

**2013 (53) PTC 606**

**GUJARAT HIGH COURT**

**Hon'ble Judges:J.C.Upadhyaya, J.**

Rangoli Chemfoods Private Limited Versus Indo Brine Industries Limited

APPEAL FROM ORDER No. 119 of 2012 ;

CIVIL APPLICATION No. 4120 of 2012 ;

APPEAL FROM ORDER No. 119 of 2012 ; \*J.Date :- JULY 6, 2012

- [CODE OF CIVIL PROCEDURE, 1908](#) Order - [43R.1](#)
- COPYRIGHT ACT, 1957 Section - 53, 55
- TRADE MARKS ACT, 1999 Section - 27, 42, 135, 138

**Code of Civil Procedure, 1908 - Or. 43 R. 1 - Copyright Act, 1957 - S. 53, 55 - Trademarks Act, 1999 - S. 27, 42, 135, 138 - passing off action - balance of convenience - evidentiary value - appreciation of - two sets of evidence - appeal from order - respondent original plaintiff filed a suit for the perpetual injunction and damages and rendition of accounts u/s 135 of Trademarks Act against the appellant original defendants - order of ex parte ad interim injunction till the final disposal of the suit passed - challenge - held, in the exceptional circumstances only Appellate Court can interfere with the discretionary order passed by Trial Court - no scope of reassessment of evidence at the appeal stage - evidence in form of invoices produced and relied upon by the plaintiff should be accepted - suppression of relevant facts in pleading as well as suppression and concealment or withholding of documents are two different issues - appeal dismissed.**

**Imp.Para:** [ [8](#) ] [ [9](#) ] [ [13](#) ] [ [19](#) ] [ [20](#) ]

**Cases Referred To :**

1. Akshar Share Services Pvt.Ltd.V/s.State Of Gujarat, 1998 1 GLH 483
2. [C.M.S. Traffic Systems Ltd.V/s.Municipal Commissioner Ahmedabad, 2004 7 GHJ 584 : 2004 \(3\) GCD 2567 : 2004 GLHEL HC 201958](#)
3. Dabur India Ltd. V/s.Kr Industries, AIR 2008 SC 3123
4. Double Coin Holdings Ltd. V/s.Trans Tyres (India) Pvt.Ltd., 2011 46 PTC 194
5. G.M. Haryana Roadways V/s.Jai Bhagwan And Anr., AIR 2008 SCSupp 1700
6. Ganpatbhai Mahijibhai Solanki V/s.State Of Gujarat, AIR 2009 SCSupp 986
7. [Matrix Telecom Pvt.Ltd. V/s.Matrix Cellular Services Pvt.Ltd., 2011 3 GLR 1951 : 2012 \(1\) CivLJ 803 : 2011 JX\(Guj\) 348 : 2011 GLHEL HC 224802](#)

8. Ratan Foods Products & Ors. V/s.Jasvindarsing Harcharansing Madan, LPA No.877 of 2010
9. [S.P. Chengalvaraya Naidu \(Dead\) V/s.Jagannath \(Dead\), AIR 1994 SC 853 : 1994 \(1\) GLH 81 : 1994 \(1\) SCC 1 : 1993 \(4\) Scale 277 : JT 1993 \(6\) 331](#)
10. Satyam Infoway Ltd.V/s.Sifynet Solutions (P) Ltd., 2004 6 SCC 145
11. Sham Lal V/s.Interads Advertising (P) Ltd., AIR 1978 Del 270
12. Sun Pharmaceuticals Industries Limited V/s.Cipla Limited, 2009 39 PTC 347
13. Thukral Mechanical Works V/s.Nitin Machine Tools P.Ltd., 1998 PTC 18 767
14. [Vijay Steel V/s.State Of Punjab, 2003 2 GLH 786 : 2003 \(9\) SCC 401 : 2003 \(9\) AIC 174 : 2003 \(5\) Scale 27 : JT 2003 \(5\) 241](#)
15. Wander Ltd. And Another V/s.Antox India P.Ltd., 1990 SCCSupp 727

**Cited in :**

1. (Relied on) :- [Vimal Dairy Limited Vs. Gujarat Tea Depot Company, 2021 \(2\) GLH 500 : 2021 JX\(Guj\) 74 : 2021 AIJEL HC 242691](#)
2. (Referred To) :- [Kaveri Hotels Private Limitedpresently Known As Chouki Dhani Motels \(Guj.\) Private Limited Vs. Intellectual Property Appellate Board, 2015 \(2\) RAJ 564 : 2015 \(61\) PTC 249 : 2015 JX\(Guj\) 41 : 2015 AIJEL HC 232117](#)
3. (Referred To) :- [Rukesh Kanjibhai Patel Vs. Paresh Natvarlal Thacker, 2015 \(6\) RAJ 402 : 2015 \(62\) PTC 512 : 2015 AIJEL HC 233247](#)

**Equivalent Citation(s):**

2013 (3) RAJ 720 : 2013 (53) PTC 606

**JUDGMENT :-**

**J.C.UPADHYAYA, J.**

- 1** The challenge in this appeal from order is to the order dated 6.3.2012 passed by learned Addl.District Judge, Kutch below temporary injunction application, Exh.5 in R.C.S.No.2 of 2011. The learned Addl. District Judge, Gandhidham, Kutch (hereinafter referred to as the 'trial Court') by impugned order dated 6.3.2012 confirmed the earlier order of ex-parte ad-interim injunction till the final disposal of the suit. The earlier ex-parte ad-interim injunction order came to be passed by the trial Court against the appellants herein, who were original defendants in the above-mentioned suit. The respondent herein, who was original plaintiff had filed the above suit against the appellants - defendants for perpetual injunction and for damages and/or rendition of accounts u/s.135 of the Trade Marks Act, 1999 and Section 55 of the Copyright Act, 1957 . Under such circumstances, for the sake of convenience, the appellants and the respondent herein shall be referred to hereinafter as the defendants and the plaintiff respectively.
- 2** The short facts leading to the suit as well as to the temporary injunction application, Exh.5 filed by the plaintiff are that the plaintiff is the company incorporated under the Companies Act having its

registered office at Gandhidham and salt factory at Village Chopadava, District Kutch. The plaintiff is engaged in the business of manufacturing, selling and exporting 'iodized free-flow salt for human consumption' under the trade mark and label of 'Kohinoor' as well as under the trade mark and label containing and consisting of the name 'Dandi Namak' in Hindi script as also 'Dandi Salt' in English since the month of June 1998. Thus, the plaintiff is the prior user and lawful owner and proprietor of the trade mark 'Dandi Namak' and is entitled to use the same exclusively and also entitled to restrain others from imitating and/or violating the vested property rights in the said trade mark by others in any manner and by passing off their goods under such imitated mark or label as those of the goods of the plaintiff.

2.1 The defendant No.1 is a Company incorporated under the Companies Act having its factory and office at Village Bhachau in Kutch district engaged in the business of manufacturing and selling salt for human consumption under the identical and/or deceptively similar mark 'Dandi Namak' in Hindi and 'Dandi Salt' in English and selling the same through the defendants No.2 and 3. The defendant No.3 is a company engaged in the business of advertising and publicity and the defendant No.2 is a company very recently started business of selling salt manufactured by defendant No.1. The plaintiff used and adopted the said trade mark 'Dandi Namak' in Hindi as also 'Dandi Salt' in English and the artistic work thereof on the packagings and packing of iodised free-flow salt since the month of June 1998. The plaintiff has also earned reputation and goodwill of its trade name 'Dandi Namak' and 'Dandi Salt' and the plaintiff is also approached by the other large business enterprises of India like Hindustan Lever Ltd. and Tata Salt to get manufactured the iodised salt. The goods of the plaintiff sold under the said trade mark have picked up the market very shortly and earned good name and fame. It is the case of the plaintiff that on account of massive earthquake on 20.1.2001 in Kutch region, the plaintiff's factory plant was heavily damaged and records were also destroyed and, therefore, the records pertaining to the sale of free-flow iodised salt under the trade mark/artistic work of 'Dandi Namak'/'Dandi Salt' for the period from the month of June 1998 to the date of earthquake is not available with the plaintiff.

2.2 It is the case of the plaintiff that in the month of January 2000 many more traders came forward to market the products of the plaintiff and amongst such traders, one Mr.Suresh Chandra Agrawal, a trader primarily engaged in the business of sarees having his place of business at "Kunvar Palace", Surat as also at Mumbai known as

Kunvar Ajay Group in the market had come forward and desired to market the plaintiff's iodised free-flow salt, which the plaintiff was manufacturing and selling under its distinctive and popular trade mark 'Dandi Namak'/'Dandi Salt' since year 1998. That after discussion and negotiation in the process of setting up the marketing arrangement with Shri Suresh Chandra Agrawal, the plaintiff ultimately decided to have the marketing of its iodised free-flow salt under the trade mark 'Dandi Namak'/'Dandi Salt' with suitable modification and accordingly the name and address of said M/s.Kunvar Ajay Group of Industries, a business concern of Mr.Suresh Chandra Agrawal and his wife came to be printed as the marketer on the polythene bags of such salt. In paragraph 3.12 in the plaint, the plaintiff gave details of sales of iodised salt under the trade mark 'Dandi Namak'/'Dandi Salt' affected through the said Kunvar Ajay group, commencing from the year 2001-2002 to 2003-2004. It is the case of the plaintiff that the arrangement as to marketing of iodised salt through the said Kunvar Ajay Group, continued only upto month of August 2004, as certain dispute took place about the payment of dues and, hence, the plaintiff was compelled to stop and discontinue selling and/or supplying the goods to them from the month of August 2004. Thereafter, the plaintiff decided to market its produce through M/s.New Hariom Industries and the plaintiff modified the existing label and artistic work on the polythene bags as well as the slogan. In paragraph 3.16, the plaintiff provided sales figure of the years commencing from 2006-2007 to 2009-2010. The plaintiff incurred huge expenses, labour and skill in advertising and popularising its iodised free flow salt under the trade mark 'Dandi Namak'/'Dandi Salt'.

