

A Case Study on IPR Infringement from Indian Consumer Goods Sector



Management

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ABSTRACT

The case discussed is important considering infringement of Intellectual property rights (IPR) involving trademark, copyright and also passing-off between two brands: Duck back and Dack Back. The case starts with plaintiff's first suit for infringement of registered trademark DUCK BACK in Class 25. Defendant denied infringement and invoked O2 r2 (3)CPC following which Trial Court dismissed the plaintiff's second suit (for infringement of trademark rights and copyright and passing-off of their registered trademark DUCK BACK) as barred under O2 r2 (3)CPC. On appeal, the Single Judge confirmed the Trial Court's order but found for the plaintiff in the passing-off action. The plaintiff was granted leave to appeal to the Supreme Court. The Supreme Court held that the plaintiff had fresh cause of action in the second suit due to the defendant's continuing acts of infringement and passing-off. The defendant was completely barred from invoking O2r2(3)CPC for not producing plaint of original suit as evidence. The plaintiff's appeal was allowed with costs. The order of the High Court confirming the decision of the Trial Court was set aside. This case describes continuous infringement of Trademark and Copyright, and Passing-off.

Facts of the Case:

Bengal Waterproof Limited v/s. Bombay Waterproof Manufacturing Company. (1996)

DUCK BACK v/s. DACK BACK

The plaintiff Bengal Waterproof, sued the defendants Bombay Waterproof in the City Civil Court, Hyderabad for infringement of registered trade mark DUCK BACK and prayed for permanent injunction restraining the defendants from the use of the mark DACK BACK. The learned Trial Judge dismissed the suit on the ground that there was no infringement of plaintiff's trade mark 'DUCK BACK' and therefore, the reliefs prayed for were not maintainable and could not be granted. The plaintiff claimed that it was miss-informed and ill-advised when it instituted the first suit and on finding continuing infringement by the defendants, they filed a second suit before the Chief Judge, City Civil Court seeking to restrain by way of permanent injunction from infringing the trade mark DUCK BACK and copyright of the plaintiff as well as from passing-off waterproof of rubberised material, air pillows, shoes, hot water bags and other goods in Class 25 as if they were plaintiff's goods.

The defendants alleged that they had not infringed the plaintiff's trade mark and that the suit was barred by res judicata and by Order 2 Rule 2 sub-rule (3), CPC in view of the fact that the earlier suit based on the same cause of action was already dismissed by the Trial Court on 6th April 1982. The learned Trial Judge had dismissed the suit on the ground that it was barred by Order 2 Rule 2 sub-rule (3) of CPC.

The learned Single Judge of the High Court held:

The waterproof raincoats manufactured by the first defendant bearing trade mark DACK BACK phonetically, and visually resembled the waterproof raincoats manufactured by the plaintiff bearing trade mark 'DUCK BACK'. The second suit though not barred by res judicata, was barred by Order 2 Rule 2 sub-rule (3), CPC. The decree of the Trial Court dismissing the second suit was confirmed.

The sole moot question that remained before the Supreme Court, when faced with the plaintiff's Special Leave Petition was whether the second suit filed by the plaintiff was barred by Order 2 Rule 2 sub-rule (3) CPC.

Order 2 Rule 2 sub-rule (3), CPC, provides:

Once the plaintiff comes to a court of law for getting any redress basing his case on an existing cause of action he must include in his suit the whole claim pertaining to that cause of action. But if he gives up a part of the claim based on the said cause of ac-

tion or omits to sue in connection with the same then he cannot subsequently resurrect the said claim based on the same cause of action.

Citing precedent in the case of Gurbax Singh v/s Bhooralal 1964 (7) SCR 831, the Honourable Court found: A plea of a bar under O.2 r.2, CPC can be established only if the defendant files in evidence the pleadings in the previous suit and thereby proves to the Court the identity of the cause of action in the two suits. Without the plaint in the previous suit being on the record, a plea of a bar under O.2 r.2, CPC was not maintainable. In view of the aforesaid precedent, the learned Trial Judge as well as learned Single Judge of the High Court ought to have held that the plea of Order 2 Rule 2 sub-rule (3) raised by the defendants in the present case was barred at the threshold as the defendants had not produced on the record of the Trial Court the pleadings in the first suit. The defendants submitted that in the counter-reply to the Special Leave Petition, a copy of the plaint in the first suit had been produced.

