

Reserved on 26.09.2023

Delivered on 13.10.2023

AFR

Court No. - 10

Case :- FIRST APPEAL FROM ORDER No. - 2170 of 2022

Appellant :- Salik Mukhtar And 4 Others

Respondent :- M/S M.M.I. Tobacco Pvt. Ltd. And 2 Others

Counsel for Appellant :- S.M. Iqbal Hasan, Sr. Advocate

Counsel for Respondent :- Mohammad Waseem, Arvind Srivastava

Hon'ble Kshitij Shailendra, J.

1. Heard Sri S.M. Iqbal Hasan along with Sri Raghav Garg and Sri Tarique Quasimuddin, learned counsel for the defendant-appellants and Sri Ravi Kant, learned Senior Counsel, assisted by Sri Arvind Srivastava and Sri Arvind Srivastava separately too, as learned counsel for the plaintiff-respondents.

THE APPEAL

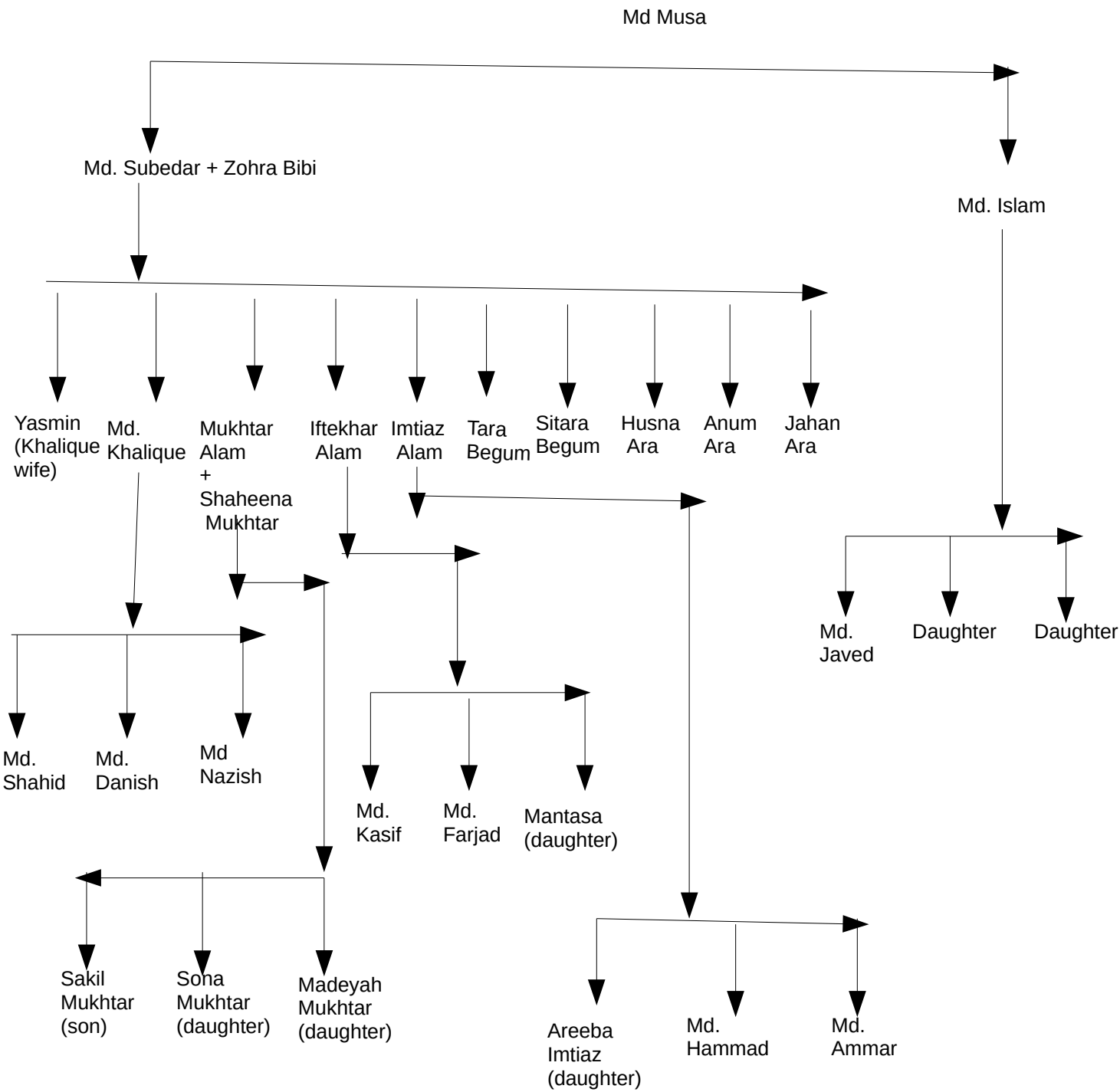
2. This appeal under Order 43 Rule 1(r) CPC has been filed by the defendants of Suit No.10 of 2021 (M/S. M.M.I. Tobacco Pvt Ltd and another Vs. Salik Mukhtar and five others) challenging the order dated 21.09.2022, whereby the learned Additional District Judge, Court No13, Varanasi has allowed the application seeking temporary injunction, being Paper No.6-C, filed by the plaintiff-respondents and restrained the defendant-appellants till disposal of the suit from manufacturing or selling product namely, 'Musa Ka Gul Super' or any product with the deceptively similar name and logo by which any common man could be deceived.