- 2.3 The plaintiff in order to protect the vested property rights in its trade mark 'Dandi Namak'/'Dandi Salt', had taken out appropriate registration proceedings with the Registrar of Trade Marks including two applications detailed in paragraph 6 in the plaint, in Clause 30 on 16.1.2008 for the registration of trade marks. The aforesaid applications being applications for seeking registration of trade mark came to be advertised in the Trade Mark Journal to invite objections and pursuant to said advertisement, the defendant No.3 M/s.Pacs Chemicals filed false and frivolous notice of objections with a view to delay the registration of the prior used and distinctive trade mark 'Dandi Namak' of the plaintiff. Since the defendant No.3, though was required to submit its evidence in support of such oppositions within two months, failed to adduce any evidence and, therefore, pursuant to

the relevant Trade Mark Rules, the opposition so lodged by the defendant No.3 were abandoned by virtue of operation of law.

- 2.4 It is the case of the plaintiff that the defendant No.3 in order to hide its illegal acts of passing off and imitation of the plaintiff's prior use trade mark 'Dandi Namak'/'Dandi Salt' filed a false and frivolous suit for the alleged passing off against the present plaintiff in the District Court at Jaipur on 20.12.2007. However, the District Court, Jaipur was not inclined to grant any injunction even till the date on which the plaintiff filed the instant suit. The defendant No.3 in said suit claimed right to use the mark 'Dandi Namak'/'Dandi Salt' by virtue of the so-called agreement for assignment dated 10.1.2005 by M/s.Kunvar Ajay Foods Pvt.Ltd., the then marketer for the iodised salt under the trade mark 'Dandi Namak'/'Dandi Salt' till August 2004 of the present plaintiff. M/s.Kunvar Ajay Foods Pvt. Ltd. had applied for registration through Anju S.Agrawal, sole proprietor of Kunvar Ajay Group of Industries for the registration of trade mark 'Dandi Namak'/'Dandi Salt', but both those applications were later on came to be rejected by Registrar of Trade Marks. It is the case of the plaintiff that the said M/s.Kunvar Ajay Foods Pvt.Ltd. and M/s.Kunvar Ajay Group of Industries were marketing the free flow iodised salt under the plaintiff's trade mark 'Dandi Namak'/'Dandi Salt' till the month of August 2004 and they were not entitled under the law to adopt or use the said trade mark and, hence, they were not entitled to assign the so-called rights in unregistered proposed to be used mark 'Dandi Namak'/'Dandi Salt'. The plaintiff also came to know that the applications filed by Anju S.Agrawal to register the mark 'Dandi Namak'/'Dandi Salt' came to be abandoned. Even the defendant No.3 filed an application for registration of the mark 'Dandi' in Hindi and in English before the Registrar of Trade Marks, which came to be refused. Thus, the defendant No.3 has no right whatsoever either to adopt or use an identical or deceptively similar trade mark 'Dandi Namak' or 'Dandi Salt' and to violate the vested property rights in the prior use of aforesaid trade marks of the plaintiff. It is the case of the plaintiff that the plaintiff was constrained to file the suit for perpetual injunction and damages against the defendant in District Court, Jaipur and District Court, Jaipur was pleased to grant ex-parte ad-interim injunction order on 21.5.2010 against the defendant No.3 and other defendants in civil suit and the said interim injunction order was also came to be confirmed till the disposal of the said suit vide order dated 28.10.2010 and thereby all the defendants, including defendant No.3 were restrained from using in any manner the trade mark 'Dandi Namak'/'Dandi Salt' during the pendency of said suit.

The defendant No.3 as well as other defendants challenged said order of District Court, Jaipur before Rajasthan High Court, but the Rajasthan High Court was not inclined to stay the said injunction order. However, before the District Court, Jaipur in the suit filed by the plaintiff, one of the defendants, namely, M/s.D.S. Pvt.Ltd. filed an application under Order 7 Rule 11 of the Civil Procedure Code and the District Court, Jaipur was pleased to allow said application on the ground of lack of territorial jurisdiction to entertain the suit and the said suit of the plaintiff came to be rejected for want of territorial jurisdiction. The plaintiff challenged said order before the Rajasthan High Court, he could not succeed. It is the case of the plaintiff that the defendant No.3 preferred appeal before the Intellectual Property Appellate Board ('IPAB', for short) against the order dated 17.5.2010 passed by the Registrar of Trade Marks in granting registration of the trade mark 'Dandi Namak' and the defendant No.3 in the said appeal before the Appellate Board also filed an application and obtained interim stay against the order of Registrar of Trade Marks. It is the case of the plaintiff that the defendant No.3 acting in connivance with the defendants No.1 and 2 once again started the illegal acts by imitation in passing off their fake goods under the trade mark 'Dandi Namak' and 'Dandi Salt' under the misconception that since the IPAB by way of interim order stayed the registration, as aforesaid, they were permitted by the Appellate Board to imitate the prior use and distinctive trade mark - 'Dandi Namak'/'Dandi Salt' of the plaintiff. It is the case of the plaintiff that the rectification applications and/or the appeal are yet to be decided finally by the IPAB and as on the date of filing of the suit, only the registration order of the Registrar of Trade Marks was stayed, but neither cancelled nor rectified by the Appellate Board. The plaintiff was constrained to give a caution notice in the newspaper and thereby warned traders, including the defendants not to imitate trade mark of the plaintiff. Despite such caution notice came to be published, the defendants No.2 and 3 in turn got published a warning notice in daily newspaper and thereby threatened to imitate the trade mark of the plaintiff to pass off their goods.

- 2.5 In the aforesaid background, the plaintiff filed aforesaid suit for perpetual injunction and for damages and/or rendition of accounts u/s.135 of the Trade Marks Act and Section 53 of the Copy Right Act. In the said suit, the plaintiff filed an application at Exh.5 for obtaining temporary injunction against the defendants inter-alia restraining the defendants their servants, agents, distributors etc. by temporary injunction during the pendency of the instant suit from any manner marketing, selling, advertising and/or using in relation to their salt in

market or label containing the name of 'Dandi Namak' or 'Dandi Salt' or any other mark, which may be identical or deceptively similar to the plaintiff's prior use of trade mark/label - 'Dandi Namak'/'Dandi Salt' and 'Indo Brine Dandi Namak' and also prayed for temporary injunction restraining the defendants from imitating and/or reproducing the plaintiff's artistic work 'Dandi Namak' and/or 'Dandi Salt'. The trial Court initially granted ex-parte ad-interim injunction order against the defendants and as stated above, after considering the materials on record, so also the submissions advanced on behalf of both the sides, passed the impugned order whereby the ad-interim injunction order, which came to be granted at institutional stage, came to be confirmed till the final decision in the suit. Hence, the original defendants challenged said order by preferring this appeal from order.

- 3** Mr.Vinod Bhagat, learned counsel with Mr.Pranit Nanavati for the appellants - original defendants at the outset submitted that it is true that the instant appeal under Order 43 Rule 1(r) of Civil Procedure Code is preferred challenging the discretionary order passed by the trial Court under Order 39 Rules 1 and 2 of the CPC and it is equally true that in such appeal, the appellate Court would not interfere unless the appellate Court comes to the conclusion that the impugned order passed by the trial Court is arbitrary, capricious, perverse and contrary to the settled legal principles. It is submitted that in the instant case, considering the impugned order passed by the trial Court, it can safely be said that the order is arbitrary, capricious, perverse and contrary to settled principles of law. Mr.Bhagat argued that at the first instance, the trial Court committed serious error in passing the impugned order, as if the suit filed by the plaintiff is pertaining to infringement of a registered trade mark. In the impugned order at number of places, the trial Court on and often observed that the trade mark- 'Dandi Salt' and 'Dandi Namak' of the plaintiff was registered by the Registrar of Trade Marks and heavily relied upon the Certification of Registration issued by the Registrar of Trade Marks. It is submitted that even as pleaded by the plaintiff in his plaint, so also considering the documentary evidence on record before the trial Court, it is abundantly clear that the Certificate of Registration dated 17.5.2010 issued by the Registrar of Trade Marks and the order passed by the Registrar of Trade Marks in that respect came to be challenged by the defendant No.3 before IPAB and vide order dated 23.11.2011, the IPAB, stayed operation of the order passed by the Registrar of Trade Marks issuing Certificate of Registration of the disputed trade mark in favour of the plaintiff. It is, therefore,

submitted the very base of the order passed by the trial Court is thus not only defective, but illegal.

