

Sh. Harmohan Singh Vs. Sh. Gurbax Singh

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Court : Delhi

Decided On : Jul-10-2001

Reported in : AIR2001Delhi507; 93(2001)DLT647

Judge : Mr. A.K. Sikri, J.

Acts : [Code of Civil Procedure \(CPC\), 1908](#) - Sections 151 - Order 39, Rules 1, 2 and 4; Trade Mark Act; [Trade and Merchandise Marks Act, 1958](#) - Sections 41 and 44; Copyright Act; [Partnership Act, 1932](#) - Sections 55

Appeal No. : IAs. 13249/2000 & 1436/2001 in Suit No. 2846/2000

Appellant : Sh. Harmohan Singh

Respondent : Sh. Gurbax Singh

Advocate for Def. : Mr. R.N. Prabhkar and ; Mr. Himanshu Prabhakar, Advs.

Advocate for Pet/Ap. : Mr. Manmohan Singh,; Mr. Chander Sekhar Patney and; Mr. Sur

Judgement :

ORDER

A.K. Sikri, J.

1. It is proposed to dispose of these IAs by this common order. is No. 13249/2000 is filed by the plaintiff under Order XXXIX Rules 1 & 2 read with Section 151 CPC whereby the plaintiff has sought ad interim injunction. By order dated 21st December, 2000 ex parte interim was granted to the plaintiff. On the other hand, is No.1436/20001 is filed by the defendant under Order XXXIX Rule 4 CPC seeking vacation of order dated 21st December, 2000 passed in is No.13249/2000.

2. The plaintiff has instituted this suit for permanent injunction, passing off, infringement of copyright, rendition of accounts etc. against the defendant. The plaintiff and the defendant are real brothers who had been carrying on business of manufacturing of motor parts, tractor parts, engine parts, machinery parts for use in automobiles in partnership under the name and style of Guaranteed Parts manufacturing Co. on the terms contained in the partnership deed dated 20th September, 1984. It is mentioned in the plaint that during the course of the said business the trade mark GP was adopted on 1st April, 1985 in respect of pipes etc. Its application for registration is pending. It is also mentioned that another supplementary partnership deed dated 1st April, 1996 was executed between the parties. The plain further alleges that by mutual consent the said partnership was dissolved by virtue of Deed of Dissolution dated 19th September, 1997 by which the defendant had not been willing to continue as a partner and has shown his intention to retire from the partnership and had no objection continuing the said business by the plaintiff. The plaintiff, thus, continued the business with the trade Mark. GP. It is further submitted that the packing material is also distinctive bearing the trade mark GP. The packing material used by the plaintiff is available at pages 10 and ii of the list of documents filed along with the plaint. It is also the case of plaintiff that the defendant has been purchasing the goods under the trade mark GP from the plaintiff during the period November, 1997 till 17th November, 1999. In support of this plea, the photocopies of the bills are filed. The case of the plaintiff is that the defendant thereafter started using the trade mark GPI in relation to pipes, oil seals, water cooling pipes, thermo-state and M.C.batteries. The packing material used by the defendant is almost identical to that of the plaintiff and is at pages 12 and 13 of the documents filed by the plaintiff. The trade mark GPI is deceptively similar to the trade mark GP. Hence, the defendant is guilty of infringement of copyright and is also passing off their goods as the goods of the

plaintiff. The goods used by the defendant are also same goods which are used in automobiles.

3. Thus the court granted an ex parte ad interim injunction vide order dated 21st December, 2000 restraining the defendant from using the trade mark GPI in relation to the goods mentioned above. The defendant thereafter filed the written statement, reply to the injunction application and application under Order XXXIX Rules 4 CPC being is No. 1436/2001.