BINDING EFFECT OF THE ORDER UNDER CHALLENGE
AND THIS ORDER

3. Since the present appeal has arisen out of disposal of an application seeking temporary injunction pending suit, the observations and findings recorded in the present order would not be treated as any final opinion on the merits of rival claims of the parties as the same are yet to be decided on the basis of oral and documentary evidence to be produced in the pending suit. It is well settled that the findings recorded in an order granting or refusing injunction are to be looked into only in connection with three basic ingredients, i.e. prima facie case, balance of convenience and irreparable loss and any such order does not affect final adjudication of substantive rights of the parties. Therefore, the observations recorded in the present judgment shall not affect the final adjudication to be made by the court below, independently, on the basis of oral and documentary evidence led by the parties.

THE FAMILY TREE

4. The record of this case contains discussion of various family members of late Mohd. Musa, therefore, before discussing the factual aspects of the case, it would be necessary to draw a family tree for understanding inter-se relationship between the parties to the lis. It is described as follows:-



FACTS OF THE CASE

5. The suit giving rise to the present appeal was filed by M/s M.M.I. Tobacco Pvt Ltd represented through its Director, Mohd. Nazish son of Mohd. Khalique, as plaintiff no.1 and Mohd. Nazish, in

his individual capacity, as plaintiff no.2 against six defendants, under Sections 29, 134, 135 of the Trademarks Act, 1999 and Section 62 of Copyrights Act, 1956. As per the plaint averments, the plaintiff-respondent no.1 is a private limited company with the plaintiff no.2 being its Director, involved in manufacturing and wholesale business of 'Musa Ka Gul Super', a toothpaste, in States of Uttar Pradesh, Bihar, Bengal and other States of India for the last several years, particularly, since 1994. The case of the plaintiffs is that the plaintiff no.1 has earned a very high goodwill being a registered company manufacturing 'Musa Ka Gul Super' which is famous all over India and the company has its agency, office and store in House No. C-20/6 Mohalla Nawapura (New Pokhari) Habibpura, Ward Chetganj, City Varanasi wherefrom the aforesaid product, 'Musa Ka Gul Super', is being sold in district Varanasi as well as nearby districts. It is further pleaded that the copyright office of New Delhi has issued a registered No. A132955 of 2020 dated 31.10.2020 conferring right to use the label over the box for the product 'Musa Ka Gul Super' and the similar rights have been conferred in relation to use of wrapper also. It is further pleaded that the plaintiff no.1 is registered at registration No. U16004WB2011 PTC170780 and trademark was registered on 15.01.1994 at Trademarks No.616611, certificate No.733679 and that in the year 2021, the plaintiff-respondents came to know about identical production and sale of 'Musa Ka Gul Super Marka', 'Shahi Taj Marka Musa Ka Gul' and 'Moti Marka Musa Ka Gul' at the instance of the defendants and when the latter were contacted and requested not to use the said products, they showed arrogance and did not stop manufacturing and selling the products, due to which the entire goodwill of the plaintiff-respondents in the market was being

adversely affected. Under the said circumstances, a decree for declaration was sought against the defendants restraining them as well as their shell companies or their agents and employees set up by them from manufacturing and selling 'Musa Ka Gul Super Marka', 'Shahi Taj Marka Musa Ka Gul' and 'Moti Marka Musa Ka Gul'. The plaintiff-respondents also claimed temporary injunction pending suit on the same lines by filing an application under Order 39 read with Section 151 CPC supported by affidavit.

6. The trial court, by an ex-parte ad-interim injunction order dated 08.07.2021, restrained the defendants from manufacturing and selling product 'Musa Ka Gul' or any other product of deceptively similar name till the next date fixed in the suit. It appears that after the defendants filed objections against the injunction application and their objections were not being decided, few appeals were filed before this Court, as there were other identical matters also, and the said appeals were decided by order dated 02.11.2021 directing the trial court to decide the objections expeditiously. The order impugned in the present appeal has been passed thereafter.

7. The defendant-appellants filed objections against the injunction application. The defendant no.5 Mohd. Kashif came up with the stand that the entire business was, in fact, a family business being run by the members of the same family, being descendants of Mohd. Musa and it was agreed in between the parties that every member of the family would use the same name and goodwill associated with Musa Ka Gul product and that the defendant no.5 had not infringed any trademark or copyright of the plaintiffs and that the product being manufactured and sold by the defendant no.5 was totally different. Reference to

certain proceedings, without their specific disclosure, pending in Calcutta District Court and Calcutta High Court was also given and, in sum and substance, the objection was that there being no connection in between the plaintiffs' product and defendants' product, the injunction application had no force and be rejected.

8. The defendants no.1 and 2 filed separate objections against the injunction application and, apart from factual aspects, they objected to the valuation of the property and also took a ground that the application was barred by territorial jurisdiction. On merits, it was stated as follows:-

“a. That the defendant no. 3 and 4 namely Iftekhar Alam and Imtiaz Alam are the sons of Late Md. Subedar. Md. Nazish (plaintiff no. 2) and defendant no. 5 Md. Kashif are the grandsons of Late Md. Subedar. Defendant no. 1 and 2 are the grandsons and daughter in law of late Md. Subedar, defendant no. 2;

b. A business of 'Gul' and/or tobacco based tooth powder was initiated by one Md. Musa, the deceased grandfather of the defendant no. 1 father/ husband namely Mukhtar Alam, under the distinctive trademark of 'Ghora Marka Gul' in Hindi, Urdu & English script & 'Musa Ka Gul', in Hindi script with the device of the head of a horse. The said mark has been used by Md. Musa openly & extensively since March, 1974.

