

United Breweries Ltd. Vs. Khoday's Brewing and Distilling Industries Ltd.

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Court : Karnataka

Decided On : Jan-21-2002

Reported in : 2003(26)PTC130(Karn)

Judge : V.G. Sabhahit, J.

Acts : [Trade and Merchandise Marks Act, 1958](#) - Sections 27 and 28; [Code of Civil Procedure \(CPC\) , 1908](#) - Order 39, Rules 1 and 2 - Order 43, Rule 1

Appeal No. : MFA No. 1447/1994

Appellant : United Breweries Ltd.

Respondent : Khoday's Brewing and Distilling Industries Ltd.

Advocate for Def. : K.N. Srinivasan, ;Mohd. Saibullah and ;A.R. Srinivasa Rao, Adv.

Advocate for Pet/Ap. : Udaya Holla, Adv.

Disposition : Appeal dismissed

Judgement :

V.G. Sabhahit, J.

1. This appeal under Order 43 Rule 1(r) of the CFC., is directed against the order dated 4.1.1994 in O.S. No. 747/93 rejecting the application I.A-1, filed by the

plaintiff for issue of an order of temporary injunction against the defendant.

2. The facts of the case in brief leading up to this appeal are as follows:

The parties would be referred to with reference to the rank before the trial court. The plaintiff M/s. Kalyani Breweries Limited, Calcutta, filed the suit O.S. 747/93 on the file of the City Civil Judge, Bangalore, seeking for a decree against the defendant restraining the defendant M/s. Khodays Brewing and Distilling Industries Limited, from using the mark 'Black Label' on the beer manufactured and sold by it in the District of Bangalore and in any other districts in the State of Karnataka and anywhere in India and for permanent injunction restraining the defendant from passing off its beer as for the beer of the plaintiff and for a mandatory injunction directing the defendant to produce all the infringe mark, label and goods in its custody and its possession as also in the custody and possession of its men, agents, servants, dealers, distributors etc., before the Court and to direct the defendant to pay to the plaintiff all the profits that have accrued to it from the sale of the beer in which the trader mark deceptively similar to the trade mark of the plaintiff is used. In the said suit, an application was filed under Order 39 Rule 1, CPC, seeking for an order of temporaryinjunction to restrain the defendant from its men, agents, servants, dealers, distributors, subsidiaries or associate companies, licensees or any one claiming through or under it from in any manner from using the mark 'Black Label' on the beer manufactured and sold by it in the District of Bangalore and in any other districts in the State of Karnataka and anywhere in India and to grant such other and further reliefs as are just.

3. The application was resisted by the defendant by filing written statement and the objections to the application for temporary injunction. The trial Court by its order dated 4.1.1994 held that the plaintiff has failed to make out a prima facie case and that the balance of convenience is not in favour of the plaintiff and plaintiff has also failed to prove that it would be put to irreparable injury in case the order of temporary injunction is not granted and accordingly, held that the plaintiff is not entitled to an order of temporary injunction and being aggrieved by the said order of rejection of temporary injunction, being aggrieved by the said order the plaintiff has preferred this appeal.

4. I have heard the learned counsel appearing for the appellant and the learned counsel appearing for the respondent.

5. Having regard to the contentions urged, the point that arises for determination in this appeal are:

Whether the order passed by the trial court dismissing the application filed under Order 39 Rules 1 and 2 by the plaintiff seeking for an order of temporary injunction is capricious, arbitrary or perverse and calls for interference in this appeal?

And I answer the above point in the negative for the following reasons:

6. I have gone through the averment made in the plaint and the documents produced alongwith the plaint and the application for temporary injunction and the contents of the affidavit filed in support of the application for temporary injunction and the documents produced alongwith the application and also the contents of the written statement and the documents produced by the defendant and the contents of the application resisting the grant of temporary injunction and it is clear from the perusal of the same that, it is the case of the plaintiff that the plaintiff is a Company registered under the Companies Act and it is manufacturing and selling beer since 1971 under the brand 'Kalyani Black Label'. The mark has become well-known and the same has been registered under No. 308025 in part-A on 28.8.1975 in class-32 in respect of beer with the Trade Marks Registry Bombay under the [Trade and Merchandise Marks Act, 1958](#). Copy of the label and the letter issued regarding registration are produced. It is further averred that the said registered trade mark is valid and subsisting. The defendant is a Bangalore based company which is also engaged in manufacturing and selling of beer and other alcoholic products and it has come to the notice of the plaintiff recently (The suit filed on 28.1.1993) that defendant is selling beer under the trade mark 'Hercules Black Label'. A copy of the label in that behalf has been produced and it is further averred that the sale of the beer by the defendant under the above said brand 'Hercules Black Label' is an infringement of the plaintiff's trade mark and defendant has wrongfully used the said mark which is registered by the plaintiff has no similarity at all and plaintiff has produced the photo copy of the registration certificate and not original of it and further it is averred that the defendant has been