4. The defendant does not dispute the fact that plaintiff and defendant are the real brothers who were carrying on the business together earlier in partnership which was dissolved vide Dissolution Deed dated 19th September, 1997. The defendant also does not dispute that he is using the trade mark GPI in relation to pipes, oil seals, water cooling pipes, thermo-stat and M.C.batteries. there is also no dispute about the fact that packing material used by the defendant is almost identical to that of the plaintiff. Thus the trade mark GP of the plaintiff, and that they relate to the same kinds of goods is not in dispute. However, the defendant stresses that he has right to use the trade mark and the packing in this manner. This Justification, according to the defendant. is found on the following parameters:

a) That the defendant is the proprietor of the trade mark GP which, was adopted after using the initials of his name i.e. Gurbax Singh.

b) That the plaintiff has made misleading statements in relation to the material facts that the goods in question are covered in Class 12 and not in Class 6.

c) That there is no specific deed of assignment between the parties pertaining to the trade mark GP.

d) That the plaintiff did not have any outlet/show room for the sale of Auto parts in any market and there was no valuation settled in respect of the trade mark, any relinquishment of right with regard to the trade mark by the defendant who continues to be the joint owner and proprietor of the trade mark and in the absence of the same the defendant is the joint owner of the same.

5. In order to appreciate the aforesaid defense, one will have to look into the relevant Clauses in the Dissolution Deed by which the rights and obligations of the respective parties were determined. Para 2 of the Dissolution Deed, being material, is reproduced below:

'That in reciprocation of the assurance by the party of the Second Part to the party of the First part to pay all his dues including the profit loss up to date and as on 31.08.1997 within a reasonable period of time, party of the First part in consideration of the above, hereto hereby relinquishes and surrender all his rights and interest in Book Debt. Firm Name, stock, Machinery, furniture & fixtures, Goodwill and any other rights(s) whatsoever hitherto enjoyed by the partnership firm to be held absolutely in future by party of the Second part.'

6. As per the aforesaid para in the Dissolution Deed, the defendant had relinquished and surrendered his rights and interest in the various assets of the partnership firm in favor of the plaintiff. These assets and rights include the 'goodwill and any other rights(s) whatsoever'. By this surrender, the plaintiff has given right to hold the aforesaid properties 'absolutely in future'. Goodwill and all other rights would naturally include right in the trade mark of the partnership. In view of this Clause 2 in the Dissolution Deed, there is no force in the contention of the defendant that only name of the partnership firm was given and not the trade mark. For the same reason, I do not consider any merit in the argument of the defendant that for trade mark no consideration was given, and therefore, defendant had right to use the trade mark. It was sought to be argued by learned counsel for the defendant that if there was no intention to pass on trade mark to the plaintiff, the defendant would have executed assignment deed also. I am not impressed. Admittedly the trade mark stands applied in the name of both person as partners of the firm. It was partnership property. When by Dissolution Deed, rights and liabilities of the parties are determined and defendant agrees to give goodwill and all other rights in the said partnership firm to the plaintiff, it will include the right in the trade mark of the partnership firm as well. Between the two partners, there may not be necessity to execute a separate assignment deed once the Dissolution Deed laying down rights and obligation of the erstwhile parties was reduced into writing. Even if there was any necessity, on the strength of such a

Dissolution Deed, the plaintiff has right to compel the defendant to execute the said assignment deed also. In fact the Dissolution Deed itself would become an assignment under the law as held in the case of Bharat Tobacco Mfg. Co. & Ors. v. Nav Bharat Tobacco Mfg. Co. etc. reported as 1984-PTC-76. Be as it may, merely the assignment deed is not executed is no ground for the defendant to contend that his right in the trade mark still remains. If such a contention of the defendant is accepted, it may lead to absurdities as after the dissolution of the partnership deed, the trade mark of the firm, as per the arrangement of the parties, would be used by one of the parties. If both are allowed to use the same trade mark in relation to same goods, consumer would not be able to ascertain as to goods of which person the said consumer is buying. The very purpose of the Trade Mark Act is to avoid such situation. thus if the intention was that trade mark GP would be used by both the erstwhile partners. the stipulation to that effect would have been specifically provided in the Dissolution Deed. In the absence of any such covenant in the Dissolution Deed and on the contrary in the face of the language used in para 2 of the Dissolution Deed, one can safely infer that intention of the parties was that after dissolution, trade mark GP belongs to the plaintiff as the defendant has surrendered his rights therein.