- 3.1 Mr.Bhagat, learned counsel further submitted that as per the case of the plaintiff, the suit is based upon the alleged passing off action and there cannot be any dispute that the plaintiff can only succeed in such suit if the plaintiff establishes prior user of the trade mark and to prove such prior user, plaintiff should also satisfy the Court that the disputed trade mark was coined, invented, adopted and used by the plaintiff himself. In the instant case, at the first instance there is no prima-facie case made out by the plaintiff to show that when, how and under what circumstances, the disputed trade mark was coined and invented by the plaintiff and what expenses were incurred for such invention. Secondly, as per the case of the plaintiff, the disputed trade mark was used by the plaintiff since June 1998. In support thereof, the plaintiff relied upon two affidavits, namely, affidavit of one Shivkumar Vaid and affidavit of Smt.Indra Agrawal. The above-referred deponents did not directly file these affidavits in the instant suit, but one collusive suit was filed by the plaintiff against Smt.VM Raizada and others in District Court, Thane and in said suit, the above-referred two deponents filed those affidavits and along with those affidavits, certain invoices were produced by the deponents in that suit of Thane Court, and in the affidavits, the deponents stated that they purchased salt manufactured by the plaintiff under the trade mark - 'Dandi Namak' and 'Dandi Salt' since the year 1998. They also produced invoices to that respect. It is submitted that the plaintiff produced the copies of those two affidavits and the copies of the invoices produced along with those affidavits in the instant suit to substantiate its case that the plaintiff used the disputed trade mark since the year 1998. Mr.Bhagat submitted that those affidavits were filed in the month of November 2010 by the deponents in said suit of Thane Court. In the earlier litigation initiated by the plaintiff as well as initiated against the plaintiff in Rajasthan, no such affidavits and the invoices were produced, so it can safely be said that they are false, fabricated and got-up. In those invoices, the word 'Dandi' is mentioned by a hand writing. Even the genuineness or otherwise of the invoices is under serious dispute and without full-fledged evidence pertaining to the invoices, at this stage, the trial Court committed serious error in mechanically relying upon those invoices to come to the conclusion that the plaintiff used the disputed trade mark since June 1998. It is further submitted that even as per the the case of the plaintiff, up to the year 2004 Kunvar Ajay Group of Industries and Kunvar Ajay Foods Pvt.Ltd. were purchasing 'Dandi Salt' from the

plaintiff and they were marketing the product. If that be so, then considering the invoices dated 28.7.2000 and 23.1.2001 in the column of name of purchaser, "Shiv Enterprises" is mentioned. It is submitted that similar is the situation, if other invoices are considered. Thus, it is submitted that the invoices relied upon by the plaintiff are contrary to his own case.

- 3.2 Mr.Bhagat submitted that Kunvar Ajay was original owner of the disputed trade mark and Kunvar Ajay got manufactured salt through five different companies and one of the companies was the plaintiff. It is submitted that all the remaining four companies supplied salt to Kunvar Ajay along with the plaintiff and all the products were packed in bags containing the disputed trade mark. It is, therefore, submitted that if at all the plaintiff claimed ownership and proprietorship over the disputed trade mark, then the goods supplied by other four companies would not have been marketed by Kunvar Ajay using the disputed trade mark.
- 3.3 Mr.Bhagat, learned counsel submitted that the defendant No.3 has categorically averred in its written statement as well as in its reply to the injunction application, Exh.5 filed by the plaintiff that Kunvar Ajay Food Pvt.Ltd. executed a deed of assignment on dated 10.1.2005 in favour of the defendant No.3 and pursuant to said deed, the disputed trade mark was assigned to the defendant No.3. The defendant produced said deed before the trial Court on record and there is no reason at this stage to disbelieve such documentary evidence. It is submitted that the plaintiff attempted to challenge said deed on various grounds, but the first and foremost thing is that the plaintiff, not being the party to said document, has no right or authority to challenge said document. Mr.Bhagat relied upon certain provisions contained under the Trade Mark Act and submitted that even unregistered trade mark can be assigned. Mr.Bhagat submitted that Kunvar Ajay Foods Pvt.Ltd. Incurred huge expenses for advertisement of the disputed trade mark invented by it and before the trial Court voluminous documentary evidence came to be tendered by the defendant to show that since 2000 and onwards, the office bearer of Kunvar Ajay Foods Pvt.Ltd. incurred huge expenses for the advertisement and their interviews were taken by different reliable media agencies. Thus, the genuineness of the deed of assignment at this stage cannot be doubted. It is true that the plaintiff raised objection that the document is insufficiently stamped and cannot be admitted in evidence, but at this stage the question of admitting any document in evidence has not arisen and at interlocutory stage the

document can be considered and at the time when the occasion will arise for admission of the document in evidence, the defendant No.3 is at liberty to take appropriate steps in accordance with law. It is, therefore, submitted that the disputed trade mark was used and invented by Kunvar Ajay Foods Pvt.Ltd. and the same was assigned to the defendant No.3 on 10.1.2005. Under such circumstances, it can be said that the defendant No.3 can claim actual user of the disputed trade mark after 10.1.2005, and by virtue of the assignment, it can safely be said that the defendant No.3 is entitled to claim prior user from the date on which the predecessor in title used the disputed trade mark. As a matter of fact, the plaintiff actually commenced illegal use of the disputed trademark since 2007 and not since 1998. In 2007, defendant No.3 filed suit against the plaintiff at Jaipur, but unfortunately till date, the temporary injunction application has not been decided by the concerned Court. However, in 2010, plaintiff filed suit against the defendant No.3 and others in District Court, Jaipur and obtained ex-parte ad-interim order against the defendant No.3 and others and after bi-parte hearing, said application for temporary injunction was allowed and the temporary injunction order restraining the defendants from using the disputed trade mark was though granted by the District Court, Jaipur, but in said suit, on behalf of those defendants, an application was filed under Order 7 Rule 11 of the CPC on the ground that District Court, Jaipur has no territorial jurisdiction and said application was allowed and the District Court, Jaipur vide order dated 26.7.2011 dismissed the suit, on the ground of lack of territorial jurisdiction as well as the District Court also examined the merits of the case of the plaintiff and came to the conclusion that the claim of the plaintiff was inconsistent. The said order was challenged by the plaintiff before Rajasthan High Court, but even the plaintiff did not succeed. Under such circumstances, in the instant suit the plaintiff suppressed such material fact.

- 3.3 Mr.Bhagat, learned counsel submitted that though the impugned order passed by the trial Court runs into 64 pages, but not a single important document produced by the defendants has been referred and/or discussed. So far as documents are concerned, only the disputed invoices produced by the plaintiff have been relied upon. Mr.Bhagat further submitted that the plaintiff filed three criminal complaints regarding the offence punishable u/s.138 of the NI Act against M/s.Kunvar Ajay Foods Pvt.Ltd. and others. Before filing those criminal complaints, the plaintiff issued statutory, notices to M/s.Kunvar Ajay Foods Pvt.Ltd. Important admissions are made by the plaintiff in those statutory notices, in the criminal complaints as

well as in the verification recorded by the Magisterial Court, of the authorised person of the plaintiff, to the effect that the plaintiff used to process salt goods under the brand name of 'Dandi' and packed the same in various packings on behalf of M/s.Kunvar Ajay. It is thus submitted that the plaintiff made clear admission to the effect that the plaintiff was only job worker and supplied salt and M/s.Kunvay Ajay Foods Pvt.Ltd. used the disputed trade mark. When such important admission was brought to the notice of the trial Court, the trial Court cursorily noted it and discarded such argument without there being any cogent reason.