c. The said Md. Musa died intestate on 1st January, 1977. On and from 1st January, 1972 the said business was continued by his sons Md. Subedar, (the father of Mukhtar Alam) and his brother, Md. Islam under the name and style of the partnership firm M/S. Md. Musa & Sons. The said M/S. Md. Musa & Sons applied for registration of the trade mark "Ghora Marka Musa Ka Gul" on 22 October, 1979 claiming a date of user since 4th March, 1974. Such registration was granted on 15.07.1982 being Trade Mark No. 354633 in Class 3. The said business through Md. Musa & Sons was carried on by the sons of Md. Musa, being Md. Subedar and Md. Islam since 21st November, 1977 from 41, P. K. Biswas Road, Khardah, North 24 Parganas.

d. By a Partnership Deed dated 4th April, 1983, the said firm M/s. Mohammad Musa & Sons was reconstituted by inducting Mohammad Khalique, (father of plaintiff no. 2), who was also the eldest son of Md. Subedar and his wife, Zohra Bibi as partners of the firm on and from 01.04.1983, they have equal share i.e. 1/3rd share each in the said partnership firm. Moreover Md. Khalique is also the director of the plaintiff company M/s. M.M.I. Tobacco Pvt. Ltd.

e. The "Ghora Marka Musa Ka Gul" Registered Trade Mark No. 354633 in Class 3 was renewed from time to time by M/S. Md. Musa & Sons. On 25th January, 1989, the address of the said Partnership firm was changed to 145-B, Rabindra Sarani, Kolkata - 700073 and the requisite Form - 34 was also submitted to that effect.

f. On 15th January, 1994 M/s. Mohammad Musa & Sons applied for registration of a separate trademark comprising of the bust photo of Md. Musa with respect to Gul, a toothpowder made of tobacco. The bust photo which has been in use as a Trade Mark since 4th March, 1994.

g. In 1989-1990 Mukhtar Alam (father of the defendant no. 1 and husband of defendant no. 2 / son of Late Md. Subedar) started a separate business under the name and style of M/s. Md. Musa & Co., as his sole proprietorship. The said Fir used to carry on business of Gul and/or tobacco based tooth power under the trade mark "Musa Ka Gul".

h. That by a Deed of Assignment dated 1st November, 1991, Md. Subedar, Md. Islam and Md. Khalique the M/S. Md. Musa & sons of defendant no. 1 / son of Late Md. Subedar) who is also a grandson of Md. Musa, the "Ghora Marka Musa Ka Gul" Trademark, registered under the Trade & Merchandise Mark Act, 1958 being No. 354633 in Class 3, and the 'Ghora Marka Gul', 'Musa Ka Gul' trademarks, applications for registration of which were at the time pending, together with the goodwill of the gul tobacco business in respect of which said marks were used.

i. On 6th December, 1991 the Mukhtar Alam made an application before the Trademark Registry for recording his name as the proprietor of the said two abovementioned marks, which had since been registered, and also submitted the requisite Forms for the purpose.

j. From the aforementioned facts it is clear that the business of dentifrices made under the name and style of 'Ghora Marka Gul', 'Musa Ka Gul' was being run by the M/s. Md. Musa & Sons by Md. Khalique (father of Md. Nazish, plaintiff no. 2 therein and also one of the director of the plaintiff's company) being the eldest son of Md. Subedar and thereafter by Mukhtar Alam (husband of the defendant no. 2) through his proprietorship firm M/S. Md. Musa & Co. At all material times, it had been the clear understanding of the parties that each branch of the heirs of Md. Musa and their respective families will be entitled to engage in the business of gul tobacco which was started in the name of Md. Musa as "Musa Ka Gul" and under the various avatars of the same mark "Ghora Marka Musa Ka Gul", each comprising of the name of Md. Musa and a picture of his bust or the bust of Md. Subedar as their distinctive components. It was the understanding between all the parties herein and at material times, that each branch of the family would be entitled to exploit the said registered and unregistered trade marks in furtherance of the business of gul tobacco started by Md. Musa.

k. Thereafter in 1st April, 1992 partnership firm was formed under name and style of M/s. Md. Musa & Co. which took over the business of the proprietorship Firm M/S. Md. Musa & Co. The reason for converting the

proprietorship business into a partnership was to allow the family to prosper in its entirety and not just Mukhtar Alam's branch. The business was however looked after by Mukhtar Alam up until November 2018. Initially the partners to the M/s. Md. Musa & Co. firm were Yasmin Khalique (mother of Md. Nazish, plaintiff no. 2) each having 50% share. That Md. Khalique, (the father of Md. Nazish, plaintiff no. 2) did not want to join Mukhtar Alam in the business of the M/s. Md. Musa & Co. directly. That Md. Shahid (brother of Md. Nazish, plaintiff no. 2) at the age of 19 year, was inducted into the M/s. Md. Musa & Co. as a partner on 1st April, 2006.

l. On 9 December, 1996, the M/s. Md. Musa & Co., applied for registration of the trade mark "Musa Ka Gul Super" again comprising of the bust photo of Md. Subedar. Registration of the said Trade Mark No. 739085 was granted in class 34 in the name of Mukhtar Alam (father of the defendant no. 1) as a partner of the M/s. Md. Musa & Co. The same has been renewed from time to time.