7. The argument of the defendant that the plaintiff has made misleading statement as goods in questions are covered in Class 12 and not in class 6 is also without any substance. The goods of such type are covered in Class 6 as the same goods are being used in automobiles. The goods added by the defendant are also allied and cognate goods, and therefore, there is no concealment of any material fact by the plaintiff. Significantly, an application for registration was filed before the Trade Mark Office on 4th June, 1990 by both the parties when they were partners in the partnership firm. After the Dissolution Deed, on the strength of Class 2 thereof the plaintiff has filed an application for removal of the name of the defendant which is pending before the Registrar of Trade Mark. For the aforesaid reasons, two judgments relied upon by learned counsel for defendant, namely, Rajai Tirathdas Rupchand & Co., Bhavnagar v. Laxman Bhai Vensimal Rajai, Bhavnagar reported 1991 PTC 74 and in the case of P.M. Dissels Pvt. Ltd. Vs . Thukral Mechanical works : AIR1988 Delhi282 are not applicable Rajai Tirathdas Rupchand & Co.(supra) was a case relating to assignment of registered trade

mark. The so-called assignee was using the trade mark. The plaintiff who was the owner of the trade mark filed the suit disputing the said assignment in favor of the assignee. The assignment deed had not been registered with the Register of Trade Mark. In view of the these facts and having regard to provisions of Sections 41 and 44 of the [Trade and Merchandise Marks Act, 1958](#) the court held that no assignment had come into effect in favor of the assignee in the absence of said registration. However, that is not the position here inasmuch as the case here is between those two persons who were the erstwhile partnership firm and who have settled the affairs of the partnership firm, after dissolution, by means of Dissolution Deed. Similarly in P.M.Dissels Pvt. Ltd (supra) the case was that identical trade marks were registered in the name of two parties. The application was filed by one of the parties before the Registrar for deleting of the name of other, who according to him infringed trade mark. He also filed suit and prayed for an interim injunction. This court held that proprietary rights of both the parties were protected till their names were on register. Again this case is clearly distinguishable on facts as in this case both the parties had applied for and got the registration of the identical trade mark in their names. The court rightly came to the conclusion that till the matter is decided by the Registrar, Trade Mark, as per the registration, proprietorship of both of them remained and were to be protected. However, in the instant case, as already pointed out, the registration was applied by the plaintiff and defendant in their names as partners of the firm and they have already decided their respective rights by means of Dissolution Deed. If contention of defendant even in such cases is accepted, the partners after dissolution would not be able to settle the disputes at all as even after signing the Dissolution Deed and Surrendering the rights in favor of another partner, one partner would raise such frivolous disputes and indulge in activities amounting to violation of trade mark which now belongs to the other partner simply on the ground that the Registrar has not deleted his name.

8. On the other hand, one may refer to the judgment in the case of M/s Mahalaxmi Jewellers & Anr. v. M/s Mahalaxmi Jewellers of Chakwal, etc. reported as 1981 PTC 197 where the court observed as under:

'I have heard learned counsel for the parties and it appears to me that the plaintiffs would be entitled to the injunction during the pendency of the suit. True, there is no system of registration of a trade name or a style in which the business may be carried on. It is equally true that the expression 'Mahalaxmi Jewellers' is not registered as a trade mark, nor in the style or manner in which it is written registered under the Copyright Act. There is considerable force in the contention sought to be raised by the plaintiffs that in view of the long user of the name and style by the plaintiff No.2 and the take-over of the business of the partnership by plaintiff No.2 with all its assets, including goodwill pertaining to the business, the plaintiffs are entitled to the exclusive use of the name and style in relation to the jewellery business. The further contention of the plaintiffs that by virtue of the Deed of Dissolution as also the provision of Section 55 of the Partnership Act, the defendants would not be entitled to use the name or represent themselves as carrying on business of the firm or solicit the customers or persons who were dealing with the firm before its dissolution deserves consideration. The defendants are not entitled to use any name or style which is likely to deceive the customers of the plaintiffs into the belief that they were dealing with the plaintiffs or to create the impression that the defendants were a subsidiary or a branch of the plaintiffs.'

9. Similarly in the case of Bharat Tobacco Mfg. and Ors.(supra), it was held that in view of the dissolution deed executed between the parties, the plaintiffs were entitled to use the name M/s Bharat Tobacco Mfg. Co. and also the snap of defendant No.2 on the container of tobacco. To the same effect is the judgments in the cases of M.K.Auto Industries v. M.L.Bhandari & Co. reported as 1983 PTC 11, Garden Perfume (P) Ltd. v. Anand Soap Detergents reported as 1994 (1) ALR 194 and Surjit Book Depot v. Surjit Book Depot Pvt. Ltd & Anr.. reported as 1982 PTC 297.