- 3.4 Mr.Bhagat, learned counsel asserted that not only the above-referred clear admission prima-facie disproves the case of the plaintiff, but the defendants produced two letters of Salt Inspector dated 4.5.2009 and 17.5.2010. Initially the Salt Inspector issued a certificate to the effect that the plaintiff manufactured and sold goods salt under the name of Kohinoor, Dandi etc. since 1998, but, subsequently, on 17.5.2010, the said certificate earlier issued came to be withdrawn by the Salt Inspector by stating that the aforesaid information was noted in the earlier certificate not upon any investigation, but only on the basis of the information supplied by the plaintiff. It is submitted that the plaintiff suppressed said material documents in the suit. Mr.Bhagat further submitted that two ex-Directors of the plaintiff, namely, Mr.Ramswarup Bajaj and Mr.Pradeep Bajaj addressed letters in the month of September 2010 to defendant No.3 stating that they both were Directors in the plaintiff Company and they remained Directors till April 2000 and during their directorship period, no production or manufacturing or packing of salt under brand name 'Dandi Salt'/'Dandi Namak' was done either by the plaintiff company or on behalf of the plaintiff company. It is, therefore, submitted that the trial Court at this stage erred in not relying upon those two letters, which virtually disproves the prima-facie case of the plaintiff. The trial Court merely observed that those Directors were not in good terms with the plaintiff and, therefore, made such averments in those letters. Mr.Bhagat submitted that at the first place, there is no evidence to come to such conclusion and even the plaintiff subsequent to the date of the letter, on 21.2.2011, supplied goods to Mr.Pradeep Bajaj.
- 3.5 Mr.Bhagat, learned counsel further asserted that the plaintiff has suppressed material documentary evidence like the documents pertaining to the prosecution u/s.138 of the NI Act, certificate of Salt Inspector, stay order granted by IPBA against the registration of the disputed trade mark, order passed by Jaipur Court dismissing the

suit of the plaintiff, copyright certificate issued in favour of the plaintiff came to be cancelled by Copyright Board vide order dated 25.3.2011 undertaking filed by the plaintiff in IPAB on 25.11.2011 to the effect that the plaintiff will not take any action before any civil or criminal Court on the basis of the registration of trade mark etc. It is, therefore, submitted that the plaintiff has not come before the trial Court to obtain discretionary order with clean hands. It is submitted that even there are material discrepancies in sales figure mentioned by the plaintiff in the suit filed by it in Jaipur Court as well as in the plaint in the instant suit. The trial Court did not consider such material aspects of the matter and mechanically relying upon the fact that the disputed trade mark was registered one and that invoices suggested that the plaintiff used the trade mark since 1998, granted the temporary injunction. Even the local association issued a certificate on 11.7.2010 to the effect that it was M/s.Kunvar Ajay Foods Pvt.Ltd., which used the disputed trade mark in India and the plaintiff only manufactured salt for said company and the plaintiff only sold the manufactured salt in the names of Kohinoor and Indo.

3.6 Mr.Bhagat, learned counsel, therefore, submitted that the trial Court erred in not considering the above-referred material documents and thus, the impugned order passed by the trial Court can be said to be outright illegal, arbitrary and perverse and contrary to the settled principles of law. The defendants prima-facie successfully established that the dispute trade mark was of the ownership of M/s.Kunvar Ajay Foods Pvt.Ltd. and the same was assigned to the defendant No.3. It is further prima-facie established that the plaintiff was mere job worker and was manufacturing salt and used to supply it to M/s.Kunvar Ajay Foods Pvt.Ltd. and the said company marketed the goods by using the dispute trade mark. It is further submitted that considering the sale figures of the plaintiff as well as of M/s.Kunvar Ajay Foods Pvt.Ltd., a glaring anomaly arises in the sense that the marketer (company) earns more than the manufacturer (plaintiff). No explanation is forthcoming as to how sales figure of marketer are more than the manufacturer. When such fact was brought to the notice of the trial Court, the trial Court brushed aside such submission by simply observing that this requires full-fledged evidence and cannot be undergone at this stage. Mr.Bhagat submitted that at present basically the disputed trade mark can be said to be unregistered one and, therefore, the only short issue, which is involved in this matter is to decide the prior user of the disputed trade mark. The trial Court erred in coming to the conclusion that the prior user was of the plaintiff. The trial Court failed to address itself the material questions as to how 'Kunvar Ajay'

advertised 'Dandi' if it was not owner of the trade mark?, why at relevant time plaintiff did not object and filed any civil suit against 'Kunvar Ajay'?, how sales figures of 'Kunvar Ajay' are larger than plaintiff?, why plaintiff did not file any civil suit against other manufacturers? etc.

3.7 Mr.Bhagat, learned counsel during the course of submission argued that in the plaint, the plaintiff claimed reliefs under the Trade Marks Act as well as under the Copyright Act and composite suit is not maintainable in light of the decision of this Court in Letters Patent Appeal No.877 of 2010 dated 7.3.2012 and, therefore the plaint itself deserves to be rejected and, consequently, the impugned order passed by the trial Court requires to be interfered with.

3.8 During the course of arguments, Mr.Bhagat took me through almost all the papers produced by the respondent - defendant in this appeal, in form of paper book containing almost 938 pages and ultimately submitted that the trial Court erred in passing the impugned order. Mr.Bhagat, learned counsel relied upon certain decisions, which shall be referred to in this judgment at relevant time.

4 Per contra Mr.Saurabh Soparkar, learned senior counsel with Mr.Pratik Jasani, learned advocate for the respondent - original plaintiff vehemently opposed this appeal and submitted that at the outset considering the limited powers of the appellate Court in appeal from order, no ground is made out by the appellants - defendants to interfere with the discretionary order passed by the trial Court. The appellate Court would not reassess the material with a view to reach to a different conclusion. An appeal against the discretionary order is appeal on principle. It is submitted that the suit is based on passing off action and in such suit, the only thing, which is required to be established by the plaintiff is to show that the plaintiff was the prior user of the trade mark. The plaintiff's suit is not based on infringement of a registered trade mark. Even in the impugned order, though the trial Court took into consideration the evidence regarding initial registration of trade mark in favour of the plaintiff by the Registrar of Companies and subsequent stay order by IPAB, but in the impugned order, the trial Court observed that basically the suit was filed challenging the passing off action and, therefore, the trial Court rightly prima-facie examined the evidence adduced by both the sides regarding the prior user. Mr.Soparkar, learned senior counsel submitted that the plaintiff produced relevant invoices to show that the plaintiff used the trade mark and marketed the goods and sold the goods using the disputed trade mark since June 1998. It is submitted

that the invoices are genuine and reliable, as considering almost each and every invoices, there are endorsements to the effect that the amount shown in the individual invoice came to be realised by cheque and even the number of the cheques are quoted in the invoices. Thus, the mode of payment, containing due details, has been endorsed on the invoices. In support of those invoices, the affidavits of Shivkumar Vaid and Smt.Indra Agrawal are produced and at this stage nothing comes on record that those affidavits are false and filed only with a view to support a false case of the plaintiff. Mr.Soparkar, learned senior counsel submitted that as against such evidence of the plaintiff, it is pertinent to note that the defendant No.3 did not produce a single invoice/bill/voucher/supply order/purchase order or any document showing actual sale of even 1 kg. of salt under the name of 'Dandi Salt'. If at all the defendant is serious to contest the invoices produced by the plaintiff, the defendants should have produced at least a single invoice showing to the trial Court that the defendant sold the goods salt under the name of 'Dandi Salt' to any purchaser. It is, therefore, submitted that in absence of such cogent evidence tendered on behalf of the defendants, the trial Court was justified at this stage to rely upon the invoices produced by the plaintiff.

- 4.1 Mr.Soparkar, learned sr.counsel further submitted that the defendant merely relies upon the so-called agreement of assignment of trade mark executed by M/s.Kunvar Ajay Foods Pvt.Ltd. on 10.1.2005. Even admittedly, the document is insufficiently stamped. Though the defendant No.3 tried to submit that no stamp was required and no registration was required, but the fact remains that the document was executed on a stamp paper of Rs.100 pertaining to the consideration amount of Rs.11 Crores. Mr.Soparkar submitted that as a matter of fact, the documentary evidence suggests that on 10.1.2005, when the alleged deed was executed, M/s.Kunvar Ajay Foods Pvt.Ltd. was not at all using the dispute trade mark. My attention was also draw to the letter dated 1.9.2001 address to Mr.Suresh Chandra Agrawal, partner of Kunvay Ajay Group of Industries by Mrs. Anju Agrawal, proprietor of Kunvar Ajay Group of Industries stating that she had applied for registration of brand name - 'Dandi Namak' and 'Dandi Salt', but she had never used those brand names under her proprietorship concern. By virtue of said letter dated 1.9.2001, she transferred all the powers and rights to use the above-mentioned brand names unconditionally in favour of a partnership called M/s.Kunvar Ajay Group of Industries. It is, therefore, submitted that Anju Agrawal in her letter dated 1.9.2001 though transferred the brand names in favour of a

partnership firm, but she categorically admitted that the brand names were never used by her till 1.9.2001. Mr.Soparkar drew my attention to one another letter dated 15.9.2001 addressed to Managing Director of M/s.Kunvar Ajay Foods Pvt.Ltd. (a company) wherein it is stated that the partnership firm had taken over the brand names from Anju Agrawal, but it is clearly stated that we (the firm) did not use the name - 'Dandi Namak'/'Dandi Salt' till date. Mr.Soparkar thus submitted that Anju Agrawal assigned the brand name to the firm and the firm in turn assigned it to the company, but as a matter of fact neither Anju Agrawal nor the firm nor the company actually used the brand name. Mr.Soparkar drew my attention to the relevant provisions of the Trade Marks Act and submitted that though unregistered trade mark can be assigned, but at the time of the assignment, the assignor must be in use of the trade mark assigned. It is thus submitted that Anju Agrawal could not create trade mark by a mere declaration without its use. The firm to which the mark was lastly transferred also never used it. The alleged transfer from Anju Agrawal to firm and the firm to the company is impermissible in view of Section 42 of the Trade Marks Act. So neither the firm nor the company would acquire the same. Mr.Soparkar further relied upon an order of Andhra Pradesh High Court dated 24.4.2003, which is produced by the respondents - defendants with the paper book. Mr.Soparkar relying upon the said order submitted that Kunvar Ajay Group of Industries, alleged predecessor in title to the defendant No.3 was one of the respondents and the Andhra Pradesh High Court issued a stay order against the use of the mark - 'Dandi' to sell and market the goods salt. It is submitted that on 10.1.2005 such stay order was in operation and prevalent. Thus, in every respect, the assignment deed dated 10.1.2005 is in serious doubt and disputed. Even there is a serious dispute as to who is the successor of the company, namely, defendant No.3 or Dandi Salt Pvt.Ltd. It is further submitted that admittedly M/s.Kunvar Ajay Foods Pvt.Ltd. was in financial difficulties and had abandoned the use of the trade mark in early 2004 and in support thereof, reliance was placed upon a news clipping of Business Line dated 9.3.2004. Mr.Soparkar, learned senior counsel further submitted that if at all the large amount of consideration of Rs.11 Crores as referred in the alleged deed of assignment was received by the company in any manner, then, the books of accounts of the company and CA report would have substantiated and supported the assignment deed, but nothing whatsoever was produced by the defendant No.3. Criticizing the assignment deed, Mr.Soparkar submitted that it is a conditional deed in the sense that at any time it can be revoked if the use of the trade

