Equivalent Citation: AIR1963SC449, [1963]2SCR484

IN THE SUPREME COURT OF INDIA

Decided On: 27.04.1962

Appellants: Amritdhara Pharmacy
Vs.
Respondent: Satyadeo Gupta

Hon'ble Judges:
J.C. Shah, M. Hidayatullah and S.K. Das, JJ.

Subject: Intellectual Property Rights

Acts/Rules/Orders:
Halsbury's Law; Trade Marks Act, 1940 - Sections 8, 10, 10(1), 10(2), 14, 21 and 76; Indian Evidence Act, 1872 - Sections 13, 40 and 43

Authorities Referred:
Kerly on Trade Marks, 8th edition; Halsbury's Laws of England, Vol. 32 (second edition)

Case Note:
It was held that the question whether a trade name is likely to deceive or cause confusion by its resemblance to another already registered is a matter of first impression and one for decision in each case and has to be decided by taking an over all view of all the circumstances- The standard of comparison to be adopted in judging the resemblance is from the point of view of a man of average intelligence and imperfect recollection- It was held further that the two names as a whole should be considered for comparison and not merely the component words thereof separately.

JUDGMENT

S.K. DAS, J.

1. This is an appeal by special leave granted by this Court on December 8, 1958. On July 19, 1950, Satya Deo Gupta, respondent before us, made an application under s. 14 of the Trade Marks Act, 1940 (Act V of 1940) (hereinafter referred to as the Act) for registration of the trade name of a biochemical medicinal preparation, commonly known as 'Lakshmandhara', in Class 5 of the Fourth Schedule to the Trade Marks Rule, 1942. The application was made by the respondent as the sole proprietor of Rup Bilas Company situate at Dhankutti in Kanpur. The averments made in the application were that the said medicinal preparation had been in use by the name of 'Lakshmandhara' since 1923 and was sold throughout the length and breadth of India as also in some foreign markets; the mark or name 'Lakshmandhara' was said to be distinctive to the article, and it was stated that the approximate annual turnover was Rs. 40,000/-. Notice of the application was given by the Registrar of Trade Marks, Bombay, and the Amritdhara Pharmacy, a limited liability company and appellant before us, filed an application in opposition. In this application the appellant stated that the word 'Amritdhara' was already registered as a trade name for the medicinal preparation of the appellant, and that medicinal preparation was introduced in the market so far back as in the year 1901; on account of its great popularity many people advertised similar medicines with slight variations of name to pass off their goods as 'Amritdhara'. It was averred that the composite word 'Lakshmandhara' was used to denote the same medicine as 'Amritdhara'; and the single word 'dhara', it was stated, was first used in conjunction with 'Amritdhara' to denote the medicine of the appellant and the medicine 'Lakshmandhara' being of the same nature and to quality could be easily passed off as 'Amritdhara' to the ultimate purchaser. The appellant contended that as 'Amritdhara' was already registered and 'Lakshmandhara' being a similar name was likely to receive the public, registration should be refused.

2. On behalf of the respondent a counter-affidavit was made in which it was stated that 'Amritdhara' and 'Lakshmandhara' were two distinctly different names and no one could pass off one for the other. It was further stated that during the long period of introduction and sale of 'Lakshmandhara' since 1923, no objection was ever raised from any quarter, from the appellant or anybody else, to the use of the name 'Lakshmandhara'. It was denied by the respondent that the composite word 'Lakshmandhara' was likely to deceive the public or could by any stretch of imagination be taken or mistaken for 'Amritdhara'. The respondent further alleged that the single word 'dhara' had no particular significance in relation to the medicine, nor did that word mean or convey any special or exclusive meaning or effect in relation to the medicine. It was also stated that apart from the difference in name, the phial, label and packing of 'Lakshmandhara' had exclusive designs of their own and were not likely to be confused with any other medicine of similar nature, least of all with 'Amritdhara' whose packing was distinctly different in colour, design and layout.

3. The Registrar of Trade Marks dealt with the application and the opposition thereto by his order dated September 10, 1953. It appears that apart from the affidavits filed, no other evidence was led on behalf of either party; but certified copies of certain decisions in earlier cases (to which the respondent was not, however, a party) given in favour of the appellant in support of its claim of infringement of its registered trade mark 'Amritdhara' were filed. A list of such cases has been printed as annexure 'A'. These cases showed that a number of medicines with the word 'Amrit' or 'dhara' as part of their names had been introduced in the market since 1947; and the appellant successfully took action against them for infringement of its trade mark. Even in the Trade Marks Registry the appellant successfully opposed the introduction of names which contained the word 'dhara' as part of the trade name. A question has been raised before us whether the Registrar of Trade Marks was justified in taking into consideration the decisions in those cases. To that question we shall advert later. The Registrar found that in 1901 Pandit Thakur Datta Sharma commenced to do

business at Lahore in a particular ayurvedic medicine which was meant for alleviation for of headaches, diarrohea, constipation and other complaints. This medicine was first sold under the mark 'Amrit Ki Dhara', but in 1903 the name was changed to 'Amritdhara', Pandit Thakur Datta Sharma formed a limited liability company in 1942 and the name 'Amritdhara' became a well-known popular name for the medicine. The sale of the medicine went up to about Rs. 4 lacs a year. The business was done in Lahore but when partition came in 1947, the appellant established its business in Dehradun. The Registrar expressed the view that if the matter had rested on s. 8 and s. 10(1) of the Act, he would have no hesitation in allowing the opposition and dismissing the application. This could only mean that the Registrar was of the view that the name 'Lakshmandhara' so nearly resembled the trade mark 'Amritdhara' that it was likely to deceive the public or cause confusion to the trade. We are saying this because the High Court through that the Registrar did not express his own opinion whether the name 'Lakshmandhara' was likely to cause deception to the public or confusion to the trade. The respondent, however, relied also on two other circumstances, viz. (a) honest concurrent user of the name 'Lakshmandhara' since 1923, and (b) acquiescence on the part of the appellant in the user of the name 'Lakshmandhara'. The respondent contended that these two circumstances brought the case within the meaning of 'special circumstances' in s. 10(2) of the Act, which permitted the registration by more than one proprietor of trade marks which are identical or nearly resemble each other, subject to such condition and limitations, if any, as the Registrar might think fit to impose. On the point of honest concurrent user the Registrar found in favour of the appellant.

4. As to acquiescence he, however, found in favour of the respondent and expressed his finding in these words.

> "In the case before me it is not disputed that the applicant commenced his user in a small way in 1923 and it may even be said that up to about 1942 the applicant's user was insignificant. In paragraph 12 of the applicant's affidavit dated the 30th March, 1953 he has given details of advertisements in directories, pamphlets, newspapers etc. in which both

> the applicant's and the opponents' marks were advertised. The facts given in the affidavit go to show that from 1938 right up to the date of the applications by the applicant he has been advertising through mediums which were common to both the applicant and the opponents. Here we have a case in which Pandit Thakur Datta Sharma states that he had no notice of the applicant's mark. He has, however, admitted that he had about 12 persons in his factory which constituted the clerical staff and amongst them were persons who were in charge of advertising the opponents' mark. It seems to me that the opponents and their agents were well aware of the advertisements by the applicant and did not raise any protest till the applicant's mark was advertised in the Trade Mark Journal. In other words the opponents stood by and allowed the applicant to develop his business and, as I have shown, from small beginning he began to sell these medicines to the extent of about Rs. 43,000/- in 1949. In my opinion, this is acquiescence which would come under the phrase 'or other special circumstances' in section 10(2) of the Trade Marks Act and that appears to me to be fatal to the case of the opponents."

5. Before the Registrar it was admitted on behalf of the respondent that his goods were sold mainly in Uttar Pradesh and there were, at the most, only sporadic sales in other states. Taking that circumstance into consideration the Registrar passed an order allowing registration of 'Lakshmandhara' for sale in the State of Uttar Pradesh only.

6. From the decision of the Registrar two appeals were referred to the High Court of Judicature at Allahabad under s. 76 of the Act : one appeal was referred by the respondent and the other by the appellant. The respondent complained of the registration being limited to Uttar Pradesh only and the appellant pleaded that registration should have been refused altogether. The learned Judges of the High Court held that the words 'Amrit' and 'dhara' were common words in the Hindi language and the combined word 'Amritdhara' meant 'current of nectar' or 'the flow of nectar'; the two words 'Lakshman' and 'dhara' were also well-known common words and combined together they meant 'current or flow of Lakshman'. The learned Judges then said :

> "There is no possibility of any Indian confusing the two ideas. Even phonetical differences are wide enough not to confuse anybody. The claim of the Amritdhara pharmacy that both the words 'Amrit and dhara' have

> become so associated with their goods that the use of each part separately or in any combination is likely to mislead is an untenable claim. The whole phrase 'Amritdhara' had been registered and the monopoly has to be confined only to the use of the whole word. The words of common language like 'Amrit' and 'dhara' cannot be made the monopoly of any individual. We, therefore, see no reason to disallow registration of the trade mark "Lakshmandhara."

7. As to honest concurrent user from 1923 to 1942 the learned Judges again held in favour of the respondent. But on the point acquiescence they held against the respondent and found in favour of the appellant. They said that from the fact that both the medicines were being advertised in the same journals or periodicals it did not follow that the attention of the appellant was drawn to the use of the word 'Lakshmandhara' by the respondent. In view, however, of their finding that the two names were not likely to cause any confusion and that the respondent had been an honest concurrent user from 1923 onwards, they held that there was no justification for refusing registration to the trade mark 'Lakshmandhara' for the whole of India. They accordingly allowed the appeal of the respondent and dismissed that of the appellant by their judgment dated March 19, 1958. The appellant then obtained special leave from this Court and the present appeal has been filed in pursuance of the leave granted by this court.

8. Two points have been agitated before us. The first point is whether the name 'Lakshmandhara' was likely to deceive the public or cause confusion to trade within the meaning of s. 8 and s. 10(1) of the Act. The second point is whether there was such acquiescence on behalf of the appellant in the use of the name 'Lakshmandhara' in the State of Uttar Pradesh as to bring it within the expression 'special circumstances' mentioned in sub-s. 10 of the Act. We shall deal with these two points in the order in which we have stated them.

9. We may first read the relevant sections of the Act, viz. s. 8 and 10.

> 8. Prohibition of registration of certain matter. -

> No trade mark nor part of a trade mark shall be registered which consists of, or contains, any scandalous design, or any matter the use of which would. -
>
> > (a) by reason of its being likely to deceive or to cause confusion or otherwise, be disentitled to protection in a Court of justice; or
> >
> > (b) be likely to hurt the religious susceptibilities of any class of the citizen of India; or
> >
> > (c) be contrary to any law for the time being in force, or to morality.

10. Prohibition of registration of identical or similar trade mark. - (1) Save as provided in sub-section (2), no trade mark shall be registered in respect of any goods or description of goods which is indentical with a trade mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods or which so nearly resembles such trade mark as to be likely to deceive or cause confusion.

(2) In case of honest concurrent use or of other special circumstances which, in the opinion of the Registrar, make it proper so to do he may permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other in respect of the same goods or description of goods, subject to such conditions and limitations, if any, as the Registrar may think fit to impose.

(3) X X X

10. It will be noticed that the words used in the sections and relevant for our purpose are "likely to deceive or cause confusion." The Act does not lay down any criteria for determining what is likely to deceive or cause confusion. Therefore, every case must depend on its own particular facts, and the value of authorities lies not so much in the actual decision as in the tests applied for determining what is likely to deceive or cause confusion. On an application to register, the Registrar or an opponent may object that the trade mark is not registerable by reason of clause (a) of s. 8, or sub-s. (1) of s. 10, as in this case. In such a case the onus is on the applicant to satisfy the Registrar that the trade mark applied for is not likely to deceive or cause confusion. In cases in which the tribunal considers that there is doubt as to whether deception in likely, the application should be refused. A trade mark is likely to deceive or cause confusion by the resemblance to another already on the Register if it is likely to do so in the course of its legitimate use in a market where the two marks are assumed to be in use by traders in that market. In considering the matter, all the circumstances of the case must be considered. As was observed by Parker, J. in Pianotist Co.'s Application [(1906) 23 R.P.C. 774, 777] which was also a case of the comparison of two words -

> "You must take the two words. You must Judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

11. For deceptive resemblance two important questions are : (1) who are the persons whom the resemblance must be likely to deceive or confuse, and (2) what rules of comparison are to be adopted in judging whether such resemblance exists. As to confusion, it is perhaps an appropriate description of the state of mind of a customer who, on seeing a mark thinks that it differs from

the mark on goods which he has previously bought, but is doubtful whether that impression is not due to imperfect recollection. (See Kerly on Trade Marks, 8th edition, p. 400.)

12. Let us apply these tests to the facts of the case under our consideration. It is not disputed before us that the two names 'Amritdhara' and 'Lakshmandhara' are in use in respect of the same description of goods, namely, a medicinal preparation for the alleviation of various ailments. Such medicinal preparation will be purchased mostly by people who instead of going to a doctor wish to purchase a medicine for the quick alleviation of their suffering, both villagers and townsfolk, literate as well as illiterate. As we said in Corn Products Refining v. Shangrila Food Products Ltd. MANU/SC/0115/1959, the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. To such a man the overall structural and phonetic similarity of the two names 'Amritdhara' and 'Lakshmandhara' is, in our opinion, likely to deceive or cause confusion. We must consider the overall similarity of the two composite words 'Amritdhara' and 'Lakshmandhara'. We do not think that the learned Judges of the High Court were right in saying that no Indian would mistake one for the other. An unwary purchaser of average intelligence and imperfect recollection would not, as the High Court supposed, split the name into its component parts and consider the etymological meaning thereof or even consider meanings of the composite words as 'current of nectar' or 'current of Lakshman'. He would go more by the overall structural and phonetic similarity and the nature of the medicine he has previously purchased, or has been told about, or about which has otherwise learnt and which he wants to purchase. Where the trade relates to goods largely sold to illiterate or badly educated persons, it is no answer to say that a persons educated in the Hindi language would go by the entymological or ideological meaning and, see the difference between 'current of nectar' and 'current of Lakshman'. Current of Lakshman in a literal sense has no meaning to give it meaning one must further make the

inference that the 'current or stream' is as pure and strong as Lakshman of the Ramayana. An ordinary Indian villager or townsmen will perhaps know Lakshman, the story of the Ramayana being familiar to him, but we doubt if he would etymologine to the extent of seeing the so called ideological difference between 'Amritdhara' and 'Lakshmandhara'. He would go more by the similarity of the two names in the context of the widely known medicinal preparation which he wants for his ailments.

13. We agree that the use of the word 'dhara' which literally means 'current or stream' is not by itself decisive of the matter. What we have to consider here is the overall similarity of the composite words, having regard to the circumstance that the goods bearing the two names are medicinal preparations of the same description. We are aware that the admission of a mark is not to be refused, because unusually stupid people, "fools or idiots", may be deceived. A critical comparison of the two names may disclose some points of difference, but an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two names having regard to the nature of the medicine he is looking for with a somewhat vague recollection that he had purchased a similar medicine on a previous occasion with a similar name. The trade mark is the whole thing - the whole word has to be considered. In the case of the application to register 'Erectiks' (opposed by the proprietors of the trade mark 'Erector') Farwell, J. said in William Bailey (Birmingham) Ltd.'s Application [(1935) 52 R.P.C. 137] :

> "I do not think it is right to take a part of the word and compare it with a part of the other word; one word must be considered as a whole and compared with the other word as a whole,....... I think it is a dangerous method to adopt to divide the word up and seek to distinguish a portion of it from a portion of the other work".

14. Nor do we think that the High Court was right in thinking that the appellant was claiming a monoploy in the common Hindi word 'dhara'. We do not think that is quite the position here. What the appellant is claiming is its right under s. 21 of

the Act, the exclusive right to the use of its trade mark, and to oppose the registration of a trade mark which so nearly resembles its trade mark that it is likely to deceive or cause confusion.

15. A large number of decisions relating to the use of composite words, such as Night Cap and Red Cap, Limit and Summit, Rito and Lito, Notrate and Filtrate, etc. were, cited in the High Court. Some more have been cited before us. Such decisions, examples of deceptive resemblance arising out of contrasted words, have been summarised at page 429 to 434 in Karly on Trade Marks, 8th Edition. No useful purpose will be served by referring to them all. As we have said earlier, each case must be decided or its own fact. What degree of resemblance is necessary to deceive or cause confusion must the nature of things be incapable of definition a priori.

16. As to the decisions in annexure 'A', it has been argued before us that they were not at all admissible by reason of ss. 40 to 43 of the Indian Evidence Act, 1872. On behalf of the appellant it has been contended that they were admissible under s. 13 of the Evidence Act as showing the particular instances in which the appellant claimed its right under s. 21 of the Act. We consider it unnecessary to decide this question for the purposes of this case because those decisions even if they are admissible under s. 13 do not throw any light on the question whether 'Amritdhara' and 'Lakshmandhara' so nearly resemble each other as to cause deception or confusion. That is a question which we must determine as a case of first impression and irrespective of the earlier decisions

17. On a consideration of all the circumstances, we have come to the conclusion that the overall similarity between the two names in respect of the same description of goods was likely to cause deception or confusion within the meaning of s. 10(1) of the Act and Registrar was right in the view he expressed. The High Court was in error taking a contrary view.

18. We now go the second question, that of acquiescence. Here again we are in agreement with the Registrar of Trade Marks, who in a paragraph of his order quoted earlier in this judgment has summarised the facts and circumstances on which the plea of acquiescence was based. The matter has been put thus in Halsbury's Laws of England, Vol. 32 (second edition) pages 659-657, paragraph 966.

> "If a trader allows another person who is acting in good faith to build up a reputation under a trade name or mark to which he has rights, he may lose his right to complain, and may even be debarred from himself using such name or work. But even long user by another, if fraudulent, does not affect the plaintiff's right to a final injunction; on the other hand prompt warning or action before the defendant has built up any goodwill may materially assist the plaintiff's case".

19. We do think that there was any fraudulent user by the respondent of his trade name 'Lakshmandhara'. The name was first used in 1923 in a small way in Uttar Pradesh. Later it was more extensively used and in the same journals the two trade marks were publicised. The finding of the Registrar is that the appellant and its agent were will aware of the advertisements of the respondent, and the appellant stood by and allowed the respondent to develop his business till it grew from small beginning in 1923 to an annual turnover of Rs. 43,000/- in 1946. These circumstances establish the plea of acquiescence and bring the case within sub-s. (2) of s. 10, and in view of the admission made on behalf of the respondent that his goods were sold mainly in Uttar Pradesh, the Registrar was right in imposing the limitation which he imposed.

20. For these reasons, we would allow the appeal, set aside the Judgment and order of the High Court, and restore those of the Registrar of Trade Marks, Bombay, dated September 10, 1953. In the circumstances of this case, there will be no order for costs.

21. Appeal allowed.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO.2961 OF 2007
IN
SUIT NO.2178 OF 2007

Asian Paints Limited Plaintiff
versus
Home Solutions Retail
(India) Limited Defendant

Mr.Iqbal Chagla, Sr.Adv. a/w Mr.Naval Agarwal, Vinod Bhagat, Kiran Mehta, Atul Mahajan i/by G.S.Hegade and V.A.Bhagat for plaintiffs.

Mr.Ravi Kadam, Advocate General a/w Venkatesh Dhone and Utkarsh Tewari i/by Sunil & Co. for defendant.

CORAM : A.M.KHANWILKAR, J.
DATE : 17th September 2007

ORAL ORDER :-

1. This order will dispose of the prayer for ad-interim relief pressed on behalf of the plaintiff to operate during pendency of the Notice of Motion.

2. In substance, the plaintiff’s case is that the plaintiff company is one of the oldest companies in India and is the pioneer and the market leader in the paint industry engaged, inter alia, in the business of manufacturing and marketing paints, lacquers, varnishes, wall and wood fillers (putties), undercoats for paint in the form of primers, preservatives used to prevent rust and deterioration of wood, thinners,

distempers, dry colours, colouring matter, dyestuffs, mordants, natural resins, metal in foil and powder form for painters and decorators, brushes and the like goods since last more than five decades. It is the case of the plaintiff that with a view to provide quality services to its customers under one roof, in the year 2000 commenced offering services in the field of painting through its service providers which included providing consultancy in the field of painting of the house. Such services were introduced since September 2000. It is alleged that the defendant company is infringing the plaintiff’s mark and passing off it’s goods and/or business as that of the plaintiff and/or is in some way connected with the plaintiff by using the mark "HOME SOLUTIONS" and the corporate name containing the words "HOME SOLUTIONS". Principally, on this allegation the plaintiff has approached this Court seeking to restrain the defendants from infringing the plaintiff’s trademark and for action of passing off its goods and services as that of the plaintiff.

3. It is the case of the plaintiff that it created a novel and unique mark namely "HOME SOLUTIONS" which was launched in September 2000.

The motto of the plaintiff was "it is not just about painting the walls; it is about styling them". According to the plaintiff, "HOME SOLUTIONS" holds the promise of redefining the painting industry by offering the customers plaintiff’s quality goods and services. The plaintiff is relying on the sales turn over in respect of its said services offered under the trademark "HOME SOLUTIONS" or "ASIAN PAINTS HOME SOLUTIONS" for the last financial year which aggregates to more than Rs.40.00 crores. The plaintiff is also relying on the expenses incurred by the plaintiff for promoting the said business of services "HOME SOLUTIONS", which is in excess of Rs.1.8 crores on advertisement, publicity and promotions undertaken to popularize its trademarks "HOME SOLUTIONS" and/or "ASIAN PAINTS HOME SOLUTIONS" during the last financial year. The plaintiff’s case is that the plaintiff has acquired a unique enviable reputation and exclusive goodwill in respect of said product and its services. It is alleged that the defendants knowingly and deliberately adopted the corporate name "HOME SOLUTIONS" so as to create confusion and deception amongst the purchasing public and trade. The sole purpose of doing so was to co-relate with the goods and/or services rendered by the plaintiff. According to the plaintiff, in the third week of January 2006, the plaintiff was informed about a news article published in DNA (Mumbai Edition) dated 26th January 2006 stating that the defendant had got incorporated a company under the name and style as "HOME SOLUTIONS RETAIL (INDIA) LIMITED" which in future would set up a chain of Home Town retail stores offering services in paints and other like services/goods under the name and/or mark "HOME SOLUTIONS". Thereafter the plaintiff immediately gave legal notice to the defendant. It is the case of the plaintiff that thereafter the plaintiff kept constant vigil and an eye on the defendants' activities and no suit was filed then for defendant offering its services under the impugned mark as complained of. According to the plaintiff, recently in the first week of June 2007 the plaintiff has come to learn that the defendant has commenced its activities of providing painting services and/or of selling paints, amongst other things, from its "HOME TOWN" retail stores in Noida, Uttar Pradesh. The plaintiff, on discreet enquiry, has come to know that besides the defendant having deceptively adopted the corporate name resembling the trademark of the plaintiff, were also engaged in offering services which are akin to that of the plaintiff's in every respect. In short, the grievance of the plaintiff is that the defendant has adopted the trademark and corporate name which is identical to and/or deceptively similar to the plaintiff's registered trademark "HOME SOLUTIONS". The defendant has infringed and is continuing to infringe the plaintiff's registered trademark "HOME SOLUTIONS". Besides, the acts of commission and omission of the defendant are done with the malafide motive of encashing and making illegal gains on the enviable reputation of the plaintiff in spite of the fact that it has registered its trademark "ASIAN PAINTS HOME SOLUTIONS" and/or "HOME SOLUTIONS" long back; and by such misrepresentations the defendant is passing off and/or attempting to pass off the services and the goods as those of the plaintiff.

4. The defendant after having entered appearance has filed reply affidavit of Satish D. Gawade, who is the authorised signatory of the defendant company. The defendant has denied the case made out by the plaintiff and would urge that the plaintiff is not entitled for any relief whatsoever having failed to make out any cause of action against the defendant. It is stated on

affidavit that the defendant is the part of Pantaloon Group, whose main business is organised retail. The group's flagship enterprise is Pantaloon Retail (India) Limited, which is India's leading organised retail company with presence in food, fashion and footwear, household products and consumer electronics, books and music, health, wellness and beauty, general merchandise, communication products, e-tailing and leisure and entertainment. It is asserted that the group has presence in the segments such as Logistics (Supply Chain Management), Brands, Home Solutions, Foods, Finance, Knowledge Services. It is stated that the main motto is to "deliver everything, everywhere, everytime to every Indian consumer in the most convenient manner". The defendant asserts that the defendant is a subsidiary of Pantaloon Retail (India) Limited which has had a turn over Rs.2,019 crores for the financial year 2005-2006 and that of the group is in excess of Rs.3,000/- crores. The defendant asserts that the defendant was incorporated on 4th October 2004 primarily for setting up a national chain of retail stores catering to the complete gamut of home products and home improvement segment and to provide a complete Home Care Answers and solutions either with respect to the products or with respect to any service/activities pertaining or relating to home and/or home utilities segment. It is stated that "HOME SOLUTIONS" concept is evolved from real needs expressed by consumers about their homes, the frustration expressed about the perceived (and real) lack of one stop shop for home maintenance, care and improvement products and/or services. The services offered by the defendant are either in respect of any product or goods or with respect to any services such as Plumbing, Design-Vastu, Installations and Maintenance such as Pest Control, Carpet cleaning, Plumbing, Air Conditioning, Lighting, Electronic Products, Home Furnishing etc.. The defendant asserts that it's activities are honest and has adopted the corporate name "HOME SOLUTIONS RETAIL (INDIA) LIMITED" bona fide. It is stated that the defendant company operates numerous stores and facilities under the name and style of "eZone (high and household consumer electronics specialty store), Collection i (luxury furnitures, fixtures and furnishings store) and HomeTown (Home care, convenience and utility stores offering home products of various other manufactures under their brands. The products range from construction material to furnishings, home appliances to entertainment, electronic products. The stores also offer services of various household utilities such as carpenters, architects, plumbers, vastu-consultancy, home loan advising, electrician etc. all under one roof.) It is stated that the defendant is selling the products and services relating to home care and utility under the name and style "HOME TOWN". There are total 27 stand alone stores and 149 shop-in-shop stores as on 6th May 2007 belonging to the defendant company making it one of the largest providers of the "HOME SOLUTIONS" in the country. It is stated that the defendant’s retail stores are multi-brand stores selling several goods/services of several well known brands. That the defendant does not sell any product under the alleged trademark "HOME SOLUTIONS" and/or "ASIAN PAINTS HOME SOLUTIONS". It is stated that the defendant’s adoption of the name "HOME SOLUTIONS RETAIL (INDIA) LIMITED" is absolutely honest and bonafide and describes the nature and gamut of its business model i.e. to provide and offer solutions and/or answer to the customers home or house related needs, issues and problems under one roof or in other words "One Stop Shop for Home Solutions". It is categorically stated that the defendant is not using the words "HOME SOLUTIONS" as a trademark. It is then stated that the term and expression "HOME SOLUTIONS" is descriptive in many connotations and nature and as such inherently incapable of becoming distinctive with any person. For the nature of the products or the services the defendants cater to their customers, the name "HOME SOLUTIONS RETAIL (INDIA) LIMITED" was coined. It is description of the nature of the services offered by the defendant. According to the defendant, nobody can claim any exclusive right over the term and expression "HOME SOLUTIONS" which is descriptive in nature. The defendant has also relied on numerous websites on internet which use the said term and expression "HOME SOLUTIONS" as a category or classification to classify and offer the products and/or services relating to "HOME" and/or "HOUSEHOLD" nature. The defendant also relies on numerous publications and magazines which bears the term and expression "HOME SOLUTIONS" as part of their name . According to the defendant, even prior to the plaintiff applying for registration of their alleged mark "ASIAN PAINTS HOME SOLUTIONS" before May 2001, there were several companies/ entities under the name and style "HOME SOLUTIONS" in various countries including India. The defendant asserts that the term and expression "HOME SOLUTIONS" cannot become a subject matter of proprietary right of any person muchless the plaintiff. It is then stated that the defendant’s corporate name as "HOME SOLUTIONS RETAIL (INDIA) LIMITED" is neither identical nor deceptively similar to the plaintiff’s alleged trademark "ASIAN PAINTS HOME SOLUTIONS". Moreover, the defendant does not sell any products or services under the trademark "HOME SOLUTIONS". It is stated that the alleged registered trademark of the plaintiff is associated with its name "ASIAN PAINTS" which is so prominent that the same distinguishes two businesses and acts as an adequate safeguard against any association, nexus, sponsorship or any connection between the two businesses. The defendant then asserts that they have already commenced their business and any ad-interim order at this stage would result in stoppage of defendant’s business, which would cause irreparable loss, harm and damage to the defendant. Besides, the defendant being an established company, would be in a position to make good the loss, if any, suffered by the plaintiff by denial of any ad-interim relief in the event of plaintiff ultimately succeeding in the suit. It is stated that even the balance of convenience is heavily in favour of the defendant. Lastly, it is asserted that the plaintiff is not entitled for any relief on account of delay and laches in filing the present suit. For, the plaintiff was aware of the defendant’s act of incorporation in or about January 2006 but has filed the suit in July 2007 and moved the application for interim relief on 30th August 2007.

5. Having considered the rival pleadings and the documents on record with the assistance of the counsel appearing for the parties, the first question is whether it is a case of infringement of registered trademark? From the certificate of registration of trademark issued by the competent authority it is evident that the registration is in respect of device/label "ASIAN PAINTS HOME SOLUTIONS" for its goods covered by Class-2. The registration is not in respect of services in relation to the said goods as such. The defendants on the other hand are engaged in providing services to its customers in respect of Home Care Conveniences and Utility stores offering home products of various other

manufacturers under their brands under one roof. Thus understood, it will not be a case of infringement of registered trademark as such.

6. To get over this position, the counsel for the plaintiff would rely on the exposition in the case of Balkrishna Hatcheries Vs. Nandos International Ltd. and another reported in 2007(35)-PTC-295(Bom.). Reliance was placed on paragraphs 17 to 20 in particular, to contend that the case would be covered by Section 29(4) of the Trade Marks Act, 1999. In the first place, the view taken in this decision is that the similarity or association that is referred to in Section 29 can only be a similarity between the goods and goods or similarity between services and services, and cannot be a similarity between the goods on one hand and services on the other hand. This legal position is stated in paragraph 12 of the judgement. Assuming that the plaintiff were justified in relying on paragraph 18 to contend that Section 29(4) would attract such a situation, the Court has culled out the factors when a registered trade mark is said to have been infringed. The said paragraph 18 reads thus :-

> "18.Thus, a registered trade mark is infringed even if the mark is used in relation to goods or services which are not similar, to those for which the trade mark is registered provided :
>
> (i) the marks are identical or similar; and
>
> (ii) the registered trade mark has a reputation in India;
>
> (iii) the registered trade marks has a distinctive character or repute; and
>
> (iv) the use of the mark without due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the registered trade mark."

7. The next question is whether the marks used by the plaintiff and the defendants can be said to be identical or similar? The allegations in the plaint proceed on the basis that the defendant was offering services by using mark "HOME SOLUTIONS" which was identical or similar to that of the plaintiff’s mark. There is no merit in this submission. For, the plaintiff is engaged in the similar business but is using the mark "ASIAN PAINTS HOME SOLUTIONS"; whereas, the defendant is using the mark "HOME TOWN". There is marked difference between the two marks. By no standards it can be said that the two marks are identical or similar.

8. In this context the plaintiff would contend

that the defendant has malafide coined its corporate name as "HOME SOLUTIONS RETAIL (INDIA) LIMITED" which is identical and similar to the mark used by the plaintiff. In the first place, it is common ground that the defendant is using the mark "HOME TOWN" in respect of the services provided to its customers and not the mark "HOME SOLUTIONS". Moreover, the mark used by the plaintiff is associated with its name "ASIAN PAINTS" which precedes the expression "HOME SOLUTIONS". Besides, the registered device of the plaintiff is an artistic work which depicts a house in the alphabet "O" in expression "HOME". I find substance in the argument of the defendants that the plaintiff cannot claim to have exclusivity in respect of the mark "HOME SOLUTIONS". The expression "HOME SOLUTIONS" is inherently incapable of becoming distinctive of any single person with respect of any single product or service. It is generic and publici juris. It describes the nature of services offered. Thus understood, at this stage of the proceedings, it is not possible to accept the plaintiff’s claim that it has unique enviable reputation and exclusive goodwill to the mark "HOME SOLUTIONS".

9. The defendants have rightly pressed into service the provisions of Section 35 of the Act which provides that the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of "his own name" or that of his place of business, or "of the name", or of the name of the place of business, of any of his predecessors in business, or the use by any person of any "bona fide description of the character of quality of his goods or services". The fact that the plaintiff commenced the business of providing similar services to its customers in earlier point of time, does not militate against the defendant who is using the mark "HOME TOWN" for similar services offered or has adopted the corporate name "HOME SOLUTIONS RETAIL (INDIA) LIMITED". It is not possible to countenance the claim of the plaintiff that the adoption of the corporate name "HOME SOLUTIONS" by the defendant is not bona fide. At least at this ad-interim stage, there is sufficient material to support the claim of the defendant that the adoption of the Corporate name "HOME SOLUTIONS" is descriptive in nature of the services rendered by the defendant and is a generic term descriptive of the nature of services. Counsel for the defendant has justly

relied on the exposition in the case of McCain International Limited Vs. Country Fair Foods Ltd. and another reported In (1982-PTC-156). This is a decision of the Court of Appeal which dealt with the issue as to the consequences of adopting a descriptive name. The Court held that the descriptive name does not indicate the source of goods, but the nature of the goods when the fancy name is an indication of a single source. In this decision while adverting to the exposition of Lord Shand the Court observed that distinction has been drawn between an invented or fancy word used as a name to which the party has no relation, or "at least no direct relation to the character or quality of the goods which are to be sold under that name" on the one hand and to a totally different principle which must apply in the case of goods which are sold under a merely descriptive name. It was observed as follows :-

> "If a person employing a word or term of well-known signification and in ordinary use ... is yet able to acquire the right to appropriate a word of term ordinary use in the English language to describe his goods, and to shut others out from the use of this descriptive term, he would really acquire a right much more valuable than either a patent or a trade mark for he and his successors in business would gain the exclusive right, not for a limited time as in the case of patent, but for all time coming, to use

> the word as applicable to goods which others may be desirous of manufacturing and are entitled to manufacture and sell as much as he is. That being so, it appears to me that the utmost difficulty should be put in the way of any one who seeks to adopt and use exclusively as his own a merely descriptive term".

10. The defendant has also rightly invoked provisions of Section 30(2) to contend that it will not be a case of infringement of registered mark where the use in relation to the goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services. For the time being, suffice it to observe that the defendant has made out a formidable defence as is available under the provisions of the Act. Thus understood, it is not a case of dishonest adoption of corporate name "HOME SOLUTIONS" or of mark "HOME TOWN". As is observed earlier, there is no similarity in the mark used by the defendant with the mark of the plaintiff.

11. From the pleadings on record it does appear that the defendant has already commenced its business in relation to home care services. In such a case the consideration for grant of

ad-interim relief would be different than the purpose of granting interlocutory relief to preserve the status-quo. Counsel for the plaintiff has pressed into service decision of the Apex Court in the case of Wander Ltd. and another Vs. Antox India (P) Ltd. reported in 1991-PTC-1. Reliance was placed on para 9 of this decision. The Apex Court has observed that when the defendant is yet to commence his enterprise, the consideration may be to preserve the status-quo; but the consideration may be some what different if the defendant has already commenced his business. In the first place, prima facie, I find no merit in the argument of infringement of the registered trademark of the plaintiff or for that matter indirect infringement of the mark of the plaintiff "ASIAN PAINTS HOME SOLUTIONS". On this finding itself the plaintiff will not be entitled for any ad-interim relief.

12. Indeed, one of the plea taken on behalf of the defendant is that the plaintiff is not entitled for any relief on account of delay and laches. For, it is admitted position that the plaintiff became aware about incorporation of the defendant in or about January 2006, but chose to

file the suit in July 2007 and moved present application on 30th August 2007. Counsel for the plaintiff, however, would rely on the decision of the Apex Court in Midas Hygiene Industries (P) Ltd. and another Vs. Sudhir Bhatia and others reported in (2004)3-SCC-90. In paragraph 5 of this decision the Court has observed thus :-

> "The law on the subject is well settled. In cases of infringement either of trade mark or of copyright, normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the mark was itself dishonest."

13. In the present case it is not possible to take a view that the adoption of the mark or the adoption of the corporate name by the defendant was itself dishonest. In absence of finding that the adoption of the mark by the defendant was itself dishonest, the decision of the Apex Court will be of no avail to the plaintiff. In any case, on the merits of the case, I am of the view that it is neither a case of infringement of registered trademark or a case of indirect infringement of the mark of the plaintiff. The mark "HOME SOLUTIONS" cannot be said to be exclusive to the plaintiff. The question of

granting any ad-interim relief does not arise.

14. The last aspect that needs to be considered is whether the plaintiff has made out a prima facie case in relation to the allegation of passing off. Counsel for the plaintiff had relied on the dictum in the case of Satyam Infoway Ltd. Vs. Sifynet Solutions Pvt.Ltd. reported in 2004(28)-PTC-566 (SC). Reliance was placed on paragraphs 12 to 14 of this decision. The first issue that needs to be considered is whether defendant has had sold its goods or offered its services in a manner which has deceived or likely to deceive the public into thinking that the defendant’s goods or services are that of the plaintiff. The material on record does not commend me to accept such a claim. I have already adverted to the factors which persuaded me to take a view that there is difference between the trademark of the plaintiff and that of the defendant. Moreover, it is required to be shown by the plaintiff that the plaintiff has invented the said mark. Mere prior user by the plaintiff of the expression "HOME SOLUTIONS" cannot create exclusive right in favour of the plaintiff muchless to claim that it is the inventor of the expression "HOME

SOLUTIONS". In fact, as is observed earlier, the mark of the plaintiff is associated with its name "ASIAN PAINTS". The fact that the plaintiff has shown that it has extensive turn over as well as of expenditure incurred in relation to the advertisement for promoting its product, that by itself will be of no avail to the plaintiff. The plaintiff cannot claim exclusivity to the mark "HOME SOLUTIONS" which is a generic term and descriptive of the services. The next question is whether the plaintiff has made out a case of malafide intention on the part of the defendant in adopting the corporate name "HOME SOLUTIONS" or dealing in the same business of home care services. As mentioned earlier, the defendant has made out a formidable case that it has bona fide adopted the corporate name "HOME SOLUTIONS" which is associated with the nature of services that is in common use in India and abroad. The question is whether there is likelihood of confusion in the minds of the public with the goods or the services offered by the defendant are the goods or services of the plaintiff. At this ad-interim stage, on the basis of material on record, it is not possible to answer this issue in favour of the plaintiff.

15. Suffice it to observe that it will be inappropriate to direct the defendant to stop its business which has already commenced. Counsel for the plaintiff had also relied on the Head Note (d) of the decision in the case of Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories reported in AIR-1965-SC-980 which has spelt out the test regarding burden of proof. It is held that the Court is required to, by comparison of two marks, ascertain the issue of infringement - degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standards. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. It is further held that the purpose of comparison is for determining whether the essential features of the trade mark of plaintiff is used by that of the defendant. As has been observed earlier, it is not possible to accept at this stage the case of the plaintiff that the mark used by the defendant is identical or similar to the mark of the plaintiff; nor it is possible to hold that any confusion is being caused by the defendant by offering similar services or representing to the public that it was doing such business for and on

behalf of the plaintiff.

16. Taking over all view of the matter, I am not inclined to grant any ad-interim relief during pendency of the Notice of Motion. It is, however, made clear that the Notice of Motion will have to be heard on its own merits in accordance with law uninfluenced by any of the observations made in this order which is only for the limited purpose to consider the prayer for ad-interim relief.

17. Accordingly, the prayer for grant of ad-interim relief is rejected. Notice of Motion be proceed for hearing before the appropriate Bench. To be listed on 26th November 2007. Parties to exchange further pleadings, if any, to be filed in the registry on or before 1st November 2007.

(A.M.KHANWILKAR, J.)

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO.2961 OF 2007

IN

SUIT NO.2178 OF 2007

Asian Paints Limited Plaintiff

versus

Home Solutions Retail
(India) Limited Defendant

Mr.Iqbal Chagla, Sr.Adv. a/w Mr.Naval Agarwal, Vinod Bhagat, Kiran Mehta, Atul Mahajan i/by G.S.Hegade and V.A.Bhagat for plaintiffs.

Mr.Ravi Kadam, Advocate General a/w Venkatesh Dhone and Utkarsh Tewari i/by Sunil & Co. for defendant.

CORAM : A.M.KHANWILKAR, J.

DATE : 17th September 2007

PC:-

My attention is invited to the order dated 6th

September 2007 passed in this matter. In first sentence, line no.2, the word "executed" be read as "excused". Necessary changes be carried in the said order and fresh copy of the order be issued, if applied.

(A.M.KHANWILKAR, J.)

Equivalent Citation: AIR1988Bom167

IN THE HIGH COURT OF BOMBAY

Appeal No. 564 of 1987 in Notice of Motion No. 545 of 1987 in Suit No. 520 of 1987

Decided On: 04.08.1987

Decided On: 13.08.1987

Appellants:Bajaj Electricals Limited
Vs.
Respondent:Metals & Allied Products and Anr.

Hon'ble Judges:
P.S. Shah andM.L. Pendse, JJ.

Counsels:
For Appellant/Petitioner/Plaintiff: Virendra V. Tulzapurkar,J.I. Mehta andS.C. Patel, Advs., i/b., Shantilal & Company

For Respondents/Defendant: K.S. Cooper,S.K. Cooper,D.H. Mehta,S.U. Kamdar andB.K. Bali, Advs., i/b., Thakkar & Bali

Subject: Intellectual Property Rights

Acts/Rules/Orders:
Trade and Merchandise Marks Act, 1958 - Section 29;Companies Act, 1913;Trade Marks and Merchandise Rules - Rule 39

Cases Referred:
Dorothy Perkins Limited v. Polly Perkins of Piccadilly Ltd., 1962 RPC 153;Parker Knoll Ltd. v. Knoll International Ltd., 1962 RPC 265(HL);Joseph Rodgers & Sons

Ltd. v. W.N. Rodgers & Co., (1924) 41 RPC 277;S. Chivers & Sons v. S. Chivers & Co., (1900) 17 RPC 420;Turton v. Turton, (1889) 42 Ch. D. 128, 61 LT 571, 38 WR 22

Disposition:
Order accordingly

Case Note:

The case debated in the use of family name as the trade name by the defendant and whether it could be a defence to action in passing of the family name of the defendant which was identical to the trade name of the plaintiff – It was held that the use of family name by the defendant not as trading style but as trade mark or trade sign was not permissible

JUDGMENT

Pendse, J.