m. It may be noted that trade mark "Musa Ka Gul Super" with the bust of Md. Subedar is the registered trade mark of the M/s. Md. Musa & Co. / partnership firm. However, the original business was a family business started by Md. Musa and all his grandsons- Md. Khalique, Iftexhar Alam and Imtiaz Alam, Mukhtar Alam, and their respective branches of the family were at all material times had the understanding or had agreed that everybody in the family would be entitled to benefit from the goodwill earned by said family business and would be entitled to carry on business in gul tobacco under the trade mark Musa Ka Gul" either by itself or in conjunction with other words or devices. To facilitate the use of the said trade mark held by the M/s. Md. Musa & Co. firm by the other branches of the heirs of Md. Musa and Md. Subedar, and their respective families, it was agreed that formal licenses would be granted by the M/s. Md. Musa & Co., permitting the various branches of the family to exploit the valuable "Musa Ka Gul Super" held by the M/s. Md. Musa & Co. It was clearly understood the Licenses granted were mere formality and a means to avoid outsiders to cash in on the Goodwill earned by the Mark "Musa Ka Gul" by citing user by various persons of the said Mark. In reality, the licenses were in recognition of the aforesaid family agreement or understanding.

n. Three License Agreements were initially granted by the M/s. Md. Musa & Co. partnership firm. The first License Agreement was executed in favour of M/s. J.S. Engineering Work in 1992 run by Iftexhar Alam and Zohra Bibi, the son and wife of Late Md. Subedar. Thereafter M/s. J.S. Engineering Work was converted into proprietorship concern wherein Imtiaz Alam / defendant no. 4 was the proprietor. The name of the firm become M/s. J.S. Industries. Thereafter the M/s. Md. Musa & Co. executed a License Agreement from 1993 to 1995 in favour of M/s. J.S. Industries interestingly no royalty charge was claimed. Thereafter another Royalty Agreement was executed in 1995 for a period of 3 (three) years and Royalty was charged @ 2.5%. In the year 1998 the said proprietorship

concern was converted into partnership namely M/s. J.S. Industries, wherein Iftekhhar Alam / defendant no. 3 entered into as a partner along with his brother Imtiaz Alam, the defendant no. 4 hereinabove. In the year 1998 a License Agreement was issued and thereafter time to time it was renewed / extended / newly extend. The last of such renewal was on 1st April, 2012. The said document of renewal was signed by Mukhtar Alam, who was then looking after the management of the M/s. Md. Musa & Co.

o. The second License Agreement was in favour of M/S. M.M. Industries, a Partnership Firm of Md. Khalique (father of plaintiff no. 2 therein and also one of the director in plaintiff's company), Md. Danish (brother of plaintiff no.2 therein) and Md. Nazish, plaintiff no.2 therein. This license was initially granted in 1998 and lastly renewed on 1st April, 2011.

p. The third License Agreement was executed on 1st August, 2012 in favour of MMI Tobacco Pvt. Ltd., plaintiff No.1 hereinabove. The shareholders of the said company are the aforesaid Md. Khalique, Md. Danish and Md. Nazish, plaintiff no.2 therein.

q. By consent of all partners of Md. Musa & Co., on 1st April, 2017 executed a fourth License Agreement in favour of the defendant No.2 (wife of the Mukhtar Alam therein), proprietor of M/s. M.S. Industries, with conditions similar to the other three License Agreements dated 1st April, 2011, 1st April, 2012 and 1st August, 2012 executed in favour of M.M. Industries, M.M.I. Tobacco Pvt. Ltd and J.S. Industries. Subsequently in the year 2019 the proprietorship was converted into partnership by inducting Salik Mukhtar, son of Mukhtar Alam, who is also projected as defendant no.1 in the suit.

r. It would be clear from the above that the petitioner and the plaintiffs were at all material times had and were acting pursuant to the understanding that all the descendants of Md. Subedar, together with their spouses and children i.e. the entire family, would be entitled to carry on business in gul tobacco under the trade mark "Musa Ka Gul Super".

9. The defendants also stated about proceedings under Section 9 of the Arbitration and Conciliation Act, 1996 held at Calcutta and also of appeal filed under Section 37 of the Act of 1996 before Calcutta High Court and further reference of various partnerships entered in between certain family members was made. In sum and substance, the case of the defendants is that they were independently manufacturing and selling the products of the identical names or otherwise pursuant to various licences and partnership agreements and since the plaintiffs

had not described the same while claiming injunction and, even otherwise, the business being carried out by the defendants being lawful and under full authority, the application seeking injunction was liable to be rejected.

10. Various documents were filed by the parties before the court below and even in the present appeal, very bulky affidavits have been exchanged annexing therewith various documents and the court is not fully sure as to whether all documents filed before this Court were or were not there on the record of the court below. Nevertheless, when the Court peruses the order impugned with reference to the material placed by the respective parties in consonance with their applications and the objections, the Court finds the material sufficient for deciding the present appeal.

11. I have heard learned counsel for the parties and perused the record.

CONTENTIONS RAISED BY THE DEFENDANTS-
APPELLANTS; DISCUSSION AND FINDINGS THEREON

12. The first argument of the learned counsel for the appellants is that once the issue of under-valuation of the claim of the plaintiff-respondents as well as territorial jurisdiction of the court below was raised by means of objections against the injunction application, the court below was not justified in deciding the injunction application and it was under an obligation to defer consideration of the injunction application until the said issues were decided finally. In support of his submissions, learned counsel for the appellants has placed reliance upon the following authorities:-

(i) Arun Kumar Tiwari Vs. Deepa Sharma and others passed in F.A.F.O. No.3481 of 2004, decided on 15.02.2006;

(ii) Indian Performing Rights Society Ltd Vs. Sanjay Dalia: AIR 2015 SC 3479;

(iii) Neon Laboratories Limited Vs. Medical Technologies Limited and others: (2016) 2 SCC 672; and

(iv) Renaissance Hotel Holdings Inc. Vs. B. Vijaya Sai and others: (2022) 5 SCC 1.

