was approved by the Excise Commissioner, the same was approved subject to standard terms and conditions in which Condition No. 2 specified that the person to whom the label is approved, would be responsible regarding violation of copyright etc. According to the learned counsel, similar terms and conditions must have been conveyed to the Defendant also but Defendant had not produced that document and is relying only on the order concerned. According to the learned counsel, whatever decision the Excise Commissioner may take, it does not affect and so is irrelevant to the right of Plaintiff to challenge violation of its copyright which is an independent civil right and merely because the order of Excise Commissioner was not referred, it does not mean that the Plaintiff is not with clean hands.

19. Learned counsel for Plaintiff submitted that although the label got approved by the Defendant from Excise Commissioner on 12th July, 2010, as mentioned in the Plaint Para 11, the Plaintiff learnt in November, 2011 that Defendant has introduced the country liquor, under the closely similar trade mark label and was infringing the Plaintiff's copyright and thus the Plaintiff brought the Suit in January, 2012. According to the learned counsel, Defendant has not shown as to since when Defendant started using the label and thus according to learned counsel it was not necessary for the Plaintiff to challenge the approval given by the Excise Commissioner and when its copyright got infringed, Plaintiff filed the Suit.

20. I do not find that non-reference to the order of the Excise Commissioner is something which should dis-entitle the Plaintiff from its copyright being violated. Merely because the concerned fact was not referred, does not make the Suit mala fide.

21. Learned counsel for the Plaintiff relied on the case of Wander Ltd. and Another Vs. Antox India P. Ltd., That was the matter under the Trade and Merchandise Marks Act, 1958, where temporary injunction order had been passed. The Division Bench of High Court had, in appeal, reversed the order passed by the learned Single Judge who was trying the Suit. In this context, the Hon''ble Supreme Court in Para 14 observed as under:-

"14..... In such Appeals, the appellate Court will not interfere with the exercise of discretion of the Court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily, or capriciously or perversely or where the Court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle. Appellate Court will not reassess the material and seek to reach a conclusion different from the one reached by the Court below if the one reached by that Court was reasonably possible on the material. The appellate Court normally would not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial Court reasonably and in a judicial manner the fact that the appellate Court would have taken a different view may not be justify interference with the trial Court's exercise of discretion."

22. Learned counsel submitted that applying above principles, the present impugned order will have to be considered and if the same cannot be held to be arbitrary or capricious or perverse, this Court should not interfere in the concerned impugned order to substitute its discretion over what has been found by the trial Court.

23. Keeping the above observations of the Hon''ble Supreme Court in view, if the impugned order is perused, it can be seen that the trial Court in the temporary injunction order found that Plaintiff has got the copyright of the label. The trial Court considered the rival arguments and in Para 17 of the order, compared the labels and found that both the labels are oval shape and that in the label of Plaintiff there is half cut lemon covering entire label as the background wall, while the label of Defendant has half cut lemon in upper half portion of the label and on lower side, glass is shown and at the bottom again half cut lemon shown. It was observed that even if the trade names differed, Defendant had used oval shape label showing half cut lemon in upper portion so also at the bottom and again half cut lemon, which is similar in both the labels and therefore there was likelihood of deception of persons purchasing the goods. The trial Court even though found that there was dissimilarity in the words "Tango Punch" and "Nimbula Punch", but observed that still it could not be said that the labels are not deceptively similar. Trial Court relied on the observations of this Court in the matter of Tata Tea Limited Vs. Suruchi Tea Company and Another, and extracted observations to the effect that the effort of the Court has to be not to compare

the two marks with a view to notice the difference between them, but to consider the over all impact. On the basis of such observations in the said Judgment, trial Court held that both the marks are deceptively similar and are likely to deceive or cause confusion. The trial Court clearly held that Annexure C mark of Defendant was similar to the mark of Plaintiff, which was registered. Trial Court also held that only because the Commissioner of Excise had permitted the Defendant to use the label would not mean that it empowers the Defendant to use mark against the provisions of Copyright Act. For such reasons, the trial Court found that there was prima facie case in favour of the Plaintiff.

24. I have gone through the record and rival arguments as well as the impugned order. I do not find that there is any reason for me to substitute my views over what has been found by the trial Court, as the findings are appearing to be justified from the record and could not be said to be perverse, arbitrary or capricious. Even otherwise, on merits of the matter, from material available, prima facie, I find that Defendant's label is deceptively similar and goods of Defendant can pass off as those of Plaintiff looking to nature of goods, that is country liquor; resemblance between the marks; class of purchasers and mode of purchasing such goods at shops or in hotels and bars.

25. Trial Court also considered the question of balance of convenience and observed that the Defendant is selling country liquor under deceptively similar mark and how much liquor Defendant would sell during pendency of the Suit, cannot be estimated and so loss of Plaintiff cannot be calculated. For such reasons, the trial Court found that balance of convenience lies in favour of Plaintiff as how much loss Plaintiff will suffer is unpredictable. Thus, the trial Court found that the balance of convenience was in favour of the Plaintiff and Plaintiff was likely to suffer irreparable injury if the injunction is not granted. I do not find any reason to interfere in the impugned order.

26. Learned counsel for Plaintiff had fairly submitted before the arguments started that instead of deciding the case at interlocutory stage, it would be appropriate if the Suit itself is expedited. This was resisted by the learned counsel for Defendant, claiming that he would not mind Suit being expedited, provided the temporary injunction order passed in favour of the Plaintiff is vacated. Learned counsel for the Plaintiff relied on the case of Bajaj Auto Limited Vs. TVS Motor Company Limited, where it was observed that cases relating to copyright, trade marks and patents remain pending for years and litigation is mainly fought on temporary injunctions. In that matter although the Hon'ble Supreme Court heard arguments of both sides but was of the opinion that instead of deciding the case at interlocutory stage, the Suit itself should be disposed of finally.

Keeping the above observations of the Hon'ble Supreme Court in view, it would be appropriate to direct that the Suit should be expedited, specially when Written Statement is already filed and issues could be framed.

27. Observations made regarding facts in this Judgment are on the basis of prima facie case as appearing from record.

28. There is no substance in the Appeal From Order. The Appeal From Order is dismissed with costs. The Suit is expedited. The Trial Court to make efforts to dispose of the Suit at the earliest, preferably within SIX MONTHS.