mark is not found profitable to the defendant No.3. Mr.Soparkar, learned senior counsel, therefore, submitted that at the first instance, the assignment deed cannot be read in evidence, but even if it is required to be considered, yet, it is a doubtful document and as against this, the plaintiff relied upon a genuine evidence adduced by it in form of invoices, showing the user of the trade mark since June 1998.

4.2 Mr.Soparkar, learned senior counsel submitted that it is true that the District Court, Jaipur, Rajasthan allowed application of the defendants under Order 7 Rule 11 of the CPC and rejected the suit of the plaintiff for want of territorial jurisdiction, but considering the said order, there is nothing that the District Court examined merits of the matter and dismissed the suit of the plaintiff on merits. Mr.Soparkar submitted that said order was challenged by the plaintiff before Rajasthan High Court and considering the order of Rajasthan High Court though the plaintiff did not succeed, but nothing emerges that the suit of the plaintiff came to be dismissed on merits. Mr.Soparkar, learned senior counsel, upon instructions, submitted that said order of Rajasthan High Court is challenged before the Hon'ble Apex Court and the SLP came to be disposed of, as on behalf of the respondent - plaintiff herein, a statement was made that the plaint in said suit will be taken back. Mr.Soparkar, learned senior counsel submitted that considering the record of criminal complaints u/s.138 of the Negotiable Instruments Act, nothing transpires that the plaintiff ever admitted that M/s.Kunvar Ajay Foods Pvt.Ltd. was owner of the trade mark. The plaintiff stated that the goods sold was manufactured by plaintiff on behalf of the company in the name of 'Dandi Salt' and it is supplied to the company. It is, therefore, submitted that considering the settled provision of law, it is the manufacturer, who can be presumed to be proprietor of the trade mark and not the marketer. Thus, the trial Court rightly did not rely upon the contention raised by the defendant No.3 about alleged admission made by the plaintiff.

4.3 Mr.Soparkar, learned senior counsel submitted that one of the contentions raised by Mr.Bhagat, learned counsel for the appellants - defendants during the course of his submission was that the plaintiff has filed composite suit seeking reliefs under the Trade Marks Act as well as under the Copyright Act and an objection is raised that such composite suit cannot be filed. However, Mr.Soparkar submitted that considering the plaint as a whole, it can safely be said that what is challenged in the suit is the passing off action and, upon instruction, Mr.Soparkar, learned sr.counsel submitted that the claim shall not go

beyond common law right, namely the claim shall be restricted only for passing off action and since the suit is pending, if need be, appropriate amendment shall be carried out in the suit. Therefore, it is submitted that on such technical ground, the impugned order cannot be interfered with.

**5** Mr.Soparkar, learned senior counsel relied upon certain decision, which shall be referred to in this judgment at appropriate time. It is, therefore, submitted that the appeal may be dismissed.

**6** On behalf of both the sides, this appeal from order came to be argued at great length. As stated above, the appellant tendered paper book containing 938 pages and the respondents tendered paper book containing 474 pages. Both the sides submitted that the paper books contain the copies of the documents produced and relied upon by both the sides before the trial Court. More or less during the course of arguments, most of the documents came to be referred and relied upon. I have gone through those relevant documents relied upon by both the sides. However, at the same time, it is required to be considered that the instant appeal from order is under Order 43 Rule 1(r) of the CPC and the challenge in this appeal from order is a discretionary order passed by the trial Court under Order 39 Rules 1 and 2 of the CPC. In the case of Matrix Telecom Pvt.Ltd. Vs.Matrix Cellular Services Pvt.Ltd. reported in 2011(3) GLR 1951 in a similar appeal under Order 43 Rule 1(r) of the CPC, this Court in paragraph 6 and paragraph 6.1 observed as under:-

"6.0 Before proceeding further it is required to be noted that the present appeal is against the rejection of interim relief and the main suit is still pending. If this court elaborately deals with the matter on merits it is likely that the same would prejudice the case of either side. Therefore, it is well settled law that this Court is not required to go into the merits of the entire matter at this stage and what is required to be seen is whether the appellant-plaintiff has made out a prima facie case or not for grant of interim injunction.

6.1 It is required to be noted that it is well settled law that the Appellate Court may not interfere with the exercise of discretion of the court of first instance and substitute its own 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. The 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 the court was reasonably possible on the material. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion."

- 7** In the case of Wander Ltd. and Another Vs. Antox India P.Ltd. reported in 1990 (Supp) SCC 727, Hon'ble the Apex Court in paragraph 9 in said decision took into consideration the powers of the Appellate Court in an appeal wherein the discretionary order passed by the trial Court is under challenge. The Hon'ble Apex Court observed in paragraph 9 in this decision as under:-

"9. 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 weigh one need against another and determine where the "balance of convenience lies".

- 8** The interlocutory remedy is intended to preserve in status quo, the rights of parties which may appear on a prima facie. 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."

- 9** In the above background, so far as the instant appeal is concerned, it can safely be said that only in exceptional circumstances mentioned in the above-referred decisions, the appellate Court can interfere with

the discretionary order passed by the trial Court. The appellate Court cannot reassess the entire evidence to come to its own conclusion contrary to the conclusion arrived at by the trial Court as if the appellate Court is the trial Court. To put it differently, the appellate Court cannot substitute its own view by the view taken by the trial Court provided the appellate Court comes to the conclusion that the discretionary order passed by the trial Court is legal and valid and is not arbitrary, perverse or contrary to the settled principles of law.

- 10** Thus, exercising the limited powers vested in this Court in connection with such appeal arising under Order 43 Rule 1(r) of the CPC, at the outset, though both the sides addressed this Court with elaborate and detailed arguments, I am of the opinion that if this Court elaborately deals with the matter on merits, it is likely that the same would prejudice the case of either side. Therefore, as observed by this Court in Matrix Telecom's case (supra), the only limited discussion, which is required to be made, shall be confined to the point as to whether the plaintiff has made out a prima-case or not for grant of interim injunction and whether the other required ingredients, namely, the balance of convenience is in favour of the plaintiff and the plaintiff is likely to suffer irreparable loss, if the injunction is not granted, whether the trial Court, therefore, committed any error in passing the impugned order or not.
- 11** Considering the plaint as a whole, it can safely be said that the challenge in the suit is the passing off action. Needless to say and say and as admitted by both the sides that in a suit wherein the challenge is qua passing off action under the common law, the relevant factor is prior user of the disputed mark. In other words, the plaintiff, who filed the suit even at such interlocutory stage should prima-facie show that he was the prior user of the disputed mark. It is true that in the suit, the plaintiff claimed relief under the Trade Marks Act as well as under the Copyright Act and considering the decision of this Court dated 7.3.2012 in the case of Ratan Foods Products & Ors. Vs. Jasvindersing Harcharansing Madan in LPA No.877 of 2010 and allied matters, while dealing with the issue arising under Order 7 Rule 11 of the CPC, relying upon the earlier decision of Hon'ble the Apex Court in the case of Dabur India Ltd. Vs. KR Industries reported in AIR 2008 SC 3123 came to the conclusion that since the cause of action with regard to the infringement of the Copy Right Act and passing off trade mark under Section 27 of the Trade Marks Act are different and distinct cause of action, therefore, separate suits were required to be filed under the aforesaid Acts and composite suit would not be

maintainable. There cannot be any dispute regarding the principle established by this Court relying upon the earlier decision of the Hon'ble Apex Court, but so far as the instant appeal is concerned, at this stage there is nothing that the defendants filed any application in the suit before the trial Court under Order 7 Rule 11 of the CPC. Secondly, as submitted at bar by Mr.Soparkar, learned senior counsel for the respondent - original plaintiff that the plaintiff's suit is based only for passing off action and claim shall not go beyond common law right and if need be during the progress of the suit, necessary care shall be taken to see that the relief is restricted in terms of the observations made by this Court in above-referred decision. Under such circumstances, this Court is of the opinion that at this stage, on this ground alone, the impugned order passed by the trial Court is not required to be interfered with by allowing this appeal. However, in case in future the defendant No.3 files any such application under Order 7 Rule 11 of the CPC before the trial Court, the trial Court shall deal with said application in accordance with law.