13. In so far as the valuation is concerned, I find that the suit was valued at Rs.2,00,000/-. The suit, irrespective of its valuation, would lie before the District Court as per the provisions of the Trademarks Act, 1999 and, hence, whether the suit is under-valued or correctly valued or over valued, the same has nothing to do with the claim for injunction as, during the course of trial, issue of valuation may be framed and decided by the District Court on the basis of material on record. Even if the suit is found to be under valued, neither the court below is powerless to pass an order directing the plaintiffs to correct the valuation nor can the plaintiffs be treated as incompetent to correct the valuation, if at all the said issue is decided against them. Therefore, the argument of the appellants in this regard has no force and is rejected.

14. As regards the judgment in the case of **Arun Kumar Tiwari (supra)**, reliance placed on paragraph no.12 of the same appears to be misconceived, inasmuch as, the Division Bench was of the view that whenever serious challenge is made to the jurisdiction of the court as well as to the valuation of the suit and sufficiency of the court fees or to the maintainability of the suit, then if there appears prima facie some substance in those pleas, the proper procedure for the court is to

first decide these issues and then to decide the injunction application and other matters. The said judgment was passed in an appeal arising out of a suit for permanent prohibitory injunction in which a sale deed was also claimed as void, inoperative and ineffective and the trial court had decided two preliminary issues framed on the basis of written statement of the concerned defendants. The Division Bench, after discussing the peculiar facts of that case, opined that such issues of valuation of suit and sufficiency of court fees be decided before deciding injunction application in case there appears prima facie substance in the pleas. The present case has arisen out of a stage when neither any issue has been framed by the court below nor decided. Even otherwise, the court does not find any substance with regard to the half-hearted challenge to the valuation of claim made and, in any case, irrespective of valuation of the claim, the suit would lie before the District Judge as per the provisions contained under Section 134 of the Trademarks Act, 1999 and would not change the forum, hence, the judgment in the case of **Arun Kumar Tiwari (supra)** does not help the appellants.

15. The judgment in the case of **Indian Performing Rights Society Ltd (supra)** is on the point of territorial jurisdiction and the Apex Court discussed the provisions contained under Section 134(2) of the Trademarks Act, 1999 and also Section 20 of the Code of Civil Procedure in relation to the plea of territorial jurisdiction and held that if cause of action arises either wholly or in part at any place where the plaintiff is residing or doing business, the suit can be filed at such place. This Court does not find any good reason to read the said judgment in favour of the appellants, rather the same is against them and irrespective of applicability or non-applicability of Section 20 of

Code of Civil Procedure, this Court finds that in view of Section 134(2) of Trademarks Act, 1999 read with pleadings contained in the plaint, the District Court, Varanasi has territorial jurisdiction to entertain the suit. In this regard, reference to Section 134 of the Trademarks Act, 1999 can be made. The same is quoted herein below:-

“134. Suit for infringement, etc., to be instituted before District Court.
— (1) No suit—

(a) for the infringement of a registered trade mark; or

(b) relating to any right in a registered trade mark; or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

(2) For the purpose of clauses (a) and (b) of sub-section (1), a “District Court having jurisdiction” shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908) or any other law for the time being in force, include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

Explanation.—For the purposes of sub-section (2), “person” includes the registered proprietor and the registered user.”

16. A bare perusal of contents of paragraphs no.6 and 7 of the plaint of the suit in question shows that the place of work has been clearly shown at city and district Varanasi and nearby areas also and, hence, in the considered opinion of the Court, the District Court Varanasi has territorial jurisdiction to entertain the suit or at least the injunction application inasmuch as the territorial jurisdiction would be governed prima facie by the averments contained in the plaint which are sufficient to confer jurisdiction upon the District Court Varanasi. Hence, argument of the appellants in this regard also stands rejected.

17. The judgment in the case of **Neon Laboratories Limited (supra)** is on the point that mere registration of a trademark does not vest permanent right in owner of the said trademark and such a right is lost if it is not exercised within a reasonable time. The said judgment also does not help the appellants as it is not the case where despite registered trademark being existent in favour of the plaintiff-respondents, it was not used. Record, rather, reflects a contrary situation.

18. The last judgment relied upon by the appellants in the case of **Renaissance Hotel Holdings Inc. (supra)** also does not have any application as the Apex Court was dealing with a case where Karnataka High Court had allowed the appeal filed by the defendants setting aside the final judgment and decree of the Principal District Judge, Bangalore Rural District, Bangalore, whereas the present appeal has arisen out of disposal of an injunction application only. Even otherwise, the judgment in **Renaissance Hotel Holdings Inc. (supra)** dealt with a controversy where the High Court had misapplied certain sub-sections and sub-clauses of Section 29 of the Trademarks Act, 1999 and the Apex Court was of the view that the case had fallen under altogether different clauses and sub-clauses of the said section and reversed the decision of the High Court. No such issue is involved in the present case and, hence, the said judgment is also of no help to the appellants.