1. This is an appeal against the order dated April 7, 1987 passed by Mr. Justice Suresh, on a Notice of Motion taken out by the plaintiffs, refusing to grant interim injunction restraining the defendants from in any manner using in relation to domestic appliances and kitchen utensils and appliances and wares and in particular in respect of the products mentioned in the brochure (being Ex. 'G' to the plaint), the mark 'Bajaj' or any other mark deceptively similar to the plaintiff's registered trade marks so as to pass off or enable others to pass off the defendants' goods as and for the goods of the plaintiffs. The facts which gave rise to the passing of the impugned order are as follows :

2. The plaintiffs are a Company incorporated under the Companies Act, 1913 and are carrying on business as manufacturers of electric lamps, lighting, fittings, accessories, kitchen appliances such as stoves, heaters, toasters, mixers,

grinders, pressure cookers and kitchen wares. The plaintiffs are also manufacturers of domestic appliances such as immersion heaters, room heaters, geysers, water filters, fans, oven hot plates etc. The plaintiffs were incorporated in 1938 under the name "Radio Lamp Works Limited" which name was changed to "Bajaj Electricals Limited" in the year 1960. The plaintiffs have been manufacturing and marketing electrical kitchen appliances, kitchen wares and domestic appliances for over number of years and the plaintiffs are one of the Companies with renown and reputation operating in India under what has come to be known as "Bajaj Group". The Bajaj Group manufacture and market industrial and consumer products. The turnover of the plaintiffs in the year 1960 was Rs. 23,257 thousand and it went progressively increasing and in the year 1986, it was to the tune of Rs. 73.94 crores. The products manufactured by the plaintiffs, were sold under mark 'bajaj' since the year 1961. The mark 'Bajaj' together with 'eye' device has been extensively used by the plaintiffs since the year 1965 in respect of their wares. The mark is also widely advertised by the plaintiffs through the media of Television, Cinema slides, magazines, newspapers, etc. and the advertisement and publicity expenses in the year 1986 were to the tune of Rs. 1,97.72 Lacs. The break-up of the statement of sales during the year 1974 to 1986 in respect of electric lights and appliances indicates that kitchen appliances of value of Rs. 2,92,22,831 were sold in the year 1974 and the figure jumped up in the year 1986 to Rs. 1426.23 Lacs. The plaintiffs have got registered the mark consisting of word 'Bajaj' with the device of 'eye' with respect to various products and these registrations are in respect of goods covered under Class 7, 9 and 11. The registration was effected initially on April 16, 1964 in respect of Class 11 and in the years 1973 and 1975 in respect of goods covered by Class 7 and Class 11.

3. The defendant No. 1 are a partnership firm and defendant No. 2 are a firm marketing the products manufactured by defendant No. 1. It is the claim of the plaintiffs that the defendants were not using any trade mark in respect of products manufactured by them. The plaintiffs complain that with a view to trade

upon the reputation acquired by the plaintiffs' trade mark consisting of the word 'bajaj', the defendant No. 1 adopted an identical mark "Bajaj" and the only dissimilarity between the mark of the plaintiff and the mark of defendant No. 1 is that the first letter 'B' is in capital and the mode of writing letter 'B' is slightly different and all the words are joined. The plaintiffs claim that in or about middle of January 1987, the plaintiffs were surprised to find that defendant No. 1 was using the mark "Bajaj" in respect of kitchen appliances such as Hot-Pot, Hot-Carrier, Ice Box, Hot Lunch Box, etc. and defendant No. 2 were marketing the same. The plaintiffs also came across a brochure, a specimen of which is annexed as Ex. "G" to the plaint wherein statements are made to mislead the public into believing that the products manufactured by the defendants are those emanating from the plaintiffs. The plaintiffs thereupon served notice dated February 6, 1987 on the defendants calling upon to forthwith desist from using the mark. The defendants failed to reply and that gave rise to the filing of the suit on February 19, 1987. The plaintiffs claim that the defendants, with a view to trade upon with the plaintiff's reputation, have adopted the mark which is identical to the one used by the plaintiffs all along. The plaintiffs claim that the user of the mark would lead to deception and confusion in the mind of the public and more so as the goods manufactured by the parties are available across the counter and in the same shop and the class of purchasers are also the same in respect of the products. The plaintiffs claim that the identity of the mark and the identity of the products and the identity of the purchasers will inevitably lead to deception and confusion, The plaintiffs, therefore, sought a perpetual injunction restraining the defendants from in any manner using the offending mark of any other mark deceptively similar.

4. On February 24, 1987, the plaintiffs took out Notice of motion No. 545 of 1987 for grant of interim relief till the disposal of the suit and the learned Judge granted ad interim injunction restraining the defendants from in any manner using the mark so as to pass off the defendants' goods as the goods of the plaintiffs. Against the ad interim order, the defendants preferred an appeal but the same

was dismissed with the direction that the motion should be heard at an early date. The motion was resisted by the defendants, inter alia, claiming that the defendants are carrying on business of manufacturing and distributing various kinds of kitchen utensils and tablewares under the brand name "Bajaj" since the year 1976-77. The defendants claim that the sale figure in the month of May 1976 was to the tune of Rs. 2,14,613/- while in February 1987 it was to the extent of Rs. 4,66,844/-. The statement annexed to the affidavit of Surendra Bajaj, a partner of defendant No. 1, indicates that the sale figures vary from time to time but never exceeded the sum of Rs. 4,66,000/- at any stage. The defendants further claimed that on February 1, 1977 the defendants made an application to the Registrar of Trade Marks at Bombay for the registration of brand name "Bajaj" for the goods of stainless steel utensils under Class 21 and it was asserted that the brand name was used by defendant No. 1 for approximately three months prior to the date of the application. The said application was treated as abandoned under R. 39 of the Trade Marks and Merchandise Rules by an order dated May 29, 1986. The defendants claim that a fresh application for registration was filed on November 7, 1984 on the assertion that the mark was used since the year 1976. The application has not yet been advertised in the Trade Mark Journal and the Registrar has suggested some alteration. These two applications filed by the defendants were for the registration of the mark for the purpose of items falling under Class 21 in respect of the kitchen utensils and other kitchenwares. The defendant No. 1 further claimed that the surname of the partners of the firm is "Bajaj" and the defendants are entitled to carry their trade in their own name and so also to use the mark "Bajaj". The defendants claim that as the mark is used from the year 1976 onwards, the plaintiffs are not entitled to any interim injunction. The defendants also disputed the claim that the user of the mark by the defendants is likely to cause deception or confusion in the mind of the public.

5. The learned single Judge by the impugned order held that though the plaintiffs' trade marks are registered under Class 7 and 11 of the Classification List and

while defendants' article would come under Class 21, this Class distinction in matters of passing of action is not relevant inasmuch as there is bound to be overlapping. The learned single Judge accepted the claim of the plaintiffs that there is identity of goods, the mark and the consumer in respect of the goods manufactured by the plaintiffs and that of the defendants. The learned Judge also accepted the claim of the plaintiffs that the articles of the plaintiffs and the defendants are available in the same shops and they cater to the same class of consumers. After recording these findings, the learned Judge considered the claim of the defendants as to whether the defendants are marketing their goods with the brand name "Bajaj" since the year 1976. The learned Judge expressed considerable doubt about the genuineness of the invoices produced by defendant No. 1 in support of the claim. The learned Judge also held that the brochure (Ex. 'G' annexed to the plaint) is likely to lead to confusion amongst the consumers. After recording these findings, the learned Judge declined to grant injunction by observing that it is not possible to give a positive finding that the defendants have not been definitely in the market since 1977. It was further held that 'Bajaj' is the family name of the defendants and, therefore, prima facie, it cannot be said that they have deliberately chosen the name for the purpose of sales promotion of their product. The learned Judge also observed that, prima facie, there is no sufficient evidence to show that the plaintiffs would suffer irreparable damages by virtue of user of the mark by the defendants. On the strength of these findings, the learned Judge refused to grant injunction, but directed the defendants to delete certain statements contained in the brochure (Ex. 'G' to the plaint) and further directed that the defendant should prominently mention on the cartons as well as on stickers the name of the manufacturer under the mark "Bajaj". This order of the learned Judge is under challenge in this appeal.

6. Mr. Tulzapurkar, learned counsel appearing on behalf of the appellants, submitted that on the strength of the findings recorded by the learned single Judge, it is difficult to appreciate how injunction could be refused to the plaintiffs.

The learned counsel submitted that the trial Judge accepted the claim of the plaintiffs about the identity of the goods, the market, the consumer and the outlet in which the goods of both the parties are sold. The learned Judge had also serious doubt about the genuineness of the invoices produced by the defendants in support of their claim that the goods weresold under the mark "Bajaj" from the year 1977. Shri Tulzapurkar submitted that the learned Judge found that the brochure (Ex. 'G' to the plaint) was not only offending but contained deliberate statements to mislead the consumer. The learned counsel submitted and, in our judgment, with considerable merit that the refusal of injunction on the ground that "Bajaj" is a family name of the defendants and, therefore, the defendants are entitled to use it for the purpose of sales of their products is entirely erroneous. The learned counsel also submitted that it was not necessary for the plaintiffs to establish that the defendants did not use the mark from the year 1977 because it is not possible to prove a negative fact and the burden was upon the defendants to prove positively fact that the mark was used from the year 1977.

7. It is required to be stated at the out set that in the present case the question for determination is whether the defendants are guilty of passing off and not of infringement of trade mark. It was contended by Mr. Cooper, learned counsel appearing on behalf of the respondents, that the surname of the partners of defendant No. 1 being 'Bajaj', the defendants are entitled to use their own name and unless it is established that the user was dishonest, it is not permissible to grant injunction on the ground that the user is likely to cause deception or confusion in the mind of the customers. It is not possible to accept the submission of the learned counsel. It is necessary to bear in mind that the defendant No. 1 is not using the word "Bajaj" as a trading style, but are only using the word "Bajaj" as a trade mark or a sign and such user is not permissible. It is required to be stated at this juncture that Mr. Cooper did not dispute that the plaintiffs have acquired large reputation by user of the word "Bajaj" in respect of sale of their goods, but con tended that the surname of the partners of the defendants being "Bajaj", there is no objection for the defendants' using the word

by that trade sign. The reliance in this connection by Mr. Tulzapurkar on the decision of House of Lords in the case of Parker Knoll Limited v. Knoll International Limited reported in 1962 R. P. C. 265 is very appropriate. Lord Morris, while opening the speech, observed :

> "In the interests of fair trading and in the interests of all who may wish to buy or to sell goods the law recognises that certain limitations upon freedom of action are necessary and desirable. In some situations the law has had to resolve what might at first appear to be conflicts between competing right. In solving the problems which have arisen there has been no need to resort toany abstruse principles but rather, I think, to the straightforward principle that trading must not only be honest but must not even unintentionally be unfair."

It was further observed :

> "A name may be used as a mark under which a person's goods are sold so that the name comes to denote goods made by that person and not the goods made by anyone else or even made by anyone else who has the same name. So also a mark under which a person's goods are sold may come to denote goods made by that person. The name or the mark will have acquired a secondary meaning."

The sequitur of this finding was that someone may, even by using his own name and using it innocently, make a representation that is untrue, that is a representation that goods which in fact are his are the goods of someone else. Lord Morris thereafter referred to the celebrated passage from the judgment of Justice Romer in the case of Joseph Rodgers & Sons, Limited v. W. N. Rodgers & Company reported in (1924) 41 R. P. C. 277. The passage at p. 291 reads as under : --

> "It is the law of this land that no man is entitled to carry on Ms business in such a way as to represent that it is the business of another, or is in any way connected with the business of another; that is the first proposition. The second proposition is that no man is entitled so to describe or mark his goods as to represent that the goods are the goods of another. To the first proposition there is, I myself think an exception : a man, in my opinion, is entitled to carry on his business in his own name so long as he does not do anything more than to cause confusion with the business of another, and so long as he does it honestly. To the second rule, to which I have referred,

> I think there is no exception at all; that is that a man is not entitled so to describe his goods as to lead to the belief that they are the goods of somebody else."

The House of Lords then noted the distinction drawn by Justice Romer between trading under a name and passing off of goods by the use of a name. The distinction noticed by Justice Romer was subsequently accepted as correct by Viscount Simonds and in several other decisions. Relying on this decision, Mr. Tulzapurkar urged, and in our judgment with considerable merit, that the defendants are not carrying on their trade in the name of "Bajaj", but are using the mark as a trading sign and that is not permissible. Mr. Cooper controverted the submission by relying upon the dissent voiced by Lord Denning and Lord Devlin in their speeches. It is undoubtedly true that these judges were not inclined to accept the distinction noticed by Mr. Justice Romer, but even then have clearly stated that if the use by the defendants of their own name was likely to deceive, then there would have been no defence to the action of passing off, no matter how honest and bona fide the user was. The decision of the majority of the House of Lords is good law in England for last over 25 years and no case has been brought to our attention where the accuracy of the principles laid down has been doubted. We see no reason at this interim stage to accept the submission of Mr. Cooper that the minority view should be preferred to that of the majority and the distinction noticed by the House of Lords should be ignored. Mr. Cooper invited our attention to a decision in the case of Turton v. Turton reported in (1889) 42 Ch. D 128, and to the decision in the case of S. Chivers & Sons v. S. Chivers & Co. Ltd. reported in (1900) 17 R. P. C. 420. The decision in the case of Turton was considered by the House of Lords in the case of Parker-Knoll Limited, and the observations in case of Chivers were based on peculiar facts of that case, and, in our judgment, it is not possible to by-pass the decision of the House of Lords by reference to these cases.

8. Mr. Tulzapurkar submitted that it is not really necessary to consider different judgments of the House of Lords because Lord Denning had also observed that the defendants would have no defence if the user of the name of the defendants

is likely to deceive irrespective of the fact whether the user was honest and that conclusion of Lord Denning is also approved by Lord Devlin who was in minority. Mr. Tulzapurkar submitted that in the present case, there is a specific evidence on record that the word "Bajaj" was used by the defendants dishonestly and deliberately with a view to take advantage of the reputation earned by the plaintiffs. The learned counsel referred to us to a passage at p. 408 in Kerly's Law of Trade Marks and Trade Names, Twelfth Edition, and submitted that once intent to deceive is established, then the defendants could not claim that they were entitled to use word "Bajaj" as a trading sign. In support of the submission, the learned counsel invited our attention to the brochure (Ex. 'G' annexed to the plaint) wherein the defendants have claimed that Bajaj quality is well accepted and appreciated internationally. Mr. Tulzapurkar points out and it is not in dispute that the defendants have never marketed their goods abroad, nor have they even claimed that their goods are sold all over the country. Mr. Tulzapurkar is right and we agree with the learned trial Judge that the brochure published in the year 1987 is issued with a view to cause deception or confusion in the mind of the customers. The word 'Bajaj' has quite a great reputation in the country and abroad and the publication of the brochure in year 1987 clearly indicates that the defendants were not honest in the use of the word "Bajaj" and an attempt was made to pass off their goods with the mark "Bajaj" with the intention to secure advantage of the reputation earned by the plaintiffs.

The submission of Mr. Tulzapurkar was controverted by Mr. Cooper by urging that the goods manufactured by the plaintiffs and the defendants are totally different and, therefore, there is no cause or apprehension that the use of the word "Bajaj" is likely to cause deception or confusion in the mind of the public. Mr. Cooper submitted that the articles manufactured by the defendants are utensils and those marketed by the plaintiffs are electrical goods or appliances and, therefore, it is unlikely that the purchasers of utensils would be confused by the use of the word "Bajaj" on the articles of the defendants. The learned counsel submitted that the plaintiffs' goods are sold under registered mark under Class

11, while the goods manufactured by the defendants fall under Class 21. Class 11 refers to installations for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, and other purposes, while Class 21 refers to small domestic utensils and containers (not of precious metal nor coated therewith). The submission of Mr. Cooper is that as the articles manufactured by the plaintiffs and the defendants are different, the question of deception would not arise. It is not possible to accept the submission. The articles manufactured by the plaintiffs and the defendants are kitchen wares and are commonly used in almost every kitchen in this country. The mere fact that the articles manufactured by the contesting parties are different in nature is no answer to the claim that the defendants are guilty of passing off. We entirely agree with the conclusion recorded by the learned trial Judge that there is identity of the goods, the mark and the consumer and the goods manufactures by both the plaintiffs and the defendants are sold under one shop. Mr. Cooper complained that the electric goods manufactured by the plaintiffs and the stainless steel utensils manufactured by the defendants are not sold in one shop. The submission is not accurate because it is common experience that kitchen ware or kitchen appliances like mixers, grinders, pressure cookers, and stainless steel utensils are sold in the same shop. At this interim stage, we are not prepared to accept the submission of Mr. Cooper on this count and we see no reason to take different view from that of the learned single Judge on this aspect. In our judgment, prima facie, it is clear that the defendants have intentionally and dishonestly tried to pass off their goods by use of name "Bajaj".

9. In this connection, there is one more circumstance which cannot be overlooked It is undoubtedly true that on February 1, 1977, the defendants have applied for registration of mark in respect of Stainless steel utensils under Class 21. In the application, the defendants stated that the mark was used for the last three months. Now, it is essential to point out that the mark of which registration was sought is not the mere word "Bajaj" as has been set out in the brochure (Ex. 'G' annexed to the plaint) issued in the year 1987. In the proposed mark, the

word "Bajaj" is written in a small circle which also includes the words "Made in India". There is also an outer circle where the words "Guaranteed Stainless Steel" are written. Now, the mark which was claimed to be used by the defendants prior to February 1977 was not merely, the word "Bajaj" but one which was set out in the application. This application was abandoned but even the subsequent application which the defendants filed in November 1984 seeks registration of an identical mark, i.e. a small circle with the words "Bajaj" and "Made in India" and an outer circle with the words "Guaranteed Stainless Steel". It is obvious that even assuming that the defendants were using the mark which they proposed to get registered from the year 1977, that is not the mark which they are using for marketing their goods and that becomes clear from the brochure (Ex. "G" annexed to the plaint).

Mr. Tulzapurkar also complained that the learned trial Judge was not right in declining injunction on the ground that it is not possible to give a positive finding that the defendants have not been definitely using the mark since the year 1977. The learned counsel complained that this is not correct approach because, at least, prima facie, the defendants must show that they were using the mark since the year 1977. The learned Judge expressed considerable doubt about the genuineness of the invoices produced by the defendants and we also find that reliance cannot be placed on these invoices. We will briefly indicate our reasons. The invoices on which reliance is placed are dated 1976, 1977, 1978 and 1979. Mr. Tulzapurkar points out with reference to these invoices that the printed material shows the figure '198' indicating that the invoices were printed in the year 1980 or subsequently thereto. The learned counsel submitted that the date typed thereafter of 1976 to 1979 on these invoices clearly indicates that the defendants have made attempt to prepare bogus invoices to support the claim that the goods with the mark were sold in the year 1976 to 1979. Merely on this ground we may not have doubted the genuineness of invoices, but there is one more circumstance which, in our judgment, casts serious doubt. On the copy of the invoices shown to us, there is a statement "Insist for "Bajaj" S. S. Kitchen and

Table Wares". Mr. Tubapurkar submitted that this line was added subsequently and that fact becomes clear from the Sur-rejoinder filed by Surendra Bajaj wherein it is claimed :

> "I further say and submit that the words "Insist for Bajaj S. S. Kitchen and Table Wares" were appearing right from 1976. However, due to printing error, the said words did not appear on the first copies issued to various parties. I say that even then, no such inference could be drawn in respect of the said bills so as to suggest that the same are fraudulent."

The contents of this affidavit unmistakably demonstrate the mind of the defendants. It is impossible to imagine how the original invoices would not contain the words, while the copies mentioned the same. Apprehending that the plaintiffs might produce the original invoices to contradict the claim of the defendants, the defendants made the claim in the affidavit and, in our judgment, Mr. Tulzapurkar is right in his submission that the copies of these invoices on which reliance is placed are highly suspicious.

10. Mr. Cooper submitted that the material produced by the defendants in support of the claim that the mark is used by the defendants from the year 1977 is more than enough to accept the claim. We are afraid, the submission cannot be accepted. The defendant No. 1 produced the invoices to which we have made reference hereinabove which we find highly suspicious as also found by the learned trial judge. Mr. Cooper relied upon 21 certificates issued by the traders to substantiate the claim, but we find that only two traders have filed the affidavits, and in absence of affidavits, it is not possible for us to blindly rely upon the certificates produced by the defendants at this interim stage. Mr. Cooper placed strong reliance upon the affidavit of Sachin Tomer who is carrying on business as manufacturer of stickers. The deponent claimed that since the year 1979, he had been suppling stickers of various sizes bearing the mark "Bajaj" to defendant No. 1. It was contended that the fact that defendant No. 1 got stickers prepared from this witness would establish the fact that the mark "Bajaj" was used at least from 1979. We are not impressed by this submission and though we are not prepared to say at this juncture that the claim made in this affidavit is false, we are very

reluctant to accept the same. The deponent claimed that the amount for the work done was paid in cash and unless the deponent faces the cross-examination, it is risky to rely upon such affidavits. It is required to be stated that though the defendants claim that the mark is used from the year 1977 onwards, not a single advertisement is produced to substantiate the claim. The first advertisement in the form of brochure appears in the year 1987. Mr. Cooper suggested that the business done by the defendants is on a small scale and it is not possible to expect advertisements in respect of such goods. Surely, we are not expecting advertisements on a large scale through the media of Television and Cinema Slides, but an advertisement in the newspaper or at least a Circular issued to the Distributor could well be expected. In absence of any substantial evidence, it is difficult to hold that the defendants have prima facie established that the mark is used from the year 1977. We must make it clear that as held by the learned Judge, we have suspicion about the genuineness of the invoices and we are not impressed by the affidavit of sticker manufacturer and the affidavits of two traders who have issued certificates.

Mr. Cooper highlighted the fact that the defendants had applied for registration of mark on February 1, 1977 and made a fresh application in November 1984 to urge that unless the defendants were using the mark there was no occasion to make such applications. We have pointed out hereinabove that the registration of the mark sought by the defendant No. 1 is not merely of word "Bajaj" but a device in which the word 'Bajaj' appears along with other words. Mr. Cooper also urged that on February 19, 1981, the plaintiffs applied for registration of the mark in respect of pressure cookersunder Class 21 and that application was deemed to have been abandoned by an order of the Registrar on March 9, 1987, It was contended that though the plaintiffs were aware of the application made by the defendants in the year 1977, no steps were taken against the defendants using the mark and that indicates that the defendants must have used the mark from the year 1977. It is not possible to accept the submission becauce the applications filed by the defendants were never advertised. The first application filed by the defendants was abandoned, while the second application is still pending and the advertisement is not issued. Secondly, the application made for registration would not necessarily lead to the conclusion that the mark is, in fact, used for sale of the articles in the market. The plaintiffs can take action only when it comes to the notice that the mark has been used for sale of articles and, this fact was noticed by the plaintiffs only in January 1987 and we see no reason to doubt the claim at this interim stage. In our judgment, the defendants have failed to establish the user of the mark from the year 1977.

11. Mr. Cooper finally submitted that the learned single Judge has declined to grant injunction but put the defendants on certain terms and it is not necessary to disturb that order in appeal. The learned counsel urged that the condition imposed by the learned trial Judge was that the defendants can use the word "Bajaj" provided that defendants prominently mention on the cartons as also on the sticker the name of the manufacturer, i.e. "Metal and Allied products" under the name of "Bajaj". According to Mr. Cooper, this condition is in accordance with the decision of House of Lords in Parker-Knoll case (1962 R.P.C. 265) and this relief granted by the learned Trial Judge is more than enough. It is not possible to accede to this submission. In the first instance, we have. found that the defendants have intentionally and deliberately tried to use the mark "Bajaj" with a view to gain on the reputation earned by the plaintiffs. Secondly, we have found that the plaintiffs have started using the mark only in the year 1987 by issuing brochure (Ex. "G" annexed to the plaint). Thirdly, the mere insertion of the fact that the goods are manufactured by defendant No. 1 on the cartons and stickers is not enough. We must bear in mind that large number of customers who will purchase the articles like utensils in the open market are not familiar with English language and these customers do not purchase the articles by cautiously examining each and every statement made on the cartons and the stickers. The normal consumer who visits the shop for purchase of articles and utensils would order for the goods by reference to the word "Bajaj" and permitting the defendants to use the name "Bajaj" by mere addition of words on the cartons and

stickers would not prevent the mischief, that is sought to be done by the defendants by adopting the mark "Bajaj".

12. Mr. Cooper submitted that the goods manufactured by the defendants are of high quality and the sale of such articles in the market would not cause any damage to the reputation of the plaintiffs. The learned counsel also urged that the plaintiffs have not established the damage which is likely to cause to them. A reference is made in this connection to the decision in the case of Dorothy Perkins Limited v. Polly Perkins of Piccadilly Limited reported in 1962 R.P.C. 153. Referring to certain observations made by single Judge, it was urged that the goods of the defendants are not of poor quality is one of the consideration to be borne in mind while granting the injunction. With respect, we are unable to share the view. Even assuming that the goods are of high quality that is not an answer for passing off the goods as that of the plaintiffs. The contention that the plaintiffs would hot suffer damages is totally unacceptable. The fact of actual sufferance of damages cannot be established on the date of the institution of the suit, but the fact that the damages would be suffered cannot be ignored when the plaintiffs had admittedly acquired reputation in respect of the goods sold under the mark 'Bajaj'. In our judgment, the plaintiffs have made out a case for grant of injunction. The learned single Judge is not correct while observing that the plaintiffs have not prima facie established with sufficient evidence that the plaintiffs would suffer irreparable damages. The damages which would be suffered by the plaintiffs cannot be counted in terms of money because the damages would be untold and would be spread over for a number of years till the suit is decided. On the findings recorded by the learned trial Judge it is difficult to suggest that the plaintiffs are not entitled to relief.

13. Accordingly, the appeal is allowed and the impugned order dated April 7, 1987 passed by the learned single Judge on Notice of Motion No. 545 of 1987 is set aside and the plaintiffs' Motion is made absolute in terms of prayer (b), and the defendants are restrained by an injunction from in any manner using in relation to domestic appliances and kitchen utensils and appliances and wares,

and in particular and in respect of products mentioned in the brochure (Exh. 'G' to the plaint) as marked "Bajaj" or in any other manner deceptively similar so as to pass off or enable others to pass off the defendants' goods as and for the goods of the plaintiffs. The respondents to pay the costs of the appellants.

13-8-1987.

Today Shri Cooper filed two affidavits, one by Surendra Bajaj on behalf of respondent No. 1 and another by Virendra Bajaj on behalf of respondent No. 2. With reference to these two affidavits, Shri Cooper applies that the operation of the order of injunction granted by us by judgment dated August 4, 1987 should be stayed for a period of eight weeks to enable the respondents to approach the Supreme Court to challenge the judgment. Shri Cooper also applies that in any event reasonable time should be granted to the respondents for disposal of the existing stock. The quantity of finished stock and the stock in process is set out in the annexure to the affidavits. Shri Tulzapurkar, appearing on behalf of the appellants, resisted both the prayers made by Shri Cooper and submitted that there is no occasion to grant absolute stay of the order of injunction. Shri Tulzapurkar submitted that even if the relief is granted to the respondents in respect of existing stock, still absolute stay of order of injunction should not be granted as the respondents by taking advantage of the order would manufacture more goods with the disputed mark. We find considerable merit in the submission of Shri Tulzapurkar in respect of the prayer of the respondent for grant of absolute stay of operation of order of injunction. We decline to grant absolute stay of the order of injunction.

But in our judgment it would be proper to grant reasonable time to the respondents for disposal of the existing stock. The existing stock has been set out in the annexure to the affidavits and taking into consideration the quantity of the funished products and the products in process, in our judgment it would be suffice if a period of six months is granted to the respondents for disposal of the existing stock. It is made clear that this facility is given to the respondents to enable them to dispose of the existing stock and this facility should not be construed as giving a licence to manufacture more goods with the disputed mark. In our judgment, this relief is more than suffice as it would enable the respondents in the meanwhile to approach the Supreme Court if so desired.

Accordingly, it is directed that though the order of injunction would operate forthwith it would not apply in respect of the existing stock, including the finished goods and in process goods as set out in the annexure to the affidavits filed today for a period of six months from today.

It is made clear that the reliefs granted to the respondents in respect of disposal of existing goods is subject to the directions given by the learned single Judge while disposing of the motion.

Equivalent Citation: AIR1963SC1882, [1964]2SCR211

IN THE SUPREME COURT OF INDIA

Decided On: 04.03.1963

Appellants: London Rubber Co. Ltd.

Vs.

Respondent: Durex Products

Hon'ble Judges:

J.R. Mudholkar, K. Subba Rao and Raghubar Dayal, JJ.

Subject: Intellectual Property Rights

Acts/Rules/Orders:

Trade Marks Act, 1940 - Sections 8 and 10(2)

Authorities Referred:

Halsbury's Laws of England, Vol. 38

Case Note:

Intellectual Property Rights – honest and concurrent use – Sections 8 and 10 (2) of Trade Marks Act, 1940 – appeal deciding question whether Deputy Registrar of Trademark was right in registering trademark “Durex” which first respondent claims to own and issuing on packing of contraceptives manufactured and marketed by it – respondent seemingly honest and concurrent user of trademark – though burden on respondent to establish that there was no reasonable probability of confusion – but such burden not arising in case of honest and concurrent use – no single instance of confusion established by eloquence of fact – there is hardly any likelihood of confusion or deception as respondent’s goods confined to contraceptives for use by women which can only be used with medical assistance while appellant’s contraceptives are essentially for men –

appeal dismissed as Deputy Registrar rightly registered impugned trademark.

JUDGMENT

Mudholkar, J.

1. In this appeal by a certificate granted by the High Court of Calcutta under Art. 133(1)(c) of the Constitution, the question which arises for consideration is whether the Deputy Registrar of Trade Marks, Calcutta, was right in admitting to registration the trade mark "Durex" which respondent No. 1 claims to own and is using on the packing of the contraceptives manufactured and marketed by it.

2. The Durex Products Inc., of New York City, U.S.A. made an application before the Deputy Registrar of Trade Marks on May 28, 1946 for registering the mark "Durex" used by it on "contraceptive devices including prophylactic sheaths or condrums, vaginal diaphragms, instruments for inserting diaphragms and models for demonstrating insertion of diaphragms, vaginal jellies, applicators for vaginal jellies and surgical lubricating jellies." Its claim is disputed by the London Rubber Co., Ltd., London, the appellant before us by lodging an opposition to the registration on March 29, 1951. The appellant claims to be well-established manufacture of surgical rubber goods and proprietor in India of the trade mark "Durex" which it has been using in India since the year 1932 i.e., from the year in which it was registered in the United Kingdom. On December 23, 1946 the appellant applied for registration of the word "Durex" in "clause X" which application was granted on July 11, 1951. Thereafter, on July 24, 1954 the registration was renewed for a period of 15 years as from December 23, 1953. The respondent No. 1's application as well as the appellant's opposition came up before the Deputy Registrar of Trade Marks who, by order dated December 31, 1954, overruled the objection and admitted the mark "Durex" to registration as sought by the respondent No. 1 Against this order an appeal was preferred before the High Court of Calcutta under s. 76 of the Trade Marks Act, 1949 which

was dismissed by a Division Bench of that Court on March 9, 1959. After obtaining a certificate of fitness from the High Court the appellant has come up before us.

3. On behalf of the appellant the main contention urged by Mr. Pathak is that as the marks are identical, deception of various purchasers was inevitable and that, therefore, registration had to be refused under s. 8(a) of the Act. In admitting the mark to registration the Deputy Registrar was, according to him, in error in applying the provisions of s. 10(2) of the Act inasmuch as the provisions of s. 8(a) are not subject to those provisions. Further, according to him, the requirements of s. 10(2) were not satisfied in this case.

4. Section 8 of the Act reads thus :

> "No trade mark nor part of a trade mark shall be registered which consists of, or contains, any scandalous design, or any matter the use of which would -
>
> (a) by reason of its being likely to deceive or to cause confusion or otherwise, be disentitled to protection in a Court of justice; or
>
> (b) be likely to hurt the religious susceptibilities of any class of the citizens of India; or
>
> (c) be contrary to any law for the time being in force, or to morality."

5. On the face of it, this is a general provision which prohibits registration of certain kinds of trade marks as indeed would appear from the heading of the section. The appellant's objection to the registration of the mark in question would not fall under clause (b) or clause (c) of s. 8 but only under clause (a). It may fall under that clause because by reason of the identity of the word "Durex" it would be open to the Registrar to say that deception of the purchasers or confusion in the purchasers' mind was likely to occur. Upon the findings in the

case it would appear that the appellant has been using this mark for a long time and has acquired a reputation for its products and since the respondent's mark is identical with it, the Deputy Registrar would have had to reject the respondent's application if this case were governed solely by the provisions of s. 8(a). The only remedy for the respondent No. 1 would, in that case, have been to establish its right to the mark by instituting a suit for that purpose.

6. The Deputy Registrar, however, as already stated resorted to the provisions of sub-s. (2) of s. 10 in admitting that mark to registration. We will quote whole of s. 10 as the provisions of sub-s. (1) as well as of sub-s. (3) were referred to in the argument before us along with the provisions of sub-s. (2). Section 10 of the Act reads thus :

> "(1) Save as provided in sub-section (2), no trade mark shall be registered in respect of any goods or description of goods which is indentical with a trade mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods, or which so nearly resembles such trade mark as to be likely to deceive or cause confusion.
>
> (2) In case of honest concurrent use or of other special circumstances which, in the opinion of the Registrar, make it proper so to do he may permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other in respect of the same goods or description of goods, subject to such conditions and limitations, if any, as the Registrar may think fit to impose.
>
> (3) Where separate applications are made by different persons to be registered as proprietors respectively of trade marks which are identical or nearly resemble each other, in respect of the same goods or description of goods, the Registrar may refuse to register

> any of them until their rights have been determined by a competent Court."

7. On the face of it, sub-s. (2) permits the Registrar or Deputy Registrar to admit to registration marks which are identical or nearly resemble one another is respect of the same goods or description of goods provided he is of opinion that it is proper to do so because there was honest concurrent use of the mark by more than one proprietor or because of the existence of special circumstances. He would, further, be entitled to impose such conditions on the user of the mark as he thought fit. Mr. Pathak, however, contends that sub-s. (2) is merely a proviso to sub-s. (1) and as such it cannot apply to a case which squarely falls under s. 8(a). Being a proviso to sub-s. (1), the argument proceeds, it must apply to the matter contained in the main provision and that since sub-s. (1) applies only to a case where a competing trade mark is already on the register it cannot apply to a case falling under s. 8(a) which provision deals, according to him, only with cases where there is no mark on the register. He contends that the language used in sub-s. (2) is in material respects identical with that used in sub-s. (1) and thus establishes the mutual connection between the two provisions. A similar argument was advanced before the High Court and was rejected by it, in our opinion rightly.

8. If we compare the provisions of s. 8(a) and s. 10(1) it would be clear that the object of both these provisions is to prohibit from registration marks which are likely to deceive or cause confusion. Deception or confusion may result form the fact that the marks are identical or similar or for some other reason. While sub-clause (a) of s. 8 is wide enough to cver deception or confusion resulting from any circumstance whatsoever sub-s. (1) of s. 10 is limited to deception or confusion arising out of similarity in or resemblance between two marks. In other words the enactment of this provision would show that where there is identity or similarity in two marks in respect of the same goods or goods of the same description, registration at the instance of another proprietor would be prohibited

where a mark is already on the register as being the property of another proprietor.

9. The provisions of ss. 8 and 10 of the Act are enabling provisions in the sense that it is not obligatory upon a proprietor of a mark to apply for its registration so as to be able to use it. But when a proprietor of a mark, in order to obtain the benefit of the provisions of the Trade Marks Act, such as a legally protected rights to use it, applies for registration of his mark he must satisfy the Registrar that it does not offence against the provisions of s. 8 of the Act. The burden is on him to do so. Confining ourselves to clause (a) the question which the Registrar has to decide is, whether having regard to the reputation acquired by use of a mark or a name, the mark at the date of the application for registration if used in a normal and fair manner in connection with any of the goods covered by the proposed registration, will not be reasonably likely to cause deception, and confusion amongst a substantial number of persons [See 38 Halsbury's Laws of England, pp. 542, 543.]. What he decides is a question of fact but having decided it in favour of the applicant, he has a discretion to register it or not to do so vide Re Hack's Application [(1940) 58 R.P.C. 91.]. But the discretion is judicial and for exercising it against the applicant there must be some positive objection to registration, usually arising out of an illegality inherent in the mark as applied for at the date of application for registration, vide Re Arthur Fairest Ltd's application [(1951) 68 R.P.C. 197.]. Deception may result from the fact that there is some misrepresentation therein or because of its resemblance to mark, whether registered or unregistered, or to a trade name in which a person other than the application had rights vide Sno v. Dunn [[1890], 15 A.C. 252.]. Where the deception or confusion arises because of resemblance with a mark which is registered, objection to registration may come under s. 10(1) as well [See note 'k' at p. 542 of 38 Halsbury's Laws of England.]. The provisions in the English Trade Marks Act, 1938 (1 & 2 Geo. 6 c. 22) which correspond to s. 8 and 10(1) to 10(3) of our Act are ss. 11 and 12(1) to 12(3). Dealing with the prohibition of

registration of identical and similar marks Halsbury has stated at pp. 543-544, Vol. 38, thus.

> "Subject to the effect of honest concurrent use or other special circumstances, no trade mark may be registered in respect of any goods or description of goods that (1) is identical with a trade mark belonging to a different proprietor and already registered in respect of the same goods or description of goods; or (2) so nearly resembles such a registered trade mark as to be likely to deceive or cause confusion."

10. Since the Trade Marks Act, 1940 is based on the English statute and the relevant provisions are of the same nature in both the laws, though the language of s. 8(a) is slightly different from that of s. 11 of the English Act and that of s. 10(1) from that of s. 12(1) of the English Act, we see no reason for holding that the provisions of s. 8(a) would not apply where a mark identical with or resembling that sought to be registered is already on the register. The language of s. 8(a) is wide and though upon giving full effect to that language the provisions of s. 10(1) would, in some respects, overlap those of s. 8(a), there can be no justification for not giving full effect to the language used by the legislature.

11. It would be useful to set out the comparison between s. 12(1) and s. 11 of the English Act made by Kerly on Trade Marks, 8th edn. p. 158. What is stated there is as follows :

> "A registration may often be refused under section 11 when refusal could not be justified under section 12(1) owing to the goods being of a different description. In other cases where an opponent is registered but might be unable to prove a reputation for it by use, section 12(1) is more effective in securing refusal of an application than section 11, e.g., Huxley's application [(1924) 41 R.P.C. 123, 439.]. The criterion which decides whether the Registrar should make the comparison of an applicant's mark with an opponent's mark under section 11 or under section 12(1) is whether he is considering the proved use of the opponent's mark.

> Prima facie, however, the scope for possible confusion under section 12 is wider than the scope for confusion under section 11."

12. In the case before us the Deputy Registrar has permitted the registration of the respondent's mark though it is identical with that of the appellant's and though the appellant's mark was not registered at the date of the respondent's application upon the ground of honest concurrent use of the mark by the respondent from the year 1928 and also on the ground that there are other special circumstances.

13. Mr. Pathak has challenged the finding about concurrent use and also the finding that there are special circumstances justifying the registration of the respondent's mark. We shall deal with the arguments advanced by him on these points later in our judgment. For, before we do so we must deal with his argument, which is indeed his main argument, that the grounds given by the Deputy Registrar for registering the mark are not available in this case because it falls under s. 8(a) of the Act and not under s. 10(1).

14. We have already quoted s. 10(2) which empowers the Registrar, in the case of honest concurrent use or other special circumstances, to permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other in respect of the same goods or description of goods, subject to such conditions and limitations, if any, as he may think fit to impose. If this provision is considered by itself, upon its plain language it permits simultaneous registration of identical or similar marks at the instance of several proprietors, quite irrespective of the question whether an identical or similar mark is already on the register. The question, however, is whether sub-s. (2) can be regarded by itself or it is, as contended by Mr. Pathak, only a proviso to sub-s. (1) and being a proviso it must apply only to cases which are contemplated by the main enacting provision, that is, sub-s. (1) of s. 10. He concedes that sub-s. (2) is not described by the legislature as a provisio to sub-s. (1) but he wants us to construe it as a proviso because it occurs in the same section as sub-s. (1) and its language is similar to that of sub-s. (1).

15. Mr. Pathak points out, and rightly, that sub-s. (1) of s. 10 deals solely with a case where a trade mark is already on the register and says that since on the date of the application made by the respondent the appellant's mark was not on the register this provision would not apply. The condition for the applicability of sub-s. (1) is undoubtedly the existence of an identical or similar mark on the register, According to him, it is only when this condition is satisfied that the ban upon registration imposed by sub-s. (1) can be lifted under sub-s. (2). He lays particular stress on the opening words of sub-s (1) "save as otherwise provided in sub-s. (2)" and contends that full effect cannot be given to them unless sub-s. (2) is read with sub-s. (1).

16. In support of this contention he has referred us to Ram Narain Sons Ltd., v. Assistant Commissioner of Sales Tax MANU/SC/0084/1955. That was a case where this Court was considering the proviso to Art. 286(2) of the Constitution and the Court held that a proviso was meant only to lift the ban under Art. 286(2) and nothing more. Bhagwati J., who delivered the judgment of the Court has observed thus :

> "It is a cardinal rule of interpretation that a proviso to a particular provision of a statute only embraces the field which is covered by the main provision. It carves out an exception to the main provision to which it has been enacted as a proviso and to no other."

17. These observations, however, must be limited in their application to a case of a proviso properly so called and there is no justification for extending them to a case like the present where the legislature has, when it could well do so if that were its intention, not chosen to enact it as a proviso. The decision, therefore, affords no support to the contention.

18. The fact that sub-s. (2) is part of the same section as sub-s. (1) cannot justify the conclusion that it was enacted solely for the purpose of lifting the ban enacted by sub-s. (1). Its language is wide enough to embrace a mark which is already on the register as well as a mark which is not on the register at all. The mere fact that sub-s. (1) is made subject to the provisions of sub-s. (2) cannot justify the narrowing of the scope of the language used by the legislature in sub-

s. (2). Indeed, it is the duty of the court to give full effect to the language used by the legislature. It has no power either to give that language a wider or narrower meaning than the literal one, unless the other provisions of the Act compel it to give such other meaning. Thus, for instance, if there had been no provision like s. 8(a) and the only provision relating to the prohibition of registration of marks was the one contained in sub-s. (1) of s. 10 the Court would have been compelled to construe the language of sub-s. (2) in such a way as to confine its operation to cases which fall under sub-s. (1). Full effect can be given to the opening words of sub-s. (1) of s. 10 by construing them to mean that sub-s. (1) is subservient to sub-s. (2). No violence is done to those words nor anything detracted from their meaning by so construing them. Further, apart from sub-s. (2) there is sub-s. (3) in s. 10. If sub-s. (2) is to be given restricted meaning sub-s. (3) also will have to be given a restricted meaning and confined to cases where there is already a mark on the register. To do so would clearly be an untenable construction of sub-s. (3). That provision contemplates applications by different proprietors for registration of trade marks which are identical or nearly resemble each other in respect of the same goods or description of goods. The competition there contemplated is amongst proprietors whose marks are not on the register and is not limited to cases in which a mark of any other proprietor which is identical or similar to that of the competitors is already on the register. For, there is no reference in that provision to a proprietor whose mark is already on the register. If, therefore, sub-s. (3) cannot be limited to cases which fall under sub-s. (1) there is additional reason why sub-2. (2) cannot be so limited either. Then there is another reason why such a limitation cannot be placed upon the language used in sub-s. (2). If it were limited in the manner contended for on behalf of the appellant, the result would be that a mark which is not on the register will get a higher protection than a mark which is already on the register. Thus, honest concurrent use or other special circumstances would never be a ground for obtaining registration of an identical or similar mark unless there is on the register already a mark which is identical with or similar to the one mark which is sought to be registered. That would, indeed, create an extraordinary situation. As we have already stated, the appellant's mark was in fact registered on July 11, 1951 and if Mr. Pathak's argument is accepted the very next day after the registration of the appellant's mark it would have been open to the respondent to apply for registration of its mark and the Deputy Registrar would have had the jurisdiction to register it under sub-s. (2) of s. 10, though he lacked that jurisdiction prior to the registration of the appellant's mark. We cannot ascribe to the legislature an intention to create such a situation, a situation which can only be described as ludicrous.

