

**IN THE HIGH COURT OF MADHYA PRADESH
AT INDORE
BEFORE**

**HON'BLE SHRI JUSTICE VIVEK RUSIA
&
HON'BLE SHRI JUSTICE BINOD KUMAR DWIVEDI
ON THE 27th OF AUGUST 2024
WRIT APPEAL No. 1852 of 2024**

***MOUNT EVEREST BREWERIES LIMITED THROUGH ITS
AUTHORISED SIGNATORY MR. SANJAY TIBREWAL***

Versus

EXCISE COMMISSIONER MADHYA PRADESH AND OTHERS

Appearance:

Shri Piyush Mathur, learned Senior Advocate along with Shri Rohit Dubey, learned counsel for the appellant.

Shri Satish Chandra Bagadiya, Senior Advocate and Shri Karpe Prakhar Mohan learned counsel for respondent No.3 on caveat.

Shri Sudeep Bhargava learned Dy. A.G. for the respondent Nos. 1 & 2 / State.

ORDER

Per: Justice Vivek Rusia

The appellant/petitioner has filed this writ appeal challenging the order dated 12.08.2024, whereby the Writ Petition No.31110 of 2023 has been dismissed with the liberty to institute a civil suit.

02. Facts of the case in short are as under:

2.1. The writ petitioner is a company registered under the Companies Act having its registered office at 4th Floor, BPK Star Tower, A.B. Road, Indore and its manufacturing unit at Sirmaur, Mhau. The petitioner has a B-3 license for manufacturing foreign liquor. Petitioner is manufacturing "MOUNT 6000 SUPER STRONG BEAR" which is

already registered with respondent No.1 under Rule 12 of Madhya Pradesh Bear and Wine Rules, 2002 (hereinafter referred to as “Rules, 2002”) and Rule 9 of Madhya Pradesh Foreign Liquor Rules, 1996 (hereinafter referred as Rules, 1996”). Respondent No.3 is also a company registered under the Companies Act engaged in the manufacturing of beer and wines. Respondent No.3 applied before respondent No.2 for registration of the label, the respondent No.2 issued a public notice dated 24.05.2023 inviting objections in respect of registration of label “BOLD SUPER STRONG BEAR” AND “VASCO 60000 EXTRA STRONG BEAR”.

2.2. The petitioner submitted an objection that the label sought to be registered by respondent No.3 is similar and based on the artistic label of the petitioner brand i.e. “MOUNT 6000 SUPER STRONG BEAR”. According to the petitioner, respondent No.3 has dishonestly copied the entire label, numeral 6000 artistic features, background, style, colour, and scheme, and got up to deceive the consumer and public. Respondent No.2 vide order dated 12.12.2023 has registered the label of “VASCO 60000 EXTRA STRONG BEAR” of respondent No.3. The petitioner submitted an objection and thereafter, filed the writ petition before this Court.

2.3. After issuance of the notice, respondents Nos.1 and 2 filed the reply that there is no similarity and resemblance between the registered trademark/label of the petitioner as well as respondent No.3 which was registered by respondent No.1. The Commissioner has considered the objection raised by the petitioner and rejected the same by a reasoned order. The registration of the label is only for the purpose of purchasing and selling products like wine and beer manufactured in Madhya Pradesh, the registration of the label includes various other details and

legends of the product in which the brand is one of them. It is further submitted that the dispute between the parties in respect of the infringement of the trademark and copyright is liable to be decided by the competent civil Court. Hence, the petition is not maintainable and is liable to be dismissed.

2.4. Respondent No.3 also filed the reply contending that there is no similarity or resemblance with the label of the petitioner. The colour scheme, label, font, and design of the logo are altogether different, therefore, there cannot be any deceptive similarity between the two labels. The answering respondent is manufacturing bear in a label of "VASCO and VASCO 60000" since 2017 as a bonafide registered license holder. The Commissioner has considered the objection submitted by the petitioner and rightly rejected the same hence, the petition is liable to be dismissed.

2.5. After hearing the learned counsel for the parties, the Writ Court has dismissed the writ petition with liberty to the petitioner to institute a civil suit hence, this writ appeal before this Court.

03. Shri Piyush Mathur, learned senior counsel appearing for the appellant submits that the Excise Commissioner has failed to discharge its duty under Rule 9 of Rules, 1996, the rule specifically prohibits registration of new labels that no such label shall be registered which bear the similarity or resemblance to any prevalent label of any other manufactory. The learned Commissioner has failed to appreciate that the petitioner's label has already been prevalent and registered since last so many years, therefore, the application submitted by respondent No.3 should have been rejected. There is no disputed question of fact involved in this petition, only both the labels are liable to be examined, and the findings can be recorded that the label of respondent No.3 is

similar to the registered label of the petitioner's product. The similarity between the two labels is apparent from the face of it hence, the petitioner has unnecessarily been relegated to the civil Court.

04. *Per contra*, Shri Satish Chandra Bagadiya, learned senior counsel appearing for respondent No.3 submits that the answering respondent is ready to face the trial before the civil Court, as the writ petition is not maintainable because the disputed question of facts is involved. It is further submitted that there is no similarity between the two products. The petitioner's label is altogether different from the label of the product of the answering respondent.