19. The contention of the appellants on merits of the claim for injunction is that though there may be a registered trademark in favour of the plaintiff-respondents, there being internal arrangements amongst the members of the same family who are descendants of late

Mohd. Musa and there being partnership deeds and various licences, the business run by the defendant-appellants was separate from the business run by the plaintiff-respondents and there being no direct connection in between two, the trial court was not justified in granting injunction. It has further been argued that since an objection was taken by them regarding validity of the plaintiffs' registered trademark and further they have applied before the Registrar for rectification, the proceedings of the suit should have been stayed in view of Section 124 of the Trademarks Act, 1999 and, therefore, the order granting injunction is liable to be set aside. In this regard, the submission of plaintiff-respondents is that even if the proceedings of the suit are stayed, the same will not preclude the Court from making any interlocutory order, including any order granting injunction, during the period of stay of the suit and reference to sub-section (5) of Section 124 of the Act, 1999 has been made in this regard. For a ready reference, entire Section 124 of the Act is reproduced below:-

“124. Stay of proceedings where the validity of registration of the trade mark is questioned, etc.— (1) Where in any suit for infringement of a trade mark—

(a) the defendant pleads that registration of the plaintiff's trade mark is invalid; or

(b) the defendant raises a defence under clause (e) of sub-section (2) of section 30 and the plaintiff pleads the invalidity of registration of the defendant's trade mark,

the court trying the suit (hereinafter referred to as the court), shall,—

(i) if any proceedings for rectification of the register in relation to the plaintiff's or defendant's trade mark are pending before the Registrar or the Appellate Board, stay the suit pending the final disposal of such proceedings;

(ii) if no such proceedings are pending and the court is satisfied that the plea regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of

the framing of the issue in order to enable the party concerned to apply to the Appellate Board for rectification of the register.

(2) If the party concerned proves to the court that he has made any such application as is referred to in clause (b) (ii) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3) If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.

(4) The final order made in any rectification proceedings referred to in sub-section (1) or sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark.

(5) The stay of a suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit.”

20. Though, the learned counsel for the appellants urged that power of the Court to pass any injunction order is confined only in relation to keeping of accounts and appointment of receiver or attaching any property, the Court is of the view that the District Court entertaining a suit based upon a registered trademark and alleging its infringement, is fully empowered to grant a temporary injunction of the nature that has been granted by the court below and neither stay of proceedings of the suit nor any other provision of the Act of 1999 restricts power of the district court to pass injunction order, otherwise the very purpose of the entire Act would stand frustrated and any violator of law, i.e. the infringer of registered trademark etc, would, by merely moving an application for rectification before the Registrar, succeed to get the consideration of injunction application held up and so long as the application for rectification remains pending before the Registrar, he

would continue to use trademark, infringement whereof is alleged by the plaintiffs and, therefore, the Act would lose its significance for all purposes and the district court would become a mere spectator and, in fact, subordinate to the Registrar or the appellate Board dealing with the application for rectification, its disposal being an uncertain event. Hence the arguments of the appellants on this score, having no force, are turned down.

21. Learned counsel for the appellants also argued that under identical circumstances, the same plaintiff-respondents filed another Suit No. 20 of 2022 against one Iftikhar Alam and though the injunction application was allowed by the court below by an order dated 10.10.2022, this Court, by a detailed order dated 07.08.2023, recently allowed the First Appeal From Order No.77 of 2023 (Iftikhar Alam Vs. M/s M.M.I. Tobacco Pvt. Ltd. and another) and, therefore, the present appeal is also entitled to be allowed on the same lines.

PROCEEDINGS BEFORE CALCUTTA HIGH COURT

22. Both the parties referred to certain proceedings held at Calcutta and the Court feels it appropriate to discuss effect of an order dated 03.10.2018 passed by the High Court of Calcutta in G.A. No.1331 of 2018 with A.P. No.282 of 2018 (Yasmin Khalique and others Vs. Mukhtar Alam). The said order was passed on an application under Section 9 of the Arbitration and Conciliation Act, 1996. The applicants before the High Court of Calcutta were Yasmin Khalique, i.e. the wife of Mohd. Khalique and mother of the plaintiff-respondent Mohd. Nazish and the opposite party was Mukhtar Alam, i.e. the real brother of Mohd. Khalique. After discussing the rival contentions in relation to the identical issue associated with manufacturing and sale

of 'Musa Ka Gul Super' and also the licences as well as trademark etc, the High Court of Calcutta passed injunction order dated 03.10.2018 with following operative portion:-

“For the reasons as aforesaid, I find that the petitioners have made out a prima facie case and the balance of convenience and inconvenience also lies in their favour for obtaining interim production. The petitioners have fulfilled the tests laid down by the Supreme Court in the case of Adhunik Steels Ltd. (supra). **Accordingly, there shall be an order of injunction restraining the respondent whether by himself or through his agents or assignees or nominees or otherwise however from running a parallel business of manufacturing or dealing with or selling " Musa Ka Gul" or "Tobaco Gul", by the name of M/S M. S. Industries or in any manner whatsoever until the publication of the arbitral award.** The respondent is also restrained from making any false allegation or writing any frivolous letter to any statutory authority or to any person whosoever affecting the business of the petitioner no. 3 firm, until publication of the arbitral award.”

23. The Calcutta High Court, as such, passed a clear and specific injunction order restraining Mukhtar Alam, whether by himself or through his agents or assignees or nominees or otherwise however from running a parallel business of manufacturing or dealing with or selling " Musa Ka Gul" or "Tobaco Gul", by the name of M/S M. S. Industries or in any manner whatsoever until the publication of the arbitral award. The said respondent was also restrained from making any false allegation or writing any frivolous letter to any statutory authority or to any person whosoever affecting the business of the petitioner no.3 firm, until publication of the arbitral award.