19. In our opinion the provisions of sub-s. (2) of s. 10 are by way of an exception to the prohibitory provisions of the Trade Marks Act. Those provisions are contained in s. 8(a) and s. 10(1). It has been held in Bass v. Nicholson [(1932) 49 R.P.C. 88.], that a trade mark is not necessarily entitled to protection because its use might deceive or cause confusion and, therefore, s. 11 does not override s. 12(2) of the English Act. In Kerly on Trade Marks, 8th edn. the position is stated thus :

> "It is not correct to consider section 11 without any regard to the provisions of other sections of the Act. The general prohibition contained in section 11 does not cover the cases where the tribunal thinks fit to exercise the discretion conferred by use under section 12(2)" (pp. 168-9).

20. In support of this statement of the law reliance is placed on Spillers Ltd's Application [(1952) 69 R.P.C. 327.]. In this case it was contended on behalf of the appellants before the High Court that as the Assistant Comptroller in considering s. 11 had reached the conclusion that confusion was likely to be caused it was not open to him to exercise any discretion under s. 12(2). Danckwerts J., who heard the matter observed :

> "This contention renders it necessary to consider the relations of secs. 11 and 12. For this purpose the decisions on the former sects. 11, 19 and 21 of the Trade Marks Act, 1905, are of the greatest materiality." (p. 435).

21. He then considered those decisions and observed at p. 337 thus :

> "It seems to me that the construction put by the House of Lords in the cases to which I have referred on section 11, 19 and 21 of the 1905 Act, must also apply to secs. 11 & 12 of the 1938 Act; and lead to the conclusion that cases where the Court of Registrar thinks fit to exercise the discretion conferred by section 12(2) do not fall within the general prohibition contained in section 11."

22. No doubt that was a case which fell under s. 12(1) of the English Act but the view expressed by the learned Judge as well as his further observations support the statement of law by Kerly on Trade Marks. The observations of the learned Judge are :

> "This being so, it would appear logical in cases which come within section 12(1) to consider first whether the case is one in which the discretion conferred by section 12(2) should be exercised so as to allow registration of the mark, and if the answer is in the affirmative, it cannot be necessary to consider section 11 separately, because if there are reasons other than resemblance to an existing mark which cause the proposed mark to be disentitled to the protection of the Court, such reasons must surely affect the exercise of the discretion conferred by section 12(2). It is not possible, as it seems to me, to apply the provisions of the Act as though they were in separate compartments.
>
> In the result, if there is any likelihood of confusion being caused, in my view it would not be right to interfere with the Assistant Comptroller's exercise of the discretion under s. 12(2)".

23. This case was carried right up to the House of Lords. But the view taken by the learned Judge as to the applicability of s. 12(2) even to cases under s. 11 was not challenged by the unsuccessful party nor has the House of Lords said anything which would throw doubt on the correctness of the view taken by the learned Judge on the point.

24. In Halsbury's Laws of England, Vol. 38, the legal position is stated thus at p. 543 :

> "The foregoing provision (s. 11) does not override the statutory effect of honest concurrent use and an objection under the foregoing provision may be disposed of if there is evidence that the mark has been honestly used without confusion resulting."

25. In support of this statement reliance has been placed on Bass v. Nicholson & Sons Ltd., [(1932) 49 R.P.C. 88.], as well as Alexander Pierie & Sons Ltd.'s Application [(1933) 50 R.P.C. 147.], and Re Kidax (Shirts) Ltd.'s Application [(1960) R.P.C. 117 C.A.]. These decisions have a direct bearing upon the provisions which we have to construe here and lend support to the view which we have taken.

26. The next question for consideration is whether the High Court and the Deputy Registrar were right in coming to the conclusion that there was honest concurrent use of the mark by the respondent. In the High Court Mr. S. Chaudhari who appeared for the present appellant conceded that there was honest use in this case but there was no concurrent use within the meaning of s. 10(2). The burden of his argument on this point was regarding the volume of the use. Mr. Pathak has confined his argument likewise. Evidence was led in this case on behalf of the respondent for establishing the volume of use of the mark in India. That evidence was accepted by the Deputy Registrar. One piece of evidence consisted of an affidavit sworn by Florence S. Goodwin, who is the President of Durex Products Inc. There, amongst other things, she has stated : "Your deponent knows that Durex Products Incorporated has done a substantial business in India since 1930." P.B. Mukherji J., who was one of the Judges constituting the Bench which heard the case has described that statement as "dependable evidence on which he was prepared to rely and act. He also accepted other affidavits filed in the case as well as the opinion of the Deputy Registrar on the point and then observed :

> "The question of volume of use is always a relevant question in considering 'honest concurrent use' under section 10(2) of the Act. It depends on the facts of each case. There is no express statutory emphasis that the use should be large and substantial. Kerly at page 235 of the 7th edition on Trade Marks quotes Lyle and Kinahan Ltd.'s Application 24 R.P.C. 249 and other cases for the proposition that it is not necessary for

> the applicant's trade to be larger than that of the opponent. My own opinion is that the use has to be a business use. It has to be a com-commercial use. It certainly will not do if there is only a stray use."

27. After pointing out that it is not possible to lay down a hard and fast rule on the volume of use necessary under sub-s. (2) of s. 10, he gave a pertinent illustration of a small trader who sold goods under a particular trade mark for a long time though his use or sales were small in comparison with big international traders dealing in similar goods bearing a similar trade mark and then observed :

> "Even so, if there is honest concurrent use I should think the small trader is entitled to protection of his trade mark. Trade mark is a kind of property and is entitled to protection under the law, irrespective of its value in money so long as it has some business or commercial value. Not merely the interest of the public but also the interest of the owner are the subject and concern of trade mark legislation."

28. With respect, we agree with the learned Judge that in ascertaining the volume of the use it is relevant to consider the capacity of the applicant to market his goods and whether the use was commercial or of other kind. The other learned Judge, Bachawat J., observed :

> "On the materials on the record I am satisfied that the use has been substantial as stated in the affidavit of Florence S. Goodwin."

29. It was contended by Mr. Pathak that originally only samples of the contraceptives were exported to India by the respondent and during the war years their sales were negligible. No doubt, for introducing the goods to India samples were originally sent in the year 1928 or so but subsequent to that, the affidavit of Goodwin on which reliance has been placed by the High Court and the Deputy Registrar, shows that substantial quantities of contraceptives were exported to India. There might have been a diminution in the volume of use during the war period because of a ban on imports of contraceptives from the dollar area but that was only for a short time. But even before this ban was imposed the volume of use of the respondent's mark in India was considerable. No hard and fast rule can be laid down regarding the volume of use for the

purposes of sub-s. (2) of s. 10. Ordinarily it would be sufficient if it is shown that there was a commercial use of the mark. That there was such a use in this case cannot be disputed. In the circumstances we agree with the High Court and the Deputy Registrar that honest concurrent use of the mark by the respondent for a considerable period has been established.

30. This would be sufficient to dispose of the appeal and would have been sufficient for disposing of the appeal before the High Court. The High Court has, however, considered the alternative ground on which the registration has been ordered. That ground is the existence of special circumstances. The special circumstances are set out fully in the judgment of Mukharji J., and they are as follows :

> "In the first instance the word 'Durex' is the name of the company itself. The company used its own name on its own product which every company should be entitled normally to use unless there be cogent reasons against it. Secondly, the use has been for a considerable period of time. The company was incorporated in January, 1928 in New York. On 24 February, 1930 'Durex Products Inc.' applied to the United States Patent Office for the registration of the trade mark 'Durex' and in that application it is expressly said by Florence S. Goodwin's affidavit that the use of the trade mark 'Durex' upon the product is shown for the period beginning from March, 1928. The fact is that the user having been established, it would be a hardship now to deny registration to such an old mark. That also is in my view a factor which could certainly be considered under the words 'other special circumstances' in section 10(2) of the Act. Thirdly, the socio-economic consideration of the user of these contraceptives also in my view relate to 'other circumstances' in section 10(2) of the Act. The Deputy Registrar in this case has taken into consideration the socio-economic view that contraceptives are necessary in the Indian context for the welfare of the nation. Without expressing my personal view either in favour or against the use of any contraceptive I cannot say that the Registrar was wrong in law in paying consideration to the socio-economic reasons for the use of the trade mark 'Durex' for contraceptives in the Indian Market as relevant under 'other special circumstances.' Fortunately the 'other special circumstances' is the fact that the applicants' mark is largely confined to contraceptives for use by women and the appellant' admission contained in the letter of 27 October, 1949 from Remfry and son that the present application No. 122251 of 'Durex Products Inc.' is for very different goods. That also in my view is a special circumstance in this case."

31. In our opinion the 1st, 2nd and the 4th circumstances can be properly regarded as special circumstances and would justify the registration, though not the third one. The reason is that a special circumstance must be connected with the use of the mark. It has been pointed out in Kerly on Trade Marks at pp. 164-5 thus :

> "The words 'or other special circumstances' were held in Holt & Co., (Leeds) Ltd's Application (1957) R.P.C. 289, to include any circumstances peculiar to the application in relation to the subject-matter of the application and this includes use by an applicant of his mark before the conflicting mark was registered or used."

32. We agree with this view and, therefore, do not regard the third circumstance as relevant. Even so, the other three circumstances would be sufficient to justify the registration of the mark.

33. It was faintly argued that the respondent has not discharged the burden of establishing that there was no reasonable probability of confusion. This question cannot arise in a case of honest concurrent use. However, we may point out that the High Court, after observing that the burden was undoubtedly on the respondent to establish that there was no reasonable probability of confusion, has held that that burden is discharged by the eloquent fact that throughout there has not been a single instance of confusion. In our opinion there is hardly any likelihood of confusion or deception here because the respondent's goods are confined to contraceptives for use by women which can only be used with medical assistance while the appellant's contraceptives are essentially for men. Upon this view we uphold the order of the High Court and dismiss the appeal with costs.

34. Appeal dismissed.

Equivalent Citation: 2001IXAD(SC)472, AIR2002SC117, 2002(3)BomCR686, [2002(1)JCR228(SC)], JT2001(9)SC525, 2001(8)SCALE174, (2002)2SCC147

IN THE SUPREME COURT OF INDIA

Decided On: 09.11.2001

Appellants: **Mahendra & Mahendra Paper Mills Ltd.**

vs.

Respondent: **Mahindra & Mahindra Ltd.**

Hon'ble Judges:

D.P. Mohapatra and Shivaraj V. Patil, JJ.

Subject: Media and Communication

Subject: Intellectual Property Rights

Acts/Rules/Orders:

Indian Companies Act, 1913; Companies Act, 1956; Trade and Merchandise Marks Act, 1958 - Sections 29(2), 105, 106, 106(1) and 106(2); Sales Tax Act; Code of Civil Procedure, 1908 - Order 39, Rule 1; Copy Righ Act, 1957 - Section 55

Cases Referred:

Corn Products Refining Co. v. Shangrila Food Products Ltd., 1960(1) SCR 968; Wander Ltd. and Anr. v. Antox India P. Ltd., 1990 (Supp) SCC 727; Charles Osenton & Co. v. Jhanton, 1942 AC 130; S.M. Dyechem Ltd. v. Chadbury (India) Ltd., (2000) 5 SCC 573; National Sewing Thread Co. Ltd. v. James Chadwick & Bros. Ltd., AIR 1948 Mad. 481, AIR 1953 SC 357; Schweppes Ltd. v. Gibbens, (1905) 22 RPC 601 (HL); Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.,

(2001) 5 SCC 73; Dychem Case, 2000(5) SCC 573; Corn Products Refining Co. case, AIR 1960 SC 142; Amritchara Pharmacy Case, AIR 1963 SC 449; Durga Dutt Sharma case, AIR 1965 sC 980; Moffman-La Rocha & Co. Ltd. case, (1969) 2 SCC 716; Sunder Parmanand Lalwani and Ors. v. Caltex (India)., AIR 1969 Bombay 24 (V 56 C 5); Bata India Limited v. Pyare Lal & Co., AIR 1985 Allahabad 242; Kirloskar Diesel Recon Pvt. Ltd. and Anr. v. Kirloskar Properties Ltd. and Ors., AIR 1996 Bombay 149

Disposition:

Appeal dismissed

Citing Reference:

* Mentioned

*** Discussed

***** Referred

Corn Products Refining Co. v. Shangrila Food Products Ltd.	*****
Wander Ltd. and Anr. v. Antox India P. Ltd.	*****
Charles Osenton & Co. v. Jhanton	*
S.M. Dyechem Ltd. v. Chadbury (India) Ltd.	*****
National Sewing Thread Co. Ltd. v. James Chadwick & Bros. Ltd.	***
Schweppes Ltd. v. Gibbens	*
Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.	***
Dychem Case	*
Corn Products Refining Co. case	*
Amritchara Pharmacy Case	*
Durga Dutt Sharma case	*
Moffman-La Rocha & Co. Ltd. case	*

Sunder Parmanand Lalwani and Ors. v. Caltex (India).
*****

Bata India Limited v. Pyare Lal & Co.
*****

Kirloskar Diesel Recon Pvt. Ltd. and Anr. v. Kirloskar Properties Ltd. and Ors.
*****

Case Note:

Intellectual Property Rights – passing off – Sections 105 and 106 of Trade and Merchandise Marks Act, 1958 – by Interim order appellant was restrained to use in any manner defendant's corporate name – whether High Court committed error in allowing respondent's prayer for Interim Injunction – respondent using words 'Mahindra and Mahindra' in its companies and business concerns for over five decades – name has acquired distinctiveness and secondary meaning in business circles – any attempt to use it by another person would create impression of connection with respondent's company – respondent's claim for passing off action against appellant whether or not acceptable to be decided by Court on basis of evidence placed before it – prima facie case against appellant established therefore order of injunction rightly passed.

JUDGMENT

D.P. Mohapatra, J.

1. Leave granted.

2. The interim order passed by the learned single Judge of the Bombay High Court injuncting the defendant from using the name "Mahendra & Mahendra" in his business establishment, which order was confirmed by the Division Bench of the Court, is under challenge in this fappeal filed by the defendant.

3. Mahindra & Mahindra Ltd., the respondent herein, instituted a Suit No. 4007 of 1998 in the Bombay High Court seeking a decree of permanent injunction against Mahendra & Mahendra Paper Mills Ltd., the appellant herein, restraining

it from using in any manner as a part of its corporate name or trading style the words "Mahendra & Mahendra" or any word which is deceptively similar to "Mahindra" and/or "Mahindra & Mahindra". In the said suit the plaintiff filed an application seeking an interim order of injunction against the defendant on similar terms.

4. The case of the plaintiff, sans unnecessary details, is that it is a 'Company' incorporated and registered under the Indian Companies Act, 1913 is an existing company under the Companies Act, 1956. It was incorporated in October, 1945 with the name "Mahendra and Mohammed Ltd.", which was subsequently changed to "Mohammed Ltd.", which was subsequently changed to "Mahindra and Mahindra Ltd." on 13th January, 1948. It is the case of the plaintiff that the said company is a flagship company of Mahindra group of companies in which are included 15 other companies, namely:

1. Mahindra & Mahindra Financial Services Ltd.
2. Mahindra Exports Ltd.
3. Mahindra Steel Services Centre Ltd.
4. Mahindra Fort India Ltd.
5. Mahindra Applied Systems Technology Ltd.
6. Mahindra Sintered Products Ltd.
7. Mahindra Engineering & Chemical Products Ltd.
8. Mahindra Network Services Ltd.
9. Mahindra Information Technology System Ltd.
10. Mahindra Realty and Infrastructure Developers Ltd.

11. Mahindra USA Inc. USA.

12. Mahindra Hellenic Auto Industries S.A. Greece.

13. Mahindra British Telecom Ltd.

14. Mahindra Holding & Finance Ltd.

15. Mahindra Acres Consulting Engineerings Ltd.

5. The further case of the plaintiff is that the word "Mahindra" is its registered trade mark bearing Registration No. 228997, in respect of the goods in Class 12 of the Trade & Merchandise Marks Act, 1958 (hereinafter referred to as 'the Act'). According to the plaintiff, the word "Mahindra" is not only a registered trade mark but forms the dominant and significant part of the plaintiff and other companies of the group. The companies carrying the name "Mahindra" are engaged in industrial and trading activities in multiple fields such as manufacture of cars, jeeps, tractors, motor spare parts, framing equipments, chemical, hotels, real estate, exports, computer software and computer systems etc. The annual turnover of the plaintiff and some of its group companies exceeds Rs. 3,000 crores. The annual expenditure for advertisements and market development for sales promotion by the plaintiff and its group of companies is about Rs. 9 crores. The plaintiff has averred that the name and trade mark of "Mahindra" is extremely popular in India and is associated with the products and services of the plaintiff. It was further averred that the Mahindra group of companies have a nation-wide network of selling and distributing agents. The name and trade mark "Mahindra" is prominently used and displayed on all its products as also promotional materials. On account of high quality of the products manufactured and sold by the plaintiff, as also high quality of products and services of other group companies, the plaintiff asserts, that the name and trade mark of "Mahindra" have come to be known exclusively with the plaintiff and its group of companies and have acquired tremendous reputation and goodwill among

members of public throughout the world including India. The further case pleaded by the plaintiff is that in or about August, 1996, it came across a prospectus of the defendant in respect of its public issue and for the first time the plaintiff then came to know about the existence of the defendant and its corporate name. The name of the defendant is almost the same as that of the plaintiff with the only difference in spelling by substituting 'e' for (sic) 'Mahindra'. It is the contention of the plaintiff that the words are phonetically, visually and structurally almost identical and in any event deceptively similar. In the prospectus of the defendant the words "Mahendra and Mahendra" are more prominently written than the rest of the names. According to the plaintiff the defendant wishes and intends to fraudulently and wrongfully deceive members of the public into believing that the defendant is the associate of the plaintiff or in some way connected with the plaintiff and to trade on the reputation of the plaintiff. The plaintiff apprehends that by the use of name/words; deceptively similar to that of the plaintiff's name as its corporate name the intention of the defendant is to pass-off or likely to pass-off and to enable others to pass-off its business and products as those of the plaintiff. It is the contention of the plaintiff that the defendant by use of the said words is trading on the goodwill and reputation of the plaintiff.

6. The plaintiff in the notice issued on 28th August, 1996 had called upon the defendant to change its name. It had also moved the Securities & Exchange Board of India and various stock exchanges in the country drawing their attention to the fact that the defendant was using a deceptively similar corporate name as that of the plaintiff and to take appropriate action against the defendant. The defendant, in its reply to the said notice, took the plea that it has used the name of "Mahendra" honestly and the allegations made by the plaintiff that it had dishonestly adopted the said name and style is misconceived. Thereafter, the plaintiff filed the suit.

7. The defendant, the appellant herein, contested the notice by filing a reply affidavit, filing a reply affidavit, filed by one Mulchand alias Mahendra G. Parwani in which it was stated inter alia that the deponent is better known as

'Mahendrabhai' in the trade circle and he resides in 'Mahendra House' named after him. He has been filing income returns in the name of Mahendra G. Parwani. In the year 1974 he started his sole proprietary business in Prantlja District of Gujarat in the name of 'Mahendra Radio House'. After about four years, he along with his two brothers started a partnership firm in the name of 'Mahendra & Mahendra Seeds Company'. According to the deponent, his nephew's name is also 'Mahendra' and that is how the partnership firm came to be named as Mahendra & Mahendra Seeds Company. The defendant further averred that on 1st of January, 1982 the said partnership of Mahendra & Mahendra Seeds Company was incorporated as Private Limited Company in the name of 'Mahendra & Mahendra Seeds Private Limited" having its office at 7, Ellora Commercial Centre, Opposite GPO, Ahmedabad. Another proprietary firm by the name 'Mahendra Music & Electronics" was started by the defendant's family in the year 1983 and the same was registered under the Sales Tax Act also. It is the further case of the defendant that in the year 1994 the said Mulchand (alias Mahendrabhai G. Parwani) along with his brothers Trikambhai Parvani and Davalbhai Parwani, incorporated a company by the name of 'Mahendra & Mahendra Paper Mills Limited. According to the defendant, the words 'Mahendra & Mahendra' was a continuation of their business name which they have been using continuously for various businesses since the year 1974. That the public issue was opened on 25.7.1996 and the same remained open till 6.8.1996 and despite wide advertisement by the defendant and best efforts, the defendant could not even manage to get 100% subscription and the allegation by the plaintiff that defendant has been using plaintiff's goodwill is wholly misconceived. The defendant also stated that the name 'Mahendra' is a household name in Gujarat and there are several businesses being carried on in the said name throughout Gujarat. The defendant further stated that its products are, in no way similar to the products and businesses of the plaintiff. The business carried on by the defendant does not overlap with the business of any of the companies enlisted by the plaintiff. The defendant pleads that it has a reputation of its own in the name of 'Mahendra & Mahendra' and cannot derive any benefit by the name which is alleged to be similar to that of the plaintiff. The assertion of the plaintiff that the trade mark 'Mahindra' and/or 'Mahindra & Mahindra' have come to be identified with the plaintiff or the plaintiff's group of companies in any manner, has been denied by the defendant. The defendant has also denied that the name of its company cannot be said to be deceptively similar to that of the plaintiff. The peal of passing-off or likelihood of passing-off of trade or business of the plaintiff has been denied. The defendant has also set up the plea that the balance of convenience is not in favour of the plaintiff nor would the plaintiff suffer irreparable loss in case the injunction is granted.

8. On consideration of the petition for interim injunction filed by the plaintiff, the learned single judge in paragraph 14 of his order issued the following directions:

"Accordingly, during the pendency of the suit interim injunction in terms of prayers (a), (b) and (c) shall remain operative Prayers (a), (b) and (c) read thus:-

> (a) that pending the hearing and final disposal of this suit, the Defendant by itself, its servants, its agents or otherwise howsoever be restrained by an Order of temporary injunction of this Hon'ble Court from in any manner using as a part of its corporate name or trading style the words "Mahendra and Mahendra" or any word (s) which are deceptively similar to "Mahindra" and/or "Mahindra and Mahindra" so as to pass off or to enable others to pass off the business and/or services of the Defendant as those of the Plaintiffs or as emanating from or affiliated or in some way connected with the Plaintiffs.
>
> (b) That pending the hearing and final disposal of this suit, the Defendant by itself, its servants, or otherwise howsoever be retrained by an Order of temporary injunction of this Hon'ble Court from in any manner using in relation to its products the words "Mahendra and Mahendra" or any word(s) which are deceptively

> similar to "Mahindra" and/or "Mahindra and Mahindra" so as to pass of or to enable others to pass off the business and/or services of the Defendant as those of the Plaintiffs or as emanating from or affiliated or in some way connected with the Plaintiffs.
>
> (c) That pending the hearing and final disposal of this suit, the Defendant by itself, its servants, its agents or otherwise howsoever be restrained by an Order of temporary injunction from in any manner infringing the Plaintiff's registered Trade Mark "Mahindra" under Registration No.338997 by using the impugned word/mark "Mahendra" and/or "Mahendra and Mahendra" or any word/s or mark deceptively similar to the Plaintiffs registered trade Mark."

9. The appeal filed by the defendant against the said order, Appeal No.1058 of 1998, was summarily dismissed by the Division Bench of the High Court vide its order dated 2nd December, 1998. The relevant portion of the order reads:

> "In our view, the impugned order passed by the learned Single Judge does not call for any interference. It is found that the Respondents are having registered trade mark of Mahindra & Mahindra Company. The appellants want to use the said trade mark by name Mahendra & Mahendra Paper Mills Ltd., for which the company was incorporated in the year 1994. However, before the learned Single Judge, the appellants have failed to produce any material on record to show to what extent the appellants were doing business.
>
> Further, considering the reasons recorded by the learned Single Judge, this appeal is dismissed..."

10. Hence, this appeal by the defendant.

11. The main thrust of the submissions of Shri P.N.Misra, learned senior counsel for the appellant, was that the present case is not an action for infringement of trade mark but it is an action in passing-off the business and services. In the absence of any similarity of the goods manufactured or sold by the parties the tests of deception or confusion amongst the consumers does not arise. According to Shri Misra, the action in passing-off is not to be considered in the abstract sense; it has to be judged on the facts and circumstances of the case. The learned counsel contended that the defendant has been doing business since 1974 using the trade name "Mahendra" in a wide range of products. Therefore, the claim of exclusive user of the name made by the plaintiff does not arise, at least not at the interlocutory stage, as it depends on evidence to be led in the suit. The learned counsel further submitted that while judging the plea of passing-off, the test to be applied is probability and not mere possibility of confusion or deception. On the facts and in the circumstances of the case, the learned senior counsel submitted, that grant of interim injunction in favour of the plaintiff was not warranted; the Division Bench of the High Court should have set aside the order passed by the learned Single Judge and vacated the interim order of injunction.

12. Per contra, Shri R.F.Nariman, learned senior counsel for the respondent, contended that the order of interim injunction passed by the learned single Judge is based on well recognised principles of law which have been aptly applied to the case in hand. Shri Nariman further contended that on a bare perusal of the prospectus issued by Mahendra & Mahendra Paper Mills Ltd. it is manifest that the defendant is trying to utilise the tremendous popularity and goodwill associated with the plaintiff's name "Mahindra and Mahindra' in the trade circles. According to him, any man of average intelligence and imperfect recollection is likely to get an impression that the defendant is one of the associated companies of the 'Mahindra and Mahindra' group. The further contention of the learned counsel was that whatever amount was collected by the defendant from sale of shares of the company to investors was due to the deceptively similar name

given to the defendant company. It was the further submission of the learned counsel for the respondent that the business activity of the defendant company has not yet commenced. The learned counsel contended that the plaintiff successfully established a strong prima facie case in its favour and in the circumstances denial of order of interim injunction will result in irreparable loss and injury in its trade and business. In the submission of Shri Nariman, the learned single Judge rightly passed the order of interim injunction and the Division Bench was justified in declining to interfere with the said order.

13. In Section 105 clause(c) of the Act it is laid down, inter alia, that no suit for passing-off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

14. Section 106 in which is enumerated the reliefs available in an action for infringement or for passing-off provides in clause (c) of sub-section (2) that:

> "Notwithstanding anything contained in sub-section (1), the Court shall not grant relief by way of damages (other than nominal damages) or an account of profits in any case-
>
> xxxxx
>
> (c) where in a suit for passing off the defendant satisfies the Court
>
> (i) that at the time he commenced to use the trade mark complained of in the suit he was unaware and had no reasonable ground for believing that the trade mark of the plaintiff was in use; and
>
> (ii) that when he became aware of the existence and nature of the plaintiff's trade mark, he forthwith ceased to use the trade mark complained of."

15. The question that arises for determination in this case is, whether on the facts and circumstances of the case, the High Court committed an error in granting the plaintiff's prayer for interim injunction?

16. This question has been considered by different High Courts and this Court in umpteen cases from item to time. On analysis of the principles laid down in the (sic) certain recognised parameters relating to the matter have emerged. Without intending to be exhaustive some of the principles which are accepted as well settled may be stated thus; that whether there is a likelihood of deception or confusion arising is a matter for decision by the Court, and no witness is entitled to say whether the mark is likely to deceive or to cause confusion; that all factors which are likely to create or allay deception or confusion must be considered in combination; that broadly speaking, factors creating confusion would be, for example, the nature of the market itself, the class of customers, the extent of the reputation, the trade channels, the existence of any connection in course of trade, and others.

17. This Court, in the case of <u>Corn Products Refining Co. v. Shangrila Food Products Ltd., observed that "the question whether two competing marks are so similar as to be likely to deceive or cause confusion</u> is one of first impression and it is for the court to decide it. The question has to be approached from the point of view of a man of average intelligence and imperfect recollection. To such a man the overall structural and phonetic similarity of the two marks Gluvita and Glucovita is likely to deceive or to cause confusion. In deciding whether two marks are so similar as to be likely to deceive or cause confusion the similarity of idea is a relevant consideration." This Court further observed that in order that a trade mark may acquire a reputation among buyers, it is not necessary that they should know who the manufacturer of the goods is. It is no answer to an opposition to an application for registration to say that there is a number of marks having one or more common features which occurs in the proposed mark unless it is proved that these marks had by user acquired a reputation in the market".

(Emphasis supplied)

18. In the case of Wander Ltd. and Anr. v. Antox India P. Ltd., 1990 (Supp) SCC 727, a bench of three learned Judges considered the question of grant of interlocutory injunction under Order 39 Rule 1 Code of Civil Procedure in a case under Section 29(2) of the Act and Section 55 of the Copy Right Act, 1957 and held as follows:

> "Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The court, at this stage, acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated
>
> "... is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The court must weight one need against another and determine where the 'balance of convenience' lies."
>
> The interlocutory remedy is intended to preserve in statute quo, the rights of parties which may appear of a prima facie case. The court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration where the defendant has yet to commence his enterprise or whether he has already

been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted.

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The appeals before the Division Bench were against the exercise of discretion by the Single Judge. In such appeals, the appellate court will not interfere with the exercise of 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 materia. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal so lay 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 justify interference with the trial court's exercise of discretion. After referring to these principles Gajendragadkar, J. in *Printers (Mysore) Private ltd. v. Pothan Joseph* :

"...These principles are well established, but was has been observed by Viscount Simon in *Charles Osenton and Co. v. Jhanton, 1942 AC 130,* '...the law as to the reversal by a court of appeal of an order made by a judge below in the exercise of his discretion is well established and any difficulty that arises is due only to the application of well settled principles in an individual case."

(Emphasis supplied)

19. In the case of S.M.Dyechem Ltd. v. Cadbury (India) Ltd., this Court formulated the point whether the plaintiff had made out a case for grant of temporary injunction treating the suit as a "passing-off" action, the relative strength of the case was in the plaintiff's favour? Referring to a number of decisions of this Court and Courts in England, this Court made the following observations:

"Here the point is in relation to relative strength of the parties on the question of "passing off". As discussed under Point 5, the proof of resemblance or similarity in case of passing off and infringement are different. In a passing-off action, additions, get-up or trade-dress might be relevant to enable the defendant to escape. In National Sewing Thread Co . Ltd. v. James Chadwick & Bros. Ltd. AIR 1948 Mad. 481 the passing-off action failed. But therafter james chadwick Co. Succeeded in an Appeal arising out of the registration proceedings and the said Judgment was confirmed by the Court In *National Sewing Thread Co. Ltd. v. James Chadwick and Bros. Ltd.* It was held that the judgment in the passing-off case could not be relied upon by the opposite side in latter registration proceedings.

In the same tone, Halsbury (Trade Marks, 4th Edn., 1984, Vol.48, para 187) says that in a passing-off action the

"Degree of similarity of the name, mark or other features concerned is important but not necessarily decisive, so that an action for infringement of a registered trade mark may succeed on the same facts where a passing-off action fails or vice versa".

As to vice versa, Kerly says (*para 16.12), an infringement action may fail where the plaintiff cannot prove registration or that its registration extends to the goods or to all the goods in question or because the registration is invalid and yet the plaintiff may show that by imitating the mark or otherwise, the defendant has done what is calculated to pass off his goods as those of the plaintiff.

In *Schweppes Ltd. v. Gibbens,* (1905) 22 RPC 601 (HL), Lord Halsbury said, while dealing with a passing-off action that "the whole question in these cases is whether the think - taken in its entirety looking at the whole thing - is such that in the ordinary course of things a person with reasonable comprehension and with proper insight would be deceived."

(Emphasis supplied)

20. In a recent decision in the case or Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. A bench of three learned Judges, summed an the position of law regarding tests to determine a passing-off action, with the following observations:

"We are unable to agree with the aforesaid observations in *Dychem case*. 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 case,* AIR 1953 SC 35, *Corn Products Refining Co. case*. *Amritchara Pharmacy Case*, *Durga Dutt Sharma case*, and *Hoffman-La Roche & Co. Ltd. case*. Having come to the conclusion, in our opinion incorrectly, that the difference in essential features is relevant, this Court in Dyechem case sought to examine the difference in the two marks "PIKNIK" and "PICNIC". It applied three tests, they being : (1) is there any special aspect of the common feature which has been copied? (2) mode in which the parts are put together differently i.e. whether dissimilarity of the part of 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 facts 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.

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"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 are 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 resembleness 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.

(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 depending upon facts of each case and the same weightage cannot be given to each factor in every case.

The trial court will now decide the suit keeping in view the observations made in this judgment. No order as to costs. Appeal disposed of."

21. The Bombay High Court in Sunder Parmanand Lalwani and Ors. v. Caltex (India) Ltd., held that a large number of persons, if they saw or heard about the mark "Caltex" in connection with the applicant's watches, would be led to think that the watches were in some way connected with the opponents who were dealing in petrol and various oil products with the Caltex mark, or they would at least wonder whether they were in any way connected with the opponents'. The

Court considered the factors which tend to show that there was a likelihood of creating deception or confusion.

22. In the case of Bata India Limited v. Pyare Lal & Co., considering the plea of passing-off or enabling others to pass-off mattresses, sofa cushions and other articles associating them with the name of 'Bata' in any manner or form, held that "the plaintiffs had cause of action for instituting the proceedings for passing off. The plaintiff had made out a case of issuance of an interim order of injunction in respect of the user of the name "Bata" to any of their products by the defendants". The High Court further observed that the word "Bata" was well known in the market and the user of such a name is likely to cause not only deception in the mind of an ordinary customer but may also cause injury to the plaintiff-company. The fact that the plaintiff was not producing foam was not enough to h old that there could be no passing off action in respect of the user of the name 'Bata' to the products marketed by the defendants is indicative of their intent".

23. Bombay High Court in the case of Kirloskar Diesel Recon Pvt. Ltd. and Anr. v. Kirloskar Proprietary Ltd. and Ors., considered the scope of granting injunction in a suit for infringement of a trade mark under Section 106 of the Act by the use of the mark 'Kirloskar', held :

> "The principle of balance of convenience applies when the scales are evenly balanced. The existence of 1st Appellant in each appeal is very recent whereas the existence of the Respondents belonging to 'Kirloskar. Group of Companies' has been for over a period of 50 years. On their own showing, the Appellants are not using the word 'Kirloskar' as Trade Mark but as part of trading style whereas the Respondents have not only acquired distinctiveness and goodwill in the word 'Kirloskar' but it is even the registered Trade Mark of the 1st Respondent. There is sufficient evidence on record to show that the huge business is carried by 'Kirloskar Group of Companies'.

There is nothing on record to show the extent of the business of the Appellants. The 2nd Appellant has throughout been aware about the business reputation of the Respondents and efforts of the Respondents in protecting their rights in the trade marks as also of preventing others to use the word 'Kirloskar' as a part of the trading name or trading style. By grant of the interim injunction in favour of the Respondents, the Appellants are not prevented from carrying on business without the word 'Kirloskar' forming part of the corporate name of the 1st Appellant in each Appeal. In the facts of the case, the Respondents reputation is likely to be adversely affected if the Appellants are not prevented from using names of the 1st Appellant in each appeal. In the facts of the case, the balance of convenience is not in favour of the Appellants.

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...The real question in each case is whether there is as a result of misrepresentation a real likelihood of confusion or deception of the public and consequent damage to the plaintiff. The focus is shifted from the external objective test of making comparison of activities of parties to the state of mind of public in deciding whether it will be confused. With the passage of time and reputation acquired, the trade mark 'Kirloskar' has acquired the secondary meaning and has become almost a household word. The judgments relied upon by Mr. Kane pertain to the cases of one type of business and not

> where variety of businesses have been carried by the plaintiff and defendant as in the instant case. The business activities the Respondents vary from pin to piano as borne out from the object clauses of the Memorandums of Association of the Respondents. The Appellants have still to commence their business activities but as mentioned in the Memorandums of Association of 1st Appellant in each appeal, some of the object clauses therein overlap with the activities of Respondents and more particularly of Respondents Nos. 6 and 7."

24. Judging the case in hand on touchstone of the principles laid down in the aforementioned decided cases, it is clear that the plaintiff has been using the word "Mahindra" and "Mahindra & Mahindra" in its companies/business concerns for a long span of time extending over five decades. The name has acquired a distinctiveness and a secondary meaning in the business or trade circles. People have come to associate the name 'Mahindra' with a certain standard of goods and services. Any attempt by another person to use the name in business and trade circles is likely to and in probability will crete an impression of a connection with the plaintiffs' group of companies. Such user may also effect the plaintiff prejudicially in its business and trading activities. Undoubtedly, the question whether the plaintiffs' claim of 'passing-off action' against the defendant will be accepted or not has to be decided by the Court after evidence is led in the suit. Even so far the limited purpose of considering the prayer for interlocutory injunction which is intended for maintenance of status quo, the trial Court rightly held that the plaintiff has established a prima facie case and irreparable prejudice in its favour which calls for passing an order of interim injunction restraining the defendant-company which is yet to commence its business from utilising the name of 'Mahendra' or 'Mahendra & Mahendra' for the purpose of its trade and business. Therefore, the Division Bench of the High Court cannot be faulted for confirming the order of injunction passed by the learned single Judge.

25. On the discussions made in the preceding paragraphs and for the reasons noted therein, the orders passed by the High Court do not call for interference. It is needless to say that the observations made in this judgment are only in relation to the interim order. Therefore, the appeal is dismissed with costs. Hearing fee assessed at Rs.15,000/.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO.3640 OF 2006
AND
NOTICE OF MOTION NO.4044 OF 2006
IN
SUIT NO.2996 OF 2006

Mr.Balkrishna Hatcheries ..Plaintiffs.

Vs.

Nando's International Ltd.
& Anr. ..Defendants.

Dr.Virendra Tulzapurkar with Mr.Virag Tulzapurkar, Senior Advocates with Ms.Meenakshi Iyer i/b.Doijode Associates for the Plaintiffs.

Mr. D. J. Khambatta, Senior Advocate with Mrs. Nandini Khaitan i/b. Khaitan & Co. for Defendant No.1.

Mr.Ravi Kadam, Advocate General with Mr.Rahul Chitnis i/b.Khaitan & Co. for Defendant No.2.

CORAM : S.J. VAZIFDAR, J.
DATED : 12TH JANUARY, 2007.

P.C :

1. This is an action for infringement and passing off. The action for infringement is in respect of the Plaintiff's registered trade mark, consisting of the word “Nandu's” written in a stylised manner and the device of a cockerel enclosed in a hat shaped outline. The

word “Nandu's” is an essential feature of the trade mark.

2. The suit is filed to prevent infringement and passing off by the Defendants by using the mark “Nandos” as a part of their trade mark. Defendant No.1 is a company incorporated under the laws of Ireland. Defendant No.2, Nando's Indage Restaurants Private Limited, is a franchisee.

3. The Plaintiffs were formed on 1.7.1977. One P.S. Nandakumar was the managing partner. Prior thereto, the said Nandakumar was carrying on poultry business in India from 1967 in the firm name and style of Komarla Poultry Farm. The Plaintiff's case is that the said Nandakumar was popularly known as Nandu not only amongst the members of his family but also by his business associates. Since 1.7.1977, the Plaintiffs started carrying on business which was referred to as “Nandu's business” by the traders and members of the public. The business in course of time extended to manufacturing and marketing processed and frozen chicken and meat products such as chicken kebabs, chicken nuggets, fried chicken, boneless chicken, chicken legs and other varieties of chicken products as well as meat pies, meat tenderisers and in respect of the said business, the Plaintiffs adopted the said trade mark. The same was registered on 4.7.1989 under Class 29 to the Schedule to the Trade Marks Rules

in respect of processed and frozen meat products falling in Class 29. The registration is valid and subsisting.

4. The Plaintiffs also claimed to have obtained registration of the copyright in respect of the artistic work consisting of the said trade mark.

5. The Plaintiffs claimed to have been extensively widening their product line and services by introducing several other food related products viz. Curries, biryani's, and vegetarian products in ready to eat form. The same are sold at food service outlets viz. fast food counters, highway eateries and take-away counters. They are also sold in shops and stores. The Plaintiffs have alleged that they plan to open restaurants, cafes, snack bars and other heat and eat outlets for sale of food items and beverages and food related products under the said trade mark “Nandu's”.

6. The Plaintiffs have also adopted another trade mark consisting of the word “Nandu's” written in a stylised manner enclosed within an oval shaped structure in white colour with red outline and a gift tag structure occupying the centre portion of the label in mustard colour with the expression “Heat `n' Eat” depicted in black colour below the oval structure (Exhibit “C”). This trade mark was adopted in the year 2005. The word “Nandu's” is a prominent feature in the said trade mark as well. The Plaintiffs also

claim to have moved fourteen applications for registration of the trade mark consisting of the word “Nandu's” in respect of goods and services falling in Class 29, 30 and 40. The applications are pending.

7. Since 1988-89 the Plaintiffs have used the first registered trade mark on an extensive scale and have also used the trade marks since adoption from time to time.

8. The sales turnover from the year 1988-89 to the year 2005-06 have been furnished at Exhibit “F” to plaint. They run into several crores of rupees. It is true that this turnover relates not merely to the packaged food business but also to the Plaintiffs' poultry business. Similarly, the advertisement expenses stated in Exhibit “G” to the plaint, running into a few lakhs of rupees each year from the year 1988-89 to the years 2005-06, also pertain to the Plaintiff's poultry business. Some of the advertisements have been annexed at Exhibit “H-1” to “H-17” of the plaint. The advertisements contain the said trade mark in a prominent manner.

9. Mr.Khambatta drew my attention to the fact that the advertisements state that the products are “available at all leading cold storages and departmental stores” to indicate the trade channel. Suffice it to state at this stage that the advertisements refer prominently to the registered trade mark as also to the word

“Nandu's” in a prominent manner. These advertisements date back to April, 1991. The newspaper articles also referred to the Plaintiff's business in respect of the “Heat `n' East” concepts. The invoices also prominently refer to the products as being “Nandu's” products.

10. The first Defendant made an application for registration of the trade mark “Nando's” in respect of goods falling in Class 29 in the year 2001. It appears that the Plaintiff's registered trade mark was cited as a conflicting mark by the registrar. There is therefore no doubt that at least since the year 2001 the Defendants were aware of the Plaintiff's registered trade mark. The first Defendants' application for registration is pending. In fact, the first Defendant filed a rectification application in the year 2001 for rectification of the Plaintiff's registered trade mark. This application too is pending. The first Defendants have also made an application for registration of the trade mark consisting of the word “Nando's” in respect of services falling in Class 42. The application was advertised in the Trade Marks Journal dated 17.1.2005 and is pending. The Plaintiff has filed an opposition to the same. Proceedings in respect thereof are also pending.

11. The first Defendants further made an application for registration of the trade mark consisting of the word “Nando's” in

respect of goods falling in Class 30. That application was advertised in the Trade Mark Journal dated 24.2.2005. The same is also being opposed by the Plaintiffs. This application too is pending.

12. By their Advocate's letter dated 6.9.2005 the first Defendants initiated negotiations for a settlement. The details of these negotiations may not be at all relevant. They are however relevant to the limited extent that the Defendants were at all material times aware of the Plaintiff's opposition to the use of the word “Nando's” on the ground that it infringes the Plaintiff's registered trade mark as well as the Plaintiff's contentions on the basis of passing off. Nor is it necessary for me at this stage to consider whether in fact a letter dated 1.12.2005 was addressed to the Plaintiffs. The correspondence is also relevant as regards the fact that these negotiations continued till about October, 2006.

13. I passed an ad-interim order dated 18.10.2006 in terms of prayers (a) and (b) of the Plaintiff's Notice of Motion, clarifying that the same was only against Defendant No.2 at that stage and granted liberty to the Plaintiffs to apply for ad-interim reliefs against Defendant No.1 after service upon them. I further granted Defendant No.2, four weeks time to change the corporate name and two weeks time to change the name of the restaurant. I

clarified that time was granted only to facilitate the change in the corporate name and the name of the restaurant and the mark shall not be used for any other purpose.

14. Defendant No.2 moved a draft Notice of Motion seeking to vacate the order dated 18.10.2006. The learned Judge by an order dated 2.11.2006 extended the time granted by the order dated 18.10.2006 for changing the name of the restaurant by a further period of three weeks. Both the Notices of Motion have now been moved before me for ad-interim reliefs.