05. In order to explain the similarity between the label of the petitioner as well as respondent, Shri Mathur, learned senior counsel for the petitioner has produced the photograph of both labels which are as under:



06. Shri Mathur learned senior counsel further submits that the red colour background, black strip, and unique colour combination of golden, red and brown colour are exactly similar and deceptive. Respondent No.3 has intentionally used the word “60000”. The position of the star and placement of the golden ribbons on the bottle of the can are identical, therefore, respondent No.3 has not honestly adopted/designed its label and virtually copied the label of the petitioner. Hence, the matter is liable to be remanded back to the Commissioner to examine afresh that the label of the petitioner is prevalent.

07. We have heard learned counsel for the parties and perused the entire record.

08. In the State of Madhya Pradesh, every brewery is required to register its label of the wine and beer under Rule 12 of M.P. Beer and Wine Rules, 2002. Rule 12 says that for the purpose of registration, the provisions of the M.P. Foreign Liquor Rules, 1996 shall apply mutatis mutandis to the registration or deregistration of the label of beer and wine. Under Rule 9 of Rules, 1996, the licensee shall make an application to the Excise Commissioner for registration/renewal of labels/labels along with the fees prescribed for each kind of label. The format of the label shall contain the details mentioned in sub-Rule 1 and the application shall be accompanied by three printed copies of the label to be registered and the *chalaan* in proof of payment of the prescribed registration fee. Sub-rule 4 provides that on receipt of an application for registration of label/labels, the Excise Commissioner may make such enquiry as he deems fit to get himself satisfied about compliance of the pre-requisite specified in sub-Rule 3.

09. Before registration it is to be seen that no such label or labels shall be registered that bears similarity or resemblance to any prevalent

label of any other manufactory. To provide the registration and better protection of trademarks for goods and services and prevent of use of fraudulent marks, the Central Government enacted the Trade Marks Act, 1999. Section 2(h) of the Act of 1999 defines **the deceptively similar mark** according to which a mark shall be deemed to be deceptively similar to another mark if it so nearly resembles similar that another mark has to be likely to deceive or cause confusion and if any person who not being a registered proprietor or a person or using by way of permitted use, uses in the course of trade of mark which is identical with or deceptively similar to the registered trade mark in relation to goods or service shall be called an infringement of registered trademarks.

10. A registered trade mark is said to be infringed because of its identity and similarity to the goods or service already in the market, the Court shall presume that it is likely to cause confusion on the part of the public. The registered trade mark is infringed by a person if a person not being a registered proprietor is identically similar to the registered trade mark. Under Section 134 of the Trade Marks Act, 1999, a suit for infringement of a registered trade mark shall be instituted in any Court inferior to a District Court having jurisdiction to try the suit in a civil suit to be instituted before the District Court. But under Rule 9 of Rules, 1996, the burden will be on respondent No.3 to prove that the label or labels sought to be registered do not bear similarity or resemblance to any prevalent label of any other manufactory. The duty cast upon the Excise Commissioner to satisfy himself that there is no prevalent label of any manufactory. Before registering subsequent label/labels it is to be seen that there should not be any infringement, the identity and similarity between two registered marks which are likely to confuse part of the public.

11. In the case of *Parle Products P. Ltd. v. J. P. and Co.*, reported in *AIR1972 SC 1359*, the Apex court had occasion to spell out the applicable tests for finding out deceptive similarities in two products so that one may be held to be infringement of the trade mark of another. In order to come to the conclusion that one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one, to accept the other, if offered to him.

12. The Respondent No. 3 in the year 2020 in the matter of CS (Comm) No.188/2020 was found to be using the brand name VASCO 6000, and the matter was disposed of by the Hon“ble Delhi High Court vide order dated 12.01.2023, directing that:

“1. Ms. Imon Roy, counsel for Plaintiff, states that parties have settled the matter. In terms of the compromise, Defendant has signed an undertaking dated 23rd November 2022, not to utilize the impugned mark "VASCO 60000", a copy whereof is handed over across the board, and taken on record. In light of the above undertaking, she has instructions to withdraw the present suit.”

2. Dismissed as withdrawn.”

13. Respondent No. 3 had given an undertaking of not using VASCO 60000 before the High Court of Delhi. Thereafter, Respondent No. 3 in violation of Hon“ble Delhi High Court orders caused minute changes to again start with the impugned mark VASCO 60000 and applied for registration in May 2023 before the Excise Commissioner, State of M.P. Respondent No. 3 has submitted that they have only amended „SUPER“ to „EXTRA“, wherein “VASCO 60000 SUPER STRONG BEER”, is

amended to “VASCO 60000 EXTRA STRONG BEER”. Respondent No.3 is bound by the under taking given before the High Court of Delhi.