The honourable Court observed that, firstly, the Constitution Bench of this Court in Gurbax Singh's case (reference example case) has clearly ruled that there cannot be any inference about the bar of Order 2 Rule sub-rule (3), CPC which may be culled out from plaint in the second case; and Secondly, once the plea of bar of Order 2 Rule 2 sub-rule (3) was not available to the defendants in the suit in the absence of the recording of the pleadings in the earlier suit, they had missed the bus especially when even before the High Court no attempt was made by the defendants to produce the pleadings in the earlier suit by way of application for additional evidence. The honourable Court further considered the provisions of Section 22 of the Limitation Act, 1963. In the case of a continuing breach of contract or in the case of a continuing tort, a fresh period of limitation begins to run at every moment of the time during which the breach or the tort, as the case may be continues.

The honourable Court observed :

The cause of action for the first suit of 1980 was based on the infringement of plaintiff's trade mark DUCK BACK by the defendants and passing-off by the defendants' goods marked DACK BACK as that of the plaintiffs' goods, till the date of the suit filed in 1980. In the second suit of 1982, the grievance was not based on any acts of infringement or passing-off alleged to have been committed by the defendants in 1980, but regarding the continuous acts of infringement of its trade mark DUCK BACK and the continuous passing-off action on the part of the defendants subsequent to the filing of the earlier suit and continuing on the date of the second suit.

The honourable Supreme Court held :

As the act of passing off is an act of deceit and tort every time when such tortuous act or deceit is committed by the defendant, the plaintiff gets a fresh cause of action to come to the court by appropriate proceedings. Similarly infringement of a registered trade mark would also be a continuing wrong so long as infringement continues. The plaintiff had a fresh cause of action in the second suit due to the defendants continuing acts of trademark and copyright infringement of the plaintiff's mark DUCK BACK and passing-off of the plaintiffs' goods bearing the same mark.

The appeal succeeds and is allowed with costs. The judgment and order of dismissal of the plaintiff's suit as passed by the Trial Court and as confirmed by the High Court are set aside.

Observations and Conclusion:

The scope of intellectual property is expanding very fast and attempts are being made by people who create new ideas to seek protection under the umbrella of Intellectual property rights. Intellectual property consists of a bundle of rights in relation to certain material object created by the owner. In case of Trademarks, there are two type of rights: one conferred by the registration of the mark under Trade Marks Act 1999 and the other acquired in relation to a trade mark, trade name or get-up by actual use in relation to some product. The rights conferred by registration are confined to the use of the mark in relation to the actual goods or services for which it is registered. The exclusive rights granted by the registration enables the proprietor of the registered mark to prevent others from not only using the marks registered but also marks which are deceptively similar and intends to create confusion of consumers. In the case of unregistered mark, get-up and other badges of good-will of business the protection is given to the goodwill of the business

in relation to which such trademark is used. In case of unregistered trade mark the right to protection of goodwill continues indefinitely provided the owner of the goodwill uses the mark lawfully and prevents other people infringing those rights by appropriate and timely action in the court of law.

There has been considerable growth in trademark jurisprudence in India. It is evident from these decisions that the Indian courts take an impartial and objective view of such disputes, and are guided solely by the merits of the case. These decisions also show that trademark registrants in India have recourse to an effective judicial remedy if a mark is infringed.

The Intellectual Property Appellate Board has the power to hear appeals from orders of the registrar of trademarks. However, the board does not have the power to adjudicate on trademark infringement. The district courts have jurisdiction to try infringement and passing-off suits with respect to trademarks, and appeals from such decisions are dealt with by the High Court. The burden of proof rests with the plaintiff to make a case of infringement, and suits must be filed within three years of the infringement taking place. Ordinarily, the relief requested is an interlocutory order requiring the infringer to cease using the mark. An interim injunction is granted on the basis of prima facie evidence. Where an infringement is ongoing, it is also possible for a plaintiff to apply for a temporary injunction before the full injunction application is heard. Damages may be claimed in trademark infringement suits, the amount of which is decided on the basis of on the damages suffered.

Disclaimer:

The case mentioned in this paper is referred purely for academic purpose and does-not violate or infringe intellectual property rights of any law firm/website/organization.

REFERENCE

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