manufacturing and marketing the beer under the name 'Hercules Black Label' since 1982 and the plaintiff was aware of the same and in the suit filed in O.S. 706/90 before the High Court of Calcutta dated 29.8.1990 it was clarified that the defendant who is also defendant in the said suit shall not be prevented from manufacturing and selling beer in the brand name 'Hercules Black Label' and mark of the defendant neither deceptive nor causing any confusion in the mind of the consumers and the averment regarding passing of an infringement of registered trade mark is baseless and wherefore, the plaintiff is not entitled to an order of temporary injunction. It is clear from Annexure-C produced with the plaint that as per the said letter dated 9.8.1990 that the mark that is registered by the plaintiff is 'Black Label'. The said letter does not show that the label that is registered is 'Kalyani Black Label' 'Master Brew Premier larger beer' as evidenced from Annexure-B which is said to be a label affixed to the bottle containing beer manufactured by the plaintiff. The words 'Kalyani and Master Brew Premier larger beer' is not shown in the registered label and it is clear from the registered label that what is registered is Black Label which contains the words 'Brew from the Finest Merit and Joys of Kalyani Breweries, Calcutta and for sale in West Bengal only. Further, it is clear from the disclaimer condition imposed that the registration of the trade mark shall give no right to the exclusive use of the label and 'Master Brew' and it is a condition of registration that applicant shall have no exclusive right for the use of Black colour label. The other documents produced by the plaintiff are: A receipt dated 25.1.1993 for having purchased one bottle of Black Label beer for Rs. 25/- from M/s. B.R.L. Chetty and Sons, Bangalore and order passed in suit filed before the Calcutta High Court and the label used by the plaintiff and the defendant and certain brochures regarding the Black product manufactured by the plaintiff-Kalyani Breweries and affidavit of one G. Kamalanathan, S/o. A.P. Govindarajan as also the copy of the journal of registered trade marks. The documents produced by the defendant comprises of the invoices regarding the beer manufactured by the defendant under the label 'Hercules Black Label' and also the receipt given by the defendant to the plaintiff on 16.6.1990 and the application for registration of the label 'Hercules Black Label' for registration of trade mark and the order passed by the Calcutta High Court in O.S. No. 706/1990 dated 17.9.1990.

7. The learned counsel appearing for the appellant has relied upon a catena of decisions regarding the points to be born in mind by the Court while considering the contention for passing off action. It is unnecessary to refer to all the decisions cited by the learned counsel appearing for the appellant as in the recent decisions cited by the learned counsel appearing for the appellant in *Cadila Health Care Limited v. Cadila Pharmaceutical Ltd.*, AIR 2001 SC 1952 : 2001 PTC (21) 300(SC) the Hon'ble Supreme Court has referred to the earlier decisions rendered by the same court and has laid down the points to be born in mind while considering the application for infringement of registered trade mark and passing off action and considering the application for grant of injunction. Hon'ble Supreme Court has referred to the provisions of Trade and Merchandise Trade Mark and it has been observed in para-10 as follows:

'Under Section 28 of the Trade and Merchandise Marks Act on the registration of a trade mark in part A or B of the register, a registered proprietor gets an exclusive right to use the trade mark in relation to the goods in respect of which trade mark in the manner provided by the Act. In the case of unregistered trade mark, Section 27(1) provides that no person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark. Sub-section (2) of Section 27 provides that the Act shall not be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof. In other words in the case of unregistered trade marks, a passing off action depends upon the principle that nobody has a right to represent his goods as the goods of some body. In other words a man is not sell his goods or services under the pretence that they are those of another person. As per Lord Diplock in *Erven Warnink VB v. J. Townend & Sons*, (1979) 2 All ER 927, the modern tort of passing off has five elements i.e. (1) a misrepresentation, (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence), and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.'

8. Further, referring to the earlier decision in National Sewing Thread Co. Ltd., Chidambaram v. James Cahdwick & Brothers Ltd., : [1953]4SCR1028 , Hon'ble Supreme Court has observed as follows:

'The principles of law applicable to such cases are well-settled. The burden of proving that the trade mark which a person seeks to register is not likely to deceive or to cause confusion is upon the applicant. It is for him to satisfy the Registrar that his trade mark does not fall within the prohibition of Section 8 and therefore, it should be registered. Moreover in deciding whether a particular trade mark is likely to deceive or cause confusion that duty is not discharged by arriving at the result by merely comparing it with the trade mark which is already registered and whose proprietor of offering opposition to the registration of the mark. The real question to decide in such cases is to see as to how a purchaser, who must be looked upon as an average man of ordinary intelligence, would react to a particular trade mark, what association he would form by looking at the trade mark, and in what respect he would connect the trade mark with the goods which he would be purchasing'.