10. The trade mark GPI used by the defendant in respect to the same goods is deceptively similar to that of the trade mark GP of the plaintiff was not even disputed by the defendant. However, still if any precedents are required to this effect, one may refer to the case of S. Mehar Singh v. M.L.Gupta & Co. reported as 1997 PTC(17) where trade mark ML and MLI were held to be deceptively similar. In the case of M/s Asha Soap Factory, Ulhasnagar-3, Distt, Thane v.

Dhanthak & Company, Andheri, Bombay-70 & Anr. reported as 1984 PTC 1 trade mark BB and 88 were treated as deceptively similar. Likewise this court in the case of Dharam Chand Gambhair v. Milan Confectionary and Anr. Reported as 2000(3) ALR 593 held trade mark GP and CP as deceptively similar. In the case of M/s Vrajilal Manilal & Co. v. M/s Adarsh Bidi Co. reported as 1995 PTC 88 trade mark 22 and 122 were held as deceptively similar on the ground that the phonetic similarity between the figures '22' and '122' there is possibility of unwary consumers being led away in purchasing defendants bidis as that of plaintiffs.

11. At this stage, one may also refer to the judgment of this court in the case of Rawal Industries (P) Ltd. v. Duke Enterprises & Ors. in is No. 1154 of 1974 in suit no. 163 of 1974 decided on 23rd May, 1975 wherein the court made the following observations:

'From a prima facie appreciation of the above material on record a legitimate inference can be drawn that the plaintiffs are the manufacturer of automobile parts and goods apart from being the manufacturer of oil seals and rubber suspension bushes.

The defendants in manufacturing their insulated cables under the trade mark 'Duke' cannot escape their liability. The use of the word 'Duke' as their trade mark and trading style as 'Duke Enterprise' is likely to create confusion in the mind of a purchaser. That being so, injury is likely to be caused to the plaintiffs: more so in the absence of and added matter on the gods and carton of the defendants to distinguish their goods from the goods of the plaintiffs.

'On behalf of the defendants it was strenuously contended that the articles, viz., insulated cables manufactured by them are different goods falling under class 9, not allied with class of goods such as oil seals or rubber suspension bushes manufactured by the plaintiffs. That being so, the defendants are not debarred from manufacturing the insulated cables under the trade mark 'Duke' or manufacturing the same under the trading style 'Duke Enterprise'. In support of this contention strong reliance was placed upon case, The Bridgestone Company (p) Ltd. v. Bridgestone Tyre Company Ltd., Tokyo Japan, 1966 DLT 143. In that case, the appellant company applied for registration of trade mark in respect of

bicycles and parts thereof included in class 12 but not including the rubber tyres and tubes. The mark consisted of the word 'Bridgestone'. The respondent-company filed a notice of opposition alleging that registration of the trade mark bridgestone in respect of the articles of the appellant was likely to create confusion. Repelling the contention it was observed that bicycles parts other than tyres and tubes could neither be said to have trade links not termed as goods of the same description as the heavy vehicles tyres and tubes manufactured by the respondent company.

The above-cited authority is of no assistance to the defendants. In para 8 of their written statement the defendants have admitted that they manufacture and deal in P.V.C. insulated cables which are used for electric wiring particularly in automobiles. That being so, there is a trade connection between the goods of the defendants (insulated cables) and the automobile goods manufactured by the plaintiffs.

In *Corn Products Refining Co. Vs . Shangrila Food Products* : [1960]1SCR968 , it was observed that absolute identity of the two competing marks or their close resemblance was one of the tests for determining the question of likelihood of deception or confusion. The trade connection with different goods was another such test. It was observed that there was no reason why the test of trade connection between different goods should not apply where the competing marks closely resembled each other in view of the similarity of the two trade marks.'

12. In view of the aforesaid discussion, is No.1436/2001 fails and is hereby dismissed. is No.13249/2000 succeeds. Interim order dated 21st December, 2000 is made absolute till the disposal of the suit.

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