**12** As stated above, the very base of the suit is passing off action and what is required to be considered in this appeal is as to whether the trial Court came to the right conclusion that the plaintiff prima-facie proved the prior user of the disputed trade mark or erred in coming to such conclusion. It is pertinent to note that in the suit the plaintiff produced copies two affidavits from the record of Thane Court of Mr.Shivkumar Vaid and Smt.Indra Agrawal and from the record of Thane Court along with those affidavits produced number of invoices showing that the deponents purchased the salt under the brand name 'Dandi' from the plaintiff atleast from 16th June 1998 and onwards. At this stage, on behalf of the defendant No.3 before the trial Court as well as before this Court, much was said about those invoices and the affidavits. Those affidavits and invoices were hotly contested by the defendant No.3. I have taken into consideration the observations made by the trial Court about those affidavits and the invoices in the impugned order as well as I have reconsidered those two affidavits and the invoices available in the paper books. I have taken into consideration the submissions advanced on behalf of both the sides regarding those invoices. The defendants produced voluminous documents before the trial Court in the suit. However, as submitted by Mr.Soparkar, learned sr.counsel for the respondent, the defendants did not produced a single invoice or bill etc. showing that in fact the salt was supplied to any buyer by the defendants under the trade name - 'Dandi Salt'/'Dandi Namak'. As per the defence of the defendants, the defendants received the disputed trade mark from

M/s.Kunvar Ajay Foods Pvt.Ltd. by an assignment deed dated 10.1.2005. That deed itself is though in serious dispute, but from 10.1.2005 onwards, if at all the defendants manufactured salt and sold it under the disputed trade name, the defendants in support of its defence regarding the prior use could have produced invoice before the trial Court. It is true that the defendants produced voluminous documents in form of advertisement by firm (Kunvar Ajay Group of Industries) as well as by company (M/s.Kunvar Ajay Foods Pvt.Ltd.) and media reports showing that the firm and the company earned huge money by selling salt under the trade mark - 'Dandi Salt'/'Namak'. Despite this, not a single invoice/bill etc. is produced to substantiate the defence of prior user. There is no dispute that the plaintiff cannot succeed merely on the weakness of the other side and the plaintiff must stand on its own foot. However, in the instant matter, the plaintiff did produce number of invoices, prima-facie showing that the plaintiff used to manufacture and sell salt under the brand name 'Dandi' atleast from 16th June 1998 and onwards. It is further pertinent to note that as per the case of the plaintiff because of the massive earthquake in 2001 all the relevant records prior to 2001 came to be destroyed and, therefore, when he filed suit in Thane Court, through the above-referred two deponents, the plaintiff came in custody of those invoices and the same were produced in Thane Court and, subsequently, same were produced in the instant suit before the trial Court. It is further pertinent to note that considering the invoice, it transpires that there are endorsements to the effect as to how the amount referred in individual invoice came to be paid, with cheque numbers. Mr.Soparkar, learned senior counsel for the respondent - plaintiff during the course of his submission took me through the invoices and the relevant endorsement and this Court is of the opinion that the trial Court at this stage did not commit any error in coming to the conclusion that prima-facie those invoices are reliable. It is true that Kunvar Ajay Group of Industries used to purchase salt from different companies including the plaintiff - company and the plaintiff used to supply the goods under the brand name. On behalf of the appellants - defendants before the trial Court as well as before this Court, it was submitted that in fact Kunvar Ajay Group of Industries was the inventor of the trade mark and the same was coined by them, which came to be transferred to the company and in turn transferred to the defendant No.3. In this respect, considering the deed of assignment dated 10.1.2005, apart from the fact that the same is executed on stamp paper of Rs.100 and that the consideration amount is shown to be Rs.11 Crores and apart from the fact as to whether the conveyance deed can be said to be insufficiently stamped

or deserves to be impounded or not and whether considering the provisions of the Trade Marks Act, any stamp or any registration to such assignment deed is required or not, the issue remains as to whether at this stage in light of the evidence adduced by the plaintiff, more particularly the invoices, the document of assignment was required to be relied upon or not. It is true that u/s.39 of the Trade Marks Act, even unregistered trade mark can be assigned. There is also no dispute that initially vide certificate dated 17.5.2010, Registrar of Trade Mark registered the trade mark in the name of the plaintiff, but subsequently, by order dated 23.11.2011, the IPAB stayed the operation of said order. Under such circumstances, at this stage, the fact is clear that the suit is not based upon infringement of a registered trade mark, but is based upon passing off action. It is well settled that the assignor can transfer the trade made to the assignee if the trade mark was in actual use of the assignor. In the instant matter, as submitted on behalf of the respondent - plaintiff, initially Anju Agrawal allegedly assigned the mark to the firm and in turn the firm assigned to the company and as per the defence of defendant No.3, the company assigned the mark to him. Considering the letter dated 1.9.2001 written by Anju Agrawal, proprietor of Kunvar Ajay Group of Industries addressed to Suresh Chandra Agrawal, partner of Kunvar Ajay Group of Industries, though the trade mark was assigned by Anju Agrawal to the firm, but in said letter, she elaborately stated that "I have never used these brand name under my partnership concern". Considering the letter dated 15.9.2001 addressed to Managing Director of M/s.Kunvar Ajay Foods Pvt.Ltd. (company) by Suresh Chandra Agrawal, partner of Kunvar Ajay Group of Industries, it is stated that the partnership firm had taken over the brand name of 'Dandi Namak' and 'Dandi Salt' vide letter dated 1.9.2001 from Anju Agrawal, but it has been clearly stated that "we hereof state that we are not using the name 'Dandi Namak'/'Salt' till date".My attention was also drawn to the a media report of Business Line dated 9.3.2004 showing that in the early part of the year 2004, the company faced financial crisis and was not doing any work and the company was no longer releasing or creating any advertisement for its brand. It relates to Pinki Advertising company, but pertains to Kunvar Ajay Group. My attention was also drawn to certain admissions made by the defendants in reply affidavit in paragraph 12 filed by the defendants before the trial Court. Thus, it can be prima-facie stated that neither Anju Agrawal nor the partnership firm in fact used the marks. As stated above, prima-facie, it is not certain whether the company was using the mark immediately proceeding to dated 10.1.2005. The defendant, therefore, has yet to prove it during the trial of the suit.

The order dated 24.4.2003 passed by Andhra Pradesh High Court in respect of user of name 'Dandi' for salt, as submitted by Mr.Soparkar, learned senior counsel for the respondent is also required to be taken into consideration. When such is the situation, the marks, which were not used, prima-facie, came to be assigned by the company to the defendant No.3. It is true that the defendant No.3 produced voluminous documents in form of advertisement, media report etc., but as stated above, not a single invoice or any dispatch record is produced by the defendant No.3 showing the actual sale. Mr.Soparkar, learned senior counsel, therefore, rightly submitted that brand was not in fact used by either the firm or the company, prima-facie cannot be transferred by the company. It is further pertinent to note that if at all a registered company under the Companies Act either from the defendant No.3 or from the various parties referred in the assignment deed in fact received Rs.11 Crores, a relevant prima-facie evidence should have been produced by defendant No.3. In support thereof nothing whatsoever came to be produced. Considering the deed of assignment, it further transpires that it is a conditional deed and if the assignment is not found favourable to the defendant No.3, the same can be terminated. No prima-facie evidence is adduced in this connection.

- 13** However, on behalf of the appellants - defendants, a contention is raised that third party cannot challenge the document and in support thereof, reliance was placed on a case of Sun Pharmaceuticals Industries Limited Vs.Cipla Limited reported in 2009(39) PTC 347 (Del.) wherein Delhi High Court in a case pertaining to assignment of trade mark, in paragraph 11 in said decision observed that the Registrar of Trade Mark has to examine such assignment as soon as the application u/s.45 of the Trade Marks Act is received by him. It is further observed that the duty of the Registrar is only to record satisfaction regarding the number of title and the disputes, if any, as to assignment. It is further observed that a dispute as to assignment can be raised by the assignor or by some person claiming prior assignment and not by any stranger. There cannot be any dispute regarding the principles propounded in the decision by the Delhi High Court, but in the instant case, firstly, the plaintiff did not file suit for cancellation of the deed of assignment. Moreover, the trial Court examined the deed of assignment in context with the invoices produced and relied upon by the plaintiff in support of his case that the plaintiff used the trade mark since June 1998. To put it differently, out of the two set of evidence, namely, the document of assignment produced by the defendant and invoices produced by the

plaintiff, prima-facie at this stage, which evidence is required to be accepted, appears to be the sole purpose of the trial Court while deciding the prima-facie evidential value of the deed of assignment and the trial court in the impugned order prima-facie came to the conclusion that out of the two set of evidence, the evidence in form of invoices produced and relied upon by the plaintiff should be accepted. In light of the above discussions, this Court does not find any valid ground to interfere with this finding prima-facie arrived at by the trial Court.