24. Learned counsel for the appellants argued that the aforesaid order was passed by the High Court of Calcutta on 03.10.2018, however, immediately thereafter, on 17.11.2018, Mukhtar Alam dissolved partnership dated 01.04.2006 terming the same to be a partnership at will and the said dissolution, according to the

defendant-appellants, would nullify the effect of the injunction order dated 03.10.2018 as no partnership remained existent. It has also been argued that dissolution of partnership was approved in terms of an interim award dated 12.11.2010 passed by the Arbitrator and against the said interim award, an application No.359 of 2020 was filed by Yasmin Khaliq and others against Mukhtar Alam before the High Court of Calcutta, however, the same was also rejected by the High Court by order dated 25.03.2021. The submission, therefore, is that once dissolution of partnership deed has been approved upto the level of the High Court of Calcutta, the injunction order dated 03.10.2018 is of no consequence.

25. It has also been argued that Mukhtar Alam, by executing a document dated 10.04.2019, being 50% undivided owner of the trade mark bearing No.851957 in Class 3 and Trademark No. 558741 and 739085 in Class 4 and Copyrights No. A-53487/96 and A-85679/09, duly authorized and permitted his wife Shaheena Mukhtar and son Salik Mukhtar to use and utilize the said trademarks and copyright for their lawful business purposes of Gul manufacturing and selling from their partnership firm under the name and style of M/s M.S. Industries, situated at 26, Zakaria Street, Kolkata. The submission is that under the law of partnership, Mukhtar Alam was fully competent not only to dissolve the partnership as per Section 43 of the Act but also to assign his rights to anyone and if he made assignment of rights in favour of his wife and son to use and utilize the trademarks, the assignees cannot be enjoined from using the same.

**CONTENTIONS RAISED BY THE PLAINTIFFS-
RESPONDENTS; DISCUSSION AND FINDINGS THEREON**

26. First of all in relation to the order dated 07.08.2023, recently passed in the First Appeal From Order No.77 of 2023 (Iftikhar Alam Vs. M/s M.M.I. Tobacco Pvt. Ltd. and another), it has been argued on behalf of the plaintiff-respondents that the aforesaid appeal was allowed for the reason that this Court found the injunction order dated 10.10.2022 as quite cryptic in nature and necessary discussion was lacking, however, in the present case, the order impugned has been passed after dealing with the rival contentions and by recording complete satisfaction in respect of prima facie case, balance of convenience and irreparable loss, i.e. the three basic ingredients and though this Court, vide order dated 07.08.2023, had remanded the matter to the trial court for fresh consideration of the injunction application, there is no such necessity in the present case as the facts as well as documents are sufficient to finally decide this appeal. Further the reason for allowing the appeal was that certain documents forming part of the affidavits did not form part of the record of the trial court and, therefore, while discussing the concept of leading additional evidence, the parties were left at liberty to lead additional evidence before the trial court that was directed to reconsider the injunction application. Another reason for setting aside the injunction order was that the district court had not discussed those parameters which were described in paragraph no.24 of the order, particularly, in relation to the prior user of the product and findings on the application seeking withdrawal etc. Hence, facts and circumstances, while deciding F.A.F.O. No.77 of 2023 were not identical to those involved in the present appeal. In the present case, considering the nature of the injunction, the appellants cannot merely take advantage of the order dated 07.08.2023 as the order impugned in the aforesaid appeal and

the order impugned in the present appeal were passed in proceedings of different suits in which the defendants were also different. The defendant in the suit giving rise to F.A.F.O. No.77 of 2023 was not a member of the family of late Mohd. Musa and had come up with a defence of different nature arising out of deed of assignments etc, whereas the defendants in the present proceedings are the members of the same family and descendants of late Mohd. Musa and have come up with a defence of different nature supported by documents of different nature. Hence, no parity can be claimed by the defendant-appellants with the order dated 07.08.2023 passed in F.A.F.O. No.77 of 2023.

27. On merits of the case, It has been argued on behalf of the plaintiff-respondents that, admittedly, there being a registered trademark in favour of the plaintiffs, being trademark No.616611 and there being no registered trademark in the name of defendant-appellants, merely on the basis of assignments made successively by Mukhtar Alam who had been enjoined by the High Court of Calcutta, the defendants have no right to manufacture and sale 'Musa Ka Gul Super' under any authority and such manufacture and sale of the product by deceptively similar name or otherwise, is contrary to law. They have explained various partnership arrangements made amongst the defendants and it has been argued that every transaction was contrary to the injunction order granted by the High Court of Calcutta and that reliance placed upon Section 43 of the Indian Partnership Act, 1932 with reference to dissolution of partnership would be of no consequence in view of Sections 46, 50 and 53 of the Act, 1932, as quoted below:-

“Section 46. RIGHT OF PARTNERS TO HAVE BUSINESS WOUND UP AFTER DISSOLUTION. On the dissolution of a firm every partner or his representative is entitled, as against all the other partners or their representatives, to have the property of the firm applied in payment of the debts and liabilities of the firm, and to have the surplus distributed among the partners or which representatives according to their rights.

50. PERSONAL PROFITS EARNED AFTER DISSOLUTION. Subject to contract between the partners, the provisions of clause (a) of section 16 shall apply to transactions by any surviving partner or by the representatives of deceased partner, undertaken after the firm is dissolved on account of the death of a partner and before its affairs have been completely wound up :

Provided that where any partner or his representative has bought the good will of the firm, nothing in the section shall affect his right to use the firm-name.

53. RIGHT TO RESTRAIN FROM USE OF FIRM-NAME OR FIRM-PROPERTY. After a firm is dissolved, every partner or his representative may, in the absence of a contract between the partners to the contrary, restrain any other partner or his representative from carrying on a similar business in the firm-name or from using any of the property of the firm for his own benefit, until the affairs of the firm have been completely wound up :

Provided that where any partner or his representative has brought the goodwill of the firm, nothing in this section shall affect his right to use the firm-name.”