15. The application for interim reliefs is made inter-alia on the basis of sections 29(2), 29(4) of the Act and on the basis of passing off. Counsel addressed me at considerable length on all the aspects and cited several judgments in support of their submissions. Although the matter was at the ad-interim stage, I reserved the order as, on the first issue itself, I was desirous of considering the rival contentions and going through the authorities referred to in the commentaries but not produced before me.

16. The first question that arises is whether the two marks “Nadu's” and “Nando's” are similar or deceptively similar. I have little, if any, hesitation in holding that they are. The only difference between the two marks are the letter “u” in the Plaintiff's mark and the letter “o” in the Defendant's mark. Visually, the two marks are

not only deceptively similar but virtually identical. Even phonetically the two marks are similar.

The similarity is enhanced taking into consideration the possible pronunciation of the Defendant's mark in our country. The first part of the Defendant's mark “Nan” may well be pronounced by the vowel “a” being stretched as “Naan”. It is possible that the first part may not be pronounced with a sharp inflection on the vowel “a”. Added to this, is the fact that the consonant “o” could be slurred over, blurring the distinction between the vowel “u” in the Plaintiff's mark and the consonant “o” in the Defendant's mark.

17. It is pertinent to note that in the rectification proceedings Defendant No.1 had in fact contended that the two marks were similar.

18. There can be a little doubt that, as far as the packaged food is concerned, the Plaintiffs are entitled to the injunctions sought. Packaged food, if sold by the Defendants would undoubtedly be similar to the goods dealt in by the Plaintiffs. Indeed, I did not understand either of the counsel for the Defendants to have seriously objected to the same.

19. The only question that really falls for determination at the ad-interim stage is whether the Defendants ought also be

restrained from engaging in the restaurant business. In other words, the question that falls for consideration is whether the restaurant business is similar to the business of the Plaintiffs.

20. I must confess that one stage I was of the opinion that there could be no similarity between the goods dealt in by the Plaintiffs and the restaurant services offered by the Defendants. Upon a consideration of the authorities, I am however of the view that this point requires further consideration at the final hearing of the Notice of Motion and cannot be rejected at the ad-interim stage. I will confine this order only to a few authorities on this issue. If the Plaintiffs succeed on this point, they will be entitled to the injunction irrespective of whether they succeed on the other grounds.

21. Both, Dr.Tulzapurkar and Mr.Khambatta relied upon the commentary in *Kerly's Law on Trade Marks and Trade Names (12th Edition)*. The commentary on this issue refers inter-alia to the judgment in the case of *British Sugar Plc V. James Robertson & Sons Ltd. [1996] R. P. C. 281(at page 296)*. A few essential factors were listed whilst considering an identical provision viz. Section 10 (2) of the Trade Marks Act 1994 in UK as follows :

> *"I think the sort of considerations the court must have in mind are similar to those*

arising under the old Act in relation to goods of the same description. I do not say this because I believe there is any intention to take over that conception directly. There plainly is not. But the purpose of the conception in the old Act was to prevent marks from conflicting not only for their respective actual goods in the Directive and Act is to provide protection and separation for a similar sort of pernumbra. Thus I think the following factors must be relevant in considering whether there is or is no similarity:

- *(a) The respective uses of the respective goods or services;*
- *(b) The respective users of the respective goods or services;*
- *(c) The physical nature of the goods or acts or service;*
- *(d) The respective trade channels through which the goods or services reach the market ;*
- *(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether*

they are, or are likely to be, found on the same or different shelves;

(f) *The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.*

Further at page 294 Jacob J. observes :

The sub-section does not merely ask "will there be confusion?: it asks "is there similarity of goods?", if so, "is there a likelihood of confusion?" The point is important. For if one elides the two questions there a "strong" mark would get protection for a greater range of goods than a "weak" mark. For instance "Kodak" for socks or bicycles might well cause confusion, yet these goods are plainly dissimilar from films or cameras. I think the question of similarity of goods is wholly independent of the particular mark the subject of registration or the defendant's sign."

22. In *Kerly's Law of Trade Marks and Trade Names (14th Edition)* one of the tests to be applied is stated to be whether the goods or services are so commonly dealt with by the same trader with his customers, knowing his mark in connection with one set and seeing it used in relation to the other, would be likely to suppose that it was so used also to indicate that they were his. It is also observed that as between the goods on the one hand and services on the other, the question is whether or not they are associated and, this would be so, if it is likely that those goods might be otherwise traded in and, those services might be provided by the same business and, if so, with descriptions of goods and descriptions of services. In the present matter, the tests require to be applied to the Plaintiff's products/goods/services with a restaurant business.

23. Dr.Tulzapurkar relied upon the following observations from the commentary in *McCarthy on Trademarks and Unfair Competition (2006 Edition) Vo.IV*. Paragraph 24:25 under the caption - “Goods in conflict with services” : -

“For example, likely confusion has often been found in cases involving food services, such as restaurant services, on the one hand, and food products on the other.”

The judgment in Giant Food, Inc. v. Nation's Foodservice, Inc. referred to in the commentary was not produced before me. Indeed, Mr.Khambatta submitted that the reference to the judgment in *McCarthy is* limited, as a result whereof, it was impossible to infer anything from the same. As the judgment appeared to be important on the issue, I obtained a copy of the same.

24. Based on the judgment in *Giant Food Inc.*, the least that must be said is that the Plaintiff's contention cannot be rejected at the ad-interim stage. The point certainly requires consideration not merely as a question of law but even as a question of fact.

25. The judgment considered an Appeal from the decision of the Trademark Trial and Appeal Board (TTAB). The Respondents sought to register the mark “GIANT HAMBURGERS” and design for hamburger and hot dog sandwiches, milk shakes for consumption on or off premises and restaurant services. The Appellant opposed the registration on the ground of likelihood of confusion between their marks and the Respondent's marks on the ground of prior user. The Appellant's marks of which prior user was claimed, were “GIANT FOOD, SUPER GIANT, GIANT FOOD and Design, and GIANT and Design for, inter-alia, retail grocery and supermarket services and private label foods.

It is no doubt to be noted that the Appellant had used its marks for a variety of activities including for retail grocery, supermarket, general merchandising store services, restaurant, grocery supermarket, delicatessen, bakery, general merchandising etc. It is for the present purpose however important to note that the Appellant had operated two restaurants in 1960s but these were later closed and that, at the time of judgment, it operated no restaurant and a task force recommended that no such operations should commence. In other words, the restaurant services were certainly not one of the Appellant's activities. *The United States Court of Appeals for the Federal Circuit,* held as under :-

> "Another factor to consider under *Du Pont* is the similarity or dissimilarity and nature of the goods and services on which the marks are used. The TTAB found that the services performed by the two parties were not totally unrelated, and it noted that other cases had held that supermarket services or food items were related to cafeteria or restaurant services. See, e.g., In re H.J. Seiler Co., 48 C. C. P. A. 1001, 289 F.2d 674 (CCPA 1961), In re Pick-N-Pay Supermarkets, Inc., 185 USPQ 172 (TTAB 1974). The record shows that there are certain items sold by

both parties under their respective marks. For example, both sell hot dogs and bakery goods in their establishments. Opposer sells sandwiches and prepared foods in its delicatessen section, while applicant sells hamburgers. Opposer sells meats and condiments that can be used in hamburgers and hot dogs, while applicant uses similar items in preparing its hamburger and hot dog sandwiches. While we recognize that the average consumer makes a distinction between fast-food restaurants and supermarkets, we are satisfied that, if the marks themselves are confusingly similar, customers of the fast-food restaurant would be likely to believe that opposer owned, sponsored, or supplied that business *In re H.J. Seiler, supra*."

26. In *In RE H. J. SEILER CO.,* referred to in *Giant Food Inc.*, the United States Court of Customs and Patent Appeals, held :-

"**[1]** The appellant's contention here is that the catering food service is so distinct from selling specific food products that there is no likelihood of the purchasing public's confusing its mark with that of the registrant. We cannot agree with this contention. The marketing practices of today are such that a customer who attends a banquet which he knows is catered by the appellant would, when he encounters a food product in the grocery store under an almost identical mark, naturally assumes that it came from the catering firm. The fact that catering firms do market food can hardly be disputed by this appellant in view of its solicitation, on menus used by it in its catering business, of customers for the retail sale of its food products, and the difference between a service for the catering of food and the actual sale of food is a rather fine legal distinction not likely to be drawn by laymen.

It is, of course, possible that purchasers of the smoked meats would not be likely to call upon the smoked meat manufacturer for catering service. However, if customers of the catering service believe that the smoked meat in the grocery store comes from the caterer, it is not necessary that they also believe that the smoked meat manufacturer is the caterer. Either supposition creates confusion as to source or origin."

27. It is not unknown that well established restaurants sell

food and cooking ingredients in packaged form at various outlets. I cannot rule out the possibility of the customers of the restaurants presuming that packaged foods in such outlets bearing similar marks originate from the restaurant. Whether the case vice-versa would also arise, would depend upon the facts and circumstances of each case including the strength of the marks. Considering the long usage of the mark and the sales of the products, I cannot rule out at this stage the possibility of confusion. Suffice it to state that this aspect in fact satisfies more than just one of the tests enumerated in *British Sugar Plc (supra)* and the further commentary in *Kerly*.

28. It is also pertinent to note that Defendant No.1 in their affidavit filed in the rectification proceedings have relied upon not merely their reputation in the goods sold by them but also in the restaurant services rendered by them. If there was no connection between the Defendants, restaurant services and the Plaintiff's goods, the least that must be said is that the Defendants must explain their reliance upon their reputation in their restaurant services in the rectification proceedings.

29. The balance of convenience tilts in favour of the Plaintiffs. Their reputation, if any, in India can only be on the basis

of a trans border reputation. It is not clear when it arose in India. Although, considering the number of restaurants, it may be possible to argue, prima-facie, that it now exists in India. The Plaintiff's reputation however have been in existence long before the Defendant's reputation could have arisen in India. If the injunction is refused, it would do the Plaintiffs irreversible harm if they were to ultimately succeed at the hearing of the Notice of Motion. On the other hand, if the injunction is granted, the Defendants would not suffer such irreversible harm. The parties have been litigating before the Trade Marks authorities for the past few years including in respect of the first Defendant's registration under Class 42.

30. I must however state not as a matter of form but as a matter of substance, that this order is based only on a prima-facie view realising that the matter certainly requires consideration at the hearing of the Notice of Motion.

31. This is a fit case for expediting the hearing of the Notice of Motion. The questions of law which fall for consideration are important and are likely to arise in future.

32. In the circumstances, the ad-interim order dated 18.10.2006 is confirmed as against both the Defendants. However, the time for Defendant No.2 to change the corporate

name and the name of the restaurant is extended upto 10.4.2007.

33. The Notice of Motion to be on board for final hearing on the first week of March, 2007.

34. Application for stay rejected.

Equivalent Citation: AIR1972SC1359, (1972)1SCC618, [1972]3SCR289

IN THE SUPREME COURT OF INDIA

Civil Appeal No. 1051 of 1967

Decided On: 28.01.1972

Appellants: **Parle Products (P) Ltd.**
Vs.
Respondent: **J.P. and Co., Mysore**

Hon'ble Judges:
C.A. Vaidialingam, G.K. Mitter and I.D. Dua, JJ.

Counsels:
For Appellant/Petitioner/Plaintiff: S.T. Desai and I.N. Shroff, Advs.

For Respondents/Defendant: S.K. Mehta and K.L. Mehta, Advs.

Subject: Intellectual Property Rights

Acts/Rules/Orders:
Trade Marks Act, 1940 - Section 2

Prior History:
Appeal by special leave from the judgment and decree dated July 5, 1966 of the Mysore High Court in Regular First Appeal No. 170 of 1963

Case Note:

Intellectual Property Rights - infringement - Section 2 of Trade Marks Act, 1940 and Article 136 of Constitution of India - appeal filed against dismissal of suit filed

by appellant for restraining respondent from infringing its registered trade mark - appellant contended that respondent's mark and wrapper of biscuits is deceptively similar with that of appellant which constitute infringement within the meaning of Act - Court observed that while determining that whether one mark is similar to another broad and essential feature of two must be considered - marks were similar if their appearance mislead person who usually deals with one to accept other if offered to him - in present case wrapper of respondent company is so similar with that of appellant company that it would likely to mislead the consumer - held, there is infringement of appellant's trade mark.

JUDGMENT

G.K. Mitter, J.

1. This is an appeal by special leave from a judgment of the Mysore High Court confirming the dismissal of a suit for an injunction restraining the respondent from infringing the registered trade mark of the plaintiffs used on packets of biscuits.

2. The facts are as follows. The plaintiffs-appellants before us are manufacturers of biscuits and confectionery and are owners of certain registered trade marks. One of them is the word "Gluco" used on their half pound biscuit packets. Another registered trade mark of theirs is a wrapper with its colour scheme, general set up and entire collocation of words registered under the Trade Marks Act 1940 as No. 9184 of 7th December, 1942. This wrapper is used in connection with the sale of their biscuits known as "Parle's Gluco Biscuits" printed on the wrapper. The wrapper is of buff colour and. depicts a farm yard with a girl in the centre carrying a pail of water and cows and hens around her on the background of a farmyard house and trees. The plaintiffs claim that they have been selling their biscuits on an extensive scale for many years past under the said trade mark which acquired great reputation and goodwill among the

members of the public. They claimed to have discovered in March 1961 that the defendants were manufacturing, selling and offering for sale biscuits in a wrapper which according to them was deceptively' similar to their registered trade mark. The plaintiffs assert that this act of the defendant constitutes an infringement of their trade mark rights. As in spite of lawyer's notice the defendants persisted in manufacturing, selling and using the wrappers complained of with regard to their biscuits, the plaintiffs filed the suit claiming injunction as already mentioned.

3. The defendants pleaded ignorance of the registration of the trade marks claimed by the plaintiffs. They denied that the wrapper used by them in connection with the sale of their biscuits was deceptively similar to the plaintiffs' trade marks as alleged or that they had in any way infringed the trade mark rights of the plaintiffs. They pleaded further that there was a good deal of difference in the design of their wrapper from that of the plaintiffs and relied on certain features of their design which were said to be quite dissimilar to those of the plaintiffs' wrapper inasmuch as the defendant's wrapper contained the picture of a girl supporting with one hand a bundle of hay on her head and carrying a sickle and a bundle of food in the other, the cows and hens being unlike those of the plaintiffs' wrappers. There was also said to be difference in the design of the buildings on the two wrappers and the words printed on the two wrappers were distinct and separate.

4. The trial Court meticulously examined the features found on the two wrappers and the packets of biscuits produced before it and took the view that there were greater points of dissimilarity than of similarity between the two and as such it was unlikely that the defendants, goods could be passed off as and for the goods of the plaintiffs. After pointing out the distinguishing features of the wrappers; the trial Court concluded that there was no chance of a seller committing fraud on a customer and an ordinary purchaser would certainly refuse to purchase the defendants' goods if he was offered them as and for the plaintiffs' goods.

Accordingly the trial Court held that the plaintiffs had failed to establish their case.

5. Although the High Court held that in such a case it was not necessary for the plaintiffs to adduce evidence that any particular individual had been deceived by the defendants' wrapper and it was undeniable that the general get up of the two wrappers was more or less similar, it went on to observe that the Court had to bear in mind that it was dealing with packets of biscuits which were generally used by people of the upper classes, and a purchaser desirous of getting a packet of Parle biscuits would go and ask for the same as such, in which case there could be no scope for deception; again the plaintiffs could have no cause for grievance if a purchaser was content to buy any biscuits which were offered to him by the shopkeeper. The High Court also took the view that there were several distinguishing features between the two wrappers and these could be noticed even from a distance. According to the High Court, the similarity in the two wrappers lay in the facts that both were partly yellow and partly white in colour and both bore the dedgn of a girl and some birds. "But" the High Court said "there tfte similarity ends. The lady in the wrapper used by the plaintiff company has a pot on her hand while the lady in the wrapper used by the defendant has a hay-bundle on her head. In fact, they are not identical in features. In the defendants' wrapper we have got a cow and in the plaintiffs' wrapper we have got two calves. The upper portion of the defendants wrapper is not similar to that of the plaintiffs' wrapper." The High Court went on to comment:

> It is true that in a passing off action, one is not to look to minor details but must take into consideration the broad features. Even if we take the broad features of the two wrappers into consideration, we do not think that they are similar. At any rate, they are not so similar as to deceive an ordinary purchaser of biscuits.

6. With due respect to the learned Judges of the High Court, we are constrained to remark that they fell into an. error. The plaintiffs' marks were registered under the Trade Marks Act, 1940 which was however repealed by Section 136 of the.Trade and Merchandise Marks Act, 1958. Under Sub-section 2 of the said section any registration under the Act of 1940 if in force at the commencement of the Act of 1958 was to continue in force and have effect as if made, issued and given under the corresponding provisions of the Act of 1958. under Section 21(1) of the Act of 1940 the registration of a person in the register as proprietor of a trade mark in respect of any goods gave to that person the exclusive right to the use of the Trade mark in relation to those goods and that right was to be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted use, used a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it was registered. Under Section 28(1) of the Trade and Merchandise Marks Act, 1958 the registration of a trade mark in Part A or Part B of the register gave to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods in respect of which the trade mark was registered and to obtain relief in respect of the infringement of the trade mark in the manner provided by the Act. under Section 29(1):

> A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or a registered user thereof using by way of permitted use, uses in the course of a trade a mark which is identical with, or deceptively similar to, the trade mark, in relation to any goods in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

The expression "deceptively similar" has now been defined under Section 2(d) otthe Act of 1958 thus:

> 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;

It is to be noted that although there was no such provision in the definition section of the Act of 1940 Section 21(1) of the said Act was to the same effect. The Indian Trade Marks Act of 1940 was based on the English Trade Marks Act, 1938 and Section 21 of the Act of 1940 was more or less similar to Section 4 of the English Act of 1938.

7. To decide the question as to whether the plaintiffs' right to a trade mark has been infringed in a particular case, the approach must not be that in an action for passing off goods of the defendant as and for those of the plaintiff. According to this, Court in Durga Dutt v. Navaratna Laboratories [1965] 1 S.C.R. 737. 754:

> While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods (vide Section 21 of the Act). The use by the defendant of the trade mark of the plantiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement.

In the above case the Court further pointed out:

> In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is an imitation, no further

> evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

8. According to Karly's Law of Trade Marks and Trade (9th edition paragraph 838):

> Two marks, when placed side by side, may exhibit many and various differences vet the main idea left on the mind by both may be the same. A person acquainted with one mark, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted. Thus, for example, a mark may represent a game of football; another mark may show players in a different dress, and in very different positions, and yet the idea conveyed by each might be simply a game of football. It would be too much to expect that persons dealing with trade-marked goods, and relying, as they frequently do, upon marks, should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing. Marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole. Moreover, variations in detail might well be supposed by customers to have beenmade by

> the owners of the trade mark they are already acquaintedwith for reasons of their own.

9. It is therefore clear that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one desien from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one, to accept the other if offered to him. In this case we find that the packets are practically of the same size, the colour scheme of the two wrappers is almost the same; the design on both though not identical bears such a close resemblance that one can easily be mistaken for the other. The essential features of both are that there is a girl with one arm raised and carrying something in the other with a cow or cows near her and hens or chickens in the foreground. In the background there is a farm house with a fence. The word "Gluco Biscuits" in one and "Glucose Biscuits" on the other occupy a prominent place at the top with a good deal of similarity between the two writings. Anyone in our opinion who has a look at one of the packets to-day may easily mistake the other if shown on another day as being the same article which he had seen before. If one was not careful enough to note the peculiar features of the wrapper on the plaintiffs' goods, he might easilv mistake the defendants' wrapper for the plaintiffs' if shown to him some time after he had seen the plainfiffs'. Afterall, an ordinary purchaser is not gifted with the powers of observation of a Sherlock Holmes. We have therefore no doubt that the defendants' wrapper is deceptively similar to the plaintiffs' which was registered. We do not think it necessary, to refer to the decisions referred to at the Bar as in our view each case will have to be judged on its own features and it would be of no use to note on how many points there was similarity and in how many others there was absence of it.

10. It was argued before us that as both the trial Court and the High Court had come to the same conclusion namely, that the defendants', wrapper was not deceptively similar to the plaintiffs', the finding is one of fact which should not be disturbed by this Court. Normally, no doubt this Court does not disturb a concurrent finding of fact. But where, as here, we find that the finding was arrived at not on proper consideration of the law on the subject it is our duty to set the same aside on appeal.

11. In the result, we hold that the defendant had infringed the registered trade mark of the plaintiff and the suit of the plaintiff should be decreed and an injunction granted restraining the defendant-respondent from selling or using in any manner whatsoever biscuits in wrappers similar in appearance to the registered trade mark of the plaintiffs on their packets. The appellants will be entitled to their costs throughout.

Equivalent Citation: JT1994(2)SC70, 1994(1)SCALE446, (1994)2SCC448, [1994]1SCR708

IN THE SUPREME COURT OF INDIA

Civil Appeal Nos. 2551-2552 and 2553 of 1993

Decided On: 08.02.1994

Appellants: Power Control Applicances and Ors.

Vs.

Respondent: Sumeet Machines Pvt. Ltd.

WITH

Appellants: Sumeet Research and Holdings

Vs.

Respondent: Sumeet Machines and Anr.

Hon'ble Judges:

M.N. Venkatachaliah, C.J. and S. Mohan, J.

Subject: Media and Communication

Subject: Intellectual Property Rights

Acts/Rules/Orders:

Copyright Act, 1957 - Sections 17, 51, 52 and 55

Cases Referred:

Amritdhara Pharmacy v. Satyadeo Gupta, (1963) 2 SCR 484, AIR 1963 SC 449; Aktiebolaget Manus v. J. Fullwood and Bland, Ltd. (1948) 55 RPC 329, 338;

Electrolux LD. v. Electrix LD., 1954 RPC 23, 34; Devidoss and Co. v. Alathur Abboyee Chetty & Co., AIR 1941 Mad 31, (1940) 2 MLJ 793, ILR 1941 Mad 300; K.E. Mohammed Aboobacker v. Nanikram Maherchand, (1957) 2 MLJ 573 ; Harcourt v. White, (1860) 28 Beav 303, 54 ER 382; Rodgers v. Nowili, (1847) 2 De GM&G 614, 22 LJ KCH 404; Pro tor v. Bannis (1887) 36 ChD 740; Rowland v. Michell, (1896) 13 RPC 464, (1897) 14 RPC 37, 43; Codes v. Addis and Son, (1923) 40 RPC 130, 142; Johnson v. Wyatt (1863) 2 De GJ & Sml 8, 46 ER 281; Turner v. Mirfield, (1865) 34 Beav 390, 5 ER 685; Hogg v. Scott, (1874) LR 18 Eq 444; Fullwood v. Fullwood, (1878) 9 ChD 176, 47 LJCK 459; Willmott v. Barber, (1880) 15 ChD 96, 43 LT 95; Henry Hemmings, Ltd. v. George Hemmings, Ltd., (1951) 68 RPC 47; Colman v. Farrow & Co., (1898) 15 RPC 198; Read Brothers v. Richardson and Co., (1881) 45 LT 54; Hommel v. Bauer & Co., (1903) 20 RPC 801; Ruston & Hornsby Ltd., v. Zamindara Engineering Co., (1969) 2 SCC 727, (1970) 2 SCR 222, 224; Bostitch Trade Mark, 1963 RPC 183, 202; American Cyanamid Co. v. Ethicon Ltd., (1975) 1 All ER 504, 511; Mouson & Co. v. Boehm, (1884) 26 ChD 406; Mc. Caw Stevenson & Orr Ltd. v. Lee Bros., (1960) 23 RPC 1; Patching v. Dubbins, (1853) Kay 1, 69 BR 1; Child v. Douglas, (1854) 5 De GM&G 739, 43 ER 1057; Price v. Bala and Festiniog Rly. Co, (1884) 50 LT 787; Gordon v. Cheltenham and Great Western Union Rly. Co., (1842) 5 Beav 229; Hoover Ltd. v. Air-way Ltd., (1936) 53 RPC 399; Upper Assam Tea Co. v. Herbert and Co., (1890) 7 RPC 183; Star Cycle Co. Ltd. v. Frankenburgs., (1906) 23 RPC 337; Pinel & Cie v. Maison Pinet, (1895) 14 RPC 933, Ltd; North British Rubber Co. Ltd. v. Gormully and Jeffery Manufacturing Co., (1894) 12 RPC 17; Army and Navy Cooperative Society, Ltd. v. Army Navy and Civil Service Cooperative Society of South Africa Ltd., (1902) 19 RPC 574; Hayward Bros. Ltd. v. Peakall, (1909) 26 RPC 89; Yost Typewriter Co. Ltd. v. Typewriter Exchange Co., (1902) 19 RPC 422; Royal Warrant Holders' Assn. v. Slade & Co., Ltd., (1908) 25 RPC 245

Cases Overruled / Reversed:

Power Control and Appliances Co. v. Sumeet Machines Pvt. Ltd., AIR 1993 Mad 120, (1994) 2 SCC 448

Case Note:

Intellectual Property Rights - acquiescence - Sections 12 (3) and 30 (1) of Trade and Merchandise Marks Act, 1958 - matter pertaining to interim injunction for violating copy rights and trademarks rights - plea of concurrent use not available - evidence proved that respondent company incorporated to market goods of appellant - concurrent registration of trademark not defence for infringing copy right - appellant entitled to interim injunction.

Citing Reference:

*	Mentioned
***	Discussed
*****	Referred

Power Control and Appliances Co. and Anr. v. Sumeet Machines Private Ltd. and Anr.	*****
Ruston & Hornnsby Ltd. v. The Zamindara Engineering Co.	*****
Amritdhara Pharmacy v. Satyadeo Gupta	*****
Aktiebolaget Manus v. J. Fultwood and Bland, Ltd.	*****
Electrolux LD. v. Electrolux LD.	*****
Devidoss and Co. v. Alathur Abboyee Chetty	*
K.E. Mohammed Aboobacker v. Nanlkram Maherchand	*

American Cyanamid Co v. Ethicon Ltd.	*
Harcourt v. White	*****
Mouson & Co. v. Boehm	*****
Rodgers v. Nowill	*****
Pro tor v. Bannis	*****
Rowland v. Michell	***
Codes v. Addis and Son	***
Me. Caw Stevenson & Orr Ltd. v. Lee Bros	***
Rowland v. Michell	*****
Patching v. Subbins	*
Child v Douglas	*
Johnson v. Wyatt	*
Turner v Mirfield	*
Johnson V Wyatt	*
Turner v. Mirfield	*
Hogg v. Scott	*
Price v Bala and Festiniog Rly Co	*
Gordon v Cheltenham	*
Great Western Union Rly Co	*

Fullwood v. Fullwood *****

Electrolux LD. v. Electrix ***

Willmott v. Barber ***

Amritdhara Pharmacy v. Satyadeo Gupta *

K.E. Mohammed Aboobacker v. Nanikram Maherchand and Anr. ***

Henry Hemmings, Ltd. v. George Hemmings, Ltd *

Colman v. Farrow & Co. *

Hoover, Ltd. v. Air-way Ltd. *

The Upper Assam Tea Company v. Herbert and Co. *

Star Cycle Company, Ltd. v. Frankerburgs *

Pinel & Cle v. Mison Pinet, Ltd. *

Read Brothers v. Richardson and Co. *

Hommel v. Bauer & Co. *

North British Rubber Company, Ltd. v. Gormully and Jeffery Manufacturing Company *

Army and Navy Co-operative Society, Ltd. v. Army Navy and Civil Service Co-operative Society of South Africa Ltd. *

Hayward Bros. Ltd. v. Peakall *

Yost Typewriter Company ; Ltd. v. Typewriter Exchange Company *

Royal Warrant Holders' Association v. Slade & Co., Ltd. *

Rampal Sungh v. Rias Ahmed Ansarl ***

JUDGMENT

S. Mohan, J.

1.All these appeals can be dealt with under a common judgment. The civil appeal Nos.2551-2552/93 are by the first plaintiff while civil appeal No. 2553/93 by the second plaintiff.

2. The plaintiffs filed three suits on the file of the High Court of Madras; i) C.S. No. 343 of 1992 complaining of infringement of the copyright of the first plaintiff (Power Control & Appliances Company);

ii) C.S. No. 431 of 1992 alleging the violation of the registered trade mark 'Sumeet' No. 263836 in Part-A in Class 7 for machines (electric) for kitchen use;

iii) C.S. No. 432 of 1992 claiming the design registration in the 'Whipper Blade' of the power operated mixies.

3. Pending these suits, four applications Nos.226, 227, 271 and 272 of 1992 were taken out, two in C.S. No. 343 of 1992 and one each in C.S. Nos. 431 and 432 of 1992 respectively.

4. The facts are common to all the suits and the applications. In C.S. No. 343 of 1992 in the application Nos. 226 & 227/1992, the plaintiffs prayed for an interim injunction to restrain the respondents (defendants) from using, distributing, printing or causing to he printed the work as contained in Document Nos. (1) receipt and instruction manual, (2) guarantee card and (3) outer carton and the work as found in Document Nos.4, 5, and 6.

5. In C.S. No. 431 of 1992 in application No. 271/92 an interim injunction was sought to restrain the respondents from using the registered trade mark.

6. In C.S. No. 432 of 1992 in application No. 272/92 the injunction was sought to restrain the respondents from using the design registration in manufacturing the mixies.

7. Admittedly, Mrs. Madhuri Mathur is the sole proprietrix of M/s. Power Control and Appliances Company. She started manufacturing power operated kitchen

mixies for domestic use since 1963. They are marketed since 1964 under the brand name of 'Sumeet'. The mixy was packed in a cardboard box and at the top the pictorial and photograph display of the appliance in different colours showing the different purposes for which the mixy could be used was shown. A booklet was enclosed bearing the title 'Sumeet Domestic Mixer-Operating Instructions and Recipe Book*. That consisted of 80 pages bound spirally in hard art paper cover. A guarantee card was also issued. All these were devised, conceived and made by the 1st plaintiff in 1982 with the assistance of artists, photographers, printers and executives employed by the 1st plaintiff for valuable considerations fully paid. As such the 1st plaintiff is the owner of copyright with respect of all the above items in terms of Section 17 of the Copyright Act, 1957. 'Sumeet' mixy came to be in great demand in India and abroad. The business expanded. To cope up with the demand, the 1st plaintiff had to float three more concerns for the manufacturing of the same appliances. The companies are:

i) Power Control and Appliances (Bombay) Ltd.

ii) Mathur Micro Motors and Appliances Ltd.

iii) Power Control Applicances (Kandla).

8. All these concerns except Power Control and Appliances (Bombay) Limited buy electric motors for their mixies from the second plaintiff Sumeet Research and Holdings Limited. That is deemed to be public limited company. Mrs. Madhuri Mathur is the Chairman and Director. She holds 59.25% shares.

9. The artistic manner in which the word 'Sumeet* is written was conceived and published by the first plaintiff. It was registered trade mark with effect from 18.4.1970. This trade mark was assigned to the second plaintiff on 1.1.1981. The second appellant is the owner of the copyright.

10. The first defendant was incorporated in 1984. It has been manufacturing and selling mainly washing machines and vacuum cleaners from September/October 1991. It has started manufacturing domestic mixies exactly similar to plaintiffs'

mixer with identical specifications except for power rating. The package and the pictorial display are identical. Even the booklet is pagewise reproduction including an error with respect to Design No. 146781, a design number not belonging to the plaintiffs. The contents of the guarantee card are also the identical. The first defendant is affixing in each of the appliances the registered trade mark 'Sumeet' belonging to the second plaintiff in the same artistic manner in which it is registered. On these allegations, it was urged that the first defendant had committed infringement of the exclusive copyright of the first plaintiff in the artistic material and trade literature displayed on the card-board box. Similarly, the operating instructions and recipe book and the guarantee card issued by them.

11. With regard to the four components of the mixer, Mrs. Madhuri Mathur had obtained registration of their design under Part II of the Designs Act, 1911. Those components are:

i) Dry grinding blade,

ii) Whipper blade,

iii) Polycarbonate dome

iv) Stainless steel jar with rim.

12. Each one of them has a specific registration number. Though the statutory period of 15 years or the validity of the copyright had elapsed on 23.5.1992 concerning items (i), (ii) and (iv), as regards whipper blade the validity of registration is up to 5.4.1994. Therefore, it is not open to anyone to infringe the same. Thus, the applications on the grounds came to be preferred.

13. The first defendant did not file the written statement. However, he filed his counter-affidavit. The stand taken by him is that he (Ajay Parkash Mathur) is the eldest son of Mrs. Madhuri Mathur. On his return from United States, the family business, mainly kitchen appliances and mixer machines under the trade name

of 'Sumeet' had picked up by the innovative ideas and dynamic marketing strategies evolved by him. The family of Mathurs included the plaintiffs, the first defendant and others. The family was selling Sumeet mixies since 1963. It is true that three others companies were floated. In fact, he was the director of Power Control and Appliances Bombay Limited until recently. Because of inter se disputes, he was obliged to leave the said company.

14. The first defendant company was incorporated in 1984 as Sumeet Machines Private Limited for the purpose of manufacture of market kitchen appliances under the trade name of 'Sumeet' and other products such as washing machines. The said company itself was incorporated with the knowledge and approval of the plaintiffs-applicants. When Sumeet Machines Private Limited was sought to be registered before the Registrar of Companies, Maharashtra, a letter of no objection from the owners of the trade mark 'Sumeet" had to be produced. The first defendant obtained letters both from the first and second plaintiffs on 7.5.1984. It was only on this the company came to be registered on 5.9.1984. As a matter of fact, Mrs. Madhuri Mathur is a shareholder in first defendant, she having been allotted 5000 shares. Likewise, the father of first defendant also owns 5000 shares.

15. Since 1986, the first defendant has been manufacturing and marketing mixies under the trade name of 'Sumeet'. This was done with the knowledge and consent of the plaintiffs openly and concurrently. Further, Mrs. Madhuri Mathur and the father of first defendant have signed and given personal guarantees to the State Bank of Hyderabad on behalf of the first defendant The loans were secured on that basis. In short, the reply of the first defendant is that the copy right trade mark and the copyright design is that of the first defendant who has conceived as a family concern. The word 'Sumeet' was given with the blessings and consent of Madhuri Mathur and S.P. Mathur. Therefore, he has been an honest and concurrent user. In any event, the plaintiffs' applications were not entitled to the reliefs on the ground of acquiescence.

16. The learned Single Judge as seen from the report of decision in Power Control and Appliances Co. and Anr. v. Sumeet Machines Private Ltd. and Anr., held that the copyright with respect to operative instructions and recipe book, guarantee card and the outer carton of the Sumeet Kitchen Mixies vested in the Power Control Appliances Company represented by the Sole Proprietrix Mrs. Madhuri Mathur. Equally, the copyright in the design registration No. 148246 in relation to 'whipper blade' was also accepted as belonging to the plaintiff. The trade mark in the name of 'Sumeet' with the particular artistic design is registered in the name of Sumeet Research and Holdings Limited was accepted as claimed by the plaintiffs. Notwithstanding, all these, the relief of injunction was not granted in view of acquiescence by the plaintiffs in the honest and concurrent user of the first defendant. Against this judgment, O.S.A. No. 144-146/1992 came to be preferred.
17. The Division Bench by the impugned judgment dated 26.2.1993 held that the learned Single Judge was not wrong in holding that the plaintiffs have acquiesced in the use of the trade literature and the trade mark by the first defendant. The relief in equity of injunction, if granted, will affect the interest of not only Ajay Mathur but also other members of the family who are shareholders of the first defendant's company. Accordingly the appeals were dismissed. It is under these circumstances, these civil appeals have been preferred; Civil Appeal No. 2551/1993 against application Nos.226 & 227/1992 in C.S. No. 343/1992, Civil Appeal No. 2552/1993 against application No. 271/1992 in C.S. No. 432/1992 and Civil Appeal No. 2553/93 against application No. 272/1992 in C.S. No. 431/92.
18. Mr. P. Chidambaram, learned Counsel for the appellants submits that both the courts below having held in favour of the appellants herein that there is an infringement of the trade mark, the copyright and the design should not have dismissed the application for injunction solely on the ground of honest and concurrent user and on the plea of acquiescence. On the contrary the evidence in this case discloses that the first defendant was only marketing (but never

manufacturing) from 1986. Therefore, merely because he was marketing, that cannot amount to honest and concurrent user. It was only in September-October, 1991 he started infringing the trade mark, copyright and the design. Therefore, when the suit came to be filed immediately, no question of acquiescence would ever arise. It is only on 28th of October, 1991 the first defendant invited applications for distribution.

19. The conclusions of the High Court lead to strange results. Notwithstanding the finding of the court that the appellants' copyrights, registered trade mark and registered design having been occupied totally consciously and deliberately without any alteration and thereby infringed by the defendant to deny injunction in equity cannot be supported. After all, the plaintiff Mrs. Madhuri Mathur as an individual has 3.3 per cent of the shareholding in the first defendant-company.

20. To hold that the first defendant was using the registered trade mark from 1984 is wrong when admittedly the first defendant-company came into existence only in 1984.

21. Under Sections 19 and 54 of the Copyright Act reproduction of the copyright itself is infringement unless there is specific assignment in writing by the proprietor. In this case, there is not even a plea that Mrs. Madhuri Mathur assigned the copyright in the outer carton handbook and guarantee card. The concept of honest and concurrent user found in Section 12(3) of the 1958 Act for securing concurrent registration is totally irrelevant as defence in a suit for infringement and copyright arising out of a different Act, namely, 1957 Act. Therefore, there can be no honest and concurrent user of one's copyright by another. After 1958 Act, the plea of acquiescence is not available at all. Even assuming that the first defendant was manufacturing between June 1989 and October 1991 he cannot have the benefit of Section 30(1)(b) of the 1958 Act. This Act creates offences for such infringement under Sections 78 and 29. Section 96 also speaks of imply warrantee. These provisions were not found in the 1940 Act. In Ruston & Hornnsby Ltd. v. The Zamindara Engineering Co. at page 224 this Court had occasion to point out the distinction between the

infringement and passing off. On this basis it is submitted all that has to be proved by the plaintiff is that she is the registered owner of the trade mark. If there is an infringement, injunction must follow. Section 12(3) of the 1958 Act talks of special circumstances in relation to honest and concurrent user. In such a case the defences available are as laid down in Section 30, 34 and 35 of that Act. Such defences are not available in the instant case. In this case, factually there is no acquiescence.

22. In support of these submissions; learned Counsel relies on Amritdhara Pharmacy v. Satyadeo Gupta and particularly the passage occurring at page 497 to show in what case the plea acquiescence could ever be made. Equally, in Aktiebolaget Manus v. J. Fultwood and Bland, Ltd. (1948 RFC Vol. LXV 329 at 338) it was held that the court is bound to grant an injunction if the legal right is established. In the case on hand it has been so established. In Electrolux LD. v. Electrolux LD. (RFC 23 at 34), as to when the plea of acquiescence could be upheld, is suited. In Bostitch Trade Mark (1963 RFC 183 at 202) the plea of acquiescence has been dealt with. Judged in the light of these rulings, the finding relating acquiescence cannot at all be upheld.

23. Mr. Soli J. Sorabjee, learned senior counsel for the respondent submits that it is a clear case in which there are various acts collectively pointing out to implied consent to the ase of plaintiff's trade mark. They establish, at least prima facie, the acquiescence on the part of the appellant. They would disentitle it to the interim relief of injunction. The acts are as under:

> (1) The letter dated 7.5.84 to the Registrar of Companies regarding the allocation of the name Sumeet.
>
> (2) The encouragement of production of new electronic food preparation machine.
>
> (3) No objection whatsoever by the plaintiff or any other related companies or even by Mr. or Mrs. Madhuri Mathur to the

manufacture and sale by this respondent till the issue of notice dated 18.11.91.

There is also evidence in his case to show that the first respondent has been manufacturing mixing machines from July 1987, There is also a clear admission on the part of the plaintiff that the first respondent was manufacturing his products under the trade name of Sumeet at least since June 1989. This is evident trom the following:

> (i) Criminal complaint dated 6.4.92 mentions the manufacture of washing machines, vacuum cleaners ami industrial mixies from 1984 and the manufacture of kitchen machines from 1989-90.
>
> (ii) The affidavit filed on behalf of the appellants mentions about the manufacture since June 1989. There is a similar admission in paragraph 11 of the plaint. The export of these domestic mixies as Sumeet 842 INT is done by the first respondent. All these point out to acquiescence which would be a good ground for denying the interim relief of injunction.

24. The appellant has disentitled itself from the grant of equitable relief of injunction by reason of unexplained delay and suppression of material facts. The balance of convenience is also overwhelmingly in favour of this respondent in view of the facts stated above that the first respondent has been manufacturing and marketing productions with the trade name of Sumeet since 1989.

25. It is not correct to contend that once the trade mark is infringed the plaintiff would be entitled to injunction. Section 30(b) is stiil applicable and it is open to this respondent to show that there had been an implied consent to the use of the

trade mark. In support of this submission learned Counsel places reliance on Devidoss and Co. v. Alathur Abboyee Chetty AIR 1941 Madras 31.

26. As regards the principles in relation to the grant of interim injunction the law has been laid down in K.E. Mohammed Aboobacker v. Nanlkram Maherchand 1957 (II) Madras Law Journal (Vol.113) 573. Similar principles are stated in American Cyanamid Co v. Ethicon Ltd. 1975 (1) All ER 504 at 511.

27. In dealing with this case we would like to keep this in the back of our mind that we are concerned with an interim application for injunction in relation to the violation of copyright, trade mark and the design. The Division Bench observed in paragraph 8 as follows:

> The learned Single Judge, while disposing of the applications, has in the impugned judgment, accepted the copyright with respect to operating instructions and recipe book, guarantee card and the outer carton of the Sumeet kitchen mixies in the Power Control and Appliances Company represer ed by the Sole Prppnetrix Mrs. Madhuri Mathur, as well as the copy right in the Design Registration No. 148246 for whipper blade' for which there is validity till 5.4.1994. He has also accepted the plaintiffs' case that the trade mark in the name 'Sumeet' with the particular artistic design is registered in the name of Sumeet Research and Holdings Limited. He has, however, declined to grant any injunction, for in his opinion the doctrine of acquiescence and honest and concurrent user will be attracted.

28. If there is an infringement of the same whether the appellant would be entitled to interim injunction at this stage is the important question for determination. For such a determination, we refrain from going into the details relating to evidence as that will 3 prejudice the parties in the suits. Section 30(1)(b) of the 1958 Act says:

> 30. Acts not constituting infringement. - (1) Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of the right to the use of a registered trade mark:
>
> > (a) ...

> (b) the use by a person of a trade mark in relation to goods connected in the course of trade with the proprietor or a registered user of the trade mark if, as to those goods or a bulk of which they form part, the registered proprietor or the registered user conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trade mark.

Therefore, acquiescence is one of the defences still available to the first respondent. Of course, it is a different issue whether the plea of acquiescence has been made out in this case. That will be examined for a limited purpose after setting out the law on this aspect.

29. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In Harcourt v. White (28 Beav 303) Sr. John Romilly said: "It is important to distinguish mere negligence and acquiescence." Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence". If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in Mouson & Co. v. Boehm (1884) 26 Ch D 406. The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in Rodgers v. Nowill (1847) 2 De GM & G 614 : 22 LJ kCh 404.

30. The law of acquiescence is stated by Cotton, L.J. in Pro tor v. Bannis (1887) 36 Ch D 740 as under:

> It is necessary that the person who alleges this lying by should have been acting in ignorance of the title of the other man, and that the other man should have known that ignorance and not mentioned his own title.