- 14** Much is said on behalf of both the sides regarding the orders passed by District Court, Jaipur in the suit filed by the plaintiff in the year 2010. It is admitted that the plaintiff filed the suit in Jaipur Court against the defendants in connection with the trade mark. There is no dispute that in the said suit, Jaipur Court initially granted ad-interim injunction order and, subsequently, the temporary injunction application came to be allowed by Jaipur Court. There is no dispute that said order came to be challenged by the defendants before Rajasthan High Court, but, the defendants did not succeed. There is also no dispute that subsequently one of the defendants filed an application under Order 7 Rule 11 of the CPC contending that Jaipur Court has no territorial jurisdiction. By order dated 23.7.2011, District Court, Jaipur allowed said application and came to the conclusion that said Court had no territorial jurisdiction to hear and decide the said suit. It is contended on behalf of the defendants that in the said order dated 23.7.2011, District Court, Jaipur, disposed of the suit filed by the plaintiff not only on the ground of lack of territorial jurisdiction, but even examined the merits. Considering the copy of the order dated 23.7.2011, it transpires that basically District Court, Jaipur while coming to the conclusion that said Court had no territorial jurisdiction prima-facie examined the case pleaded by the plaintiff in its plaint and also examined the aspect of accrual of cause of action. There is also no dispute that the plaintiff thereafter challenged said order in Rajasthan High Court. Considering the copy of the order passed by Rajasthan High Court, produced by the plaintiff in the paper book supplied by the plaintiff the order of District Court came to be upheld. Thus, the order passed by the District Court, Jaipur merged into the order passed by Rajasthan High Court. So the finding arrived at by the District Court, Jaipur that it had no territorial jurisdiction, came to be upheld. Nothing transpires that the suit of the plaintiff came to be dismissed on merits. Though by now the Special Leave Petition, which was pending before the Apex Court has been disposed of, but even considering the provision contained

under Order 7 Rule 11 of the C.P.C., it is rejection of plaint on various grounds stated in the provision. Considering those grounds, it cannot be said that the rejection of plaint amounts to dismissal of suit on merits. Even otherwise, considering the order of the trial Court, passed under Order 7 Rule 11 of the C.P.C., prima-facie, it transpires that no merits are examined so that it can be said that virtually the suit was dismissed on merits.

- 15** On behalf of the defendants, it was seriously contended that the plaintiff filed three criminal complaints against Kunvar Ajay Foods Pvt.Ltd. in the Court of learned Judicial Magistrate, Gandhidham regarding the offence punishable u/s.138 of the NI Act and in the statutory notice issued by the plaintiff to said company, prior to the filing of those complaints as well as in those complaints, so also in the verification recorded by learned Magistrate, of a responsible officer of the plaintiff, a clear admission is made that the plaintiff was doing job work for and on behalf of M/s.Kunvar Ajay Foods Pvt.Ltd. Before the trial Court, the same contention was raised and the trial Court in the impugned order at length dealt with this aspect of the matter. I have taken into consideration the copy of statutory notice issued by the plaintiff to said company as well as the copies of those three private criminal complaints and the copies of relevant verification. First of all, nothing prima-facie emerges that the plaintiff ever admitted that the company was owner and proprietor of said trade mark 'Dandi'. It transpires that on behalf of the plaintiff, it was pleaded before the Magistrate that the company approached the complainant (plaintiff herein) to pack and process the salt goods in the brand name of 'Dandi' and the complainant processed and packed salt goods in the brand name of 'Dandi' on behalf of the accused company. It further transpires that in that process, large amount remained due and payable by the company to the plaintiff. Thus, prima-facie, at this stage, it cannot be said that there is any clear admission on the part of the plaintiff that the trade mark in question belonged to the company. It can be prima-facie said that the plaintiff processed and manufactured 'Dandi Salt' and the same came to be marketed and sold by the company. On behalf of the respondent - plaintiff, reliance was placed upon a case of Consolidated Foods Corporation Vs.Brandon and Co.Pvt.Ltd. reported in AIR 1965 Bombay 35 as well in the case of Double Coin Holdings Ltd. Vs.Trans Tyres (India) Pvt.Ltd. reported in 2011(46) PTC 194 (Del.) so also in the case of Sham Lal Vs.Interads Advertising (P) Ltd. reported in AIR 1978 Delhi 270. In the aforementioned Bombay High Court decision and the Delhi High Court decisions, not only it has been observed that in passing off

action, the only factor, which is required to be considered is the prior use of the trade mark in dispute. In Bombay High Court case, it was specifically observed that where the label on the container described 'K' as the manufacturer and 'B' as the sole distributor, it could not be said that B company was the proprietor of the mark nor could it be said that the mark was used by 'B' company as proprietor thereof. In Double Coin Holdings Ltd. case (supra) in paragraph 6 in said decision Delhi High Court observed that the ownership of a trade mark as a general rule vests in the person, who puts the mark on the product. If the manufacturer himself is putting a brand name on the goods, the ownership or goodwill in the trade mark, would ordinarily belong to him and a distributor or an importer of such a product cannot claim ownership or goodwill in the trade mark. It is specifically observed that thus there is presumption of proprietorship of trade mark in favour of the manufacturer. It is further observed that in passing off action, who was the first user of the trade mark is of paramount consideration. The similar observation is made by Delhi High Court in Sham Lal's case (supra).

- 16** In the above view of the matter, this Court is prima-facie of the opinion that the trial Court did not err in appreciating and dealing with this contention regarding alleged admission made by the plaintiff in the aforementioned criminal prosecution. As stated above, prima-facie, it cannot be said that there is any clear and cogent admission pertaining to the dispute in issue. Secondly, in light of the aforementioned decisions, prima-facie, the presumption of ownership of trade mark is attached to the manufacturer and not the distributor or marketer. Moreover, while dealing with this issue, the trial Court rightly observed that to appreciate in true perspective the contention raised by the defendants, regarding the so-called admission made by the plaintiff, full-fledged evidence is required and after the evidence shall be concluded, this aspect of the matter can be properly appreciated by the trial Court.
- 17** On behalf of the defendants, much is said about the two letters of the ex-Directors of the plaintiff - company as well as a letter of Salt Inspector. It transpires that ex-Directors - Mr.Ramswarup Bajaj and Mr.Pradeep Bajaj appear to have addressed letters to the defendant No.3 company in the month of September 2010 to the effect that till 1999-2000, they remained Directors of the plaintiff company, no production or manufacturing of salt under the brand name 'Dandi Salt'/'Dandi Namak' was done by the company. It was the say of the plaintiff before the trial Court that the ex-Directors were not in good

terms with plaintiff company. However, on behalf of the defendants, an invoice dated 21.2.2011 is produced showing that even subsequent to the date of the letter, plaintiff supplied goods to ex-Director Pradeepkumar Bajaj and, thus, the case put up by the plaintiff that the Director was not in good term with the plaintiff, cannot be believed. Be it as it may, but, the fact remains that the defendants at this juncture only relies upon the two letters allegedly signed by the two ex-Directors. It is pertinent to note that the defendants did not procure any affidavits of those two Directors and produced the same before the trial Court. Under such circumstances, not only at the time of evidence, the defendants are supposed to prove the genuineness of those two letter and the circumstance under which the ex-Directors issued such letters, but, even the contents of said letters, as at this stage, the Directors have not filed any affidavits, making any statement on oath before the trial Court. Under such circumstances, at this stage, it cannot be said that the trial Court committed any error in not relying upon the letters. Identical is the situation, if the letter of Salt Inspector dated 4.5.2009 and subsequent letter dated 17.7.2010 are considered. In the letter dated 4.5.2009, it was observed by the Salt Inspector concerned that the plaintiff packed and sold salt in the names of Kohinoor and Dandi since 1998. However, in subsequent letters dated 17.7.2010, the earlier letter came to be withdrawn by Salt Inspector stating that in the earlier letter the said fact was based upon mere information supplied by the plaintiff. In above view of the matter, prima-facie, the two letters of Salt Inspector produced by the defendants, lead us to nowhere. It is submitted that the plaintiff suppressed these documents. However, since no useful purpose is going to be served at this stage by the letters of Salt Inspector, the question of suppression may not arise. Similar is the case, if the letter of Association is considered. Admittedly, no member of the Association filed any affidavit before the trial Court in the suit. During the course of evidence, if at all the defendants intend to lead evidence in connection with the letter of the Association, the defendants shall be at liberty to examine the concerned witness from the Association, but at this stage, this Court does not find any error committed by the trial Court in not relying upon the letter of Association.