9. Hon'ble Supreme Court has also referred to the earlier decision in Amritdhara Pharmacy v. Satya Deo, : [1963]2SCR484 : PTC (Suppl)(2) 1(SC) and held as follows:

'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 registrable by reason of Clause (1) of Section 8, or Sub-section (1) of Section 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 is likely, the application should be refused. A trade mark is likely to deceive or cause confusion by its 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 used by traders in that market. In considering the matter, all the circumstances of the case must be considered.'

10. Further, following the observation made by the Supreme Court in the decision of Durga Dutt Sharma v. N.P. Laboratories, : [1965]1SCR737 the Hon'ble Supreme Court has observed as follows:

'When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be 'in the course of trade', the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for then the infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered. A point has sometimes been raised as to whether the words 'or cause confusion' introduce any element which is not already covered by the words 'likely to deceive' and it has some times been answered by saying that it is merely an extension of the earlier test and does not add very materially to the concept indicated by the earlier words 'likely to deceive'. But this apart, as the question arises in an action for infringement the onus would be on the plaintiff to establish that the trade mark use by the defendant in the course of trade in the goods in respect of which his mark is registered, is deceptively similar. This has necessarily to be ascertained by a comparison of the two marks the degree of resemblance which is necessary to exist to cause deception not being capable of definition by laying down objective standards. The person who would be deceived are, of course, the purchasers of the goods and it is the likelihood of their being deceived that is the subject of consideration. The resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's mark. The purpose of the comparison is for determining whether the essential features of the plaintiff's trade mark are to be found in that used by the defendant. The identification of the essential features of the mark is in essence a question of fact and depends on the judgment of the court based on the evidence led before it as regards the usage of the trade. It should, however, be borne in mind that the

object of the enquiry in ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar to that of the registered mark of the plaintiff.

11. The Supreme Court after referring to the other decisions rendered by it and also the decision of the English courts has ultimately laid down the points that are to be borne in mind in an action for passing off an order on the basis of the unregistered trade mark generally for deciding cases in para 35 of the judgment as follows:

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

(a) The nature of the marks i.e. whether the marks are work marks or label marks or composite marks i.e. both words and label works.

(b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.

(c) The nature of the goods in respect of which they are used as trade marks.

(d) The similarity in the nature, character and performance of the goods of the rival traders:

(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

(f) The mode of purchasing the goods or placing orders for the goods, and

(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

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

12. It is well settled that the grant of temporary injunction has to course through the following slots:

(i) Prima facie case

(ii) Balance of convenience

(iii) Irreparable injury to the plaintiff, and

(iv) Lastly, all injunctions being absolutely discretionary in nature whether there was any overriding consideration that supported the refusal of the injunction by the Court below.

13. When the averment made by the parties as also the documents produced by them in the present case is considered in the light of the above said decisions of the Hon'ble Supreme Court and this Court, it is clear that, though the plaintiff's case that it is manufacturing and selling beer under the label 'Kalyani Black Label Beer', the registration certificate produced as per Annexure-C shows that what is registered is only 'Black Label' and the work 'Kalyani Black Label' is not found in the said certificate produced as Annexure-C to the plaint and Annexure-B according to the plaintiff is the label that is being used by the plaintiff viz., Kalyani Black Label Master Brew Premium Larger Beer. However the fact that Black Label is registered is not mentioned in the label produced at Annexure-B and the disclaimer and the condition of registration clearly shows that the registration of the trade mark shall give no right to the exclusive use of the label and Master Brew. The plaintiff has not chosen to produce the original registration certificate regarding registration of the mark 'Kalyani Black Label' as averred in the plaint and wherefore, the averment made in the plaint that the petitioner has registered the mark 'Kalyani Black Label' and selling the same under the registered mark is not prima facie proved as the xerox copy of the letter dated 9.8.1990 would only show that what is registered is only 'Black Label' and it is distinctly mentioned in the said label that it is sold in West Bengal only. The other documents produced by the plaintiff would show that defendant is selling beer manufactured by it in the name 'Hercules Black Label Super Strong Beer'. The affidavit filed by the plaintiff alongwith the application would show that it is the affidavit sworn to on 21.1.1993