In the same case Bowen, L.J. said:

> In order to make out such acquiescence it is necessary to establish that the plaintiff
>
> stood by and knowingly allowed the defendants to proceed and to expend money
>
> in ignorance of the fact that he had rights and means to assert such rights.

In Messr, Devidoss and Co. (supra) at pages 33 and 34 the law is stated thus:

> To support a plea of acquiescence in a trade-mark case it must be shown that the plaintiff has stood by for a substantial period and thus encouraged the defendant to expend money in building up a business associated with the mark. In (1896) 13 R P C 464, Rowland v. Michell, Romer J. observed:
>
> > If the plaintiff really does stand by and allow a man to carry on business in the manner complained of to acquire a reputation and to expend money he cannot then after along lapse of time, turn round and say that the business ought to be stopped.
> >
> > In the same case, but on appeal Lord Russel C.J. said (1897) 14 R P C 37 at p.43:
> >
> > Is the plaintiff disentitled to relief under that head by injunction because of acquiescence? Of course it is

> involved in the consideration of that that the plaintiff has a right against the defendant and that the defendant has done him a wrong and the question is whether the plaintiff has so acted as to disentitled him from asserting his right and fron, seeking redress from the wrong which has been done to him. Cases may occasionally lay down principles and so forth which are a guide to the Court, but each case depends upon its own circumstances.

31. Dealing with the question of standing by in (1923) 40 R P C 138 Codes v. Addis and Son at p. 142, Eve J. said:

> For the purpose of determining this issue I must assume that the plaintiffs arc traders who have started in this more or less small way in this country, and have been continuously carrying on this business. But I must assume also that they have not, during that period, been adopting a sort of Rip Van Winkle policy of going to sleep and not watching what their rivals sand competitors in the same line of business were doing. I accept the evidence of any gentleman who comes into the box and gives his evidence in a way which satisfies me that he Ls speaking the truth when he says that he individually did not know of the existence of a particular element or a panicular factor in the goods marketed by his opponents. But the question is a wider question than that: ought not he to have known: Ls he entitled to shut his eyes to everything that is going on around him, and then when his rivals have perhaps built a very important trade by the user of indicia which he might have prevented their using had he moved in time, come to the Court and say : 'Now stop them from doing it further, because a moment of time has arrived when I have awakened to the fact that this is

calculated to infringe my rights.' Certainly not. He is bound, like everybody else who wishes to stop that which he says is an invasion of his rights, to adopt a position of aggression at once, and insist, as soon as the matter is brought to Court, it ought to have come to his attention, to take steps to prevent its continuance; it would be an insufferable injustice were the Court to allow a man to lie by while his competitors are building up an important industry and then to come forward, so soon as the importance of the industry has been brought home to his mind, and endeavour to take from them that of which they had legitimately made use; every day when they used it satisfying them more and more that there was no one who either could or would complain of their so doing. The position might be altogether altered had the user of the factor or the element in question been of a secretive or surreptitious nature; but when a man is openly using, as part of his business, names and phrases, or other elements, which persons in the same trade would be entitled, if they took steps, to stop him from using, he gets in time a right to sue them which prevents those who could have stopped him at one time from asserting at a later stage their right to an injunction.

In (1960) 23 R P C 1, Me. Caw Stevenson & Orr Ltd. v. Lee Bros, acquiescence for four years was held to be sufficient to preclude the plaintiff from succeeding. In 1897 the plaintiffs in that case registered the word 'glacier' as a trade mark in respect of transparent paper as a substitute for stained glass. As the result of user the word had become identified with the plaintiffs' goods. In 1900 the defendants commenced to sell similar goods under the name "glazine." In 1905 the plaintiffs commenced an action for infringement. The defendants denied that the use of the word "glazine" was calculated to deceived and also pleaded acquiescence. A director of the plaintiff company admitted that he had known of the use of the word "gaizine" by the defendants for four years-he would not say it was not five years. It was held that the plaintiffs failed on the merits and by reason of their delay in bringing the action.

Delay simpliciter may be no defence to a suit for infringement of a trade mark, but the decisions to which I have referred to clearly indicate that where a trader allows a rival trader to expend money over a considerable period in the building up of a business with the aid of a mark similar to his own he will not be allowed to stop his rival's business. If he were permitted to do so great loss would be caused not only to the rival trader but to those who depend on his business for their livelihood. A village may develop into a large town as the result of the building up of a business and most of the inhabitants may be dependent on the business. No hard and fast rule can be laid down for deciding when a person has, as the result of inaction, lost the right of stopping another using his mark. As pointed out in (1897) 14 R P C 37 at p. 43, Rowland v. Michell, each case must depend on its own circumstances, but obviously a person cannot be allowed to stand by indefinitely without suffer the consequence.

32. This is the legal position. Again in Halsbury's Laws of England Fourth Edition, 24 at paragraph 943 it is stated thus:

943. Acquiescence, An injunction may be refused on the ground of the plaintiff's acquiescence in the defendant's infringement of his right. The principles on which the court will refuse interlocutory or final relief on this ground are the same, but a stronger case is required to support a refusal to grant final relief at the hearing. (Patching v. Subbins (1843) Kay I; Child v Douglas (1854) 5 De GM & G 739; Johnson v. Wyatt (1863 2 De GJ & Sm 18; Turner v Mirfield (1854) 5 De GM & G 739; Johnson V Wyatt (1863 2 De GJ & Sm 18; Turner v. Mirfield (1865) 34 Beav 390; Hogg v. Scott (1874) LR 18 Eq 444; Price v Bala and Festiniog Rly Co

(1884) 50 LT 787. The reason is that at the hearing of the cause it is the court's duty to decide upon the rights of the parties, and the dismissal of the action on the ground of acquiescence amounts to a decision that a right which once existed is absolutely and for ever lost: Johnson v Wyatt, supra at 25; and see Gordon v Cheltenham and Great Western Union Rly Co (1842) 5 Beav 229 at 233, per Lord Langdale MR).

33. In Aktiebolaget Manus v. RJ, Fullwood A Bland, LD. 1948 R.P.C. Vol. XLV 329 at 338-339 it was held thus:

> Apart from this point the case of Fullwood v. Fullwood (9 Ch. D. 176) shows that the injunction in a passing-off case is an injunction sought in aid of a legal right, and that the Court is bound to grant it if the legal right be established unless the delay be such that the Statute of Limitations would be a bar. That case apparently concerned some predecessors of the Defendants. The delay was one of rather under two years and the relief sought was an injunction to restrain the use by the defendants of cards and wrappers calculated to induce the belief that his business was connected with the plaintiff. Fry, J., in the course of his judgment said this: "Now, assuming, as I will, for the purpose "of my decision, that in the early part of 1875 the Plaintiff knew of aqll the material facts "which have been brought before me to-day, he commenced his action in November, 1876. "In my opinion that delay, and it is simply delay, is not sufficient to deprive the plaintiff of "his rights. The right asserted by the Plaintiff in this action is a legal right. He is, in "effect, asserting that the Defendants are liable to an action for deceit". It is not suggested in the defence that the delay here involves a question under or analgou to the period under the Statute. The Defendants did suggest that there had been something more than mere delay on the part of the Plaintiffs, and that the Plaintiffs had lain by and allowed the goodwill which the Plaintiffs now propose to acquire, hut this point was not seriously pressed. It was suggested that Mr. Evans Bajkcr, the Plaintiffs' Solicitor, knew from 1941 onwards what the Defendants were doing, hut it is impossible to impute to a busy solicitor a knowledge which he could only acquire by seeing advertisements in local or farming papers advertising the Defendants' activities. No direct information was afforded him; on the contrary it will be remembered that when in 1942 he made enquiries on behalf of his clients information was studiously withheld from him. I conclude therefore that there has been no acquiescence to disentitle the Plaintiff to relief.

34. In Electrolux LD. v. Electrix 1954 R.P.C Vol. LXXI page 23 at 32 and 33 it was held thus:

I now pass to the second question, that of acquiescence, and I confess at once that upon this matter I have felt no little sympathy for the Defendants, and have been not a little envious of the good fortune which has attended the Plaintiffs, though no doubt they may justly attribute it to the astuteness of their advisers; but, as has already been said, the defendants have traded openly and (as the Judge found) honestly, beyond any question, in the ordinary course and substantially under this name "Electrix" lor a very long period of time, since early 1930's. During that time, they have built up (I doubt not) a valuable goodwiss associated with that name. If the possibility that the mark "Electrolux" was infringed is out of the way, and if 1 disregard for the moment (as I do) the point taken by Mr. Kenneth Johnstone that in any event the use of "electrolux" was a sufficient use for the purpose of Section 26(1) of "Electrux" (sezing that the two marks were associated). I have no doubt that if the Plaintiff had challenged in the courts the right of the Defendants to use "Electrix" before they have effect to their decision to apply the word "Electrolux" to their cheaper model in lieu of "Electrolux", they would in all probability have failed, because the Defendants' motion to strike the word "Electrux" off the Register would have succeeded, but the fact is that when the battle was joined, "Electrux" was no longer vulnerable on that account, unless the Defendants can establish that the use was no bona fide, a matter to which I shall come presently. It is, however, said that by the Defendants that the Plaintiffs have deprived themselves of their legal right or, at lest, of any right to the equitable remedy of injunction.

Upon this matter, a great deal of learning has been referred to, and we have also had our attention drawn to a number of cases. The latter include the well-known statement in Willmott v. Barber (1880), 15 Ch.D. 96, by Fry, J.(as he then was) at p. 105. He said this: "It has been said that the acquiescence which will deprive a man of his legal rights must "amount to fraud, and in my view that is an abbreviated statement of a very true proposition. "A man is not to be deprived of his legal rights unless he has acted in such a way as would "make it fraudulent for him to set up those rights". Let me pause here to say that I do not understand that, by the word "fraudulent", the learned Judge was thereby indicating conduct which would amount to a common law tort of deceit. "What, then, are the elements or requisites necessary to constitute fraud of that description? In the first place "the plaintiff must have made a mistake as to his legal rights. Secondly, the plaintiff must "have expended some money or must have done some act (not necessarily upon the defendant's land) on the faith of his mistaken belief. Thirdly, the defendant, the possessor of "the legal right, must know of the existence of his own right which is inconsistent with "the legal right, must know of the existence of his own right which is inconsistent with "the right claimed by the plaintiff. If he does not know of it he is in the same position "as the plaintiff, and the doctrine of acquiescence is founded upon conduct with a knowledge "of your legal rights. Fourthly, the defendant, the possessor of the legal right, must know "of the plaintiff's mistaken belief of his rights. If he does not, there is nothing which "calls upon him to assert his own rights. Lastly, the defendant, the possessor of the legal "right, must have encouraged the plaintiff in his expenditure of money or in the other "acts which he has done, either directly or by abstaining from asserting his legal right". In reading that passage, it is perhaps necessary to note (because it makes it at first sight a little more difficult to follow) that the positions of plaintiff and defendant as they are usually met with are

> there transposed, and that one of the parties who is there spoken of as the plaintiff corresponds with the present case with the Defendants, and vice versa.

35. Amritdhara Pharmacy v. Satyadeo Gupta is a case where Halsbury was quoted with approval. However, on the facts of that case it was held that the plea of acquiescence had not been made out.

36. Now, we come to the principles in relation to the grant of interim injunction. The case in K.E. Mohammed Aboobacker v. Nanikram Maherchand and Anr. (1957 (II) Madras Law Journal 573 makes a reference to the case law and holds at page 574-75 as under:

> The principles which should givern the Court in granting or withholding a temporary injunction in trade-mark infringement actions are well-settled: See recent decision Henry Hemmings, Ltd. v. George Hemmings, Ltd (1951) 68 R.P.C. 47. As a temporary injunction is merely of a provisional nature and does not conclude the rights of the parties in any way, the Court will exercise its discretion in favour of the applicant only in strong cases. The plaintiff must make out a prima facie case insupport of his application for the ad interim injunction and must satisfy the Court that his legal right has been infringed and in all probability will succeed ultimately in the action. This does not mean, however, that the Court should examine in detail the facts of the case and anticipiate or prejudice the verdict which might be pronounced after the hearing of the suit or that the plaintiff should make out a case which would entitled him at all events to relief at the hearing. Colman v. Farrow & Co. (1898) 15 R.P.C. 198, Hoover, Ltd. v. Air-way Ltd. (1936) 53 R.P.C. 399, The Upper Assam Tea Company v. Herbert and Co. (1890) 7 R.P.C. 183, Star Cycle Company, Ltd. v. Frankerburgs (1906) 23 R.P.C. 337. In fact the Court will not

ordinarily grant an interlocutory injunction if a large amount of evidence is necessary to support the plaintiff's case. The proper course in such a case is to ask for the trial of the action. The injury must be actual or imminent. Pinel & Cle v. Mison Pinet, Ltd. (1895) 14 R.P.C. 933. Where the defendant disputes the plaintiff's title to the mark or contends that the plaintiff is not entitled to a relief by a reason of the acquiescence or delay or other estoppel or of the defendant's concurrent rights, the Court will be guided by the balance of inconvenience which may arise from granting or withholding the injunction as well as the justice of the cause after considering all the circumstances in the suit. In other words, where the plaintiffs title is disputed or the fact of infringement or misrepresentation amounting to a bar to the action or some other defence is plausibly alleged upon the interlocutory motion, the Court in granting or refusing the interim injunction is guided principally by the balance of convenience that is by the relative amount of damage which seems likely to result if the injunction is granted and plaintiff ultimately succeeds; Read Brothers v. Richardson and Co. (1881) 45 L.T. 54, Hommel v. Bauer & Co. (1903) 20 R.P.C. 801.

...It is necessary that an application for interlocutory injunction should be made immediately after the plaintiff becomes aware of the infringement of the mar. Improper and unexplained delay is fatal to an application for interlocutory injunction. The interim injunction will not be granted if the plaintiff has delayed interfering until the defendant has built up a large trade in which he has notoriously used the mark. North British Rubber Company, Ltd. v. Gormully and Jeffery Manufacturing Company (1894) 12 R.P.C. 17, Army and Navy Co-operative Society, Ltd. v. Army Navy and Civil Service Co-operative Society of South Africa Ltd. (1902) 19 R.P.C. 574,

> Hayward Bros. Ltd. v. Peakall (1909) 26 R.P.C. 89. Yost Typewriter Company ; Ltd. v. Typewriter Exchange Company (1902) 19 R.P.C. 422, Royal Warrant Holders' Association v. Slade & Co., Ltd. (1908) 25 R.P.C. 245.

37. In American Cyanamid Co, (supra) it is held at page 511 as under:

> Where other factors appear to be evenly balanced it is a counsel of produccnce to take such measures as are calculated to preserve the status quo. If the defendant is enjoined temporarily from doing something that he has not done before, the only effect of the interlocutory injunction in the event of his succeeding at the trial is to postpone the date at which he is able to embark on a course of action which he has not previously found it necessary to undertake; whereas to interrupt him in the conduct of an established enterprise would cause much greater inconvenience to him since he would have to start again to establish it in the event of his succeeding at the trial.
>
> The factors which he took into consideration, and in my view properly, were that Ethicon's sutures XLG were not yet on the market; so that had no business which would be brought to a stop by the injunction; no factories would be closed and 3 no workpeople would be thrown out of work. They held a dominant position in the United Kingdom market for absorbable surgical sutures and adopted an aggressive sales policy.

38. Again in Rampal Sungh v. Rias Ahmed Ansarl (1990) Supp. 727 at page 731 to which decision one of us (M.V.Venkatachaliah J., as he then was) was a party it was stated thus:

> Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its

> alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The court, at this stage, acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated "...is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial. The need for such protection must be weighed against the corresponding need of the defendant to be protected agaiast injury resulting form his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The court must weigh one need against another and determine where the "balance of convenience" lies.

The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie case. The court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted.

39. In this case we will briefly analyse the materials on record as they now exist to decide the plea of honest and concurrent user of acquiescence. The learned Single Judge in paragraph 18 of his judgment reported in AIR 1993 Madras 120 at 127 observes:

> A careful perusal of the abovereferred documents in particular along with the other voluminous documents, clinch the fact that Smt. Madhuri Mathur, mother of the deponents in the affidavits filed in support of the applications, as well as the counter affidavit, get the trader mark "SUMEET" registered long back as early as 1964 and that by the very strenuous efforts, hard work, skill, exertion, devised so many designs and improved the appliances on par with the modern technology and along with other members of the family, viz., husband, sons and daughters were able to start different

business concerns as specifically pleaded in the affidavit and reply affidavit and by entering into various agreement its among themselves and by remaining as share-holders and directors in the companies engaged in manufacturing the various domestic power operated machines like mixies, washing machines and so on by using the trade name and marketed SUMEET mixies in various categories and numbers. It has to be seen that during the said sojour, Thiru Ajay Prakash Mathur, the present Managing Director of the first respondent was also the director of the plaintiff's company previously and still continuing as shareholder and that during 1984, the first defendant company was incorporated as private limited company under the Companies Act and in adopting the name 'SUMEET', his mother Smt. Madhuri Mathur as well as his father gave written consent to the authority constituted under the Companies Act and that the several number of documents produced on behalf of the applicant as well as the respondents, clearly demonstrate the fact that Smt. Madhuri Mathur family including her husband, daughter, two sons and the other family members were directly concerned and involved in all of their sister concern including the first respondent company and have been engaged in manufacturing the various types of Sumeet home appliances and power operation machines and being marketed through a common distributor, viz., M/s. Reprographers and Engineers, Madras and all of their accounts were being audited by one and the same auditors concerned and that even to provide the working capital to the first respondent company being run by Thiru Ajay Prakash Mathur it appears that in the company of the first respondent, both the mother and the father stood guarantee tor a sum of Rs. 2,00,00,000/- in the Bank of Hyderabad. All virtually go to show that each and everyone in the family of Smt. Madhuri

> Mathur having involved in almost all the companies incorporated in the Companies Act by entering into agreement or otherwise and having the directorship and shares in almost all the companies and deeply involved in manufacturing either the components, motors and other accessories for their companies' products under the registered trade name and mark, SUMEET and that accordingly, they arc being marketed the same through the company distributor.

40. In paragraphs 19 & 20 of the impugned judgment the learned Judge refers to the documents filed by the Respondent. None of these documents throw any light as to the manufacture. It might be that the first respondent was marketing, having regard to the close relationship as mother and son between the plaintiff and the first defendant. This was why the Division Bench remarked "There is some evidence showing that the first defendant has been at least marketing domestic mixers allegedly manufactured by Power Control and Appliances (Bombay), Limited since its incorporation. *Whether it actually manufactured before September 1991, however, is not possible to answer without proper evidence as to the actual manufacturing of the kitchen mixers by the first defendant.*

(emphasis supplied).

41. So, as such there is no evidence of manufacture. As rightly contended by Mr. Chidambaram, learned Counsel, marketing may not advance the case of the first defendant-respondent. We do not think, as is urged by Mr. Soli J. Sorabjee, learned Counsel, either the criminal complaint or the averment in the plaint would amount to implied consent, more so, when no oral evidence has been let in, the parties have chosen to proceed on affidavit and counter affidavit.

42. In 1984 the first defendant-company came to be incorporated. This was for the purpose of diversifying the industrial activity of the family group for manufacturing other technical appliances like washing machines, vacuum cleaners etc. But there is nothing on record to show that the first defendant was

manufacturing earlier than the alleged violation of trade mark, copyright and design, as stated in the plaint.

43. We find considerable difficulty in appreciating the conclusion of the Division Bench which had failed to note that the proprietor of the trade mark is Sumeet Research and Holding Ltd. Again, the complaint of infringement of trade mark is not against Ajay Mathur but against Sumeet Machines Private Limited and M/s. Sekar and Sagar.

44. It is a settled principle of law relating to trade mark that there can be only one mark, one source and one proprietor. It cannot have two origins. Where, therefore, the first defendant-respondent has proclaimed himself as a rival of the plaintiffs and as joint owner it is impermissible in law. Even them, the joint proprietors must use the trade mark jointly for the benefit of all. It cannot be used in rivalry and in competition with each other.

45. The plea of quasi-partnership was never urged in the pleading. As regards copyright there is no plea of assignment. The High Court had failed to note the plea of honest and concurrent user as stated in Section 12(3) of 1958 Act for securing the concurrent registration is not a valid defence for the infringement of copyright. For all these reasons we are unable to support the judgments of the High Court under appeal. We reiterate that on the material on record as is available at present the denial of injunction, once the infringement of trade mark, copyright and design is established, cannot be supported. Pending suit, there will be an injunction in favour of the appellants (the plaintiffs). All the civil appeals will stand allowed. No cost.

46. We request the High Court to try the suits with utmost expedition.

47. We make it clear that whatever we have observed herein will have absolutely no bearing in the trial of the suits which have to be decided independently on their respective merits.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

O.O.C.J.

NOTICE OF MOTION NO.3480 OF 2004

IN

SUIT NO.3443 OF 2004

...

SHAW WALLACE AND COMPANY
LTD. AND ANR. ...PLAINTIFFS

V/S.

MOHAN ROCKY SPRING WATER
BREWERIES LTD. ...DEFENDANTS

...

Dr.Virendra Tulzapurkar, Senior Counsel i/b Mr.H.W.Kane for Plaintiffs.

Mr.Rohit Kapadia, Sr.counsel with Mr.Milind Vasudeo i/b Mr.S.J. Khera for the Defendant.

...

CORAM: D.K.DESHMUKH, J.

DATED: 5TH APRIL, 2006

JUDGMENT:

1. This Notice of Motion is taken out by the Plaintiffs. The suit has been filed by the Plaintiffs on the basis of their registered label mark bearing No.436744 of which one of the essential features is a numeral "5000". According to the Plaintiffs, the Defendant is committing acts of infringement and passing off by using the trade mark "PRESTIGE 5000" and "FOUR SQUARE 5000" of which, the numeral "5000" forms an essential feature. According to the Plaintiffs, Section 28 of the Trade Marks Act, 1999 gives an exclusive right to the Plaintiffs to use the trade-mark "HAYWARDS 5000" and the essential features thereof including the numeral "5000" and also gives rights to the Plaintiffs to prevent anyone from using any deceptively similar trade-mark. According to the Plaintiffs, in or about the year

1983 the first Plaintiff adopted for and in respect of its strong beer the distinctive trade mark "HAYWARDS 5000", of which numeral "5000" forms leading and essential feature, with a view to distinguish its goods from those of others. According to the Plaintiffs, the said numeral "5000" is a fancy numeral and does not have any reference to the character or quality of the strength of the beer. According to the Plaintiffs, between the year 1983 and 2000 the first Plaintiff got manufactured from its contract bottlers strong beer of particular test and quality and sold it under its said trade mark on a continuous and extensive basis. From the year 2001 the 2nd Plaintiff under a licence agreement in writing from the 1st Plaintiff, has been getting manufactured from its contract bottlers and selling the same beer under the said trade mark "HAYWARDS 5000" on a continuous and extensive basis. According to the Plaintiffs, during all these years the Plaintiffs have effected large sales of their beer bearing the said trade mark. The Plaintiffs have filed a statement showing their annual sales from 1993-94. The Plaintiffs state that they have made efforts to popularise their beer sold under the said trade mark and have issued sale material bearing the trade mark "HAYWARDS 5000". They have spent substantial sums of moneys on publicity and sales promotional expenses. They have filed a chart showing the expenditure incurred by them for publicity. According to the Plaintiffs, due to superior quality of the beer sold under the trade mark "HAYWARD 5000" as also long, continuous and extensive user of the said trade-mark and wide publicity given to it by the Plaintiffs, the said trade-mark has acquired immense reputation and is being exclusively associated by the members of the trade and public with the Plaintiffs and their beer. According to the Plaintiffs, the beer of the Plaintiffs sold under a trade mark "HAYWARD 5000" is the country’s largest selling strong beer. According to the Plaintiffs, numeral "5000" forms a memorable part of the said trade mark and the Plaintiffs’ advertisement also emphasises the said numeral. According to the Plaintiffs, in 1985 the first Plaintiffs applied for and obtained a registration of the label mark containing the said trade mark "HAYWARDS 5000" and the registration of the trade mark has been renewed from time to time. As a result of the registration of the trade-mark by virtue of the provisions of Section 28, according to the

Plaintiffs, the Plaintiffs have an exclusive rights to use the trade-mark "HAYWARD 5000" and they also have a right to prevent anyone from using any deceptively similar trade-mark. According to the Plaintiffs, the Plaintiffs have been vigilantly protecting their aforesaid exclusive rights. They came to learn that Superior Industries Ltd. of New Delhi commenced use of the trade mark "Superior 5000" in respect of their beer and they filed a suit in the Delhi High Court claiming permanent injunction against the said Superior Industries Ltd. They also filed an application for interim injunction and the Delhi High Court by its order dated 20-6-2003 granted temporary injunction in favour of the Plaintiffs restraining use of the trade mark "SUPERIOR 5000". The Plaintiffs further submits that the Plaintiffs are also using the trade-mark "HAYWARD 2000" in respect of beer which is also a registered trade-mark. According to the Plaintiffs, in or about the year 1994 one Castle Douglas Industries Ltd. proposed to use the trade mark "CASTLE 2000" in respect of its beer. The first Plaintiff on coming to know of it, instituted Suit No.2720 of 1994 in this Court praying for permanent injunction restraining the said Castle Douglas Industries Ltd.

from using the trade mark "CASTLE 2000". The Plaintiffs also applied for temporary injunction and this court by its order dated 20-6-1996 granted temporary injunction in favour of the Plaintiffs. According to the Plaintiffs, use of the trade-mark "PRESTIGE 5000" and "FOUR SQUARE 5000" by the Defendant amounts to infringement of the trade mark of the Plaintiffs. According to the Plaintiffs, the Defendant’s trade mark of which a numeral "5000" is an essential features are deceptively similar to the Plaintiffs’’ registered trade mark and by using the impugned mark the Defendant is likely to deceive or cause confusion amongst the traders and members of the public. According to the Plaintiffs, they have acquired reputation in "HAYWARD 5000" and therefore the use of the impugned mark by the Defendant with numeral "5000" will result in deception and confusion and by using the trade mark containing numeral "5000" the Defendant is passing of and expecting others to pass of its goods as of goods of the Plaintiffs. Ad-interim order in favour of the Plaintiffs restraining the Defendant from using the impugned mark has already been made by this suit.

2. Notice of Motion is opposed by the Defendants,

who have filed their affidavit.

3. The learned Counsel appearing for the Plaintiffs submits that for considering deceptive similarity between two trade-marks following features are to be considered.

(a) Nature of the mark.

(b) Degree of resemblance between the two marks.

(c) The nature of the goods.

(d) The similarity in the nature, character and purpose of the rival traders.

(e) Class of purchasers.

(f) Mode of purchase and any other surrounding circumstances.

It is submitted that once a mark is registered, the proprietor of the mark gets an exclusive right to use that mark and no one is entitled to use a mark which is deceptively similar to the registered trade mark. The learned Counsel appearing for the Plaintiffs relying on following judgments,

i. De Cardova V/s. Vick Chemical;
(1951) 68 R.P.C. 103;

ii. Ruston’s case AIR 1970 S.C. 1649;

iii. Unreported judgment of Bombay High Court, dt.July 8, 1992 in Appeal No.1180 of 1981, Notice of Motion No.2141 of 1991 in Suit No.2970 of 1991;

submits that a mark is considered to be deceptively similar if it contains any of the essential features of the registered marks.

4. The learned Counsel for the Plaintiffs further submits that the claim for passing off is based on the basis of reputation acquired by the Plaintiffs in their mark of which the essential feature is the numeral "5000". The Defendants were aware of the Plaintiffs’ trade mark "HAYWARD 5000" when they adopted the impugned mark. This knowledge is clear from the following facts:-

i) the Defendants themselves were bottling the Plaintiffs’ products including Beer sold under the mark "HAYWARDS 5000" under an Agreement with the Plaintiffs dated 19th April, 2002.

ii) In the past, the Defendants had copied the

Plaintiffs' trade mark "HAYWARDS 2000" by using the mark "CASTLE 2000" and the Plaintiffs had therefore filed civil suit for passing off against the Defendant and another. The Defendant was the 2nd Defendant in the said suit No.2037 of 1994 filed by the Plaintiffs in this Hon'ble Court. In the plaint filed in the said suit and particularly paragraphs 5 and 7 thereof, the Plaintiffs had specifically referred to their trade mark "HAYWARDS 5000". In the order dated 20th June, 1996 passed by this Hon'ble Court in Notice of Motion No.1259 of 1994 also there is a mention of the Plaintiffs' trade mark "HAYWARDS 5000".

5. In the submission of the learned counsel following two clauses of the Agreement dt.19-4-2002 referred to above are relevant and by reason thereof, the Defendants are estopped from disputing the validity or popularity or reputation of the Plaintiffs' mark.

"6. The Trade Marks, brand names and the get up in which the beer will be sold, supplied and delivered by MRSBL (Defendants) to SWBL (Plaintiffs) or as per direction of SWBL (Plaintiffs) are the sole property of SWBL (Plaintiffs) and MRSBL (Defendants) neither had nor has any right, title or interest therein and shall not at any time claim any right whatsoever to the use of the labels, brands names, trade marks and/or get-up."

"9.1 MRSBL will produce in addition to any other brands, well-known brands of SWBL such as "Haywards Larger Beer", "Haywards Diet Beer" "Haywards 2000", "Haywards 5000", "Royal Challenge Premium Larger Beer" and such other prestigious and well known BRANDS as SWBL may notify from time to time at SWBL’s absolute discretion and MRSBL shall have no right and shall not be entitled to question the popularity or the stability of the brands of SWBL."

6. According to the Plaintiffs, in any event, by reason of the extensive use of their trade marks from the year 1983 and the publicity expenses incurred by the Plaintiffs which are to be found in Exhibit "B" to the plaint, Exhibit "C" to the plaint and from the newspaper cutting, Exhibits "D-1" to "D-4" to the plaint, material on the website, Exhibit "E" to the plaint and the Affidavit of consumers, Exhibits "F-1" to "F-5", it is clear that the Plaintiffs have

established reputation in their trade marks of which, the numeral "5000" is an essential feature, and the Defendants must be aware of the same.

7. It is submitted that, therefore, the Defendants are estopped from disputing the validity of the Plaintiffs’ trade mark "HAYWARDS 5000" or its popularity.

8. It is submitted that in an action for passing off, the Plaintiffs are required to establish (i) reputation, which the Plaintiffs have established for the reasons stated above (ii) misrepresentation, which is established by the Plaintiffs by reason of the identical essential feature of the Plaintiffs’ trade mark being used by the Defendants and (iii) damage, which is established by the Plaintiffs by reason of the confusion created by the Defendants. The Plaintiffs are, therefore, entitled to the interim reliefs prayed for in the Notice of Motion.

9. It is submitted that the adoption of the impugned mark by the Defendants is dishonest inasmuch as (i) the Defendants themselves were aware of the Plaintiffs’ mark as they were bottling the

Plaintiffs’ products under the Plaintiffs’ trade mark and has acknowledged the popularity of the Plaintiffs’ mark in Clause 9.1 of the said Agreement and (ii) by reason of being injuncted by this Hon’ble Court, in an earlier Suit in which the Defendants had copied the essential feature, viz. the numeral "2000" from the Plaintiffs’ mark "Haywards 2000". It is submitted that once dishonesty is established, the Court will not push the enquiry any further.

10. The learned Counsel appearing for the Defendants, on the other hand, submits that the Plaintiffs have made the application for interim reliefs without giving notice when the Plaintiffs were aware of the Defendants’ use of the mark "Four Square 5000" since May, 2003 and "Prestige 5000" since May, 2004 and by reason of the public notice being displayed on the Board of the Excise Department outside the office of the Excise Commissioner that an application had been received for manufacture of Beer "Four Square 5000" and "Prestige 5000" and by reason of the representative of the Plaintiffs visiting the Defendants’ Khopoli factory in 2003 where the Defendants were bottling the Plaintiffs’ products under the mark "Haywards 5000" as also their product

"Four Square 5000". The Defendants have contended that the numeral "5000" is descriptive and the Plaintiffs cannot claim any exclusive right because

(i) there is disclaimer.

(ii) there are various other manufacturers who are using the said numeral.

(iii) The numeral "5000" is common to the trade as claimed by the persons, whose Affidavits are filed along with the Affidavit of Mr.Nitesh Kumar Jha dated 17th December, 2004.

11. It is further submitted that in paragraph 3 of the plaint, the Plaintiffs have stated that other breweries have been using different fancy numerals but no brewery has ever used the numeral "5000" in respect of its beer. Thus, the Plaintiffs alone have been using numeral mark "5000" in respect of their beer. According to the Defendants, this statement is false. The Plaintiffs on the date on which they filed this plaint knew that the beer under the trade-mark "PRESTIGE 5000" was being marketed. This statement made in the plaint is patently false and therefore it disentitles the Plaintiffs to any interim order in their favour. In the rejoinder it

is submitted on behalf of the Plaintiffs that the Plaintiffs were not aware of the adoption by the Defendant of the impugned mark in May, 2003. The allegations of the Plaintiffs about the representative of the Plaintiffs visiting the Defendants’ factory is too vague. Even the name of the representative has not been disclosed. It is submitted that so far as alleged public notice published by the Excise Department is concerned, the Plaintiffs were unaware of it and the Plaintiffs have made the application for interim reliefs without giving notice the Defendants.

12. It is submitted that there is no disclaimer. The registration certificate and the entry relating thereto clearly does not mention any disclaimer regarding the numeral "5000". It is submitted that whenever the Registrar required any numeral to be disclaimed, he made a specific reference to that as is to be found in the documents produced by the Defendants along with the further Affidavit of the said Kolambe dated 10th January, 2005 in respect of Application No.941704 in respect of "Haywards 5000" advertised before acceptance, Application No.941634 in respect of "Haywards 2000" advertised before

acceptance. The Registrar had suggested disclaimer in respect of numeral "5000". Thus, whenever there is a disclaimer in respect of a numeral, the reference is specifically made. In the instant case i.e. the mark which is registered, there is no such disclaimer in respect of the numeral "5000" and the disclaimer is for descriptive words which obviously are "strong beer". In any event, the Plaintiffs have by their letters dated 28-3-2003 objected to the disclaimer in the matter of the Plaintiffs' another application No.940878 in class 32 which are to be found at page 9 of the Affidavit of Sonali Chawda dated 20-1-2005.

13. Now, if in the light of these rival submissions the record of the case is perused, it becomes clear that the trade-mark of the Petitioner "HAYWARDS 5000" is a registered trade-mark. Perusal of the registration shows that numeral "5000" is not disclaimed. What is disclaimed is the descriptive material on the label. Whenever numeral in the lable or trade mark is disclaimed, it is clear from the material available on record that it was specifically so mentioned, and therefore, in my opinion, it is clear from the material available on record that so

far as the registration of the lable of "HAYWARDS 5000" is concerned, the numeral has not been disclaimed, and therefore, in view of the registration of the trade-mark and the lable, the Plaintiffs will have a statutory right to prevent the Defendants from using a deceptively similar mark. In so far as the question whether the numeral is an essential part of the label is concerned, perusal of the judgment of this Court in Notice of Motion No.1259 of 1994 in the case of Shaw Wallace & Company Ltd. v/s. Castle Douglas Industries Ltd. and anr., dated 20-6-1996 shows that in that case the trade-mark involved was "HAYWARDS 2000". In that case the numeral "2000" was specifically disclaimed, still the court held that the said numeral was an essential part of the trade mark of the Plaintiff. In view of the judgment of this Court referred to above, in my opinion, it cannot be said in the present case that the numeral "5000" is not an essential part of the trade-mark of the Plaintiff and is not associated exclusively with the Plaintiffs. In the present case, as has been rightly contended by the Plaintiffs, the Defendants have , while entering into an agreement with the Plaintiffs which are on record, admitted that the Brand "HAYWARDS 5000" is a well-known brand and that the Defendants have no right and are not entitled to question the popularity or the suitability of the brand. From the material available on record it is clear that the Defendants were aware, when they adopted their brand about the popularity of the registered trade mark of the Petitioners, and therefore, it prima facie appears that the adoption of the impugned trade-mark by the Defendants was dishonest and they adopted the trade mark to take advantage of the popularity of the trade-mark of the Plaintiffs, and therefore, in my opinion, as there is no disclaimer of the numeral "5000" at the time of registration of the trade-mark and as the numeral "5000" is an essential part of the registered trade lable of the Plaintiffs, the Plaintiffs will prima facie have a statutory right to prevent the Defendants from using a deceptively similar trade lable and trade mark. The Plaintiffs would be entitled to a temporary injunction also because it prima facie appears that the adoption of the impugned mark by the Defendants appears to be dishonest. So far as the defence that there are others who are using the numeral "5000" in relation to beer and therefore it is common to the trade is concerned, apart from the fact that one party other than the Defendant who was using the numeral "5000" has been proceeded against by the Plaintiff, the Defendant has not produced material on record to show as to what is the extent of sale and business of the other parties who according to the Defendant are using the numeral "5000". In the absence of production on record of the above referred material, the Defendant cannot successfully confer that the numeral "5000" is common to the trade.

14. It is clear, however, that the statement made in paragraph 3 of the plaint that on the date on which the suit was filed nobody else was using the numeral "5000" in respect of the beer is an incorrect statement made by the Plaintiffs. But in my opinion, still for that reason alone the relief of temporary injunction cannot be denied to the Plaintiff, because an order of temporary injunction in a suit for infringment or passing off is to be made not only to protect the right of the Plaintiff, but also to protect the interest of the general public. An order of temporary injunction is to be made so that the public who buys the goods involved is not deceived or misled. Therefore, had the purpose of granting

temporary injunction been only to protect the interest of the Plaintiffs, then may be the temporary injunction could have been denied to the Plaintiffs, because the Plaintiffs have made an incorrect statement in the plaint. But as the purpose of granting temporary injunction in a suit for infringement of trade-mark or trade label is not only to protect the interest of the Plaintiffs, but also to protect the interest of the general public, in my opinion, denial of temporary injunction to the Plaintiffs merely because the Plaintiffs have made incorrect statement in the plaint would not be in the interest of justice.

15. For all these reasons, therefore, in my opinion, ad-interim order which has been granted in favour of the Plaintiffs and which is presently operating deserves to be confirmed. It is accordingly, so ordered. Notice of Motion disposed of.

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
NOTICE OF MOTION NO.1648 OF 2007
IN
SUIT NO.1253 OF 2007

Zee Entertainment Enterprises Ltd. ..Plaintiff
V/s.
Mr.Gajendra Singh & Ors. ..Defendants

Mr.Janak Dwarkadas, Senior Counsel with Mr.Rahul Chitnis with Mr.Ankit Lohia and Mr. Ranjit Shetty i/b. PDS Legal for the Plaintiff.

Dr.Veerendra Tulzapurkar, Senior Counse with Mr.Amit Jamsandekar with Mr. Darius Dalal with Ms. Hemlata Marathe with Ms. Rashmi Thakur i/b. Jehangir Gulabbhai & Bilmoria & Daruwalla for Defendant No.1.

Mr.Ravi Kadam, Advocate General with Mr.Virag Tulzapurkar, Senior Counsel with Mr. Sanjay V. Kadam with Mr. Vishal Kanade with Ms. Shobha Khavnekar i/b.M/s. Kadam & Co., for Defendant No.3.

CORAM : S. J. VAZIFDAR, J.
DATE OF RESERVING THE JUDGMENT : 23rd AUGUST, 2007

DATE OF PRONOUNCEMENT : 8TH OCTOBER, 2007

ORAL JUDGMENT :

1. Defendant No.2 is one Ms.Karuna Raju Samtani and Defendant No.3 is Star (India) Limited.

2. The suit is filed for a perpetual injunction restraining the Defendants from infringing the Plaintiff's copyright in the literary work and cinematograph film embodying the television game show "Titan Antakshari" being broadcast on its television channel "Zee" since September, 1993 inter-alia by Defendant No.3 broadcasting the television game show "Antakshari – The Great Challenge". The Plaintiff has also sought an order restraining the Defendants from making and broadcasting the television game show "Antakshari – The Great Challenge" and/or using the content and/or presentation and/or the word "Antakshari" in relation to any television game show so as to pass off such show as being a television game show associated with and/or authorized by and/or having any connection with the Plaintiff's game show "Titan Antakshari". Finally the Plaintiff has sought damages and an order for delivery up and destruction of the infringing material.

<u>The Plaintiff's case :</u>

3. The Plaintiff claims to be one of India's largest entertainment companies with its operations spread across several

countries in the world engaged inter-alia in content and broadcasting including film production and distribution consisting of production, activation and distribution of films and programmes and aggregation of TV software and syndication, MSO Operations, distribution of satellite channels and internet over cable. The Plaintiff claims to be well-known throughout the country and in large parts of the world.

Defendant No.2 carries on business of production of programmes and serials for television channels. Defendant No.3 carries on inter-alia similar business as that of the Plaintiff.

4. With effect from 23.7.1992, Defendant No.1 was employed by the Plaintiff under a contract of service on the terms and conditions stipulated in an appointment letter dated 22.6.1994. Though Defendant No.1 is designated therein as a “Consultant”, his engagement with the Plaintiff was under a contract of service and not a contract for service. Thereafter, by a letter dated 1.4.1999, the Plaintiff appointed Defendant No.1 as Programmer Director on the terms and conditions stipulated therein.

5. There is no dispute between the parties that with effect from 1.4.1999, Defendant No.1 was engaged by the Plaintiff under a

contract of service. The dispute between the parties is whether between 23.7.1992 and 1.4.1999, Defendant No.1 was engaged by the Plaintiff under a contract of service or whether his engagement constituted a contract for service.

According to the Plaintiff, Defendant No.1 was under a contract of service with the Plaintiff since inception. According to the Defendants, the engagement by the Plaintiff of Defendant No.1 constituted a contract for service from inception till 1.4.1999.

6. During the course of his employment with the Plaintiff, Defendant No.1 in consultation with other senior employees and the Plaintiff's programming team originated the format of a television game show titled `Antakshari' and reduced the same to writing in the form of a concept note. The show was to be a departure from the traditional Antakshari game; the concept note is a literary work within the meaning of the Copyright Act, 1957 and the Plaintiff had and has the exclusive right to reproduce the same and to issue copies of the works to the public.

7. The concept note was converted into a game show and filmed on betacam cassettes which were shown to various sponsors .

In September, 1993, the programme commenced on the Plaintiff's TV channel "Zee TV" and was known as "Close Up Antakshari" as Hindustan Lever Limited had sponsored the same for its toothpaste Close Up. The sponsorship continued upto 2002 with only a four month break in between. Thereafter the show was known as "Sansui Antakshari" in view of the new sponsor. The telecast of the programme under the sponsorship of Sansui continued till about 17.6.2005 on the Plaintiff's channel. Thereafter with effect from 5.1.2007, the Plaintiff restarted the TV game show as "Titan Antakshari" and the same continues as such to date.

8. The Plaintiff's programme is telecast on Fridays and Saturdays of every week for half an hour. The Limca Book of Records states that the Plaintiff''s game show holds a record of being the longest continuous show of Indian TV, holding the longest sponsor deal of ten years between the Plaintiff and Hindustan Lever Limited, the largest period of direction by a single Director namely Defendant No.1 and for being the only weekly show hosted continuously by a single host, one Annu Kapoor.

9. In January, 2007, the Plaintiff was given to understand

that Defendant Nos.1 and 2 were producing an identical TV game-show titled Antakshari and that Defendant No.3 was exploiting the same on its TV channel “Star One”. In February, 2007, Defendant No.3 commenced broadcasting the show titled “Antakshari – The Great Challenge” on Fridays, Saturdays and Sundays every week for one hour on each of the days.

10. According to the Plaintiff, the Defendants have copied the Plaintiff's game show in all material respects except in respect of two rounds. The difference is merely cosmetic. The basic concept and form has been slavishly copied by the Defendants from the Plaintiff's game show. The game show telecast by Defendant No.3 is also directed by Defendant No.1 who is aware of the Plaintiff's rights.