- 18** On behalf of the appellants - defendants, it was emphatically submitted that the plaintiff suppressed material documents and as a matter of fact played fraud with the trial Court. It is submitted that the plaintiff suppressed the document to the effect that a copyright issued in favour of the plaintiff came to be cancelled by specific order

of the competent authority dated 25.3.2011. That the plaintiff suppressed the relevant documents pertaining to the criminal prosecution launched by it u/s.138 of the NI Act. It is submitted that the plaintiff suppressed material document regarding the stay order passed by IPAB and the undertaking by the plaintiff, that it shall not initiate any action pursuant to the Certificate of the Trade Mark. It is further submitted that the letter of Salt Inspector has been suppressed by the plaintiff. On behalf of the appellants - defendants, it is submitted that there are material discrepancies in the sale figures mentioned by the plaintiff in its plaint in a suit filed in District Court, Jaipur as well as in the plaint in the instant suit filed the District Court, Gandhidham. It is further submitted that the plaintiff suppressed the material documents regarding the order passed by Jaipur Court under Order 7 Rule 11 of the CPC. In support of such submission, Mr.Bhagat, learned counsel relied upon a case of Vijay Steel Vs.State of Punjab reported in 2003(2) GLH 786, Thukral Mechanical Works Vs.Nitin Machine Tools P.Ltd. reported in 1998 PTC(18) 767, C.M.S. Traffic Systems Ltd.Vs.Municipal Commissioner, Ahmedabad reported in 2004(7) GHJ 584, G.M. Haryana Roadways Vs.Jai Bhagwan and Anr. reported in AIR 2008 SC (Supp.) 1700, S.P. Chengalvaraya Naidu (dead) Vs.Jagannath (dead) reported in AIR 1994 SC 853, Ganpatbhai Mahijibhai Solanki Vs.State of Gujarat reported in AIR 2009 SC (Supp.) 986 and Akshar Share Services Pvt.Ltd.Vs.State of Gujarat reported in 1998(1) GLH 483.

- 19** I have taken into consideration the ratio laid down by the by Hon'ble the Apex Court as well as by the High Courts in the above-referred decisions in context with the submissions made on behalf of the appellants - defendants herein. There cannot be any dispute that what is contended is suppression and concealment of certain important documents by the plaintiff. Needless to say that suppression of relevant facts in pleading as well as suppression and concealment or withholding of documents are two different issues. In the instant matter, in the plaint, the plaintiff pleaded all the material facts. The plaintiff also produced relevant certified copies from the suit of Jaipur Court as well as the copy of decision by Rajasthan High Court. As stated above, the instant suit is filed to challenge the passing off action and, thus, virtually it has no nexus with any copyright proceeding. Even as stated above, Mr.Soparkar, learned senior counsel for the respondent - plaintiff, upon instruction, made clear statement that before the trial Court, the claim shall be restricted only qua the passing off action. Furthermore, the plaintiff did not suppress in his plaint the material aspect that the certificate of registration of

registrar of Trade Mark came to be stayed by IPAB. It is true that pursuant to the order of IPAB, the plaintiff executed an undertaking to the effect that it shall not initiate any action pursuant to the certificate of trade mark. Admittedly, the instant suit is not filed by the plaintiff challenging infringement of trade mark, but what is challenged is passing off action. In the above view of the matter, the trial Court rightly did not rely upon such contention raised at this stage regarding the suppression and concealment of document. However, on the basis of the full-fledged evidence, at the fag end of the trial, the trial Court may decide conclusively this issue.

- 20** On behalf of the appellants - defendants, the documentary evidence produced by the defendants before the trial Court regarding various advertisements and newspaper report and interview before different media agency have been relied upon. Looking to the bulky paper book supplied by the appellants - defendants, it can be said that the majority of papers pertain to such advertisements as well as newspaper reports and interview of office bearer of M/s.Kunvar Ajay Foods Pvt.Ltd. before different media agency. I have taken into consideration this aspect of the matter. However, as stated above, despite such documentary evidence produced by the defendants before the trial Court, as submitted by Mr.Soparkar, learned sr.counsel for the respondent - plaintiff, the defendants did not produce a single invoice etc. showing actual sale of 'Dandi Salt' to any buyer. Those documents produced by the defendants are required to be considered in light of the invoices produced by the plaintiff before the trial Court and it appears that in comparison with said evidence, produced by the defendants, the trial Court prima-facie rightly relied upon the invoice produced by the plaintiff at this stage. As discussed above, the role of appellate Court in Appeal from Order is very limited. The appellate Court has not to reassess the entire evidence adduced by the parties and to come to its own conclusion. The appellate Court has only to consider as to whether the discretionary order passed by the trial Court is perverse, arbitrary, capricious or against the settled principles of law or not. The appellate Court has not to re-decide the entire issue as if it is a trial Court. Prima-facie this Court is of the opinion that at this stage the trial Court did not err in relying upon the invoices produced by the plaintiff.
- 21** However, on behalf of the appellants - defendants, case of Satyam Infoway Ltd.Vs.Sifynet Solutions (P) Ltd. reported in (2004) 6 SCC 145 is relied upon wherein in paragraph 13 in said decision, it has been observed that the action of passing off is normally available to the

owner of a distinctive trade mark. If two trade rivals claim to have individually invented the same mark, then the trader who is able to establish prior user will succeed. It is further observed that it is not essential for the plaintiff to prove long user to establish reputation in passing off action, but it would depend upon the volume of sales and extent of advertisement. There cannot be any dispute regarding the principle established by Hon'ble the Apex Court, but the applying said principles in light of the facts and circumstance of the instant case, it can safely be said that on one hand, so far as the plaintiff is concerned, the plaintiff relies upon actual sale evidence i.e. the invoices, whereas the defendants mainly rely upon evidence in form of advertisement. It is aptly clear that the purpose of advertisement is to increase the sale. The defendants produced the evidence regarding the advertisement, but, ultimately, what was the outcome of said advertisement, in that respect, no prima-facie evidence is produced regarding the actual sale of Dandi Salt'. Thus, in the facts and circumstances of the instant case, the decision relied upon by the defendants may not be helpful at this stage.

- 22** About the contention raised by the appellants - defendants regarding the discrepancies in sales figures, Mr.Soparkar, learned senior counsel for the respondent - plaintiff took me through the copies of plaint of Jaipur Court and of Gandhidham Court and submitted that as a matter of fact in the sales figure, there does not appear any major discrepancies. However, he submitted that in passing off action, the plaintiff is only supposed to show prior user and not long user or the extent of sale. I have taken into consideration the sales figures mentioned by the plaintiff in the two plaints and prima-facie there does not appear any major discrepancy. Moreover, to prima-facie prove the prior user, the plaintiff relied upon the invoices produced by it.
- 23** On behalf of the appellants - defendants, much is said that the suit of the plaintiff is bad on account of delay and laches as right from the inception the plaintiff was knowing that the defendants manufactured and sold 'Dandi Salt', yet, the suit came to be filed in Jaipur Court in 2010 and in Gandhidham Court in 2011. I have taken into consideration this aspect of the matter. It transpires that before the institution of the suit, both the sides issued public notice. There does not appear, prima-facie, any reason to believe that the instant suit is barred by delay and laches at this stage because the plaintiff had already taken action against the defendants in District Court, Jaipur and as stated above, District Court, Jaipur issued temporary

injunction order against the defendants. However, on technical ground, regarding territorial jurisdiction, the suit came to be disposed of. Under such circumstances, prima-facie at this stage, it cannot be said that the instant suit is bad on account of any delay, laches or conduct of the plaintiff. Similarly the contention raised by the appellants - defendants that the plaintiff only selected the defendants and only arraigned them in the suit whereas there are so many others, who are manufacturing and selling salt in the name of 'Dandi Salt'. As a matter of fact, at this stage, the trial Court is required to consider the case of the plaintiff qua the defendants. At this stage, without there being any conclusive evidence, it would not be just and proper for the trial Court to reject the temporary injunction application filed by the plaintiff solely on the basis of the contention raised by the defendants that others are selling salt under the same name. However, after full-fledged evidence shall be recorded in the suit, at the time when the suit would be disposed of on merits, the trial Court shall examine this aspect of the matter.

**24** On behalf of the appellants - defendants it has been contended that a very strange situation has arisen in the instant matter in the sense that if at all M/s.Kunvar Ajay Foods Pvt.Ltd. is considered to be mere marketer of the plaintiff, then how the sales figures of marketer are more than the sales figures of manufacturer (plaintiff)? However, so far as the sales figures of the company are concerned, more or less they are derived from different media reports. Ultimately, as a matter of fact what was the actual sales figure can be conclusively established by the trial Court only after the relevant evidence in the form of books of accounts, C.A. report issued to the company etc. are produced before the trial Court. At this stage, as stated above, in passing off action, the question regarding the prior user is only required to be considered by the trial Court and this Court is of the opinion that the trial Court did not err in prima-facie coming to the conclusion that the plaintiff established prima-facie case and that the points of balance of convenience and irreparable loss are in favour of the plaintiff.

**25** Seen in the above context, this Court is of the opinion that there is no reason whatsoever to interfere with the impugned order passed by the trial Court. The instant appeal, therefore, deserves to be dismissed. However, considering the facts and circumstances of the case, this Court is of the opinion that the trial Court is required to be directed to expedite the disposal of the suit and to dispose of the suit in

accordance with law at the earliest preferably the time that shall be fixed by this Court.

- 26** For the foregoing reasons, this appeal from order stands dismissed. However, the trial Court is directed to decide the Regular Civil Suit No.2 of 2011 in accordance with law as expeditiously as possible, preferably on or before 31.12.2012. It is hereby made clear that the trial Court shall decide the aforementioned suit in accordance with law on the basis of the evidence that shall be adduced by both the sides before the trial Court, uninfluenced by any observations made by this Court in this judgment. There shall be no order as to costs.
- 27** Since the appeal from order stands disposed of, the civil application for stay loses its survival value and also stands disposed of.