28. Placing reliance upon the aforesaid provisions, it has been argued that after a firm is dissolved, every partner or his representative may, in the absence of a contract between the partners to the contrary, restrain any other partner or his representative from carrying on a similar business in the firm-name or from using any of the property of the firm for his own benefit, until the affairs of the firm have been completely wound up. It is submitted that there is nothing on record to demonstrate that partnership business was ever completely wound up and, hence, merely because partnership has been dissolved and has been given a seal of approval in the proceedings referred to herein above, the same would not clothe the defendants with the authority to manufacture and sale products of

deceptively similar name and identity in infringement of registered trademark of the plaintiff-respondents. It has further been argued that the entire theory of joint family business has been set up and raised contrary to the basic concept of Muslim Law where no such concept of jointness exists. It has also been argued that the business carried by the defendants, being full of deception and contrary to the registered trademark of the plaintiff-respondents, the same has rightly been restrained by the district court. Learned counsel for the plaintiff-respondents has, in support of his submissions, relied upon following authorities:-

“(i) (2020) 6 SCC 557: Nusli Neville Wadia Vs. Ivory Properties and others; and

(ii) (2006) 8 SCC 726: Ramdev Food Products (P) Ltd. Vs. Arvindbhai Rambhai Patel and others.”

29. Having heard the learned counsel for the parties at length and having perused the record, I find that once the Calcutta High Court restrained Mukhtar Alam from running a parallel business of manufacturing or dealing with or selling ‘Musa Ka Gul’ or ‘Tobacco Gul’ by the name of M/S M.S. Industries or in any manner whatsoever until the publication of the arbitral award, any arrangement made by Mukhtar Alam, either in terms of entering into partnership or dissolving partnership or making assignment etc etc would be in teeth of the order of injunction which is still operative, irrespective of the fact that dissolution of partnership has been approved in the proceedings referred to herein above. The dissolution of partnership is one aspect and its effect on carrying of business by making different arrangements so as to defeat rights of a registered trademark owner, is

altogether a different thing. Once no final award has been passed, the injunction order dated 03.10.2018 which was made effective until publication of the arbitral award, is still operative. The Court, therefore, reposes full faith in the injunction order passed by the High Court of Calcutta as per Constitutional mandate of Article 261 of the Constitution of India, which reads as follows:-

“261. Public acts, records and judicial proceedings.- (1) Full faith and credit shall be given throughout the territory of India to public acts, records and **judicial proceedings of the Union and of every State**.

.....”

30. The Court, in the present proceedings, is focused on the issue as to whether any inter se arrangement amongst the members of the family, in violation of the injunction order dated 03.10.2018, could at all operate to the detriment of the interest of the registered trademark owner, i.e. the plaintiff-respondents, particularly, when Section 31 of the Trademarks Act, 1999 clearly provides that registration is a prima facie evidence of its validity. For a ready reference, Section 31 of the Trademarks Act is quoted herein below:-

“31. Registration to be prima facie evidence of validity.— (1) In all legal proceedings relating to a trade mark registered under this Act (including applications under section 57), the original registration of the trade mark and of all subsequent assignments and transmissions of the trade mark shall be prima facie evidence of the validity thereof.

(2) In all legal proceedings as aforesaid a registered trade mark shall not be held to be invalid on the ground that it was not a registrable trade mark under section 9 except upon evidence of distinctiveness and that such evidence was not submitted to the Registrar before registration, if it is proved that the trade mark had been so used by the registered proprietor or his predecessor in title as to have become distinctive at the date of registration.”

31. In the present case, the district court has recorded cogent findings on all the three ingredients by observing that the registered

trademark of the plaintiff-respondents is valid upto 15.01.2024 and that the defendant-appellants have failed to establish any registered trademark or copyright with them. The court below has also observed that any rights flowing from Sri Subedar would be of no consequence as, admittedly, Subedar had retired from firm 'Musa and Sons' with effect from 01.04.1999. The court has further observed that any activity of manufacturing and sale of product which is deceptively similar with 'Musa Ka Gul Super' would be contrary to law. Regarding pecuniary and territorial jurisdiction of the district court, it has been observed by the court below that at the time of registration of the suit, the pecuniary jurisdiction was found to have vested in the court and the said issue along with an issue of territorial jurisdiction would be decided after framing the issues in the suit. I do not find any illegality in the view taken by the district court in this regard as I have already explained the said aspect in this judgment itself and I find that there was no factual or legal impediment in entertaining and deciding the injunction application by the court below.

32. This Court is satisfied that the manner in which the injunction application has been dealt with, the findings on all the three ingredients appear to be based upon cogent analysis of material available on record. Even if, it is assumed that a very detailed discussion of various documents has not been made, after perusing the entire record of the present appeal, I find that the documents which were sufficient to form an opinion regarding grant or denial of injunction, have been dealt by the court below and, even otherwise, it was not required for the district court to hold a mini trial at the time of consideration of the injunction application. Once the court below was satisfied that the registered trademark No.616611 has been prima facie

infringed by the defendant-appellants, in absence of anything substantial which can persuade this Court to take a different view, I do not find any good ground to interfere in the order passed by the court below.

33. For all the aforesaid reasons, the appeal fails and is hereby **dismissed**.

34. In case the written statements have been filed, the Court below shall frame issues before 31.12.2023 and shall decide the suit before 31.03.2025 by fixing short dates and subject to co-operation by the parties permitting them to lead oral and documentary evidence. Any unnecessary adjournment by either party shall entail cost of Rs. 750/- per adjournment.

Order Date :- 13.10.2023

AKShukla/-