11. The Plaintiff contends that it is the owner of the copyright in the literary work and the cinematograph film embodying the television game show and is entitled to exclusive use thereof and/or to licence the same; the Plaintiff has not in fact licenced or assigned its rights in respect of the game show to any one including the Defendants and that the Defendants have therefore, infringed the Plaintiff's said copyrights. The Plaintiff has also alleged that the

Defendants have, by slavishly copying the content and presentation of the Plaintiff's television game show passed off their television show “Antakshari – The Great Challenge” as that of the Plaintiff's game show.

12. The Plaintiff filed the above suit on 18.4.2007 and took out the above Notice of Motion for the usual interim reliefs. The Plaintiff made an ad-interim application in the above Notice of Motion on 19.4.2007. At the request of Defendant No.3, the matter was adjourned to 30.4.2007. By an order dated 6.6.2007, the Notice of Motion was ordered to be heard finally on 22.6.2007.

13. The Defendants have apart from denying the Plaintiff's case, also challenged the maintainability of the suit. I will consider the Defendants' case while dealing each of the submissions raised on behalf of the Plaintiff.

14. The following questions arise for consideration :

I). Whether during the period 23.6.1992 to 1.4.1999 Defendant No.1 worked with the Plaintiff under a contract of service ?

II). Whether the concept note “Exhibit “G” to the plaint” was prepared, as alleged by the Plaintiff ?

III). Assuming the answer to question (II) is in the affirmative, whether the Plaintiff has established that it has a copyright in the Concept Note ?

IV). Whether the breach of a copyright in a film can be committed only by duplicating the film itself ?

V). Whether the Plaintiff has established that the Defendants are guilty of passing off their game show as that of the Plaintiff's game show ?

These questions in turn raise subsidiary questions which I will set out while dealing with each question.

Re : I **<u>Whether during the period 23.6.1992 to 1.4.1999 Defendant No.1 worked with the Plaintiff under a contract of service ?</u>**

15. Assuming that the concept note is established, it would be necessary for the Plaintiff to further establish that the same was prepared by Defendant No.1 under a contract of service with the Plaintiff. This is in view of Section 17(c) of the Copyright Act, 1957,

which reads as under :-

> "**17. First owner of copyright -** Subject to the provisions of this Act, the author of a work shall be the first owner of the copyright therein :
>
> Provided that
>
> ....
>
> (c) in the case of a work made in the course of the authors employment under a contract of service or apprenticeship, to which clause (*a*) or clause (*b*) does not apply, the employer shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein;

Admittedly, the Plaintiff's case falls under Section 17(c) and not under any other part of Sections 17.

16. It is necessary to set out in extenso the Plaintiff's letter of appointment dated 22.6.1994, appointing Defendant No.1 with effect from 23.7.1992. I shall do so while dealing with the submissions on the facts of this case.

17. Mr.Dwarkadas submitted that in determining whether Defendant No.1 was engaged under a contract of service or under a contract for service, various factors require to be considered and not merely the contents of the said letter. I agree.

18. It would be convenient to preface a consideration of this question by referring to the law on this subject. The principles for determining whether the relationship is one of a contract of service or a contract for service are clear and well established.

19. The Supreme Court has since inception rejected the control test, the employer's right to control not just what the person is to do, but also the manner of his doing it, as an exclusive test to determine whether the relationship is one of a contract of service or a contract for service. The Supreme Court has further held that the emphasis in the field no longer even rests strongly on the control theory and control is now no more than a factor, although an important one. It has further been held that in its application to skilled and particularly to professional work the control theory has really broken down.

20. The first judgment relied upon by Mr.Dwarkadas is in the

case of *Dharangadhra Chemical Works Ltd. v. State of Saurashtra & Ors., 1957 SCR, 152.* The effect of this judgment was interpreted by the Supreme Court in *Silver Jubilee Tailoring House & Ors. v. Chief Inspector of Shops And Establishment And Anr., (1974) 3 Supreme Court 498.* In paragraph 11, the Supreme Court held that in Dharangadhara Chemical Works, the Court had held that the test of control is not one of universal application.

The Supreme Court further held :-

> **"26.** It is in its application to skilled and particularly professional work that control test in its traditional form has really broken down. It has been said that in interpreting " `Control'" as meaning the power to direct how the servant should do his work, the Court has been applying a concept suited to a past age.
>
> > "This distinction (viz., between telling a servant what to do and telling him how to do it) was based upon the social conditions of an earlier age; it assumed that the employer of labour was able to direct and instruct the labourer as to the technical methods he should use in performing his work. In a mainly agricultural society and even in the earlier stages of the Industrial Revolution the master could be expected to be superior to the servant in the knowledge, skill and experience

which had to be brought to bear upon the choice and handling of the tools. The control test was well suited to govern relationships like those between a farmer and an agricultural labourer (prior to agricultural mechanization) a craftsman and a journeyman, a householder and a domestic servant, and even a factory owner and an unskilled '`hand'. It reflects a state of society in which the ownership of the means of production coincided with the profession of technical knowledge and skill in which that knowledge and skill was largely acquired by being handed down from one generation to the next by oral tradition and not by being systematically imparted in institutions of learning from universities down to technical schools. The control test postulates a combination of managerial and technical functions in the person of the employer i.e. what to modern eyes appears as an imperfect division of labour." *See Prof. Kahn – Freund in (1951) 14 Modern Law Review, at p. 505.* "

"**27.** It is, therefore, not surprising that in recent years the control test as traditionally formulated has not been treated as an exclusive test."

"**29.** During the last two decades the emphasis in the field has shifted and no longer rests so strongly upon the question of control. Control is obviously an important factor and in many cases it may still be the decisive factor. But it is wrong to say that in

> every case it is decisive. It is now no more than a factor, although an important one." *See Argent v. Minister of Social Security & Anr. (1968) 1 WLR 1749 at 1759.*

21. Courts have in the course of time applied other tests, such as the organization test, the economic test and the integration test. With the change in the nature of professions, commerce, business and industry over the decades Courts felt compelled to apply different tests as well as to apply existing tests differently. Even these tests have been held not to be decisive in all cases. There is no absolute, straight jacket formula. A broader, more complicated flexible and multiple or pragmatic approach is to be adopted by a Court while determining the question. A great deal of flexibility in the judicial approach is thus imperative keeping in mind the facts and the nature of each case.

22. Thus, in *Workmen of Nilgiri Co-operative Marketing Society Ltd. versus State of Tamil Nadu & Ors.*, *(2004) 2, Supreme Court Cases, 514*, the Supreme Court held :-

> "**32.** Determination of the vexed questions as to whether a contract is a contract of service or contract for service and whether the employees concerned are employees of the contractors has never been an easy task. No

decision of this Court has laid down any hard-and-fast rule nor is it possible to do so. The question in each case has to be answered having regard to the fact involved therein. No single test — be it control test, be it organisation or any other test —has been held to be the determinative factor for determining the jural relationship of employer and employee."

"**37.** The control test and the organisation test, therefore, are not the only factors which can be said to be decisive. With a view to elicit the answer, the court is required to consider several factors which would have a bearing on the result: (*a*) who is the appointing authority; (*b*) who is the paymaster; (*c*) who can dismiss; (*d*) how long alternative service lasts; (*e*) the extent of control and supervision; (*f*) the nature of the job e.g. whether it is professional or skilled work; (*g*) nature of establishment; (*h*) the right to reject."

"**38.** With a view to find out reasonable solution in a problematic case of this nature, what is needed is an integrated approach meaning thereby integration of the relevant tests wherefor it may be necessary to examine as to whether the workman concerned was fully integrated into the employer's concern meaning thereby independent of the concern although attached therewith to some extent.

39. I.T. Smith and J.C. Wood in *Industrial Law*, 3rd Edn., at pp.8-10 stated :

"..
In the search for a substitute test, ideas have been put forward of an 'integration' test i.e. whether the person was fully integrated into the employer's concern, or remained apart from and independent of it. Once again, this is not now viewed as a sufficient test in itself, but rather as a potential factor (which may be useful in allowing a court to take a wider and more realistic view). <u>The modern approach has been to abandon the search for a single test, and instead to take a multiple or 'pragmatic' approach, weighing upon all the factors for and against a contract of employment and determining on which side the scales eventually settle.</u> Factors which are usually of importance are as follows — the power to select and dismiss, the direct payment of some form of remuneration, deduction of PAYE and national insurance contributions, the organisation of the workplace, the supply of tools and materials (though there can still be a labour-only sub-contract) and the economic realities (in particular who bears the risk of loss and has the chance of profit and whether the employee could be said to be 'in business on his own account'). A further development in the recent case-law (particularly concerning atypical employments) has been the idea of mutuality of obligations' as a possible factor i.e. whether the course of dealings between the parties demonstrates sufficient such mutuality for there to be an overall employment relationship."

(See also *Ram Singh* v. *Union Territory, Chandigarh (2004) 1 SCC, 126)* (emphasis supplied)

> "**42.** The decisions of this Court lead to one conclusion that law in this behalf is not static. In *Punjab National Bank* v. *Ghulam Dastagir* 7 Krishna Iyer, J. observed (at SCC p. 359, para 3): "To crystallise criteria conclusively is baffling but broad indications may be available from decisions."

23. In *Silver Jubilee Tailoring House & Ors. v. Chief Inspector of Shops and Establishment and Anr., (1974) 3 Supreme Court Cases, 498,* the Supreme Court held :-

> "**28.** It is exceedingly doubtful today whether the search for a formula in the nature of a single test to tell a contract of service from a contract for service will serve any useful purpose. The most that profitably can be done is to examine all the factors that have been referred to in the cases on the topic. Clearly, not all of these factors would be relevant in all these cases or have the same weight in all cases. It is equally clear that no magic formula can be propounded, which factors should in any case be treated as determining ones. The plain fact is that in a large number of cases, the Court can only perform a balancing operation weighing up the factors which point in one direction and balancing them against those pointing in the opposite direction 12 See Atiyah, PS. "Vicarious Liability in the Law of Torts, pp. 37-38."

24. The judgments refer to various factors which are important

and relevant depending upon the facts of a case. It is neither necessary nor possible to enumerate exhaustively the factors. The relevance and importance of a given factor would depend upon the nature of the case. A factor may be relevant in one case but not in the other. A factor may be relevant with different degrees of importance in one case as compared to another.

25. It is thus necessary for the Court in each case to consider the various tests and apply them depending upon their relevance to the case and to give each of them the weightage warranted by the nature of the engagement. In other words, it is necessary while deciding a case not only to apply the appropriate test and the relevant factors but to accord to each test and each factor its due weightage depending upon the nature of the business and the nature of the engagement/employment.

26. For instance, while applying the control test, the factors cannot be applied blindly but, in the context of the business and the nature of the relationship.

27. In *Workmen of Nilgiri Co-operative Marketing Society Ltd. v. State of T.N. & Ors., (2004) 3 Supreme Court Cases, 514,* the Supreme Court held :-

> ***"Tests***
>
> **34.** This Court beginning from *Shivnandan Sharma* v. *Punjab National Bank Ltd., AIR 1955 SC 404* and *Dharangadhra Chemical Works Ltd.* v. *State of Saurashtra, 1957 SCR 152,* observed that supervision and control test is the prima facie test for determining the relationship of employment. The nature or extent of control required to establish such relationship would vary from business to business and, thus, cannot be given a precise definition. The nature of business for the said purpose is also a relevant factor. Instances are galore there where having regard to conflict in decisions in relation to similar set of facts, Parliament has to intervene as, for example, in the case of workers rolling *bidis*."
> (emphasis supplied)

28. In *Silver Jubilee Tailoring House & Ors. v. Chief Inspector of Shops And Establishment And Anr., (1974) 3 Supreme Court Cases, 498,* the Supreme Court held :-

> "**13.** On these facts, it was held that the workers were workmen under the Factories Act and were not independent contractors. This Court pointed out that the nature and extent of control varied in different industries

and could not by its very nature be precisely defined. The Court said that when the operation was of a simple nature and did not require supervision all the time, the control could be exercised at the end of the day by the method of rejecting bidis which did not come upto the proper standard; such supervision by the employer was sufficient to make the workers, employees of the employer and not independent contractors

"**18.** In *V.P. Gopala Rao* v. *Public Prosecutor Andhra Pradesh (1969) 1 SCC 704* the Court said that there is no abstract a priori test of the work control required for establishing a contract of service and after referring to *Bridhichand case (1961) 3 SCR 161* - observed that the fact that the workmen have to work in the factory imply (*Sic*) a certain amount of supervision by the management, that the nature and extent of control varied in different industries, and that when the operation was of a simple nature, the control could be exercised at the end of the day by the method of rejecting the bidis which did not come upto the proper standard."

"**35.** The reputation of a tailoring establishment depends not only on the cutter but also upon the tailors. In a many cases, stitching is a delicate operation when the cloth upon which it is to be carried on is expensive. The defect in stitching might mar the appearance not only of the garment but also of its wearer. So when the tailor returns a garment, the proprietor has got to inspect it

> to see that it is perfect. He has to keep his customers pleased and he has also to be punctual, which means that the stitching must be done according to the instruction of the employer and within the time specified. The degree of control and supervision would be different in different types of business. If an ultimate authority over the worker in the performance of his work resided in the employer so that he was subject to the latter's direction, that would be sufficient. In *Humberstone* v. *Norther Timber Mills (1949) 79 CLR 389* - Dixon, J. said :
>
> "The question is not whether in practice the work was in fact done subject to a direction and control exercised by an actual supervision or whether an actual supervision was possible but whether ultimate authority over the man in the performance of his work resided in the employer so that he was subject to the latter's order and directions." (emphasis supplied)

29. Mr.Dwarkadas relied upon the judgment of a learned Single Judge of the Allahabad High Court in the case of *Arya Pratinidhi Sabha & Ors. v. Arvind Niketan Charthawal & Ors., 1979 ALL. L.J., 1220*. It is true that the learned Single Judge has applied the above principles while considering a case under Section 5 of the Indian Copyright Act, 1914 which was similar to Section 17(c) of the Copyright Act, 1957.

30. However, the point as to whether or not the principles apply to cases under the Copyright Act was not raised before the learned Judge. It was presumed and the learned Judge proceeded on the basis that the principles did apply to a case under the Copyright Act.

31. Dr.Tulzapurkar relied upon several authorities and legal commentaries to indicate the relevant factors for deciding the issue. He submitted that the Court should keep in focus the Copyright Act while considering the issue in the present case. He further submitted that the decisions under one branch of law for deciding the issue cannot be applied to cases under another law. He also submitted that there is no uniform concept of "contract of employment" under different laws.

32. I do not find that any of decisions or commentaries relied upon by Dr. Tulzapurkar militate against the ratio of the above authorities. Nor am I persuaded to hold that the above decisions are inapplicable while deciding a matter under the Copyright Act. The concepts of a contract of service and a contract for service have been the subject matter of decisions both in India and in U.K. long before

even the Copyright Act, 1911. The concepts have been the subject matter of decisions inter-alia in respect of cases pertaining to the Law of Torts and various labour laws. There is nothing to suggest even remotely that the Legislature intended the scope of the expression `contract of service' in Section 17(c) to be otherwise than as has been understood for over a century. I do not read the above judgments being limited or confined to cases other than those under the Copyright Act. There is nothing in the judgments of the Supreme Court referred to earlier or in the judgments relied upon by Dr. Tulzapurkar, I shall refer to hereafter that supports the rather broad submissions on behalf of the Defendants.

The principles enumerated in the judgments are applicable to cases under the Copyright Act.

33. Dr.Tulzapurkar also relied upon the Commentary in The Modern Law of Copyright and Designs, Second edition, Volume 1 by Hugh Laddie, Peter Prescott and Mary Vitoria under Section 11(2) of the English Copyright, Designs and Patents Act, 1988. Where a work is made by an employee in the course of his employment by another person under a contract of service or apprenticeship that other person

is entitled to any copyright subsisting in the work, subject to any agreement excluding its operation. The provision is similar to Section 17(c) of the Copyright Act, 1957. In fact, while considering Section 11 (2), the learned authors refer in detail to various judgments which were delivered not under the Copyright Act alone but various other fields of law as well. There is nothing in the commentary which even remotely suggests that the expression "contract of service" under the Copyright Act ought to receive any different consideration than under other laws. It is in fact useful to note that the learned authors quoted the following passage from the judgment in *Market Investigations Ltd. v. Minister of Social Security [1973] 1 All E.R., 241, at page 253* :-

> "Is the person who has engaged himself to perform these services performing them as a person in business on his own account ? If the answer to that question is "yes" the contract is a contract for service. If the answer is "no" then the contract is a contract of service."

34. The fallacy of Dr. Tulzapurkar's submission is based on the erroneous presumption that the nature of engagement of every author, within the meaning of the term in Section 17, is always the same and that the nature of his engagement is always inherently different from every other engagement. I see no warrant for the

presumption.

35. I hasten to add however, that the tests and the factors would naturally depend upon the nature of the business and the nature of the engagement of a person but this would be so under any enactment or other law.

36. Two judgments relied upon by Dr. Tulzapurkar, *Nora Beloff v. Pressdram Ltd. & Anr., [1973] R. P. C. , 765* and *Parsons v. Albert J. Parsons & Sons Ltd., [1979] Fleet Street Reports, 254,* do not carry the matter further in this regard. The judgments are however relevant while considering another aspect of this case viz. the importance of the manner in which accounts were kept between the parties. I will therefore refer to them while dealing with that aspect of the matter.

37. Dr.Tulzapurkar submitted that the same person could be considered to be under a contract of service with the employer for one purpose such as under the Workmen's Compensation Act but not so for another purpose such as under the Law of Torts. In this regard, he relied upon the judgment in *1955(2) QB, 437*. It is not necessary for the purpose of this case to express any final opinion on this aspect.

38 (A). Dr. Tulzapurkar relied upon the following observations in *Modern v. Swinton And Pendlebury Borough Council, [1965] 1 W. L. R., 576 at page 582 :-*

> "In my judgment here all the other considerations point to a contract of service. It is true, as has been pointed out by Mr.Threlfall, that in fact though the appellant was appointed by the respondents, the power of selection was delegated to the consulting engineers. That, as it seems to me, is nothing more than good practice since the appellant was going to have to work under and with those consulting engineers. Apart from that he was appointed by the respondents, they had the right to dismiss him, he was paid such matters as subsistence allowance, national Insurance contributions and holidays, and in addition there was provision for one month's notice. Pausing there, it seems to me that looked at on those facts, the only possible inference is

> that he was engaged under a contract of service. How different is the contract with Kaufman, who is not paid a subsistence allowance, or National Insurance contributions and is not entitled to holidays. Further there is no provision for termination of his service by notice."

(B). The judgment was relied upon to contrast the first Defendant's letter of appointment dated 22.6.1994 with his own letter of appointment dated 1.4.1999 and the factors which persuaded the Court to hold the Appellant's engagement to be a contract of service which were absent in the first Defendant's case till 1.4.1999.

(C). I do not for a moment suggest that the factors are not relevant. They are however not conclusive of the matter.

39. It would be useful to extract the factors set out in Chitty on Contracts, Twenty-Ninth Edition, Volume II, page 943, relied upon by Dr.Tulzapurkar :-

> "2. THE FACTORS IDENTIFYING A CONTRCT OF EMPLOYMENT
>
> **The factors to be considered.** Recent case law suggests that the factors relevant to the process of identifying a contract of employment may usefully be listed as follows:

(1) the degree of control exercised by the employer;

(2) whether the worker's interest in the relationship involved any prospect of profit or risk of loss;

(3) whether the worker was properly regarded as part of the employer's organistion;

(4) whether the worker was carrying on business on his own account or carrying on the business of the employer;

(5) the provision of equipment;

(6) the incidence of tax and national insurance;

(7) the parties' own view of their relationship;

(8) the traditional structure of the trade or profession concerned and the arrangement within it.

40. To reiterate, the first defendant worked with the Plaintiff between 23.7.1992 and 10.11.2006. The first defendant started working with the plaintiff with effect from the 23.7.1992 on terms and conditions purportedly contained in the letter dated the 22.6.1994

addressed by the plaintiff to the first defendant. I have used the term "purportedly" advisedly for reasons which will be clear later. With effect from 1.4.1999 the first defendant worked with the plaintiff on the terms and conditions contained in the letter dated 1.4.1999. The letter dated 1.4.1999 admittedly constituted a contract of service between the plaintiff and the first defendant.

The question that falls for consideration is whether between 23.7.1992 and 1.4.1999 the first defendant worked with the plaintiff under a contract of service or whether he worked with the plaintiff under a contract for service.

41. The letter dated 22.6.1994 reads as under : -

> "Dear Mr. Singh,
>
> With reference to the interview we had with you, the management is pleased to accept the offer of your services as a **CONSULTANT** on the following terms and conditions with effect from the day you join us i.e. **23rd July, 1992.**
>
> 1. You will be paid a Consultancy fee of Rs.10,000/- (Rupees Ten Thousand only) per month all inclusive. You are required to submit your consultancy bill for your services rendered every month to enable us to effect payment. You will be on contractual employment for Twenty Four months, after which this arrangement unless terminated

shall stand renewed for a further period of Twenty Four months.

2. You will not be entitled to any other company benefits.

3. However, conveyance expenses incurred while on official duty shall be reimbursed as per company's rules. This does not include conveyance expenses incurred while commuting to and fro office & residence.

4. You will have to make your own arrangements for your income tax and other statutory returns if any as applicable.

5. You will be working in an advisory capacity and put your best efforts in discharging the jobs assigned to you from time to time by the Management.

7. This arrangement will be subject to your condition that you will be posted and transferred anywhere in India, or in any department, office or establishment owned or managed by the company depending upon the exigencies of the company's work. At present, you will be posted in Bombay.

9. This arrangement can be terminated by either party by giving three months notice of its intentions to do so before the expiry of the contract period.

10. Upon termination of your contract you will return to the Company all

> the papers, documents and any other Company property that might have come into your possession during the course of your employment with the company, and you will not retain any copies of extracts thereof.
>
> 11. This arrangement is subject to your being declared medically fit by our medical advisors. At the time of joining you may be asked to.
>
> This letter is n duplicate. Kindly return the duplicate copy thereof duly signed by you as a confirmation of your having accepted the terms and conditions contained herein."

There is no explanation from either side why the letter of appointment was issued almost two years after the first defendant started working with the plaintiff. However neither side has said anything about the matter. I have therefore proceeded on the basis that the first defendant worked with the plaintiff even prior to 23.7.1994 on the same terms and conditions as he did subsequent to the said letter.

42. Clauses 1 to 5 support the Defendant's case indicting the relationship between the plaintiff and the first defendant being one of a contract for service. The payment of a consolidated amount per

month would not in itself derogate against a contract of service. However clause 1 stipulates that the payment is towards the first defendant's consultancy fee. The preface to the letter also indicates a contract for service. As submitted by Dr Tulzapurkar, the plaintiff accepted the first defendants offer which was as a consultant. In his affidavit in reply the first defendant has explained that he insisted on being appointed only as a consultant as he wanted to be free to do other work as well.

43. Dr. Tulzapurkar submitted that if I come to the conclusion that all the clauses of the agreement/letter indicate a contract for service I ought to ignore the other circumstances and hold the relationship between the plaintiff and the first defendant to be one of a contract for service.

44. The proposition is not well founded. There may be cases where a document between the parties indicates the relationship to be either a contract of service or a contract for service but that is not necessarily conclusive of the matter. That by itself would not preclude the court from examining all the facts and circumstances of the case while determining the true relationship between the parties.

45. In any event, the letter also contains clauses some of which indicate and support the plaintiff's case of the relationship being one of a contract of service. Clauses 7, 10 and 11 indicate the relationship between the plaintiff and the first defendant being one of a contract of service.

46. Clause 7 entitled the plaintiff to post or transfer the first defendant anywhere in India. A consultant is not normally “posted” or “transferred” anywhere at the employer's choice. I use the term employer here in a neutral sense not indicating the master in a master and servant relationship. A party engaging a consultant does not normally retain the right to “post” or “transfer” a consultant anywhere at his choice.

47. Dr. Tulzapurkar contended that clause 7 was probably included as the first defendant was required in the course of his work to visit different places. He invited my attention to several references which established that the episodes were in fact filmed at places outside Mumbai.

48. Firstly, this was merely a suggestion made across the bar. This was not the first defendant's case on affidavit. Even if it were it

would make absolutely no difference. A party engaging a consultant may require him as a term of the contract/engagement to discharge his functions at different locations. This can be and is normally done by a simple clause to that effect requiring the consultant to discharge his functions including by attending different sites or locations. Such a stipulation however does not confer a right on the employer to post or transfer the consultant anywhere at his choice. A right to post or transfer a person is a strong indication of a contract of service. It is indeed one aspect of control.

49. Added to this is the fact that clause 7 also entitled the plaintiff to post and transfer the first defendant to any department, office or establishment owned or managed by the plaintiff. This stipulation is alien to a simple consultancy agreement.

50. Dr. Tulzapurkar sought to explain this part of the clause saying that the first defendant was required to advise the plaintiff regarding a variety of matters including scriptwriting, directing and composing. This clause therefore according to him merely permitted the plaintiff to avail of the first defendant's advice regarding all these matters. I am unable to agree.

In such cases the contractual term would only provide the fields in which the party engaging a consultant is entitled to avail of his advice. There would be no warrant for making the consultant liable to be posted and transferred in any department, office or establishment owned by the employer. I will assume that script writing, directing and composing may fall within departments in an organisation and so afford some substance to Dr. Tulzapurkar's explanation. But they certainly do not fall within the ambit of the terms “office” or “establishment” as normally understood.

51. It is important to note that there is no plausible or cogent case to this effect in the affidavits filed by Defendant No.1. It is also important to note that this aspect too indicates the Plaintiff's control over the first Defendant.

52. I do appreciate that the term employment in clause 10 cannot be decisive of the matter indicating the relationship to be one of a contract of service. It is however one of the many factors which the plaintiff is justifiably entitled to rely upon in support of its contention.

53. Clause 11 is also indicative of a contract of service. It is not

usual in a consultancy agreement to require the consultant to be medically fit. This is a clause typically found in a contract of employment. There is again no explanation for this clause in the first Defendant's affidavits.

54. Faced with this, Dr.Tulzapurkar stated that clauses 7, 10 and 11 ought to be construed in a practical manner so as to give the entire document commercial efficacy. I agree. This is a commercial relationship whether it is a contract of service or a contract for service. But what I am invited to do is to dilute the effect of clauses 7, 10 and 11 on the one hand but on the other to read the remaining clauses strictly against the plaintiff. I see no warrant for such an approach. The entire document must be read as a whole. There is no justification to read some clauses with one approach and the other clauses with an altogether different approach.

55. Based solely on the letter dated 22.6.1994 the first defendant's case at the highest is that the same read in isolation and removed from the other facts and circumstances which I shall now refer to tilts the balance in favour of the relationship between the plaintiff and the first defendant being one of a contract for service.

But, as I have observed earlier, this would not be the correct approach. It is necessary to consider all the facts and circumstances before arriving at a conclusion as to the nature of the engagement. This is what I will do next.

56(A). Prior to the letter dated 22.6.1994 the first defendant had signed several vouchers sanctioning payments as the authorised signatory of the plaintiff. The plaintiff has referred to ten such vouchers between 3.6.1993 and 25.1.1994. The payments were in respect of conveyance, meals, dues of the lightman and payment for construction of sets.

(B). All the payments pertained to the said television game show Antakshari. The first defendant has in his affidavit in reply stated that he appended his signature only to confirm the expenses for which the vouchers were made. It is true as contended by him, that his is not the only signature in the place specified for the authorised signatory. I am unable to reject this contention as baseless at this stage.

57 (A). Dr.Tulzapurkar placed strong reliance on the TDS certificates issued by the plaintiff between the period April 1994 to

March 1998. The certificates stipulate the payments as having been made to a “CONTRACTOR” or to a “PROFESSIONAL” in the column “NATURE OF PAYMENT”.

(B). This certainly is a strong indication in favour of the relationship being one of a contract for service. It is in consonance with clause 1 of the letter dated 22.6.1994. It is also an indication of the manner in which the parties viewed their relationship.

Indeed had the matter ended here I would have been inclined to the view that the relationship between the plaintiff and the first defendant is one of a contract for service. The matter however far from ends here.

58. It would be convenient at this stage to consider two judgments relied upon by Dr. Tulzapurkar in support of his contention that this fact is sufficient in itself to hold that there was a contract for service and nothing further ought to even be looked into at the interlocutory stage; that in view of the TDS certificates, there is no need for the Court to go into any other issues or to consider any test for deciding whether at the relevant time Defendant No.1 was under a contract of service or a contract for service and that the Plaintiff is

estopped from contending that there was a contract of service, having represented to the authorities, that Defendant No.1 was a consultant and was not receiving a salary or wages but was receiving consultancy fees.

A) Dr. Tulzapurkar relied upon a judgment of a learned Single Judge of the Delhi High court in C*hiranjilal & Anr. v. Bhagwan Das & Ors., AIR 1991, Delhi, 325* and, in particular, paragraph 17 thereof. The question there was one of admissibility of the admissions made in the income tax and wealth tax returns. The learned Judge held that the returns were not admissible in evidence under Sections 40 to 42 of the Indian Evidence Act but are admissible in evidence under Section 43 as they contained admissions of Defendant Nos.1 to 3 with regard to their shares in the property in question.

There is nothing in the judgment which supports Dr. Tulzapurkar's contention that once admissions are found in the tax returns of a party, nothing further requires to be considered or that such admissions are conclusive of the issue.

B) Dr. Tulzapurkar then relied upon the judgment of a Division Bench of this Court in the case of *Smt. Shivani S. Roy &*

Anr. v. Shri Hari Pada Roy & Ors., , 1997 (5) L.J. Soft, 177 = 1998(2) Bom. C.R., 305. The learned Judge followed the judgment of the Delhi High Court in C*hiranjilal'* case. The learned Judge referred to the judgment of the Supreme Court in Raj Kumar v. Official Receiver of the estate of M/s.Chiranji Lal Ram Chand, AIR 1996, Supreme Court, 941 where it is held that once the admission is proved the burden shifts on the maker thereof to explain the circumstances under which the same was made. What a party himself admits to be true may reasonably be presumed to be so and until the presumption is rebutted, the fact admitted must be taken to be established.

The judgment of the learned Single Judge and the judgment of the Supreme Court in fact militates against Dr. Tulzapurkar's submissions. An admission is not conclusive evidence. It merely shifts the burden on the maker thereof. It is open to the maker to explain the admission. If adequately explained, the burden shifts again to the other side.

In the present case, the TDS Certificates read with the letter of appointment, no doubt constitute an admission against the Plaintiff.

However, the overwhelming evidence on record even at this interlocutory stage, is sufficient to hold that the Plaintiff has explained the circumstances under which it was made.

C) Nor do I find anything in *Nora Beloff* (supra) and *Parsons*' *s* cases (supra), which support this submission of Dr. Tulzapurkar.

D) While I would reiterate the importance of this fact in favour of the defendant, I am unable to accept Dr.Tulzapurkar's extreme proposition. Nor do I read the judgments as supporting the same.

59. Dr.Tulzapurkar relied upon letters dated 20.4.1994, 13.5.1995 and 28.3.1998 addressed by the plaintiff to the first defendant revising the consultancy fees/charges. He submitted that as opposed to this, after 1 April 1999 the parties had used the expression salary and not consultancy fees/charges indicating thereby that the parties were conscious of and had drawn a distinction between the nature of the relationship prior to and with effect from 1st April 1999. This fact too read in conjunction with the above facts supports the Defendants case.

60. The following facts however in my opinion tilt the balance and indeed indicate clearly that the relationship between the plaintiff

and the first defendant even prior to 1 April 1999 was that of a contract of service and not a contract for service.

61. Firstly, the said letters dated the 20.4.1994, 13.5.1995 and 28.3.1998 read together and as a whole, do not support the first defendant's case. In the letter dated 20th April 1994 the plaintiff's Chairman stated that he looked forward to the first defendant's “continued career progress”. This expression read by itself would not assist the plaintiff. However read with the various other facts, it indicates that even according to the parties the first defendant had a career in the plaintiff and not as a consultant unconnected with the plaintiff.

62(A). This is fortified by an extremely important and significant fact. The first defendant had throughout been placed in a grade in the organisational setup of the plaintiff. For instance, while informing the first defendant of the revision of his consultancy charges, the plaintiff in its letters dated 13.5.1995 and 2.4.1997 expressly stated that the same was “in Grade M-5” and “Grade M-6”.

If the first defendant was merely a consultant there would be no question of having placed him in a regular grade like every other employee of the plaintiff.

(B). Dr.Tulzapurkar submitted that importance ought not to be granted to this aspect as what was probably contemplated was the worth/standing of the first defendant equated to the plaintiff's employees in that grade.

There is nothing on record which even remotely substantiates this suggestion. This explanation across the bar finds no place in the first Defendant's affidavits. Even if it did it would have been of no assistance unless backed by cogent evidence.

63(A). Dr. Tulzapurkar's explanation is nullified and the Plaintiff's case in this regard is fortified by another fact. By the letter dated 2.4.1997 the plaintiff informed the first defendant that in recognition of his performance for the year 1996–97 his "gross <u>salary</u> package" had been revised. As this is a solitary instance of the plaintiff having referred to the first defendant's remuneration as salary, I will presume that it is not of significant importance. However what followed is important. The plaintiff stated :-

> "Company is also pleased to <u>elevate</u> you in the company's Grade M-6". (emphasis supplied)

Indeed the <u>elevation</u> of the first defendant in the plaintiff's organisation from Grade M-5 to Grade M-6 militates against Dr. Tulzapurkar's suggestion. If the first defendant was merely a consultant there would have been no question of <u>elevating</u> him in the organisational hierarchy of the plaintiff. This aspect to my mind is an extremely strong indication that the first defendant was a part of the organisational setup of the plaintiff and not merely an external consultant. The first Defendant and his services had integrated into the plaintiff's organisation and were undoubtedly a part and parcel thereof.

(B). It is important to note that whereas in his affidavit in reply dated the 14.6.2007 the first defendant specifically deals with Exhibits “B1”, “B2” and “B4”, he does not deal with or even refer to the letter dated 2.4.1997 which is annexed as Exhibit B-3 to the plaint.

64. This conclusion is fortified by an interview given by the first defendant to a publication issued in August 1996 which is annexed to an affidavit filed by the first defended himself. I would give little importance to such publications had they not been relied upon by the first defendant himself. He stated:-

> “The kind of time I spend on edits, it would have been impossible to do so as an <u>outside producer.</u>” (emphasis supplied)

65. The first defendant never considered himself an outsider. He considered himself as a part and parcel of the plaintiff's organisation. These are strong indications of the plaintiff having established the integration test and the organisation test.

66. This conclusion is not only fortified but virtually established by a letter dated 15.9.997 which I shall refer to shortly in greater detail. It is sufficient at this stage to extract the following two sentences from the letter :-

> “I have also been given the grade of M-6 by Mr.Vijay Jindal. <u>I am sure this is to establish my standing in the organisation</u> as well as establishing the level of perks that would accrue to me.” (emphasis supplied)

Vijay Jindal was the Managing Director and Chief Executive Officer of the Plaintiff. It is important to note that the first defendant did not consider himself as having been given a grade merely for the purpose of establishing the level of perks as suggested by Dr. Tulzapurkar. He considered it as establishing his “standing in the organisation <u>as well as</u> establishing the level of perks......”

67(A). Mr.Dwarkadas then relied upon a “PERFORMANCE RATINGS” chart in respect of the plaintiff. It relates the performance of the first defendant in respect of target achievement, effort level, initiative, competence, commitment, innovativeness, integrity and team spirit. In respect of each of these items there is a self-assessment of the first defendant and an assessment by a reviewer of the plaintiff grading him from C to A+.

(B). Faced with this, Dr.Tulzapurkar suggested that the same may have been filled in with a view to enable the plaintiff to decide whether or not the first defendant ought to be continued and if so whether or not his consultancy fee ought to be reviewed.

(C). Firstly, it is unusual to have such a performance rating in respect of a consultant. I can understand a general assessment for the purpose of the company itself of its consultant's performance.

However the nature of this form clearly indicates that it is used for the employees of the plaintiff generally. It is not the first defendant's case that this form was specially printed or prepared only for consultants or only for him.

68. Secondly, it is pertinent to note that there has been a self-assessment by the first defendant of his performance with the plaintiff. If the purpose of the performance rating was as suggested by Dr Tulzapurkar the assessment would only have been by the plaintiff and not by the first defendant if he was only a consultant.

69. In the circumstances, I am of the view that the performance ratings is yet another strong indication of the relationship between the plaintiff and the first defendant being one of a contract of service.

70. This brings me to the letter dated 1.4.1999 which was heavily relied upon by Mr Dwarkadas. Considering the importance of this letter it would be appropriate to set it out in extenso, including the endorsements at the foot thereof. It reads as under:-

"COMMUNIQUE"

To : Mr.Raana J P Singh Date : 15 September 1997

From : Gajendra Singh

Sub : Drawing parity with employees for perks

You may be aware that though I have been appointed as Consultant on paper, it is for reasons other than simple consultancy assignment. The nature of my job entails total commitment irrespective of time or holidays and so on.

I have also been given the grade of M-6 by Mr. Vijay Jindal. I am sure this is to establish my standing in the organisation as well as establishing the level of perks that would accrue to me.

Because of the nature of assignment, may I request that I be provided with all other facilities that accrue to an employee, including Accrual of leave/encashment, club Membership facilities, Gratuity, Medical check-up, Medical claim facilities if any and so on.

May I request you to kindly look into the matter please.

Regards,

Sd/-

Gajendra Singh

<u>Mr. Vijay Jindal</u>
I tend to concur with the above

CC : Vijay Jindal

Keeping in view the other, we should extend facilities likewise to :

Gajendra Singh	Leave & Medical
Sarika Patil	Leave only
Vishwa_& others	

Regards,
Sd/-"

71(A). It is important first to note that the first defendant has offered no explanation for the first sentence in this letter despite the fact that it quite obviously was pressed into service with great emphasis by the plaintiff in support of its case of the relationship between the first defendant and itself being one of a contract of service. Despite the same, Defendant No.3 in his first affidavit in reply dated 24.4.2007, gave no explanation for the same.

(B). What is even more important is that the Plaintiff, in paragraph 6 of its affidavit in rejoinder dated 30.4.2007, specifically stated that the first Defendant had not dealt with the said letter and that there was no explanation for the first Defendant having stated in the said letter that his appointment as a "consultant" was only "on paper".

Thereafter, the first Defendant filed a further affidavit dated 14.6.2007. In paragraph 16, he has dealt with the various paragraphs in the plaint. While dealing with the said letter dated 15.9.1997, he merely states that the same is not suggestive of any acknowledgment of employment by him; that the reason that he did not want to be bound as an employee, was that he did not wish to tie himself down and wanted to be free to do work for other channels; that however, as the nature of his engagement with the Plaintiff, did not leave him time to follow any other pursuits he thought it fit that the Plaintiff should provide him with other benefits besides the consultancy fees.

I do not consider the explanation satisfactory. It is important to note that once again, there is no explanation whatsoever for his having stated in the said letter dated 17.9.1997 that he had been appointed as a consultant "on paper" and "for reasons, other than simple consultancy assignment."

I appreciate that this letter is not drafted by a lawyer. But, the significance and the importance of the first sentence thereof, cannot be ignored on that ground. The reluctance of the first Defendant to deal with this aspect is poignant. It dilutes, if not, eradicates the force of his being referred to as a consultant, in the letter of appointment as being indicative of a contract of service.

(C). It is further important to note that even thereafter the first Defendant had an opportunity of dealing with this aspect which he did not avail of. The Plaintiff in paragraph 4(d) by its affidavit dated 18.6.2007 yet again stressed the point that in the said letter the first Defendant himself had stated that he was a consultant only “on paper”. The first Defendant thereafter filed an affidavit dated 22.6.2007 in reply to the Plaintiff's affidavit dated 18.6.2007. Once again, Defendant No.1 remained silent on this crucial aspect.

72. Thus, it is the first defendant's own case that the reference in the letter of appointment dated 22.6.1994 to his being appointed as a consultant was only on paper and that the same was for reasons other than a simple consultancy assignment. These words clearly indicate that there was more to the letter dated 22.6.1994 in so far as it referred to the first defendant being appointed as a consultant. The first defendant has chosen not to offer any explanation for his choice of words. I see no reason why the Court should speculate on reasons on his behalf. It is impossible in these circumstances to resist an adverse inference against the first Defendant on this aspect.

73. I have already dealt with the importance and the significance of the second paragraph of the letter of appointment dated 22.6.1994 which refers to the Petitioner having been given the

grade of M-6 by Vijay Jindal.

74. The facts read together, persuade me to accept the Plaintiff's contention in its affidavit dated 18.6.2007 [paragraph 4(d)] that the payments were made to the first Defendant as consultancy fees at his instance and insistence.

75(A). On the other hand, I am not inclined to accept Dr. Tulzapurkar's submission that the first Defendant was appointed as a consultant as he did not want to be tied down to the Plaintiff. In fact, the first Defendant appears to have worked exclusively for the Plaintiff. This is established by the first Defendant's admissions.

In an interview annexed as Exhibit `D1' to his affidavit dated 14.6.2007, he stated :-

> "In my life there is no one except `Antakshari'.
> I live and sleep 24 hours with Antakshari".

He does not say these were exaggerated claims in a film publication.

(B). In paragraph 5 of his affidavit dated 24.4.2007, the first Defendant stated that the reason why he wanted to be appointed only as a consultant was that he did not want to be bound to the Plaintiff and wanted to explore other possibilities.

He stated that in 1993 he was involved in editing several Hindi and Marathi serials and craved leave to refer to and rely upon them. In paragraph 9 of its affidavit dated 30.4.2007, the Plaintiff put the first Defendant to the strict proof of his averment and stated that the same were made prior to the first Defendant joining the Plaintiff. The Defendant however did not produce any evidence to substantiate this contention. Yet again, in paragraph 4(c) of its affidavit dated 18.6.2007 the Plaintiff has referred to the first Defendant's self-appraisal review in which he himself states that during the ten years since his joining the Plaintiff in 1992, he had been working fifteen to sixteen hours every day including all Sundays and holidays.

The first Defendant deals with this paragraph and the Exhibit in paragraph 5 of his affidavit dated 22.6.2007 but does not deny the specific averment that he had been working with the Plaintiff alone and had no time to independently work with other serials.

76. Dr. Tulzapurkar however submitted that the last paragraph

of the letter dated 15.9.1997 indicated a contract for service. He submitted that the relationship thus far between the first defendant and the plaintiff was one of a contract for service and that is why the first defendant had requested the plaintiff to provide him all other facilities that accrue to an employee.

77. The paragraph read in isolation may well suggest the same. Therein however lies the error. The error results from not reading the letter as a whole, in the context of all the facts and in reading it out of sequence. Reading the paragraph in isolation is not justified and does not give a correct picture of the relationship between the parties. It must be read in the context of the entire letter and all the other facts and circumstances which I have referred to earlier. So read I think it is clear that what the first defendant suggested was that his appointment as a "Consultant" was only on paper and that as he was in fact a part of the organisation - "my standing in the organisation"- , his part/standing in the organisation had been graded and as the nature of his job entailed total commitment irrespective of time or holidays he should be accorded all the other facilities which accrue to employees similarly situated.

78. If I am correct in this conclusion about the letter dated the 15.4.1997 the significance of the letter of appointment dated 1.4.1999 is clear and easy to understand. There is no dispute that this letter constituted a regular contract of service and not a contract for service. Dr. Tulzapurkar relied upon it heavily to contrast the same with the letter of appointment dated the 22.6.1994. There is no doubt that the terms and conditions of this letter are substantially different from those in the letter of appointment dated 22.6.1994.

