

S.A. Plywood Industry Vs Rajan Steel

Court: Calcutta High Court

Date of Decision: June 21, 2005

Acts Referred: Trade and Merchandise Marks Act, 1958 " Section 28(3), 29

Citation: (2005) 2 ILR (Cal) 217

Hon'ble Judges: Kalyan Jyoti Sengupta, J

Bench: Single Bench

Advocate: Bhaskar Sen and Sait Talukdar, for the Appellant;Pratap Chatterjee, for the Respondent

Judgement

Kalyan Jyoti Sengupta, J.

The aforesaid two applications have been heard together and have been disposed of by this common judgment

and order as the same have arisen out of the same suit and involvement of controversies in both the applications in common. In the above suit the

Plaintiff has claimed relief in the form of permanent injunction on account of infringement of the trade mark ""Globe"" bearing No. 652755 and also

on the ground of illegal and wrongful passing of the Defendants product as being the product of the Plaintiff using the above trade mark and also

monetary relief.

2. The first mentioned notice of motion has been taken out by the Plaintiff for interlocutory relief in the shape of temporary injunction restraining the

Defendants and/or his agents and servants from using the above mark in connection with their product viz. plywood. Admittedly, both the parties

are carrying on the manufacturing, selling and/or marketing the plywood and plywood products using the same trade mark ""Globe"". Admittedly,

again both the parties have got their registration of their respective marks in connection with the same product and under the same classification.

Admittedly the Plaintiff's registration was made on January 23, 1995 while the Defendants' registration was made on August 16, 1995. Under

such circumstances, it is submitted by the Learned Counsels that both the parties have mutually asked for cancellation of the marks before the

trademark registry. This mutual proceedings before the trademark registry is still pending.

3. At the ad interim stage the Plaintiff obtained order of injunction for the limited period. However by efflux of time the period of the interim order is

no longer subsisting. During subsistence of the interim order the Defendants made an application for vacating of the interim order and/or for

dismissal of the suit being the second mentioned application. Now, there is no question of vacating of the interim order in view of the above

situation. Only question is whether the interim order initially passed should be restored or not.

4. At this stage the Court is to consider whether the Plaintiff has been able to make out prima facie case to get the order of injunction restored or

not. Mr. Bhaskar Sen, Ld. Senior Advocate with Mr. Samit Talukdar, Learned Advocate submits that the Petitioner's registration is prior to that

of the Defendants admittedly. Therefore, as a matter of course, subsequent registration should be cancelled and an appropriate application has

been made before Registrar. However, the Court will take note of the fact of prior use of the Plaintiff of the mark ""Globe"" because the registration

was granted earlier than the Defendants. Thus, it is established that unless there has been user of the Plaintiff prior to that of the Defendant

registration could not have been granted. He submits that it is true if there has been two registration of the same marks in favour of two different

persons, both the persons have exclusive right under the law to use the mark as against the third parties. But none of the owners of the competing

registered mark is entitled to get protection in the shape of injunction as against each other.

5. He contends that passing of action has no connection or relation with the registration. In case of passing of action the Court always looks into

the prior user on receipt of the evidence and materials. He submits that the Plaintiff has annexed various documents viz. gate passes for removal of

excisable goods from the factory showing the use of the mark ""Globe"" and also the bills and invoices issued to the customers in connection with the

sale of the product of plywood with the mark ""Globe"". That apart the Plaintiff has spent large amount for advertisement and publicity costs. The

Plaintiff has been able to increase progressively sale of its product using the above mark from 1990 to 2002 and in the last year this sale figure has

reached to the amount of Rs. 6,66,14,729/- . The publicity materials viz. the advertisement issued in related trade journal have also been annexed.

From this documents it will appear that the Plaintiff has started the above mark ""Globe"" from September, 1990.

6. Having discovered illegal user and infringement of the mark the Plaintiff has also taken action against various traders. By this act and conduct it

will appear that the Plaintiff has been using the mark from September, 1990. He submits further that the Defendant have not been able to produce

any material apart from some advertisement and publicity materials, that they are using same mark in connection with the trade of the same of

product. Mere registration of the mark does not establish the actual use of the mark. In fact, the Defendants brought a civil action in the

appropriate Court in Punjab against the Plaintiff has been using the mark from September, 1990, He submits further that the Defendants use not

been able to produce any material apart from some advertisement and publicity materials, that they are using same mark in connection with the

trade of the same of product. Mere registration of the mark does not establish the actual use of the mark. In fact, the Defendants brought a civil

action in the appropriate court in Punjab against the Plaintiff and such action has been withdrawn. Under such circumstance"s, he contends that the

Plaintiff has been able to establish prima facie that it is the senior user of the mark. Replying to the question of the jurisdiction he contends that plea

of jurisdiction raised by the Defendants is frivolous. Firstly, the question of the jurisdiction has to be determined going by the averment and

statement of the plaint. A substantial part of the cause of action has arisen within the jurisdiction as the Plaintiff applied for and got registration of

their mark in Calcutta being the regional office under the Trade and Merchandise Marks Act, 1958 (hereinafter referred to the said Act).

Infringement and/or passing off have taken place both in Calcutta within the territorial jurisdiction of this Hon"ble Court and also outside. These

statements and averment relating to the jurisdiction has been sufficiently pleaded in the plaint.

