Delhi High Court
M/S. Nataraj Tobacco Products Co. vs M/S. M.D. Patel Tobacco Products ... on 28 September, 1994
Author: M J Rao
Bench: A D Singh, M Rao
JUDGMENT M. Jagannadha Rao, C.J.

1. This appeal is preferred against the order of the learned Single Judge in IAs 7404/93 and 5531/93 granting injunction under Order 39 Rule 1 against the appellant/defendant. By that order the learned Single Judge confirmed the ex parte interim order earlier granted on 28th May, 1993. Temporary ex parte injunction sought by the respondent/plaintiff against the appellant/defendant was for restraining the appellant, its servants, agents etc. from manufacturing, marketing, selling or offering for sale, advertising or displaying directly or indirectly or dealing in Bidis under the trade mark 'NATARAJ 9' with the device of 'NATARAJ' and the trade mark 'NATARAJA' as part of their trading style or any other trade mark identical with or deceptively similar to the respondent's trade mark 'NATARAJA 9' with device of 'NATARAJ'. Aggrieved by temporary injunction granted under Order 39 Rule 1 CPC, in favor of the respondent/plaintiff, the appellant/defendants have come up in this appeal.

2. The respondent/plaintiff filed the Suit No. 1279/93 towards the end of May, 1993 claiming to be proprietor of trade mark 'NATARAJ 9' with the device of 'NATARAJ' in respect of bidis. The plaintiff claimed that he was also the proprietor of the copyright 'NATARAJ' Along with the device of 'NATARAJ' having distinctive get-up, make-up, colour scheme, arrangement and lettering style. The plaintiff also referred to the four applications for registration of trade mark 'NATARAJ 9' filed on 1st June, 1992. It was contended that the defendants were selling their goods through defendant No. 2 in Delhi and the Delhi Court had jurisdiction to try the suit. Alternatively, the plaintiff contended that the Delhi Courts had jurisdiction under Section 62 of the Copyright Act, 1957.

3. The appellant/defendant contested the suit claiming that the plaintiff is neither the owner nor the registered proprietor of copyright 'NATARAJ 9' with the device of 'NATARAJ' nor the proprietor of the trade mark inasmuch as several other manufactures have also registered the trade mark with the device of 'NATARAJ' and numerical '9'. The appellant referred to one company in the State of Andhra Pradesh and another in the State of Maharashtra. They, therefore, contended that the respondent/plaintiff was the pirator of trade mark 'NATARAJ' with the device of 'NATARAJ' and one pirator (plaintiff) was not entitled to injunction against another pirator (defendant/appellant) and that the said question has already been decided by the Delhi High Court. The appellant also contended that the Delhi Courts have no jurisdiction as the respondent is not residing in Delhi nor carrying on business within the jurisdiction of this court. It was also contended that Section 62(2) of the Copyright Act is not attracted.

4. The learned Single Judge after referring to the respective pleadings of the parties referred to the fact that the plaintiff had filed documents regarding the extensive sales of Bidis under the trade mark 'NATARAJ 9' and the label being used by the plaintiff which is also quite distinct. The plaintiff also placed on record the copy of the labels for the Bidis used by the appellant which, according to the plaintiff, were deceptively similar to the trade mark and the label of the respondent/plaintiff.

The learned Single Judge then observed that the plaintiff had based his claim not only on the infringement of the trade mark but also on infringement of the copyright, and that Section 62(2) of the Copyright Act was attracted and, therefore, the suit was maintainable whether the plaintiff was carrying on its business in Delhi or not. The special provisions of Section 62(2) enabled the plaintiff to file a suit under the Copyright Act at a place where plaintiff was carrying on it business. It was further held that it was the original work brought into existence which gave the copyright to the person who had created the said original work. So far as the contention that some other company had got its trade mark of 'NATARAJ' registered in Maharashtra State, the learned Single Judge held that the said trade mark stood registered in 1975 for 7 years and was renewed from March 17, 1989 onwards for seven more year. But he come to the conclusion that there was no evidence to show that the third party in Maharashtra was actually using the trade mark. The learned Judge referred to the decision of the Supreme Court in Corn Products Refining Co. Shangrila Food Products Ltd. , where the Supreme Court held that the presence of a mark in the register did not prove its user at all. It is possible that the mark may have been registered but not used. It is not permissible to draw any inference as to their user from the mere presence of the trade mark on the register. The fact that the particular trade mark had not been used by the owner for considerable time did not lead to the inference that the same had been abandoned. On that basis, the learned Single Judge observed that there was no evidence to show that the third party in Maharashtra territory had been actually using 'NATARAJ' trade mark. So the learned Judge held that it could not be said that the respondent/plaintiff was prima facie a pirator of a trade mark belonging to the third party. The learned Judge distinguished two decisions of the Delhi High Court in Capital Plastic Industries v. Kapital Plastic Industries (1988 PTC 98), and Cora Mal Hari Ram v. Bharat Soap & Oil Industries , Against this order the defendant has preferred this appeal.