and though it is sworn to in the affidavit on 8.1.1993 he has purchased two bottles of Black Label beer under cash memo dated 18.1.1993, the same has not been produced and the mere averment in the affidavit would not be helpful to the plaintiff. Further, it is also clear from the extract of the trade marks journal which is found in the lower court records that what is registered is 'Kalyani Black Label Master Brew Larger'. However, Ex.C which is produced by the plaintiff regarding registration does not tally with the mark contained in the trade mark journal produced in the suit and wherefore, the plaintiff has not made out prima facie case of registration of the label 'Kalyani Black Label Master Brew'. Further, it is clear from the documents produced by the defendant that, defendant is manufacturing and selling beer under the brand 'Hercules Black Label Super Strong Beer' that words 'Hercules' is registered as per the mark and on comparison of the two labels it is clear that they cannot be said to be the deceptive nor cause any confusion in the mind of the consumers. The decision relied upon by the plaintiff rendered by the Calcutta High Court against the same defendant in O.S. 706/1990 is also not helpful to the plaintiff in the present case and infact it would go against the plaintiff as it is clear from the order produced by the defendant passed in the said suit on 17.9.1990 that the order of injunction will not prevent the respondent (respondent herein) from manufacturing and selling the beer in the brand name 'Hercules Black Label Super Strong Beer' and the decree passed in the said suit dated 4.4.1991 would show that the decree is only in respect of Khoday's Black Label Beer and wherefore, though the averment made in the said suit shows that plaintiff had also averred that the defendants are manufacturing Khoday's Black Label and Hercules Black Label beer and was passing off the same as the product of the plaintiff and infringing the trade mark of the plaintiff, the decree was confined to Khoday's Black Label only and no decree was marked in respect of the beer produced and sold under the label Hercules Black label the defendant who is also defendants in the said suit from manufacturing and selling Hercules Black Label Super Strong Beer, the label under which the defendant is marketing the beer manufactured by it and wherefore the said judgment is not at all helpful to the plaintiff to prove the prima facie case in the present case and on the other hand, it would help the defendant to show that the label used by the defendant is not deceptive and would not cause confusion in the mind of the consumer. The trial court after considering the matters

to be borne in mind while considering the action for infringement and passing off has laid down in the case of decision rendered by House of Lords reported in 1980 R.P.S. 31 has held on comparison of two marks the two marks cannot be said to be deceptive in similar and would not cause any confusion as there is no visual similarity or phonetic similarity in the two marks. The trial court having regard to the material on record and the conditions and disclaim while issuing certificate of registration and other material on record including the observations made in O.S. 706/90 on the file of the High Court of Judicature at Calcutta has rightly held that the plaintiff has failed to make out a prima facie case of infringement of trade mark and passing off action against the defendant and has also rightly held that the balance of convenience is also not in favour of the plaintiff as no prima facie case is made out for infringement of registered trade mark and passing off and wherefore plaintiff would not be put to any irreparable or un-commensurable loss if an order of temporary injunction is not granted and the said finding is based upon the above said material on record. Further, it is clear from the documents produced by the parties that in the year 1990 itself, the defendant while replying a notice issued by the plaintiff has made known to the plaintiff that they have been using the label 'Hercules Black Label Beer' from 1982 itself and the said fact was within the knowledge of the plaintiff and even in the suit O.S. 706/90 that is filed before the Calcutta High Court the label 'Hercules Black Label Beer' has also been produced and wherefore, the averment made in the plaint that only recently the plaintiff came to know that defendant is infringing the trade mark as the beer manufactured by the plaintiff are arranged by the plaintiff cannot at all be believed prima facie and the defendant has shown that it has been using the mark since 1982 and no action was taken by the plaintiff against the defendant and when there is delay in taking the action and acquiescence on the part of the plaintiff, it is well settled that the plaintiff would not be entitled to an order of injunction having regard to the delay in approaching court and quizzing in the action of the defendant. This Court in Wockhardt Limited v. Centaur Laboratories Pvt. Ltd., decided on 10.9.1996 in MFA. 130/1993 has held that delay of the plaintiff in coming to the court would disentitle the plaintiff to discretionary or equitable relief of temporary injunction and wherefore, the plaintiff is not entitled to an order of temporary injunction as rightly contended by the learned counsel appearing for the

respondent and accordingly, I hold that the order passed by the trial court rejecting I.A.I. for grant of temporary injunction is based upon the above said material on record produced by the parties and cannot at all be said to be capricious, arbitrary or perverse so as to call for interference in this appeal under Order 43 Rule 1(r) CPC, and accordingly, I answer the point for determination and hold that there is no merit in this appeal and pass the following order:

The appeal is dismissed with costs. The order dated 4.1.1994 passed by XIX Addl. City Civil Judge, Bangalore, is confirmed.

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