7. Mr. Pratap Chatterjee, Learned Senior counsel, submits that the Defendants have submitted that this Court has no jurisdiction as the statements

and averment pleaded in the petition do not constitute cause of action for the infringement of passing off action. It has been misleadingly stated that

the registration has been obtained in the office of the Calcutta whereas the document annexed to the petition show that such registration was issued

in Mumbai, As such on the ground of jurisdiction the plaint should be rejected and/or suit should be dismissed. On the question of granting

injunction he contends that the documents annexed to the plaint purporting to establish the prior user are not acceptable as it will appear from the

original thereof that the documents annexed to the plaint purporting to establish the prior user are not acceptable as it will appear from the original

thereof that the same are interpolated one and it will not be safe for the court to rely on the same. He further submits that when the parties have

approached the Registrar concerned for cancellation of the respective marks it would not be appropriate for the Court to pass any order on this

application. The trade mark registry is the expert body and both the parties will have opportunity to bring their respective cases and evidence as to

the factum of prior user. He further submits that the Plaintiff has not been able to show the factum of prior user. In support of his contention he has

relied on the decisions of the Supreme Court judgments reported in Uniply Industries Ltd. Vs. Unicorn Plywood Pvt. Ltd. and Others, Kaviraj

Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, .

8. I have heard respective contentions of the Learned Counsels and examined the materials. In this case since both the parties have go their

respective registration none of the parties is entitled to get any statutory protection as against each other, as provided u/s 29 of the aforesaid Act.

Admittedly, both the marks are identically same in all respects and are being used in connection with the same product. As such it is clear that

confusion is bound to occur in the mind of the ordinary customer public. From the two marks I do not find any distinguishing feature so that one

can identify the goods separately. It is clear that both the parties can mutually and wrongfully tirade on the reputation and goodwill of another.

9. But in view of the provision of 28 Sub-section (3) the Plaintiff despite having prior registration cannot get an order of injunction under 28 Sub-

section (3) is quoted hereunder:

28. Right conferred by registration (1) ...

(2) ...

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive

right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions of limitations entered on

the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the

trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted

use) as he would have if he were the sole registered proprietor.

10. Under such circumstances no order of injunction can be passed against the Defendant, on the ground of infringement of the mark still the

mutual applications for cancellation of the marks is decided.

11. Under such circumstances no order of injunction can be passed against the Defendant, on the ground of infringement of the mark still the

mutual applications for cancellation of the marks is decided.

11. Both the Learned Counsels have submitted on the statement of law that in passing of action registration is immaterial. Only questions is who

has started using effectively the Mark first. Mr. Sen"s client has tried to establish before the Court on the strength of the gate passes that it has

been using the mark from September, 1990 being called upon by Mr. Chatterjee. The original gate-passes were examined by the Court. Carbon

copies of the gate-passes are prepared at the factory premises of the Plaintiff. Prima facie it looks that the word ""Globe"" has been written

subsequently. The entire bunch of the carbon copies were also examined. I do not find all the carbon copies of the gate passes the word ""Globe"" is

mentioned and that too were inserted later on. However, this observation of mine is absolutely tentative and for the purpose of dealing with this

interlocutory application. As submitted by Mr. Chatterjee rightly it will not be proper to hold prima facie that the Plaintiff used the above mark

Globe"" from September, 1990. Leaving those documents apart, now I am to look for the other documents to accept the claim of prior user by the

Plaintiff. In the petition I find that Plaintiff has annexed documents viz. bills issued to the customers dated February, 25, 1995 being annexure to the

invoice. I find that the word ""Globe"" has been used therein and subsequent documents are also available to find word ""Globe"". Moreover, it is

rightly submitted by Mr. Sen when the registration was granted on January 20, 1995 the Plaintiff must have proved he use of the mark prior to the

date of the registration which was initially mentioned as 1992. Moreover, in the application for copyright the Plaintiff has stated that it has started

using the mark with the artistic design in 1992.

12. In the affidavit-in-opposition I find that the Defendant has merely advertised in various journals and bulletins that it has started using the mark

Globe"". No document has been produced to show that the word ""Globe"" has been used in connection with the trade factually.

13. I am of the view that the reputation and goodwill is earned not merely by advertisement and publicity but by actual sale of goods. Customers at

large are interested in the quality and utility of the product not with the mark primarily. The mark is used to identify and/or distinguish the product, if

the product is not marketed the customer or the consumer has no occasion to be acquainted with the goods, naturally mere user of the name of the

mark does not bring forth any reputation and goodwill. Passing of action is essentially directed against marketing of the goods wrongfully using

somebody's lawful reputation and goodwill with an intention to defraud the public at large representing their goods is that of reputed products.

14. If the Defendants have not established with cogent evidence that it has marketed the goods before the Plaintiff's use consequently earned

reputation, question of filching by the Plaintiff does not and cannot arise.

15. Therefore, I hold that the Plaintiff has been able to establish the factum of prior user of the goods while the Defendants have failed. But the

Defendants have demonstrated intention to use the mark ""Globe"" in connection with the same product and I have no doubt if both are allowed to

use the same mark the same will surely deceive and confuse the customer public at large.

16. Honesty and fraud cannot dwell side by side and obviously in a welfare society the fraud has to be eliminated in order to protect the honest

traders and businessmen.

17. As far as the question of jurisdiction is concerned, I find in the plaint substantial part of cause of action is stated to have arisen within the

jurisdiction of this Court. At this stage going by the plaint I do not find there is any substance in this objection.

18. In the circumstances, I hold that the Plaintiff is entitled to get order of injunction on the ground of passing off. Hence, there will be an order-in

terms of prayers "a" and "b" of the notice of motion. The other points raised on the question of dismissal of the suit on the fact shall be decided at

the time of the trial of the suit as at this stage it is impossible to render decision on this point. This judgment and order, is however, without

prejudice to the rights and contentions of both the parties and it will not be any binding factor before the trade mark registry. I request the trade

mark registry to decide the case as early as possible subject to its convenience preferably within a period of three, months from the date of

communication of this order. After disposal of the above application the parties will be entitled to apply for any relief in this suit, if so advised.