14. The Hon“ble Apex Court in the case of ***Renaissance Hotel Holdings Inc. V/s B. Vijaya Sai and others, (2022) 5 SCC 1*** has held in paras 50, 51 and 52 as under:

50. It could thus be seen that this Court has pointed out the distinction between the causes of action and the right to relief in suits for passing off and for infringement of registered trade mark. It has been held that the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trademark, cannot be equated. It has been held that though an action for passing off is a common law remedy being an action for deceit, that is, a passing off by a person of his goods as those of another; the action for infringement is a statutory right conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive rights to the use of the trade mark in relation to those goods. The use by the defendant of the trade mark of the plaintiff is a sine qua non in the case of an action for infringement. It has further been held that if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark, would be immaterial in a case of infringement of the trade mark, whereas in the case of a passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

51. Again, while considering the provisions of Section 21 of the 1940 Act, this Court in ***Ruston & Hornsby***, observed thus: (SCC pp. 729-30, paras 4-6)

"4. It very often happens that although the defendant is not using the trade mark of the plaintiff, the get-up of the defendant's goods may be so much like the plaintiff's that a clear case of passing off would be proved. It is on the contrary conceivable that although the defendant may be using the plaintiff's mark the get-up of the defendant's goods may be so different from the get up of the plaintiff's goods and the prices also may be so different that there would be no probability of deception of the public. Nevertheless, in an action on the trade mark, that is to say, in an infringement action, an injunction would issue as soon as it is proved that the defendant is improperly using the plaintiff's mark.

5. The action for infringement is a statutory right. It is dependent upon the validity of the registration and subject

*to other restrictions laid down in Sections 30, 34 and 35 of the Act. On the other hand, the gist of a passing off action is that A is not entitled to represent his goods as the goods of B but it is not necessary for B to prove that A did this knowingly or with any intent to deceive. It is enough that the get-up of B's goods has become distinctive of them and that there is a probability of confusion between them and the goods of A. No case of actual deception nor any actual damage need be proved. At common law the action was not maintainable unless there had been fraud on A's part. In equity, however, Lord Cottenham, L.C., in *Millington v. Fox* held that it was immaterial whether the defendant had been fraudulent or not in using the plaintiff's trade mark and granted an injunction accordingly. The common law courts, however, adhered to their view that fraud was necessary until the Judicature Acts, by fusing law and equity, gave the equitable rule the victory over the common law rule.*

*6. The two actions, however, are closely similar in some respects. As was observed by the Master of the Rolls in *Saville Perfumery Ltd. v. June Perfect Ltd.**

„The statute law relating to infringement of trade marks is based on the same fundamental idea as the law relating to passing-off. But it differs from that law in two particulars, namely (1) it is concerned only with one method of passing-off, namely, the use of a trade mark, and (2) the statutory protection is absolute in the sense that once a mark is shown to offend, the user of it cannot escape by showing that by something outside the actual mark itself he has distinguished his goods from those of the registered proprietor. Accordingly, in considering the question of infringement the courts have held, and it is now expressly provided by the Trade Marks Act, 1938, Section 4, that infringement takes place not merely by exact imitation but by the use of a mark so nearly resembling the registered mark as to be likely to deceive.”

52. It could thus be seen that this Court again reiterated that the question to be asked in an infringement action is as whether the defendant is using a mark which is the same as, or which is a colourable imitation of the plaintiff's registered trade mark. It has further been held that though the get-up of the defendant's goods may be so different from the plaintiff's goods and the prices may also be so different that there would be no probability of deception of the public, nevertheless even in such cases i.e. in an infringement action, an injunction would be issued as soon as it is proved that the defendant is improperly using the plaintiff's mark. It has been reiterated that no case of actual deception nor any actual damage needs to be proved in such cases. This Court has further held that though two actions are closely similar in some respects, in an action for infringement, where the defendant's trade mark is

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identical with the plaintiff's trade mark, the Court will not enquire whether the infringement is such as is likely to deceive or cause confusion.

14. The red colour background, black strip, and unique colour combination of golden, red and brown colour and especially the word "60000" used by respondent No.3 in its label are exactly similar and deceptive to the registered label of the petitioner. In view of the above discussion we are of the considered opinion that there is a similarity and resemblance between the label of respondent No.3 with the registered label of the petitioner which may confuse the people between the two products of the petitioner and respondent No.3. The Writ Court ought to have set aside the order of the Excise Commissioner dated 12.12.2023 instead of relegating the petitioner to civil court. There is no disputed question of facts as the similarity and deceptiveness between the label of respondent No.3 with the registered label of the petitioner could have been examined by the Excise Commissioner while exercising power under Rule 9 of the Foreign Liquor Rules.

15. In view of the above, this Writ Appeal is **allowed**. The order dated 12.12.2023 passed by the Excise Commissioner and the order dated 12.08.2024 passed in Writ Petition No.31110 of 2023 are hereby set aside. However, the respondent No.3 shall be at liberty to apply afresh for registration of a new label for its product before the Excise Commissioner, which shall be decided in accordance with law. No order as to cost.

Certified copy, as per Rules.

(VIVEK RUSIA)
JUDGE

Divyansh

(BINOD KUMAR DWIVEDI)
JUDGE