It may be noticed that the defendants 1 and 2 have their address at Hyderabad and Ludhiana respectively while the plaintiff has his address in Tribunelveli Town (Tamilnadu) and the second appellant (second defendant) is imp leaded by the respondent/plaintiff as being one of the distributors to whom plaintiff was selling the goods at Delhi.

5. So far as the question of jurisdiction is concerned, there was not much argument before us in view of the fact that the respondent/plaintiff had put his case not only on the ground of infringement of trade mark but also on the ground of infringement of copyright. The special provisions of Section 62(2) of the Copyright Act permit the plaintiff to file a suit under the Copyright Act at the place of plaintiff business. We, therefore, affirm the finding of the learned Single Judge.

6. The main contention of the learned counsel for the appellant is that the appellant has produced material before us that the trade mark "NATARAJ 9 and the device 'NATARAJ' was also registered under No. 30 62 dated 17th March, 1975 in the name of a third party since 22nd August, 1968 in respect of Bidis for the sale in the State of Maharashtra. The name of this third party "NATARAJ BIDI WORKS", 530, Ganga Wes, Sinner, District Nasik. Therefore, it was urged that the plaintiff/respondent must be treated as a pirator of the said trade mark and could not obtain an injunction against the appellant as also being a pirator. The learned Single Judge, as already stated, rejects the contention of the learned counsel for the said defendant as there was no material placed on record that the Maharashtra company in fact registered the trade mark in Maharashtra for using

the trade mark. The learned Single Judge observed :

"If a particular trade mark has not been in use by the owner of the trade mark for a considerable period, it may lead to an inference that the owner had abandoned the trade mark. There is no evidence prima facie brought on the record by the defendant to show that any other trader has been using this trade mark in respect of the sale of Bidis at any other place."

7. The Supreme Court in Corn Products Refining Co. v. Shangrila Food Products Ltd. (supra) held that the mere presence of the trade mark in the register does not prove its user at all. It is possible that the mark may have been registered but not used. By the mere presence of the registration of a trade mark, it is not possible to draw the inference to its user.

8. No evidence was produced before the learned Single Judge by the appellant/defendant to show that the Maharashtra Company was using this trade mark. The finding arrived at by the learned Single Judge was on the basis of the record, Therefore, we cannot sit in appeal against the order of injunction in the absence of any material on record to the contrary. We are bound to accept the finding of the learned Single Judge as there is no evidence of user of the trade mark by the Maharashtra company. If the trade mark of the third party is not proved to be under use the plaintiff cannot be treated as a pirator.

9. The three decisions cited for the appellant are distinguishable. In Capital Plastic Industries case 1988 PTC 98, the Division Bench had before them a case of two pirators and it was held that injunction could not be granted for one pirator against the another but defendant was directed to maintain true and proper account of the sales. This decision is distinguishable for the respondent before us cannot be treated as pirator unless there is evidence that the Maharashtra businessman (a third party) was using his registered trade mark 'NATARAJ'. Similarly, Gora Mal Hari Ram's case (supra) is also not applicable. The Court held that in a passing-off action if injunction is granted, the suit might indeed become infructuous and it will be better to order to maintain accounts at the interim stage. The decision in Prem Singh v. M/s. Cream Auto Industries , is also distinguishable for there it was proved that the plaintiff was a pirator and it was not a case where there was no evidence that a third party was putting his registered trade mark into use.

10. The prima facie finding that in regard to the third party's user of this very mark, there is no evidence in this case is most important aspect in this matter. We, therefore, decline to interfere in this appeal as no material is placed before us that the third party in Maharashtra had put his trade mark to use. The appeal is dismissed.

11. Appeal dismissed.