79. Dr. Tulzapurkar relied upon the letter of appointment dated 1.4.1999 to contrast the same with the letter of appointment dated 22.6.1994. It is true that the letter of appointment dated 1.4.1999 clearly constitutes a contract of service. It does not however necessarily follow that the letter dated 22.6.1994 therefore, does not and cannot constitute a contract of service.

80. While the letter dated 22.6.1994 does not contain several clauses present in the letter dated 1.4.1999, it also contains certain essential clauses such as Clauses 7, 10 and 11, which I have already referred to, which indicate a contract of service. It is further important to note that the letter dated 1.4.1999 also contains clauses similar to

the said clauses. For instance, Clauses 7, 10 and 11 of the letter dated 22.6.1994 are similar to Clauses 3, 19 and 13 respectively of the letter dated 1.4.1999. Clause 2 of the letter dated 1.4.1999 places the first Defendant in “Grade M-6”. As stated above, the first Defendant was almost from inception placed in the regular grades of the Plaintiff.

It could thus equally be argued that clauses which are important indications of a contract of service are to be found in both letters of appointment.

81. Mr. Dwarkadas relied upon a leave application made by the first defendant on 6.5.1996. It is not denied a consultant simplicitor would not be required to make an application for leave. It is contended however by the first defendant that this was only an intimation for the convenience of the plaintiff and not an application for leave. Considering the nature of the document it is not possible to press it into service on either side without a trial. I will therefore ignore it. Likewise I will ignore the protocol agreement (Exhibit C to the plaint). In fact Dr.Tulzapurkar relied upon it and in particular clause 1 thereof which inter-alia provides that the copyright shall

constitute the property of the plaintiff and that the first defendant would have no right therein. However this submission was based on the premise that the document was executed only after 1.4.1999. Here again it is not possible to opine conclusively at the interlocutory stage without a trial as to when the document was in fact executed by the first different.

82. There is no question of the Plaintiff having suppressed records such as the register of employees, documents under laws relating to Provident Fund, Gratuity etc. The Plaintiff has plainly admitted that prior to 1.4.1999 it had not shown the first Defendant as an employee. I presume therefore in the Defendant's favour that the documents and records would not show anything otherwise.

83. Dr. Tulzapurkar contended that though the Plaintiff alleges to have enjoyed complete control, no name of any officer who worked as the first Defendant's supervisor or gave him directions, was furnished. He further submitted that the Plaintiff had not indicated any control having been exercised over the first Defendant.

84. Firstly, considering the nature of the first Defendant's work, it would be difficult to apply the control theory to any significant extent.

The first Defendant's own case is that he was responsible for the execution of the entire show. There is nothing to suggest that the Plaintiff did not have the authority to reject his work or to order any modification therein. It is interesting to note that in the first sentence of paragraph 20 of the written submissions filed on behalf of the first Defendant, it is, in fact, contended that factors, such as degree of control, become irrelevant as far as the issue under the Copyright Act is concerned and particularly, in the present case, since a person is required to exercise his own skill. In fact, in *Silver Jubilee Tailoring House & Ors.,* the Supreme Court held that :-

> “It is in its application to skilled and particularly professional work that control test in its traditional form has really broken down..”

Thus, in the facts and circumstances of the present case, even if the Plaintiff had not established control, it would not have affected its case.

85. On the other hand, as indicated above, even in the initial letter of appointment dated 22.6.1994, there were clauses which indicated control viz. the right of the Plaintiff to transfer or post the first Defendant anywhere in India or in any department or office or

establishment owned or managed by the Plaintiff depending upon the exigencies of the Plaintiff's work. Moreover, the test of control is not whether the employer in fact exercised control but whether the employer was entitled to exercise control.

86. I am unable to agree that in the present case the only relevant factors are the traditional structure of the trade, the incidence of tax and National Insurance and how the parties viewed their relationship and that the other factors are irrelevant. I have however dealt with the aspect of how the parties viewed their relationship and have come to a conclusion in the Plaintiff's favour.

87. In the circumstances, I do find that there are factors in the present case which support the case of the relationship between the Plaintiff and the first Defendant as being a contract of service as well as a contract for service. However, having weighed the factors on either side, I am of the opinion that the factors which indicate a contract of service far outweigh the factors which indicate a contract for service. In the result, in my opinion, the relationship between the Plaintiff and the first Defendant from inception was one of a contract of service.

Re : II) <u>Whether the concept note Exhibit "G" to the plaint was prepared, as alleged by the Plaintiff ?</u>

88. The Plaintiff's case is that during the course of his employment with the Plaintiff, Defendant No.1 in consultation with the programming team of the Plaintiff, conceptualised and created television serials and/or game shows such as `Antakshari Sa re ga ma', `Sa Re Ga Ma Challenge, 2005' and `Sa Re Ga Ma Little Champs' etc. for the Plaintiff. These programmes were telecast widely on the Plaintiff's channel. The concept note contains the concept and the format in respect of five rounds of the television game show `Antakshari'. The opening paragraph reads thus :-

> **<u>"Antakshari</u>**
>
> **<u>Concept</u>**
>
> **<u>"Antakshari"</u>** has been played within friends and families since so many years. This accent game was used in "Gurukul" by "Gurus", through "Shlokas" recital in Antakshari pattern, to increase memory power of their students. But this Antakshari will be a different as it will have primarily Hindi film songs which will be sung in different rounds in order to maintain interest level in the show.

Host : Male host / Female Host

Target Audience : Family audience"

The same is followed by the format and details of each of the five rounds.

Defendant No.1 has denied the concept note and alleged the same to be fabricated.

89. The concept note is not referred to in any other document on record. Admittedly, when called upon by the Defendants to produce the original concept note, the Plaintiff relied upon a computer print out of the same. Indeed, a computer print out would suffice for holding a concept note to be an original literary work. The question is whether the concept note was, in fact, prepared in this form.

90. Mr.Dwarkadas relied upon the first Defendant's affidavit in reply dated 24.4.2007 where the first Defendant stated that he conceptualised a talent game show based on an age old game show of Antakshari and in 1992 he had approached Doordarshan to televise the same but that Doordarshan had rejected his idea. Mr.Dwarkadas submitted that it was clear therefore that Defendant No.1 had reduced his idea/concept to writing as no one could

approach Doordarshan without a concept or an idea being reduced to writing.

91. I am unable to agree with this inference. I will assume that a party would normally approach Doordarshan with a concept or idea reduced to a physical form. It is however not necessary that the same would only be reduced in a written format. Indeed, Defendant No.1 in his affidavit in reply dated 14.6.2007 stated that he had sent a cassette to Doordarshan. It is true that this statement is contained in a magazine “Mayapuri” which the first Defendant has craved leave to refer to and rely upon in paragraph 14 of his affidavit. This was published on 8.10.1995, when admittedly there were no disputes between the parties at that time. It is difficult therefore at the interim stage to disbelieve the first Defendant on this issue.

92. Even assuming that a similar concept note was prepared and forwarded to Doordarshan, it was prior to the first Defendant joining the Plaintiff. In any event, there is nothing to show that the same was forwarded to Doordarshan while he was in the employment of the Plaintiff.

93. A strong point in favour of the Plaintiff's case in this regard

is that the first Defendant has not indicated any other material which may have existed in respect of the said game show. It is difficult to believe that there existed absolutely nothing in a material form in respect of the game show of which over 150 episodes had been telecast.

94. However, it is in the first instance for the Plaintiff to establish the existence of the concept note on which it has based its case for infringement of the artistic work. Despite the aforesaid strong indication in favour of the Plaintiff, in my opinion, it has failed to establish the existence of the concept note for a variety of reasons viewed not independently of each other, but collectively. I must however clarify that I do not accept as established the Defendant's case that the concept note is fabricated. All that I find at this stage is that the Plaintiff has not established its existence satisfactorily. I certainly do not rule out the possibility of it being established at the trial.

95. Firstly, there is no contemporaneous record regarding the creation of the concept note. There is nothing which even shows the work which preceded or was preparatory to the concept note.

96. Secondly, the concept note is not referred to anywhere on record. It is referred to for the first time only in the plaint. It was not even referred to in the correspondence which preceded the plaint.

97. Thirdly, despite the serious allegations made by the first Defendant regarding the concept note, the Plaintiff has not adduced any evidence which led to the concept note being stored in the Plaintiff''s computer. I do not hold the fact that there is no signature on the concept note, as an important factor as, in my opinion, there would be nothing unusual about the concept note having been stored in the Plaintiff's computer.

However, the Plaintiff has not even relied upon the relevant folder/file in its computer which would in all probability, contain a date on which the file was created.

98. Mr.Dwarkadas relied upon an affidavit dated 30.4.2007 of one Santosh Shendye, the Plaintiff's head of production. He states that he joined the Plaintiff in November, 1992; that he was closely associated with first Defendant ever since he joined the Plaintiff and was a member of the team which prepared the said concept note towards the end of the year 1992/beginning of the year 1993. He

further states that the concept note was prepared in consultation with other employees and the programming team of the Plaintiff. Lastly, he states that the concept note was worked upon on a computer and that Exhibit “G” is the printout of the said concept note.

99. Firstly, it must be noted that the first Defendant's Advocate by a letter dated 5.6.2007 with reference to the said affidavit, stated that the said Santosh Shendye joined the Plaintiff as a Lightman in the year 1992 and therefore called upon the Plaintiffs to produce the employment record, including the salary slips, details of payment and the relevant statements of account in respect of the said Santosh Shendye. There was no reply to the letter. The Plaintiffs did not supply the material.

100. On behalf of the Defendants, one M.A. Hamati filed an affidavit dated 12.6.2007. He states that he worked as a production executive for the Plaintiff's game show from the first to the fifty second episode and was involved in erecting the entire set for the game show. He further states that the said Shendye was the Light Godown Incharge during his tenure and was not in any manner connected with the programming team of the game show or that any team which

could have prepared the concept note. He further states that the said Shendye used to sit at the studio where the Plaintiff had a godown which was used to keep the lighting equipment and that his job was to send lighting assessories as and when asked for.

101. The first Defendant has also filed an affidavit dated 6.6.2007 to the same effect. He denies that Santosh Shendye was closely associated with him or that he was a member of the team which prepared the concept note. He states that he got to know Santosh Shendye in 1994 and was not associated with him in any manner whatsoever before that.

102. These affidavits were replied to by one Nilesh Mekal, the Plaintiff's legal manager, by his affidavit dated 18.6.2007. At “Exhibit 25” thereof, he has referred to an inter-office memo dated 20.12.1994 from one Sanjay Yaduwanshi to the said Santosh Shendye, requesting him to provide the documents mentioned therein to complete his personal file. The memo was copied to one Subodh Lal.

Subodh Lal has handwritten a representation to him by Santosh Shendye. This endorsement, even if it does not support the first Defendant's contention regarding the status of Santosh Shendye, it far from establishes the Plaintiff's case regarding the concept note. The endorsement states that Shendye had represented that he was working as a Production-cum-Store keeper with the Dillagi unit from November 1992 to July, 1994. Thus, it is not even the said Shendye's case here that he was working with the Antakshari unit when the concept note was alleged to have been made.

The endorsement further states that for over a year Shendye had been working with the Antakshari unit on the production site. The document is dated 20.12.1994. Thus, as per Shendye's own statement, he worked with the Antakshari unit only over a year prior to 20.12.1994. This certainly does not relate to the period November, 1992 to January, 1993 when the concept note was allegedly prepared.

On the reverse is another handwritten endorsement by the first Defendant in which he states that Santosh Shendye started working with him from 3.9.1993 and had worked on two schedules of Antakshari, as Production Assistant. It is true that in his affidavit in reply the first Defendant replied that he did not know Santosh

Shendye prior to 1994. I am not inclined to brand the statement as false merely because in this endorsement he states that Santosh Shendye started working with him from 3.9.1993. His affidavit is made fourteen years after he met Santosh Shendye and he can hardly be blamed for the inaccuracy of, but a few months.

The endorsement made by the first Defendant on this document does not establish the Plaintiff's case regarding the concept note and/or Santosh Shendye's involvement therein.

103. I realise that the first Defendant has exhibited an unfortunate anxiety to disown his association with the endorsement. For instance, he states that the endorsement was not in his handwriting. But, it was admitted before me that it is in the handwriting of the lady whom he later married. He ought really to have disclosed the same.

The first Defendant also states that Shendye requested him not to change the statement where it was written that he knew him since 1992 because Shendye represented that if he did so, he will not get his salary revised. There is however no such statement in the document.

104. Mr.Dwarkadas submitted that on a point such as this, where it is word against word, I ought to accept Santosh Shendye's word as against the first Defendant's word. I do not for a moment disbelieve Santosh Shendye. However, I find that the Plaintiff has failed to discharge the burden of establishing the concept note at least at this stage. The trial may well unfold another story.

105. Adding to the Plaintiff's difficulty in establishing the concept note, is another point raised by Dr.Tulzapurkar with considerable force.

In paragraph 12 of the plaint, it is stated that during the course of his employment the first Defendant, in consultation with other senior employees and the programming team of the Plaintiff originated the format of a television game show.

Dr.Tulzapurkar submitted that the Plaintiffs had failed to furnish the names of the other senior employees and programming team referred to in paragraph 12 of the plaint. He submitted that the averment made it clear that Santosh Shendye was not the only member of his team. That is correct.

In paragraph 7 of his affidavit in reply dated 14.6.2007, the first Defendant expressly stated that the Plaintiff had failed to state the names and details of the senior employees and the programming team. The Plaintiff, in paragraph 10 of its affidavit in rejoinder dated 18.6.2007 merely stated that the same was irrelevant. Nilesh Mekal, who verified the plaint and filed the said affidavit, admittedly was not one of the employees. He admittedly also has no personal knowledge of the constitution of the programming team or the identity of the senior employees referred to in the plaint. He has verified the plaint on information and belief and on the basis of the records and not on the basis of personal knowledge.

Further, Santosh Shendye has, in fact, also filed an affidavit thereafter, dated 13.8.2007. Even in this affidavit, he does not furnish the said details.

106. This stand is rather curious. If, in fact, the senior employees of the Plaintiff were involved in making the concept note, it is difficult to understand the Plaintiff's reluctance to furnish their names. This is more so in view of the fact that a serious allegation of fabrication has been made by the first Defendant. In these circumstances, I would have expected the Plaintiff to furnish the

details. The least that must be said in favour of the first Defendant is that the Plaintiff's refusal to do so, would not justify the Court in rejecting or disregarding Dr.Tulzapurkar's submission at the interlocutory stage at least, that an adverse inference ought to be drawn against the Plaintiff to the effect that there was in fact no such production team or group of senior employees and that no other employee of the Plaintiff was willing to file an affidavit to substantiate its case.

107. It is pertinent to note that in his affidavit dated 30.4.2007 Santosh Shendye did not furnish any details of his designation in November, 1992. This is further aggravated by the fact that the said details were not provided despite the fact that in paragraph 3 of his affidavit in reply dated 14.6.2007, the first Defendant questioned the said Shendye's designation in November, 1992 in detail.

108. The first Defendant has also stated that in the credits to the eighth episode by the Plaintiff on 22.10.1993, Santosh Shendye's name appeared as “Lights In-charge”.

Surely, in these circumstances, it was necessary for the Plaintiff to produce the records to establish its case regarding Santosh

Shendye's designation and involvement in the preparation of the concept note.

109. In the circumstances, I am of the view that the Plaintiff has failed to establish the concept note.

110. Dr. Tulzapurkar further submitted that even assuming that the concept note was established, the Plaintiffs has not established its copyright therein as the Plaintiff had not mentioned the names of the other persons viz. the other senior employees and programming team of the Plaintiff who originated/prepared the same along with the first Defendant, as alleged in paragraph 12 of the plaint. He submitted that as all the authors of the concept note are not mentioned in the plaint, the Plaintiff has also failed to establish that they were involved in the preparation of the concept note as employees of the Plaintiff or that they created the work in the course of their employment with the Plaintiff. He submitted that the Plaintiff having taken up the plea that the work was created by the team, posits that there were joint authors. It therefore cannot establish the ownership to Exhibit “G” by proving that only one of the co-authors viz. the first Defendant was in their employment. If the Plaintiff is not able to establish its full

ownership, it cannot maintain the suit in view of Sections 2(z) and 55 (1) of the Copyright Act, which read as under :-

> **“2. Interpretation.-I**n this Act, unless the context otherwise requires,-
>
> (z) “work of joint authorship” means a work produced by the collaboration of two or more authors in which the contribution of one author is not distinct from the contribution of the other author or authors ;”
>
> **“55. Civil remedies for infringement of copyright.-**(1) Where copyright in any work has been infringed, the owner of the copyright shall, except as otherwise provided by this Act, be entitled to all such remedies by way of injunction, damages, accounts and otherwise as are or may be conferred by law for the infringement of a right :

111(A). I am unable to agree with Dr. Tulzapurkar's proposition of law that the pleading as it is, discloses no cause of action inasmuch as it was necessary for the Plaintiff to state the names of the persons who were involved in the making of the concept note. In paragraph 12, the Plaintiff has averred :-

> “During the course of his employment with the Plaintiff, the Defendant No.1, in consultation with other senior employees and programming team of the Plaintiffs, originated

> the format of a television game show titled `Antakshari'. ......................... The Defendant No.1 in consultation with the other senior employees and programming team of the Plaintiff, prepared a concept note of the game show titled `Antakshari'."

In other words, the averment is that it is the employees of the Plaintiff who originated the format of the television game show. It was not necessary for the Plaintiff to mention the names of its employees. If these averments were admitted in the written statements, the Plaintiff would undoubtedly be entitled to have been recognised as the owner of the copyright in the literary work comprised in the concept note, the co-owners all being employees under a contract of service with the Plaintiff. I do not agree that as a rule of pleading, it is necessary for an employer to mention the names of the employees involved in the making of any copyright work.

(B). A similar contention was rejected by the Division Bench in *Zee Telefilms v. Sundial Communication, (2003) 5 BCR, 404 (para 21).* It was submitted that the plaint was not clear as to the ownership of copyright since it was not stated who the author was. The Division Bench noted that in paragraph 2 of the plaint it was stated that the concept was originated by Plaintiff No.2 together with the other employees from Plaintiff No.1 in the course of their employment, whereby the authorship of the original work would vest with Plaintiff No.1.

The Division Bench held that this was sufficient to indicate who the author of the work was and in whom the authorship of the original work vests.

112. In view of the denial to the averments in paragraph 12 of the plaint, it may be necessary for the Plaintiff to establish by leading evidence that the persons involved in the creation of the concept note, were under a contract of service with the Plaintiff. That however, is a matter of evidence and proof and not a rule of pleading. In the present case, the concept note has not been established as a question of fact and not as a matter of any defect in the pleading.

113. Dr.Tulzapurkar also submitted that the plaint discloses no cause of action as the Plaintiff has failed to plead and prove that there was no contract to the contrary. He based the submission on Section 17(c) of the Copyright Act.

114. The submission is not well founded. Section 17(c) provides

that subject to the provisions of the Act, the author of the work shall be the owner of the copyright therein, provided that in the case of a work made in the course of the author's employment under a contract of service or apprenticeship, to which clause (a) or clause (b) does not apply, the employer shall, in the absence of any agreement to the contrary, be the first owner of the copyright therein.

The main part of clause (c) is an exception to the rule that the author of the work is the owner of the copyright. As a matter of law, person who claims the benefit of an exception must prove that his case falls within the ambit thereof. This is well established. The rule must in turn extend to an exception to an exception. Thus, the Plaintiff must prove that the first Respondent was under a contract of service with it. An agreement to the contrary in clause (c) is an exception to the exception to the rule. If the Plaintiff establishes that the author was under a contract of service with it, it is sufficient to invest it with the ownership of the copyright of the work created by the employee. The same would however be subject to a contract to the contrary which the Defendants must establish. Further, the Plaintiff cannot be expected to prove the negative. The party relying upon the exception would have to plead and if denied establish, the same. If the Defendant raises no defence of there being a contract to the contrary, nothing more is required to hold that the Plaintiff is the owner of the copyright in the work created by the author under a contract of service with the Plaintiff. The first Defendant has not alleged that there was any contract to the contrary.

Re : III <u>Assuming the answer to question (II) is in the affirmative,</u> <u>whether the</u> **<u>Plaintiff has established that it has a copyright therein ?</u>**

115. As a general proposition, a concept note which contains literary work, is entitled to be protected under the Copyright Act if it contains work which is copyrightable under the said Act. If it contains copyrightable work, the author/owner thereof would be entitled to the protection afforded under the Copyright Act, 1957. There is no magic in the expression “concept note”. It appears to be an expression used in the television/film industry. The mere use of the term “concept note” however, would make no difference. It would be necessary for a Court in each case, to examine whether the concept note constitutes work which is copyrightable and entitled to protection

under the provisions of the Act.

116. Mr.Dwarkadas's reliance in this regard upon the judgment of this Court in *Zee Telefilms Ltd. & Anr. v. Sundial Communication Pvt. Ltd. & Ors., 2003 (5) Bom. C.R., 404 = 2003(4) L. J. Soft, 5* is well founded.

117. It would be necessary to examine whether the concept note relied upon by the Plaintiff is, in fact, copyrightable. Dr. Tulzapurkar submitted that the concept note recorded only a concept, there was no novelty in it and, therefore, did not pass the test of copyright.

118. As I have come to the conclusion that the concept note has not been established by the Plaintiff, I do not think it necessary to consider whether the material contained therein constituted literary work, is entitled to protection under the Copyright Act and, if so, whether the third Defendant's show is an infringement thereof.

Re : IV) Whether the breach of a copyright in a film can be committed only by duplicating the film itself ?

119. Mr.Dwarkadas then submitted that the cinematographic

film produced by the third Defendant embodying the television game show, was an infringement of the Plaintiff's cinematographic film embodying the Plaintiff's television game show.

There is no dispute that the Plaintiff is the owner of the copyright of the films containing/embodying the television game show. Nor is there any dispute about the fact that the Plaintiff is entitled to protection of its copyrights therein.

120. Dr. Tulzapurkar and Mr. Tulzapurkar submitted that even assuming that the third Defendant's television game show was identical in all respects to the Plaintiff's game show, there could be no question of any infringement of copyright of the Plaintiff's cinematographic film. In other words, according to them, even assuming that each and every detail with no exception whatsoever of the third Defendant's cinematographic film was identical to the Plaintiff's cinematographic film, there cannot be said to be any infringement of copyright in the Plaintiff's cinematographic film. It was contended that the copyright in a cinematographic film is infringed only by making a physical copy of that film and that there is no infringement of the cinematographic film if a film is independently

made. It was submitted that the Plaintiff's claim for infringement of the cinematographic film must fall as the Plaintiff, as a producer, does not have a right to prevent anyone else from making another film even if the same is identical, so long as it is not a physical copy of the Plaintiff's film. Admittedly, the third Defendant's film is not a physical copy of the Plaintiff's cinematographic film.

121. The learned counsel appearing on behalf of the Defendants relied upon the judgment of a learned Single Judge of this Court in the case of *Star India Pvt. Ltd. v. Leo Burnett (India) Pvt. Ltd., 2003 (4) L. J. Soft, 124 = (2003) 2 B.C.R., 655.*

In that case, the Plaintiffs were the owners of the copyright in a television serial. The Plaintiffs came across the Defendant's television commercial for a consumer product which they contended, was a substantial copy of their television serial. It was contended that the Defendants therein had, inter-alia, misrepresented to the members of the public at large that they had been authorised to make use of the original artistic, literary, musical and cinematographic work for merchandising their product. The Plaintiff claimed various reliefs on the basis of a violation of their intellectual property rights, including, in the cinematographic film. Paragraph 5 and the relevant portion of paragraph 6 of the judgment read as under :-

> “5. The first question, therefore, that requires consideration is whether the defendants' commercial is a copy of the plaintiffs' TV serial? The case of the plaintiffs has been that as owners of the copyright in the film and considering section 14(d)(i) of the Copyright Act, the plaintiffs, as the owners of the copyright in the film, have an exclusive right to make a copy of the film including a photograph of any image forming part thereof. It is contended that unlike the U.K. and Australia Copyright Acts, the word 'copy' is not defined in the Indian Copyright Act and, therefore, recourse must be had to the technical meaning of the word 'copy'. Reference is placed on the Oxford English Dictionary and Random House Dictionary of the English Language as to the meaning of the word 'copy'. It is then contended that the definition of 'infringing copy' is contained in section 2(m)(ii) of the Act. Hence, imitating the film or making another film which bears likeness or striking resemblance to a copyrighted film would amount to making a copy of the film and, therefore, infringement of the copyright in the film. Assuming that to establish infringement, copyright should be of a substantial part of the plaintiffs' film, the test of substantiality must be from the point of view of the infringing work. It is, therefore, the duty of the Court to ascertain whether a substantial part of the defendants' work consists of a copy of the plaintiffs' work. Reliance is placed on the judgment of the

Apex Court in R.G. Anand v. M/s. Delux Films and others, A.I.R. 1978 S.C. 1613. It is then contended that substantiality is not the question of quantity but of quality. The opening sequence common to each episode and also the peculiar and dramatic high point of the plaintiffs' film is copied and the defendants have saved themselves time, labour and expense in developing something original. Reliance has been placed on paragraph 8.26 of Copinger and Skone James on Copyright, Thirteenth Edition. Reliance is placed on judgments.

On the other hand, on behalf of the defendants, it is contended that the plaint discloses no cause of action and/or in any event no cause of action has accrued to the plaintiffs to allege any infringement of the copyright in the plaintiffs' cinematographic film. Section 14(d) of the Act, it is contended, specifies only three categories of acts of which the owner of the copyright in a cinematographic film has exclusive right. Comparison is sought to be made with section 14(e) where only three categories of exclusive right are given to an owner of the copyright in a sound recording. Reliance is placed on section 2(f) which defines a cinematographic film. It is then contended that in contrast to sections 14(d) and (e) are sections 14(a), (b) and (c), which speak of exclusive rights to the owner of a copyright in a literary, dramatic or musical work. These sections, it is contended, give an exclusive right to the owner to reproduce the work in any material form. This is specifically and significantly absent in relation to a cinematographic film and sound recording and the exclusive right conferred by the latter sections is to copy the recording of that particular film/ sound. The position becomes clear, it is contended, if the definition of infringing copy in relation to literary, dramatic or artistic work is contrasted with the definition of infringing copy in relation to cinematographic film and sound recording. Contrasting the two, in the former an infringing copy is the reproduction of the original copyrighted literary, dramatic, musical or artistic work. In the latter case, infringing copy is a copy of the film made from the copyrighted film or recording embodying the same sound recording from the copyrighted sound recording. The subsequent film/sound recording is not an infringing copy if it is not copied or made from the same earlier recording. The expression 'to make a copy of the film', it is submitted, is to make a physical copy from the copyrighted film itself and not a reproduction of the copyrighted film, that is, another film which merely resembles the copyrighted film. From the affidavits of Kumuda Rao and Shetty it is clear that the defendants have not copied the film but have made new film. The only contention of plaintiffs is that the film made/ shot by the defendants resembles the plaintiffs' film and, therefore, constitutes reproduction. Reliance is placed on various judgments. The defendants, alternatively contend that the plaintiffs' film and the defendant's film are different. There is no copying or substantial copying of plaintiffs' work, hence, no question of any copyright infringement can arise. It is also once again alternatively submitted that what is to be compared is the 'whole' of the respective works and not part and if so compared, there is no copying or substantial copying.”

“6. It is, therefore, necessary to deal with the submissions as to whether the commercial film made by the defendants is a copy of the plaintiffs' film. Firstly, let me refer to the meaning of the word 'copy' as set out in the Oxford English Dictionary which defines the word 'copy' as under :

"Copy - 1. a thing made to imitate or be identical to another, 2. a single specimen of a publication or issue (ordered twenty copies), 3a. matter to be printed, b. material for a newspaper or magazine article (sandals made good copy), c. the text of an advertisement. 4a. a model to be copied, b. a page written after a model (of penmanship) 1 to make a copy of b (often foll. by out) transcribe, 2. into make a copy rather than produce something original, esp., clandestinely 3. to (foll. by to) send a copy of (a letter) to a third party, 4. to do the same as; imitate copy-edit edit (copy) for printing."

Similar Random House Dictionary of the English Language defines the word 'copy' as follows :-

"Copy - 1. an imitation, reproduction, or transcript of an original. 2. written matter or artwork to be reproduced in

> printed form, 3. text to be read or heard, as distinguished from pictures to be seen in newspapers, magazines, television, commercials, etc., 4. one of the various examples or specimens of the same book, engraving, or the like, 5. Brit informal (in schools) a composition, a written assignment, 6. Archaic something that is to be reproduced, an example or pattern - 7. to make a copy of; transcribe; reproduce. 8. To follow as a patter or model, 9. To make a copy or copies, 10. to make or do something in imitation of something else."

Section 2(m)(ii) defines infringing copy as follows: -

"2(m) 'infringing copy' means-

(ii) in relation to a cinematographic film, a copy of the film made on any medium by any means."

Section 14 of the Copyright Act, 1957 for the purpose of the Act defines 'copyright' to mean the exclusive right subject to the provisions of the Act, to do or authorize the doing of any of the following acts in respect of a work or any substantial part thereof, namely:-

> "(d) in the case of a cinematograph film:
>
> (i) to make a copy of the film, including a photograph of any image forming part thereof;
>
> (ii) to sell or give on hire, or offer for sale or hire, any copy of film, regardless of whether such copy has been sold or given on hire on earlier

occasions;

(iii) to communicate the film to the public."

It will, therefore, be essential to find out as to the meaning of the word 'copy' in the absence of it being defined in the Act. Reference can be made to Copinger and Skone James on Copyright, Thirteenth Edition, at paragraph 3.29, some portions of which may be reproduced : -

"......it has been stated that skill, labour and judgment merely in the process of copying cannot confer originality and the mere copyist cannot have protection of his copy, particularly, therefore, where the reproduction is in the same medium as the original, there must be more than an exact reproduction to secure copyright; there must be some element of material alteration or embellishment which suffices to make the totality of the work an original work. If the original, in the case of a painting, is used merely as a model to give the idea of the new work or, in the case of a photograph, merely as a basis to be worked up by photographic process to something different, then the new work may be entitled to protection; but, if the result is simply a slavish copy, it will not be protected."

The same authors in the Fourteenth Edition in paragraph 7.98 have dealt with 'Films'. The learned authors have stated as under :-

"It is an infringement of the copyright in a film to make a copy of it, or a substantial part of it, whether directly or indirectly and whether transiently or incidental to some other use. This includes making a photograph of the whole or any substantial part of any image forming part of the film. As with a sound recording, it is not expressly stated that copying of a film includes storing it by electronic means but again it is suggested that it does. Again, the copyright in a film is infringed if the recorded moving images, are directly or indirectly copied but not if the same or similar images are recorded independently, for example by reshooting the subject matter of the film. Again, however, underlying works such as the screenplay may be infringed by such means."

As pointed earlier contrasting sections 14(d) and (e) on the one hand and sections 14(a), (b) and (c) on the other, in the latter case the owner of the copyright has exclusive right to reproduce the work in any material form. This is absent and excluded insofar as the former case (cinematograph film/ sound recording). The exclusive right in the former is to copy the recording of a particular film/sound recording. It is, therefore, clear that production by another person of even the same cinematographic film does not constitute infringement of a copyright in a cinematograph film. It is only when actual copy is made of a film by a process of duplication i.e. by using mechanical contravance that it falls under section 14(d) (i). The expression to make a copy of the film would mean to make a physical copy of the film itself and not another film which merely resembles the film. The making of another film is not included under section 14(d)(i) and

> such other film, even though it resembles completely the copyrighted film, does not fall within the expression 'to make a copy of the film'. Therefore, if the film has been filmed or shot separately by a person and it resembles the earlier film, the subsequent film is not a copy of the first film and, therefore, does not amount to infringement of whole of the copyright of the first film. The position in case of literary, dramatic or artistic work seems to be different. A narrow copyright protection is accorded to a film/sound recording than for literary, dramatic or artistic work. The reason perhaps could be that they have to be original to satisfy the test of copyrightability, whereas the requirement of originality is absent for claiming copying in cinematograph films/sound recordings.
>
> ....”

122. The learned Judge after referring thereafter to various judgments of the English and Australian Courts concluded as under :-

> “Therefore, considering the terminology used in the Act the facts on record and the cases discussed it is clear that the defendants made their own film independently. The film of the defendants, therefore, is not a copy and, therefore would not amount to an infringement of the plaintiffs' copyright in its film considering the language of section 14(d) of our Copyright Act.

> 7. Then the issue to be addressed is whether there is substantial copying which would give rise to a cause of action to the plaintiffs. At this prima facie stage once the view is taken that the defendants film is not a copy of the plaintiff's film it really would not require that this second submission be considered."

123. The judgment certainly supports the extreme proposition submitted by Dr. Tulzapurkar and Mr. Tulzapurkar on behalf of the Defendants. I consider myself bound by the judgment.

124. Mr.Dwarkadas however submitted that the judgment was per- incuriam and I ought not to consider myself as bound by the same. I do not agree.

125. Firstly, the judgment is not based merely on the foreign judgments referred to by the learned Judge although I doubt whether it would have made any difference even if it was. The learned Judge came to the conclusion based on his interpretation of the provisions of the Copyright Act, 1957. The binding effect of the judgment would not be affected merely because certain provisions may not have been referred to. Further, the judgment of the Supreme Court in *R.G. Anand v. M/s. Delux Films and others, A.I.R. 1978 S.C. 1613* was referred

to by the learned Judge. It cannot therefore be said that the judgment is per-incuriam in view of the said judgment.

126. Nor can I agree with Mr.Dwarkadas's submissions that the judgment is per-incuriam in view of the judgment of the Supreme Court in *Indian Performing Right Society Ltd. v. Eastern Indian Motion Pictures Association & Ors., (1977) 2 Supreme Court Cases, 820*.

127. The question that is presently under consideration did not fall for consideration before the Supreme Court in *Indian Performing Right Society Ltd.*' s case. The question that fell for consideration before the Supreme Court was whether the composer of lyric or musical work retains a copyright in the lyric or musical work if he grants a licence or permission to an author/owner of a cinematographic film for its incorporation in a sound track of the cinematographic film. As their Lordships noted in paragraph 17 : "..........................the core of the question was whether the producer of a cinematographic film can defeat the right of a composer of music .. or lyricist by engaging him." It is clear however that the objection raised on behalf of the Defendants did not fall for consideration of the Supreme Court. Nor did the Supreme Court express any opinion,

even obiter, regarding the same.

128. Mr.Dwarkadas, Dr. Tulzapurkar and Mr.Tulzapurkar invited me to consider this question of law even apart from the judgment in *Star India Pvt. Ltd. v. Leo Burnett (India) Pvt. Ltd., 2003 (4) L. J. Soft, 124 = (2003) 2 B.C.R., 655.*

129. I heard them at considerable length especially in view of Mr.Dwarkadas's strenuous efforts in persuading me to the view that I am not bound by the judgment. I am bound by the judgment. Being bound by the judgment, I do not consider it necessary to refer to the extremely detailed and if I may say, with respect, well researched arguments by all the learned counsel.

130. I must however in fairness to Mr.Dwarkadas, clarify that I do not for a moment suggest that the submissions made by him are without force. Nor do I suggest that his submissions do not require serious consideration. Indeed, this important question of law under the Copyright Act is of enormous general and public importance with drastic consequences to the entire entertainment industry and, in particular, to the film and television industry and to producers of cinematographic films.

131. I however decline the invitation to consider these questions as I consider myself bound by the judgment in *Star India Pvt. Ltd. v. Leo Burnett (India) Pvt. Ltd.*

132. The question must therefore be answered in the affirmative and against the Plaintiff to wit there is no infringement of the Plaintiff's copyright in the films embodying the Plaintiff's game show in view of the judgment in *Star India's* case.

Re : V) <u>Whether the Plaintiff has established that the Defendants are guilty of passing off their game show as that of the Plaintiff's game show ?</u>

133. This brings me to the Plaintiff's case of passing off. The Plaintiff's case is that the Defendants have slavishly copied the content and presentation of its television game show and that the Defendants game shows constitute passing off since making and broadcasting thereof inherently tantamounts to the Defendants misrepresenting to the members of the public and the trade that they are associated with the Plaintiff. The misrepresentation on the part of the Defendants, in making and broadcasting the television game show "Antakshari – The Great Challenge" is calculated to damage

and erode the Plaintiff's exclusive proprietory rights and goodwill in the television game shows `Close Up Antakshari' and `Titan Antakshari', the content and/or presentation and the word `Antakshari' in relation to any television game show. The Plaintiff has also specifically averred that the advertisements for the television game shows `Close Up Antakshari' and `Titan Antakshari' have resulted in accrual of an enviable reputation and goodwill in the television game shows and their association with the Plaintiff. Further the Plaintiff contends that the Defendants by their aforesaid acts are also indulging in unfair competition. The Plaintiff therefore submits that it is entitled to a perpetual order and injunction restraining the Defendants from making and broadcasting the television game show `Antakshari – The Great Challenge' and /or using the content and/or presentation and/or the word `Antakshari' in relation to the television game show so as to pass off the Defendants television game show `Antakshari – The Great Challenge' as being a television game show associated with and/or authorized by and/or in any manner connected with the Plaintiff.

134. In support of his submission that a passing off action is not

limited to goods, Mr. Dwarkadas relied upon the judgment of the Supreme Court of New South Wales, in the case of *Hexagon Pty. Ltd. v. Australian Broadcasting Commission, [1976] R. P. C., 628* where the learned Judge after referring to the above passage in *A. G. Spalding & Bros.,* observed as under :-

> "The principle of passing off is not limited to goods (cf *Samuelson v. Producers' Distributing Co. Ltd.* [1932] 1 Ch 201; [1931] All ER 74, where the property involved was the right of the plaintiff in a stage sketch). Lord Hanworth MR ([1932] 1 Ch at 208) said: "The ground on which I think the plaintiff is entitled to complain is that, he being entitled to the copyright in his sketch, including the right to its reproduction as a film, the defendants have attempted to pass off their production as a production of the plaintiff's sketch and to make use of the reputation which belonged to the plaintiff's sketch in favour of their production. It was therefore right for the plaintiff to bring a passing-off action."
>
> Further, in *Henderson's* case (already referred to), Manning J., at p. 598, indicated that the false representation may have been made "either in relation to the plaintiff's goods, his services, his business, his goodwill or his reputation. Indeed I am of the opinion that the categories in this regard may still be open and that the development of new or altered practices in business, in trade

> or in professions may in the future result in further classes becoming apparent".

135. I am in respectful agreement with the above principle. There is no warrant for restricting passing-off actions to goods. The basis of a passing-off is a false representation by a person which is likely to cause the other damage. I find nothing to suggest and my attention has not been invited to anything which pursuades me to hold that a passing off action is available only in respect of goods.

136. The Defendants then submitted that in programmes of the type with which this case is concerned, no question of passing off can arise as there is no pre-determined work or programme; in each programme/episode, items and things together constitute the film and each programme is different from the other in various respects, such as, music, script, participants, dialogues and sets. It was contended therefore that there was no question of the public being faced in its mind with any particular or certain programme or film as identifying or being associated with the Plaintiff alone.

137. I am not inclined to accept the submission that a passing off action cannot lie in the case of the reality show or in the case of a serial which involves the spontaneous participation and interaction of

different participants in each episode. It is true, indeed obvious, that in shows such as these, the participants are bound to change. By its very nature in such shows, input from the participants is bound to be different in each episode. That by itself would not lead to a conclusion that a passing off action cannot lie in such shows.

138. Whether a passing off action can be maintained in respect of such shows, must necessarily depend upon the facts of each case. It is impossible to devise any formula for determining whether the Plaintiff in such an action has made out a case of passing off. It would depend upon a variety of factors which cannot possibly be enumerated exhaustively.

139. For instance, if the programme consisted of a simple music contest where the participants in each show sing songs chosen by them and the winners of each show would then participate in the next show and so on, till the final round, it would be difficult to maintain a passing off action.

On the other hand, if the musical contest were to be held in a novel manner, with additional, novel, innovative inputs, the mere fact that the participants changed from round to round may not come in the way of the Plaintiff's maintaining a passing off action.

The test in each case therefore is whether the show is sufficiently novel and original so as to create a lasting and significant impression on the viewer. If it is, I see no reason why a passing off action cannot be maintained in respect thereof.

140. In *Anil Gupta & Anr. v. Gunal Das Gupta & Ors., 97(2002) Delhi Law Times, 257,* a learned Single Judge held that copyright could exist in respect of a reality show. The learned Judge held that if an idea is developed in a concept fledged with adequate details, it is capable of registration under the Copyright Act. The learned Judge granted the reliefs based on the findings that there was in fact novelty in the said show. The learned Judge held that the Plaintiffs was a novel concept original in thought and was therefore capable of being protected.

141. That shows such as these can be novel and unique, is in fact suggested, if not expressly admitted by the Defendants themselves. In paragraph 4 of its affidavit dated 24.4.2007, the third Defendant has claimed its show to be “unique and different than their earlier programme “Chalti Ka Naam Antakshari” or other television

shows based on the concept of Antakshari". Defendant No.3 describes its show as containing a "unique format prepared and conceptualized by them". Defendant No.3 further claims that it "has included a number of unique and novel features and elements in its game show, which has made it original and different and distinct from the other game shows based on Antakshari, including the Plaintiff's game shows". Defendant No.3 has further claimed that "their game show is their own independent and original creation and not a copy of the Plaintiff's game show in any manner".

142. I am not concerned here with the question of confidentiality which was also considered by the learned Judge. Although Mr.Dwarkadas did submit that the considerations which entitle a Court to grant reliefs in a case founded upon confidentiality are the same as in a passing-off action, I do not consider it necessary to decide the point in this matter.

143. On behalf of the Defendants, it was submitted that it was incumbent upon the Plaintiff to identify precisely the work the Plaintiff seeks to protect against the tort of passing off. The Plaintiff had not identified which work or film or episode of the Plaintiff's show is to be

compared with that of the third Defendant's show to consider whether or not there is any similarity leading to confusion and passing off. It was also submitted that the Plaintiff had failed to identify the work which according to it, the Defendants were guilty of passing off. It was also submitted that on the Plaintiff's admission in paragraph 15 of the plaint, the Plaintiff's game-show had changed from time to time. The Plaintiff's comparison of its game-show with the third Defendant's game-show can be of no avail to the Plaintiffs as its game-show of 2007 could not possibly have acquired any reputation/goodwill.

144. In support of the submissions, Dr. Tulzapurkar relied upon the judgment of the Court of Appeal in *Tate v. Fullbrook, (1908) 1 K.B., 821* where the Court of Appeal held that the Dramatic Copyright Act, 1833 creates a monopoly, and in such a case there must be certainty in the subject-matter of such monopoly in order to avoid injustice to the rest of the world.

145. Although the observations of the Court of Appeal are in respect of the Dramatic Copyright Act, 1833, the principle, in my opinion, would be applicable to a passing off case as well. Unless the

Court is clear as to the subject-matter sought to be protected by the Plaintiff, there would be no question of protecting the same.

146. The question therefore is whether the Plaintiff has identified the work in respect of which it seeks protection. I think it has. The Defendants have placed strong reliance on the following averments in paragraph 15 of the plaint :-

> "Over a period of time, the Plaintiff's television game show `Antakshari' has consisted of various rounds, which have been changed with time."

Based on this averment, it was further contended that the details and the format set out in the subsequent paragraphs of the plaint relate only the present game-shows telecast by the Plaintiff in the year 2007.

147. I do not find the submission to be well founded. The strong emphasis on the above averment in the plaint is without substance for more than one reason.

Firstly, the error arises on account of the learned counsel appearing on behalf of the Defendants relying upon one sentence in the plaint isolating it from the rest of the plaint. A fair reading of the plaint as a whole, does not support either of the Defendants' submissions. Even paragraph 15 read as a whole, does not support the Defendant's contention. It reads as under :-

> "15. The television game show `Sansui Antakshari' ceased to be on-air with effect from 17th June, 2005 on the Plaintiff's channel. Thereafter, with effect from 5th January 2007, the Plaintiff re-started the television game show as `Titan Antakshari' and the same continues on Fridays and Saturdays of every week. The programme is for one-half hour. Over a period of time, the Plaintiff's television game show `Antakshari' has consisted of various rounds, which have been changed with time. The details and format of the television game show broadcast by the Plaintiff over a period of time, are given hereinabelow :"

148. The second sentence itself makes it clear that the Plaintiff's game-show which was telecast upto 17th June, 2005 "re-started" with effect from 5th January, 2007. It was therefore not a new show but the same show. The last sentence too establishes the same as is apparent from the expression "over a period of time". Thus, according to the Plaintiff, what is being telecast presently is, but a continuation, of its earlier game-shows.

149. Secondly, this contention was never raised in any of the affidavits filed on behalf of the Defendants. Indeed, the Defendants

were never confused or at a loss to identify the work in respect whereof the Plaintiff has sought protection. Any doubt in this regard is set at rest by the fact that in the affidavits filed on behalf of the Defendants, it is in fact contended that there was no similarity between the Plaintiff's work and the Defendant's work. Indeed, the Defendants in their affidavits have tabulated the differences according to them between the Plaintiff's shows and the third Defendant's shows.

The Defendants themselves were therefore clear as to the identity of the work in respect whereof protection is sought.

150. The reference to change in paragraph 15 of the plaint, was not to the Plaintiff's game-shows prior to 2007 viz-a-vis those of the year 2007. The averment is general in its nature regarding the Plaintiff's game-show. Indeed, it is interesting to note that Defendant No.1 himself stated in one of his interviews :-

> "Even now you will find that every time there's something new in this programme but the original concept remains the same."

151. The next question is whether the Plaintiff has established its reputation in the said game show.

Dr.Tulzapurkar and Mr.Tulzapurkar submitted that the Plaintiff had failed to establish any reputation in its television game show.

152. What I find particularly surprising is that the Defendants have gone to the extent of alleging that the Plaintiff has developed no reputation whatsoever in the said game show. The documents relied upon by the first Defendant establish the sheer falsity of this denial.

153. Before referring to the documents relied upon by the first Defendant himself, it is necessary to note a few facts about the Plaintiff's television game show.

The Plaintiff's programme started on its TV Channel "Zee-TV" under the caption `Close Up Antakshari' in September, 2003, as it was sponsored by Hindustan Lever Limited for its toothpaste Close-Up. It was so telecast upto the year 2002 with a four month break in between. Thereafter the sponsor changed and the same show was titled `Sansui Antakshari'. The programme continued to be so televised till 17.6.2005. There was another break at this stage. From 5.1.2007 the Plaintiff re-started the television game show as `Titan Antakshari', in view of the change of the sponsor. It is telecast every week on Fridays and Saturdays for half an hour. It is pertinent to note the following entry in the Limca book of records in respect of the Plaintiff's television game show.

"National Record

> The Indian television industry's longest running musical game-show Close-up Antakshari has continuously run on Zee TV since 1993 with only a four month break in 2002. It holds record of being the longest continuous show on Indian television, holding longest sponsorship deal of 10 years (between Zee TV and Hindustan Lever Ltd's Close Up toothpaste), longest period of direction by a single director, Gajendra Singh and for being the only weekly show hosted continuously by a single host, Annu Kapoor. The show is now sponsored by Sansui and is called Sansui Antakshari."

154. I will now refer to the first Defendant's own statements/interviews which have been relied upon by him and annexed to his affidavits. I would not normally rely upon newspaper articles or such publications. However, these publications have been relied upon by the first Defendant himself and he certainly cannot deny the contents thereof or object to the same being referred to.

155. To his affidavit dated 14.6.2007, the first Defendant has annexed an article/interview published on 8.10.1995 in Mayapuri. The

following extracts, from the rather poor translations, speak for themselves and establish the first Defendant's admission of the Plaintiff's enormous reputation in its said show.

> **"GAJENDRA SINGH**
>
> The dream which I saw completed....... ....
>
> The magic is that which creates an impact on the mind. "Antakshari" is the name of such magic. The publicity of which is such that to-day on every channel Antakshari is played. It is said that in the foreign countries people wait for Antakshari as if some times people used to wait for "Hum Log" "Buniyad". The only credit for making Antakshari" famous goes to the Gajendra Singh. Now after completing hundred episode this month in September has completed 125th week. But there is no reduction in its publicity. This program is becoming more interesting than earlier.
>
> When we met Gajendra Singh in his office we asked :
>
> "When you started "Antakshari" program did you expect that it will be popular like this ?"
>
> "No. I did not expect it to reach this stage of popularity, though I knew that this program will not come under the category of flop show. ....

To-day since it is successful people are copying it. ....

If I would have not prepared such team and if I was not technically good then it would not have received the response which it is receiving to-day ....

Whom do you give the credit of the success of "Antakshari"? I asked. The stars of the same are neither Annu Kapur nor Durga nor I. Stars of the same are those people who participate in it. If they were not then there is no importance of the same. Therefore there is more importance to them than us. Its craze is created due to their interest. ....

In these which episode was appreciated much ? I asked

All the episodes were appreciated by people. The special episode of the children was done for which huge efforts were required to be taken. Upto 3 months rehearsal was taken with children. No body had thought sitting in Kanpur, Patna, Hyderabad etc cities that they will be able to participate in program at Mumbai. The Dubai episode will be remembered for this reason that to-day it has become difficult to play cricket between India-Pakistan and Bangladesh. But in Dubai people of all these

> three countries participated and not only this even the Shaikh of Dubai participated in "Antakshari" and sang Hindi songs. Pakistanis were also happy. They said that they were missing to participate in this program. They were not able to come to India. Therefore we have done good thing by coming there. <u>The credit of Dubai episode goes to ZEE TV. Otherwise it is not possible</u>
>
> <u>for any other to spend so much money." Gajendra Singh said."</u>
>
> ....
>
> "What now after "Antakshari" and SAREGAMA" I asked
>
> There is more world ahead of stars. This is just the beginning. This has given me that satisfaction which money could not give. <u>Go in any of the part of the world you will find people praising "Antakshari".</u> Looking to which I feel that the dream which I saw is completed. Due to which Lion Club has given the award of Best Director. "Antakshari" and Cinegoers also gave award of Best Serial. After this success now there is desire of presenting one soap opera. The work is going on over it."

156. In his affidavit in reply dated 24.4.2007, the first Defendant relied upon and annexed an article titled Games People Play in a publication titled Entertainment Guide of August, 1996. It is an

interview of the first Defendant on the occasion of the 150th telecast of the Plaintiff's show. The author describes the Plaintiff's show as legendary. The author states that the Plaintiff's game “show has made it big”.

In the course of the interview, the first Defendant himself refers to the Plaintiff's television game show as having reached “a big landmark”. He states : “Today the programme is very popular and everyone knows about it ....”

Thirdly, the first Defendant states: “I<u>t is a national and an international phenomenon”.</u>

157. There can be really no doubt about the enormous reputation developed by the Plaintiff over the last fourteen years in its television game show. I am in fact at a loss to understand how the first Defendant could ever have denied the same.

158. It was next submitted on behalf of the Defendants that the Plaintiff had not established misrepresentation which is the other essential ingredient in a passing off action. It was also submitted that the Plaintiff had failed to establish likelihood of confusion or deception.

159. In support of these contentions, the Defendants submitted that there is no likelihood of sponsors thinking that the third Defendant's game-show is in fact that of the Plaintiffs. I will presume that to be so, especially in view of the fact that there is no material to indicate that the sponsors have in fact been mislead into believing the same. In the absence of any material, I am not inclined to presume that sponsors who would naturally carry out various investigations, would not ascertain the source of the programme.

160. It was contended that there is no likelihood of viewers being confused in view of the fact that the Plaintiff and the third Defendant's shows are telecast on different channels. The logo of the Plaintiff and the third Defendant appear on the television screens during the telecast of any show. That is so. It is highly unlikely that viewers would not be aware of the channel they are watching. That this is so follows from more than just the fact that each broadcasting company also telecasts its logo which appears on every television screen. Misrepresentation does not occur in the minds of viewers who may happen to see but one episode or casually while, if I may use the expression, “channel surfing”. Passing off cannot be judged

qua such viewers. Regular viewers of such game-shows would normally be expected to note the day and time when the same are telecast. If I am right, such a viewer, while accessing the show at a particular time, would of necessity be aware of the particular television channel to be accessed.

There will thus be no confusion in the minds of the viewers as to on which channel a particular programme is to be telecast. In other words, it is not as if the viewer would access the programme on the third Defendant's channel thinking that it is the Plaintiff's television channel.

161. The matter however does not rest there while considering a case of passing off in respect of television-shows. It is not that a show can only be telecast on a particular channel. The same show can be telecast on one or more channels, at the same time or at different times. It is entirely a matter of agreement between the owner of the show and the owners of the TV channels. The question therefore is whether viewers think or are likely to think that the Plaintiff is associated with the programme being telecast by the third Defendant or has permitted the same or that a programme though

telecast by the third Defendant actually belongs to or is the work of the Plaintiff.

In my opinion, if this is established, the Plaintiff must be held to have succeeded in establishing a case of passing off.

162(A). Counsel for the Plaintiff as well as the Defendants relied upon the following classic observations of Lord Parker in *A. G. Spalding & Bros. v. A. W. Gamage Ltd. (1915) 32 RPC 273 (HL) at 284* :-

> "My Lords, the basis of a passing-off action being a false representation by the defendant, it must be proved in each case as a fact that the false representation was made. It may, of course, have been made in express words, but cases of express misrepresentation of this sort are rare. The more common case is where the representation is implied in the use or imitation of a mark, trade name, or get-up with which the goods of another are associated in the minds of the public, or of a particular class of the public. <u>In such cases the point to be decided is whether, having regard to all the circumstances of the case, the use by the defendant in connection with the goods of the mark, name, or get-up in question impliedly represents such goods to be goods of the plaintiff, or the goods of the plaintiff of a particular</u>

> class or quality, or, as it is sometimes put, whether the defendant's use of such mark, name, or get-up is calculated to deceive." (emphasis supplied)

(B). Mr. Dwarkadas did not dispute the ratio of the judgment of the Court of Appeal or of the House of Lords in *Reckitt & Colman Products Ltd. v. Borden Inc. & Ors., (1990) 13 RPC, 341 at 377,* relied upon by Dr. Tulzapurkar. Dr. Tulzapurkar relied upon the observations at pages 377 to 379 of the report of the judgment of Slade LJ. in the Court of Appeal, essentially in support of his submission that the common law leans against the recognition of a monopoly right and that it is necessary for a Plaintiff in a passing off action to establish in the first place that he has selected peculiar-novel-design as a distinguishing feature of its case and that his goods are known in the market and have acquired a reputation in the market by reason of that distinguishing feature and that unless he establishes that, the very foundation of his case falls.

163. Mr. Dwarkadas relied upon an article published in January, 2007 which is annexed to the first Defendant's affidavit dated 24.4.2007. The reliance is without any substance. Mr. Dwarkadas

relied upon the statement :-

> “Antakshari has always been associated with Zee TV.”

The statement however was made by the Plaintiff's Senior Vice President and was not made by or on behalf of the Defendants. It was contended however, that Defendant No.1 while relying on the document, had not denied the contents of the same. This would not be a fair approach to the matter. Defendant No.1 relied upon the article for a different purpose altogether. He relied upon it to indicate that the Plaintiff knew about the Defendant's production, at least, as in January, 2007 i.e. the date of the article. I am not prepared therefore to hold that the statement by the Plaintiff's Senior Vice President ought to be deemed to have been accepted by the Defendants.

164(A). Mr.Dwarkadas's reliance upon an article dated 6.1.2007 in a prominent daily newspaper “The Hindu”, to establish misrepresentation is well founded. The article which is also annexed to the first Defendant's affidavit reads as under :-

> “In the New Year
>
> Star One enters the New Year with a promise to make evenings more entertaining.

> Beginning February 2007, Star One will begin with the launch of `Antakshari – The Great Challenge.' In its new avatar, `Antakshari- The Great Challenge,' will see new inclusions to the format and an exciting reality aspect.
>
> Annu Kapur, the man synonymous with Antakshari, will host this musical extravaganza. Annu Kapur said, "This unit is family to me, I take this opportunity to congratulate Gajendrra (Defendant No.1) and I wish him all the best.
>
> I am extremely delighted that he asked me to host the show. I can't wait to get back on the floors and hear Gaj (Defendant No.1) say `Action' "

(B). The article, to my mind, establishes not merely the likelihood of deception, but a high probability of deception. In fact, it establishes deception. The above extract indicates that the third Defendant's game-show is considered as nothing but the Plaintiff's game-show telecast earlier, but only in a new "Avatar". There is no indication that the third Defendant's proposed programme is different from and independent of the Plaintiff's earlier game-shows. In fact, the representation is to the contrary. This is evident from the statement that Annu Kapur, "the man synonymous Antakshari, will host this musical extravaganza". This reinforces the suggestion that the third Defendant's game-show is, but a continuation of the earlier game-shows telecast by the Plaintiff. I do not read the term `Antakshari' in this article as the well-known concept/game by that name. The term “Antakshari” here, clearly refers to the Plaintiff's game-shows. It is nobodys case that the said Annu Kapur is synonymous with Antakshari, the well-known concept/game which is centuries old. The reference obviously is to his name being synonymous with the Plaintiff's game-shows under that title.

(C). That the reference is to the Plaintiff's game show and not to the concept `Antakshari' is also evident from the statement that the third Defendant's show “in <u>its</u> new avatar” “will see new inclusions to the <u>format</u>”. It is important to note two crucial aspects in this sentence.

First that the third Defendant's show is in <u>its</u> new avatar implying thereby that the show had an old/earlier `avatar'. That could in the facts of this case only be a reference to the Plaintiff's game show.

Secondly, the new inclusions in the third Defendant's show are <u>“to the format”.</u> The format again obviously refers to an earlier format. In the facts of this case that could only be a reference to the Plaintiff's format. In any event, it is not the Defendant's case that the references were to any other show or work or to the historical concepts of Antakshari.

165(A). To his affidavit dated 14.6.2007 Defendant No.1 has also annexed an article published on 12.1.2007 in “The Hindu” which establishes misrepresentation. The relevant portion thereof reads as under :-

> “**Back to his best**
>
> ANUJ KUMAR
>
> As Annu Kapoor returns with `Antakshari-The Great Challenge', he tells us what makes him natural in front of the camera.
>
> Want to know what spontaneity on screen means? Meet Annu Kapoor. The man who defined the word, `anchoring' literally on the small screen much before the arrival of Big B and King Khan, is back with his career-best show “Antakshari”, this time on Star One.
>
> ....
> ....
>
> Back to *Antakshari,* had he ever thought that the show would become so popular? “Again I don't think in terms of success and failure. I believe these days there are plenty

> of those who plan a lot, they are like garam tel ke pakode. They taste good as long as they are hot. They don't have the lasting value."
>
> Refusing to spill beans on the new format of the show starting this February, Annu says the auditions for his co-host are still on. Of his previous partners when the show was on Zee TV, Annu says he shared a special equation with Durga Jasraj. ...." (emphasis supplied)

(B). The suggestion clearly to me is that the game show telecast on the Plaintiff's channel is now going to be telecast on the third Defendant's channel. This to me, is clear from almost every sentence I have extracted above.

(C). Annu Kapoor, who was a pre-dominent feature of the Plaintiff's show is stated to "return" with the new show. More important is the statement that Annu Kapoor "is back with his career-best show "Antakshari", this time on Star TV". Two suggestions are obvious and clear from this.

Firstly, that Annu Kapoor is back with the Plaintiff's show which was the best show of his career. It is not the Respondents case that Annu Kapoor had anchored or was concerned with another similar show. In any event, there is no other similar show that he was connected with which was considered as the best show of his career. The suggestion clearly is that the show that Annu Kapoor is "back with" is the same show as the Plaintiff's show. There is no other explanation for the words "is back with" in relation to Annu Kapoor. If the suggestion was that it is a different show altogether, it would never have been stated that Annu Kapoor "is back with his career-best show".

Secondly, the show now proposed to be telecast is the same as the Plaintiff's show but this time on the third Defendant's channel "Star One".

(D). While there is a suggestion that there is a new format, it is important to note that it is "of the show". The reference in the last two sentences extracted above to "the show" clearly is to the Plaintiff's show.

(E). The inference is further fortified by the words in the last sentence : "of his previous partners <u>when the show was on Zee TV,</u> Annu says ....". He refers therefore to his previous partners in "the show" when it was on Zee TV, indicating that the show telecast on the Plaintiff's channel “Zee TV” is the same as the show then proposed to be telecast on the third Defendant's channel from February, 2007.

166. The two articles establish that the authors thereof were given to understand that the show proposed to be telecast on the third Defendant's channel is nothing but a continuation of the Plaintiff's shows and at the very least that it was connected with the Plaintiff's show and that the Plaintiff was associated with or had permitted it.

I have little doubt in these circumstances, that the suggestion made by or on behalf of the third Defendant clearly was that the show proposed to be telecast on the third Defendant's channel “Star One” is the show that was telecast on the Plaintiff's channel “Zee TV” albeit in a new format. I find it difficult to resist recording a finding of misrepresentation on behalf of the Defendants.

167. The submission on behalf of the Defendants that no material from any third party has been placed on record to show that the third Defendant's programme is associated with the Plaintiff, is therefore rejected. The articles suggest that the impression created

in the minds of the third parties is that the third Defendant's programme is the Plaintiff's programme. These articles were annexed by the first Defendant to his affidavit. The first Defendant has supported the third Defendant throughout the hearing. The third Defendant has not controverted a single statement made by the first Defendant either in the affidavits or during the hearing before me.

168. In view of the aforesaid documents, which were not only admitted by the first Defendant but expressly relied upon by him, it is sufficient evidence at this prima-facie stage to establish the Plaintiff's case regarding reputation and misrepresentation. The Defendants themselves having relied upon the said documents, which supports the Plaintiff's case the absence of any independent evidence by the Plaintiff is of no substance.

169. Nor am I inclined to accept the submission on behalf of the third Defendant that the press reports relied upon by the Plaintiffs, are not reports or statements made by any third party or a member of the public or by a press reporters on his own, but are the statements made by the first Defendant or the C. E. O. of the third Defendant in the course of their own interviews and that therefore the said reports

cannot and do not show that either the press independently or the public independently associated the programme “Antakshari” with the Plaintiff alone. This really is clutching at straws.

170. Thus far, the facts in *Samuelson v. Producers' Distributing Co. Ltd.*, referred to in the *Hexagon's* case (supra) and the facts in the case before me are very similar. While in *Samuelson's* case the Defendants themselves inserted the advertisements, in the present case, the Defendants have obviously made representations to the public at large as is evidenced by the said articles dated 6.1.2007 and 12.1.2007 to the effect that their game show is the same as the Plaintiff's earlier show. Further, in *Samuelson's* case there was no similarity between the Plaintiff's work and the Defendant's film including in respect of the title.

The Plaintiff claimed to be the owner of the copyright in a sketch entitled “The New Car” which was performed under licence and achieved considerable success, the chief part being played by a well known comedian. Its prominence was enhanced by it having been performed before the King and Queen. The Defendants claimed to be the owners of a cinematograph film entitled “His First Car”. The comedian who played the chief part in the Plaintiff's sketch was also featured in the Defendant's film. It was admitted that the film was different from the sketch and that it was impossible to suggest that it infringed in any respect the copyright of the sketch.

The Plaintiff alleged that the Defendants issued advertisements with regard to their film which were likely to deceive members of the public into belief that the laudatory notices in the press in respect of the performances, based on the Plaintiff's sketch might apply to the Defendant's film and that the Defendant's advertisements showed an intention on the part of the Defendants to appropriate the benefits of the notice to their own production. It is unnecessary to refer to the details of the notices in respect of the Plaintiff's sketch and the advertisements issued on behalf of the Defendants. It is sufficient to note that the Court of Appeal came to the conclusion that the effect of the Defendant's advertisements was “to appropriate” the success of the performance based on the Plaintiff's sketch. Lord Hanworth M. R. concluded that the Defendant's attempt was to pretend that their sketch was the same as the Plaintiff's sketch which had made Their Majesties the Queen laugh.

Though there was no similarity between the sketch and the film, Lord Hanworth M. R. held that there was a case of passing off.

Justice Lawrence in his concurring judgment held that the effect of the Defendant's advertisement was a representation that their production was a film version of the Plaintiff's sketch and that the same amounts to misleading the public concerned that the Defendant's production was the production which the Plaintiff had produced, in other words, that it was the Plaintiff's production.

This, Lawrence L. J. held, amounted to passing off by the Defendants of their film as being a film production of the Plaintiff's sketch.

Romer L. J. in a concurring judgment held in favour of the Plaintiff on the principle that the Court will always interfere by an injunction to restrain irreparable injury being done to the Plaintiff's property. His Lordship based his judgment also on the ground that the Plaintiff was entitled to a copyright. Romer L. J. has no doubt observed that there had been no passing off in the sense in which the word “passing off” is used in what is popularly known as “passing off actions". It is further observed that the cases in which the Court has restrained passing off in the popular and usual sense are instance of a mere application by the Court of a much wider principle viz. That the Court will always interfere by injunction to restrain irreparable injury being done to the Plaintiff's property. I do not read Lord Justice Romer's judgment as holding per-se that there was no passing off at all. This is clear from the first sentence of His Lordship's judgment where His Lordship has agreed with, "all that has fallen from the Master of the Rolls and Lawrence L. J.;" both of whom held that there was a case of passing off.

171. However, the Plaintiff's case does not end with the misrepresentations made by or on behalf of the third Defendants. The additional factors I will now refer to indicate, if not actually strengthen the potential of the misrepresentation having the intended effect of deception. At the very least, these facts do not weaken this potential of the misrepresentation.

172(A). Admittedly, Annu Kapur, who was the compere for over a 150 episodes telecast by the Plaintiff, was a dominant feature in the Plaintiff's game-shows. Added to this further is the reference to the first Defendant in the article. His involvement with the Plaintiff's game-shows ran into a 150 episodes which, even according to him, was legendary, magical, famous and a craze both nationally and internationally. According to him, he produced, directed and edited the game-show. The participants in the game-show naturally keep changing but Defendant No.1 and Annu Kapur were virtually fixtures in their respective capacities in the Plaintiff's game-shows.

In the said article "Games People Play" relied upon by the first Defendant in his affidavit dated 24.4.2007, the first Defendant stated that Annu Kapur had been the strength of the show; that none of the hostesses were in competition with him simply because Annu Kapur was beyond competition; that anybody could come and go but it would not affect Annu Kapur. The first Defendant further stated :-

> "I just can't begin to describe his contribution to the show. With him we don't have to give any kind of script.........."

In the interview also relied upon by the first Defendant in his affidavit dated 24.4.2007 (Exhibit "D"), the first Defendant stated:-

> "In fact, according to t.v. Ratings, Annu's fantastic performance as the host had taken `Antakshari's popularity soaring sky-high. ....

.......”

(B). Their involvement in the identical capacities in the third Defendant's shows has its own effect on the misrepresentation in the minds of the viewers.

173. I am not inclined to grant the Plaintiff any monopoly in the word “Antakshari”. It is admittedly a descriptive term. Additionally, it is a term which has been used on innumerable occasions by different persons as is evident from the record including, in relation to such games and game-shows.

Having said so, however, I cannot dismiss as a mere coincidence, the use of the term `Antakshari' by the third Defendant as a prefix to the title to its game-show. I do not for a moment suggest that this by itself affords any support to the Plaintiff's case of misrepresentation. It is only one factor which when viewed with the totality of the circumstances, supports the Plaintiff's case.

174. The Defendants have referred to other allegedly similar game-shows having been telecast in support of their contention against the possibility of deception among viewers. The record before me discloses no other similar game-show.

175. Firstly, there is absolutely no evidence indicating any level of popularity in respect of such shows. Secondly, a document relied upon by the first Defendant discloses that he himself had stated that one of the game-shows was unsuccessful and had virtually no viewership. If this be correct, the association in the minds of the public of such a game-show would be with the Plaintiff's game show.

176. In paragraph 9 of his affidavit dated 24.4.2007, the first Defendant stated that Doordarshan had televised an identical game show titled “KAUN JEETA KAUN HAARA” before the Plaintiff's show. He further stated that similar game shows had also been aired by ATN titled “SIYARAM ANTAKSHARI”; by Star Plus titled “CHALTI KA NAAM ANTAKSHARI”; by Doordarshan titled “PICNIK ANTAKSHARI”; by DD Sahyadri titled “RAM BANDHU ANTAKSHARI” and by DD1 titled “Music Masti Aur Dhoom”.

177. To the same affidavit, Defendant No.3 has annexed the article “WHOSE BRAINWAVE WAS IT ANYWAY ?”. In an answer to a question put to him, Defendant No.1 stated that the show `Kaun Jeeta Kaun Hara', “had lost whatever little viewership it had managed to hold in recent times.”

178. In paragraph 3 of its affidavit dated 30.4.2007 in rejoinder to the first Defendant's said affidavit, the Plaintiff expressly referred to its Advocate's letter dated 27.4.2007 requesting the first Defendant's Advocate to provide details mentioned in paragraph 9 of the first Defendant's said affidavit dated 24.4.2007 including the period when the said programmes had been telecast and the episodes where the similar rounds were played. The first Defendant was also called upon to furnish a CD of the alleged programmes. In the said affidavit, the Plaintiff has specifically stated that the said information sought had not been provided.

It is important to note that Defendant No.1 filed a sur-rejoinder to the Plaintiff's affidavit dated 30.4.2007. The first Defendant has not only not denied the contents of paragraph 3 of the Plaintiff's said affidavit, but has not even referred to the said paragraph.

179. In these circumstances, it is impossible to place any reliance on the first Defendant's contention that similar programmes had been telecast and that therefore it is possible that the viewers would not necessarily think that game shows similar to the Plaintiff's

game shows are associated only with the Plaintiff's show.

180. Defendant No.3 in paragraph 4 of its affidavit, also dated 24.4.2007 stated that its programme being telecast today, is based on its previous game show “Chalti Ka Naam Antakshari” which was telecast during the year 2000-2002. Defendant No.3 further alleged that its earlier programme had become very popular.

In its affidavit dated 30.4.2007 in rejoinder to the third Defendant's affidavit, the Plaintiff denied the contentions of the third Defendant, including that its game show “Chalti Ka Naam Antakshari” had become very popular as well as that its concept was similar to the Plaintiff's game show. Despite the same, the third Defendant has not furnished any material whatsoever to establish its contention. No reliance therefore can be placed on the third Defendant's contention in this regard.

181. This brings me to a comparison of the Plaintiff's game

show with the third Defendant's game show.

I have earlier dealt with the question of identity of the Plaintiff's game show. I will presume that the comparative chart annexed at Exhibit "B" to the third Defendant's affidavit is correct. Both in the affidavit in rejoinder and during the argument before me, it was submitted that even this table indicates the similarity between the two shows.

182. It will be convenient to first set out the comparative table annexed by the third Defendant. The Plaintiff's show consists of ten rounds while the third Defendant's show comprises of twelve rounds. The table reads as follows :-

BROAD DIFFERENCE BETWEEN THE PLAINTIFF'S AND DEFENDANT NO.3'S ANTAKSHARI

<u>Plaintiff's Antakshari</u>

Name of teams : Three teams viz. Deewane, Parwaane, Mastane

<u>Defendant's Antakshari</u>

Name of teams : Four teams viz. West (West Ka Maan), North (North Ki Shaan) Central (Central Ki Jaan), East (East Ki Aan)

Host :

<u>Plaintiff's Antakshari</u>

-

<u>Defendant's Antakshari</u>

Annu Kapoor & Juhi Parmar

Round 1 : Time is money

Plaintiff's Antakshari :

Compere gives a word/syllable and each contestant sings maximum mukhdas (opening stanza of a song) in a given time frame. Points are awarded on the maximum number of correct mukhdas sung in the given time frame.

Defendant's Antakshari**: Kaal Dhamaal**

DAY-1

One of the comeres sings a song. The other compere picks a word from that songs and gives it to a member of the team, who has to sing a song starting with that word. Once the contestant finishes, the compere picks a word from that Mukhda and the member of the same team, to whom the word is given has to sing a song staring with that word. This procedure goes on for 60 seconds for each team. 10 points are awarded for every correct song.

Plaintiff's Antakshari :

Round 2 : Meri Awaz Hi Pwehchan Hai - Buzzer Round

A visual clipping of a Hindi Feature film song is shown. But the audio played is of a different song. The contestants need to identify the correct song. The contestants that press the buzzer first and sing the correct song, score in the round.

Defendant's Antakshari

Round 2 : Hera Feri - Buzzer Rounds

The song visual and the audio played are of two different songs. The team has to identify the correct song displayed on the screen. The team who presses the buzzer first gets opportunity to identify and sing the song.

Host then asks the other teams if they have any objection to the song sung by the team. If no objection is raised, the team identifying and singing the song gets 10 full points. If correct objection is raised 10 points are lost. If objection is correct, the objecting team gets 10 points. But if objection is wrong the objecting team loses 15 points. Any team can object any number of times.

<u>Plaintiff's Antakshari :</u>

Round 3 : Antara Mukhda - Buzzer Round

Either the Antara (the middle stanza of the song) or the Mukhada of the original audio or the tune of a song is played. The contestant who presses the buzzer first and sings the correct Mukhda (if the antara is played) or the correct Antara (if mukhda is played) scores in the round.

<u>Defendant's Antakshari</u>

Round 3 : Mai Hoon Naa - Buzzer Round

For this round, celebrities are invited, who sing 4 Antaras of songs. Teams have to identify correct Mukhdas for those Anataras. The teams pressing the buzzer first gets to identify the Mukhda and to sing the song starting with the Mukhdas only.

<u>Plaintiff's Antakshari</u>

Round 4 : Dhun Mala - Buzzer Rounds

Three tunes are played continuously one after the other. The contestant who presses the buzzer and sings correct Mukhdasa of the tunes scores in this round.

Defendant's Antakshari

Round 4 : Hum Dum Sunio Re - Buzzer rounds

Modely/Dhun of two songs is played by the musicians. The team pressing the buzzer first has to sing complete Mukhdas of both the songs of which medely/dhun is played. For guessing both the songs correctly the team gets 20 points. If the team does not recognize and sing both or even one song, they lose 10 points. If the team fails to sing complete mukhda of both the songs, they lose 10 points.

As a last cue (Bumper Dhun), a single dhun is played. The team pressing the buzzer has to identify the song and sing correct mukhda with 1 antara of that song. For guessing correct song and playing correct Mukhda and Antara the team gets 30 points. If the team fails to sing complete mukhda and antara, it loses 15 pints.

Team scoring least points on day 1 is eliminated at the end of the episode. Thus, three teams play on day 2.

Plaintiff's Antakshari :

Round 5 : Badalte Sitare - Buzzer Rounds

Songs are sung by the comperes. The contestant who presses the buzzer identify the couple (actor/actress) on whom the song is picturized and also sings another song filmed on either the said actor or actress scores in this round.

Defendant's Antakshari **- DAY-2**

Round 5 : Hum Tum - Buzzer Round

Upcoming singers (guests) are incorporated in this round. The guest singer sings a song. The team pressing the buzzer the first has to identify the pair (jodi) on which the song is picturized. The team then has to sing a duet song of one of the person from that pair with another artiste. The next team then has to pick one of the actor/actress from the earlier paid and sing a song picturized on that actor/actress with any other actor/actress, but without repeating the connecting actor/actress. This continues for two cycles. If a team fails to sing a song, the next team takes from the couple left.

<u>Plaintiff's Antakshari :</u>

Round 6: Dumb Charades - Buzzer Round

The compere enacts a film name (as in the game known as Dumb Charadea). The contestant who presses the buzzer, identifies the film and sings a song from that film, scores in this round.

<u>Defendant's Antakshari</u>

Round 6 : Babu Samajho Ishare - Not a buzzer round

A team itself decides name of a movie and whispers it to the compere. The compere then enacts it out to the other team. The other team than has to identify the name of the movie and sing a song therefrom. If fails to do so, it passes to the next team. The remaining teams can object to name of the film and song. If correct objection is raised the objecting team gets 10 points and the team identifying the film and singing a song loses 10 points. The objecting team however, loses 15 points if objection is wrong. If nobody objects, then team identifying the film gets full points, even f the song is incorrect.

<u>Plaintiff's Antakshari :</u>

No such rounds

<u>Defendant's Antakshari</u>

Round 7 : Jhalak Dikhala Ja

One team member is sent to isolated area, where he/she is shown clipping of the song. The team member has to verbally clue his team member and describe the song. His/Her team member has to identify the song within maximum 40 seconds. Points are given on the basis of time taken for identifying the song. Equal points are deducted is song is not correctly identified.

Plaintiff's Antakshari :
No such round

Defendant's Antakshari
Round 8 : Loose Control

The compere asks the team to sing a song of its choice. After the team finishes the Mukhda of the song, the compere asks three questions related with that song. 10 points are given for each correct answer. Any team knowing the answer can press the buzzer, answer the questions and win points.

Team scoring least points on day 2 is eliminated at the end of the episode. Thus, two teams play on day 3 in final round.

Plaintiff's Antakshari :
Round 7 : Theme Round

The contestants are given a cue based on a particular theme such as college life, boat rides, garden scenes etc. The contestants who sing mukhdas of songs based on that theme score in this round.

Defendant's Antakshari
Round 9 : Lage Raho

The teams are given a word and it has to sing mukhda of a song with that word in. After one team finishes the song, other team has to sing mukhda of another song having the same word. If either of the teams are not able to sing, the word is passed to the other team. This procedure goes on for 4 minutes. Team singing the complete mukhda correctly wins 10 points and loses 5 points if the song is not correct or word is not passed.

Plaintiff's Antakshari :
Round 8 : Tring Tring Rounds

The Anchor calls up viewers and viewers pose questions to the contestants. The contestants then have to answer the question and sing the correct song. The team that does both, scores in this round.

Defendant's Antakshari
Round 10 : Hum Bhi Hai Josh Main

Team is asked to call up the opposite zone and the viewer on the other side of the phone asks a question, which the team has to answer in song form. For right song the team scores 10 points. The opposite team can raise objection. For correct

objection it wins 10 points, but if the objection is wrong it loses 15 points.

Plaintiff's Antakshari
Round 9 : Visual Rounds - Buzzer Rounds

A song from a Hindi Film is shown, minus the audio (i.e. A mute visual clipping). The contestant who presses the buzzer, identifies the song and sings it, scores in this round.

Defendant's Antakshari
Round 11 : Bhagam Bhag -Buzzer Rounds

Firstly, a view clipping of a song from a movie is played and a team has to guess any song from that movie in 10 seconds. For correct guessing 30 points are awarded and 15 points are lost if the guess is incorrect.

Secondly, a scene from a movie is played and the team has to guess any song from that movie within 10 second. For correct guessing 20 points are awarded and 10 points are lost if the guess is incorrect.

Thirdly, in a song some other scene is played and the team has to guess correct song with respect to that scene. On correct guessing 10 points are awarded and 5 points are lost if the guess is incorrect.

Plaintiff's Antakshari

Round 10 : Mixed Bag Dhun/Dhun Round -Buzzer Round

Five tunes are played. The contestant, who presses the buzzer, identify the tunes and sings the songs scores in this round.

Defendant's Antakshari

Round 12 : **Jo Jeeta Wohi Sikandar -** Buzzer Round

Five dhuns are played by the musicians and the teams have to guess the song of which dhun is played. The team which presses the buzzer first and sings the song correctly wins 20 points out of which 10 points are from the opponent's account. If the team presses the buzzer but fails to sing the song, it loses 20 points.

183. There are no doubt differences between the two programmes. In substance, the concept of the show/programme is a test of the contestant's knowledge and memory of Hindi film music.

The Plaintiff is not entitled to a monopoly in the concept of testing a person's knowledge and memory of Hindi film music. It is the manner in which the contestant's knowledge and memory is tested, which accounts for novelty.

The question is whether there is any novelty in the mode and manner of testing the same and whether there is any novelty in the manner in which such tests are conducted by means of a television game show.

184. I must confess my ignorance not only of these shows but even of their existence. That has resulted in my being considerably exercised over this aspect of the matter. Although I doubt whether even if I was familiar with the shows, I could have pressed my familiarity with them in judging the matter.

185. It was contented that Antakshari is an age old game played in almost every household and school. However, the only form of the game that my attention was invited to was where the last word of the song is the cue for a person/contestant to sing another verse from the song.

My attention was not invited to anything which suggested that each of the rounds was in public domain or was a well known form or concept and had already been the subject matter of previous shows. I am therefore unable to accept the Defendant's contention that there is no novelty in any of the rounds.

186. The Plaintiff has developed and indeed enhanced a general idea viz. the test of a person's knowledge and memory of Hindi film music. It has now evolved new and different methods of testing a person's knowledge and memory of Hindi film music. It has not limited its exercise of judgment and skill only to the traditionally well-known method of requiring a person to sing a song starting with the last syllable of the song sung by the previous person. What the Defendants have copied therefore is not the mere general idea, not the well-known concept, but the Plaintiff's novel presentation and pattern thereof both in form and content.

187. On the question of similarity between the two shows, it is evident that the corresponding rounds of the Plaintiff's and the Defendant's shows are not identical. There are differences. As stated by Defendant No.1 in one of his interviews in the article “WHOSE BRAINWAVE WAS IT ANYWAY ?” : “How different can one

Antakshari be from another ?"

This was the statement made by him in November, 1993 when he was, as held by me, an employee of the Plaintiff. I do not therefore doubt it at all. The difference that is required to avoid a finding of copying in a show such as this, would be less than in certain other shows where a greater difference may be required to resist a finding of copying.

There is however a great deal of similarity at least in respect of round Nos.4 and 5. There is also a great deal of similarity between the Plaintiff's round No.1 and the third Defendant's round No.9 and the Plaintiff's round No.10 and the Defendant's round No.12.

188. I will presume that that by itself is not sufficient for the Plaintiff to maintain an action for passing off. There are however three additional factors which I find of considerable importance. These three factors, though not individually, when considered together, clearly tilts the balance in the Plaintiff's favour.

189. Firstly, the said articles dated 6.1.2007 and 12.1.2007, as I have held, indicate a representation by or on behalf of the third

Defendant that the third Defendant's game shows are nothing but a continuation of the Plaintiff's game show and that the Plaintiff is connected with the same.

It is reasonable to presume and the Court would be justified in proceeding on the basis that a party misrepresenting a fact believes that the purpose of the misrepresentation will be served. In the absence of anything, I am of the opinion that in that case the Court may presume that the misrepresentation will have its effect. In any event, the burden then shifts on the person making the misrepresentation to establish that the misrepresentation will have no adverse effect on the other party or will not serve the purpose.

190. I would presume that the Defendants themselves believed that the nature of the two shows are such that by their misrepresentations viewers are likely to be confused into believing that the third Defendant's game show is the work of the Plaintiffs or that the Plaintiff is associated or connected with the same. In view thereof, there is no warrant for the presumption that the dissimilarities are such that the viewers would not be so confused. 191. Once there are dissimilarities, it is for the Court to consider whether the

dissimilarities are such as to obviate any confusion or whether they are merely cosmetic. Representations having been made by or on behalf of the third Defendant indicating a connection between the two game shows, I see no warrant for presuming that the misrepresentations would not have the intended effect. In other words, the conduct of the third Defendant is an important indication that the dissimilarities by themselves would not obviate any confusion in the minds of the viewers.

192. There is yet another perspective to this matter. I have already compared some of the rounds and dealt with the misrepresentation contained in the said articles. I have viewed samples of the Plaintiff's as well as the third Defendant's shows more than once. I did not consider the shows as indicating that the attempted misrepresentation would not serve the purpose. In other words, the shows are not so different that the viewers would not be deceived by the said misrepresentations. Indeed, the effect of the misrepresentation would be enhanced by a common dominant feature of the shows of both the parties viz. the compere Annu Kapoor. Some at least, of the rounds having been found to be

similar and the most prominent features of the shows being common, together with the misrepresentation, establishes the Plaintiff's case of passing off. The differences in the format and presentation in the third Defendant's show are not materially or substantially different such that the misrepresentation by the third Defendant would not have the desired effect. The differences relied upon by the third Defendant are that the Plaintiff's show has ten rounds whereas the third Defendant's show has twelve rounds; that the names of the rounds in both the shows are different; that the criteria for awarding points are different; that the hosts are different; that the zones have different names; that the said sets and presentation of the shows are visually different; that the scripts are different and that the title songs of both the game shows are different. The differences mentioned in the third Defendant's affidavit dated 24.4.2007 may well be considered by viewers to be exactly what the first Defendant is recorded to have said in article “Games People Play”; “Even now you will find that every time there's something new in this programme, but the original concept remains the same. We keep planning for the future, to see how we can change and give better adaptations to the audience every time." There is every likelihood that a viewer would consider these differences as adaptations, nuances and variations made by the Plaintiff itself to its show.

193. Secondly, one of the predominant features of both the shows is Annu Kapoor, the anchor. I have already referred to the importance the Defendants themselves have accorded to the role played by the said Annu Kapoor. The first Defendant's involvement with and his role in the third Defendant's production is also prominently advertised and mentioned. I have also dealt with the prominence of his association with the Plaintiff's game show.

194. It was submitted on behalf of the Defendants that the effect of the grant of an injunction would be to prevent the game shows based on the concept altogether. The apprehension is unfounded. I think what I have said in this judgment makes that clear. Each matter would have to be decided on the facts of its own case. There is no single factor which has entitled the Plaintiff to an injunction against passing off. It is a combination of these factors which has entitled the Plaintiff to this relief.

195. I hasten to add that the mere fact that Annu Kapoor is an

anchor for the third Defendant's show and the first Defendant has been engaged by the third Defendant for its show, would not by itself be conclusive of the matter. Surely, they cannot be deprived of their right to carry on their respective professions, as rightly contended by Dr. Tulzapurkar. They have a right to do so. They however do not have a right to pass off the third Defendant's show as that of the Plaintiffs.

196. In *Anil Gupta's* case (supra) the learned Judge held in favour of the Plaintiff both on the grounds of breach of copyright as well as on the ground of confidentiality.

In paragraph 48, while dealing with the nature of the relief, the learned Judge inter-alia held that the Plaintiff could not get an injunction till the decision of the suit because if the Plaintiffs are entitled to transmit their programme on television, the concept would be in public domain after the same was televised. In paragraph 50 of the judgment, the learned Judge therefore restrained the Defendants from transmitting their programme only for a period of four months from the date of the order.

I am, with respect, unable to agree with this part of the judgment in so far as the relief based on infringement of copyright is concerned. I see no reason to limit the duration of an injunction if a Plaintiff has made out a case of breach of copyright or a case of passing off. Whether such an order is justified where the cause of action is based on breach of confidentiality, is a question that does not arise in this case.

Indeed, the Division Bench of this Court in *Zee Telefilms* obviously did not approve of this part of the order. While dismissing the Appeal from the order of the learned Single Judge granting an ad-interim injunction, which was not limited for any duration, the Division Bench did not limit the duration either. To curtail the duration of an injunction where a Plaintiff has made out a case of breach of copyright or of passing off, would defeat the rights of the Plaintiff altogether.

197. In the circumstances, the Notice of Motion is made absolute in terms of prayer (b) except the words bracketed in red.

198. The operation of this order is stayed till 4.11.2007 to enable the Defendants to challenge the same.