

Legal Issues in 'Trademarks'

Issue: Whether decisions for temporary injunction are prima facie adjudication of the Court?

Relevant Legal Provisions

- *Section 56(1) of the Trade and Merchandise Marks Act, 1958*

“56. Power to cancel or vary registration and to rectify the register –

*(1) On application made in the prescribed manner to a High Court or to the Registrar by any person aggrieved, the tribunal **may make such order as it may think fit** for cancelling or varying the registration of a trade mark on the ground of any contravention, or failure to observe a condition entered on the register in relation thereto.” (emphasis supplied)*

Relevant Legal Provisions

- *Order XXXIX of the Code of Civil Procedure, 1908*

“Order XXXIX – Temporary Injunctions and Interlocutory Orders

*1. Cases in which temporary injunction may be granted. - Where in any suit it is proved by affidavit or otherwise (a) that any property in dispute in a suit is in danger of being wasted, damaged or alienated by any party to the suit, or wrongfully sold in execution of a decree, or (b) that the defendant threatens, or intends, to remove or dispose of his property with a view to defrauding his creditors, (c) that the defendant threatens to dispossess, the plaintiff or otherwise cause injury to the plaintiff in relation to any property in dispute in the suit, **the Court may by order grant a temporary injunction** to restrain such act, or make such other order for the purpose of staying and preventing the wasting, damaging, alienation, sale, removal or disposition of the property or dispossession of the plaintiff, or otherwise causing injury to the plaintiff in relation to any property in dispute in the suit **as the Court thinks fit**, until the disposal of the suit or until further orders.” (emphasis supplied)*

Relevant Judicial Decisions

❖ *Hiralal Prabhudas v. Ganesh Trading Company [1984 BOM 218, High Court of Bombay]*

“22. It was finally urged by Mr. Kale that the discretion exercised by the Deputy Register under Section 56 of the Act in the respondents' favour should not be lightly disturbed and the appellate Court should therefore not disturb the judgment and order of the learned single Judge. We ask ourselves; Pray where at all arises the Deputy Registrar did not exercise any discretion under Section 56 in rejecting the appellants application for rectification. It must be remembered that the concept of discretion is distinct from that of adjudication. When the Deputy Registrar rejected the appellants application for rectification on the ground that the two marks are not deceptively similar, she did not use any discretion but adjudicated upon the rival contentions of the parties. It would be trite to say that exercise of discretion can arise in favour of a party when adjudication by the Registrar is against that party.”

Relevant Judicial Decisions

- ❖ *M/S. National Chemicals and Colour Co. and Ors. v. Reckitt and Colman of India Limited and Ors. [Appeal No. 305 of 1985. In Misc. Petn. No. 52 of 1981, High Court of Bombay]*

“24. Under the Trade and Merchandise Marks Act, 1958, an appeal is provided from the decision of the Registrar. The learned single Judge, therefore, was entitled to set aside the decision of the Registrar if he came to a conclusion different from that of the Registrar.”

“25. In the case of Hiralal Prabhudas v. M/s. Ganesh Trading Company MANU/MH/0275/1984 : AIR1984Bom218 a Division Bench of this Court considered the distinction between adjudication by the Registrar and exercise of discretion by the Registrar. The Court said "The Deputy Registrar did not exercise any discretion under Section 66 in rejecting the appellants' application for rectification. ...”

Relevant Judicial Decisions

- ❖ *M/S. National Chemicals and Colour Co. and Ors. v. Reckitt and Colman of India Limited and Ors. [Appeal No. 305 of 1985. In Misc. Petn. No. 52 of 1981, High Court of Bombay]*

“25. ... It must be remembered that the concept of discretion is distinct from that of adjudication. When the Deputy Registrar rejected the appellants' application for rectification on the ground that the two marks are not deceptively similar, he did not use any discretion but adjudicated upon the rival contentions of the parties". In the present case also the Deputy Registrar has adjudicated upon the⁶ dispute. There is no question of exercising any discretion.”

Relevant Judicial Decisions

❖ ***Parksons Cartamundi Pvt. Ltd. v. Suresh Kumar Jasraj Burad [Suit No. 2249 of 2011, High Court of Bombay]***

“16. It is true that the learned Single Judge has passed the impugned order in favour of the respondent-defendant. The question is whether the same can be considered as a discretionary order ...”

“17. It is thus clear that the concept of discretion is distinct from that of adjudication. What the learned Single Judge has done in the instant case is making prima facie adjudication that the defendants' trademark is not deceptively similar to that of the plaintiff. Therefore, there is no question of any discretion exercised by the learned Single Judge. We have already held that the defendant has been infringing the plaintiff's trademarks and has been attempting to pass off its playing cards as those of the plaintiff.”

Relevant Judicial Decisions

- ❖ *Parksons Cartamundi Pvt. Ltd. v. Suresh Kumar Jasraj Burad [Suit No. 2249 of 2011, High Court of Bombay]*

“17. ... This has happened in respect of the very trademark "MERELANE, which is registered since the year 1971 and also the label mark on the packets containing the playing cards prominently bearing the words "MERELANE No. 7". Hence, there is no question of applying the principle enunciated in the case of Wander Limited v. Antox India (P) Limited.”

Relevant Judicial Decisions

❖ ***Goldmines Telefilms Pvt. Ltd. v. Reliance Big Entertainment Pvt. Ltd and Ors. [Suit No. 194 of 2014, High Court of Bombay]***

“29. ... Even in appeal against interlocutory order, the appellate Court is required to adjudicate prima facie upon merits of the case and is entitled to take a different view upon prima facie adjudication of merits of the dispute between the parties. ...

30. Therefore, taking into consideration the totality of the circumstances, we set aside the impugned order and restrain the defendants by way of temporary injunction from releasing and distributing the Hindi Dubbed Version of the Telugu film 'BHAI' during pendency of the suit.”

Relevant Judicial Decisions

❖ ***Colgate Palmolive Company and Anr. v. Anchor Health and Beauty Care Private Ltd. [Suit No. 4118 of 1996, High Court of Bombay]***

“10. Let us make it clear and we do that the impugned order declining to grant temporary injunction has not ceased to be discretionary order merely because the learned motion Judge did not find any prima facie case and accordingly refused to grant interim restraint order. In the matters of temporary injunction, the Court does not adjudicate on the subject matter or any part of it on merits. The Court considers the application for temporary injunction in the light of well known principles as already noticed above and then exercises its discretion weighing all relevant consideration without any expression of opinion on merits of the matter. We hardly find the relevance of the two judgments of this Court namely Hiralal Prabhudas and National Chemicals and Colour Co. on the position we have noticed above. ...”

Relevant Judicial Decisions

- ❖ *UTO Nederland B.V. and Ors. v. Tilaknagar Industries [Appeal No. 66 of 2012 in Notice of Motion No, 993 of 2009, High Court of Bombay]*

“29. The scope of appeal arising out of an order granting injunction is different than the appeal arising out of an order passed under Section 56(1) of the 1958 Act and cannot be compared to scope of an appeal arising from an order passed under Section 56(1) of the 1958 Act. The scope of appeal against an order granting injunction is well delineated by the decisions of the Supreme Court in WANDER LIMITED (SUPRA), M/s. GUJARAT BOTTLING COMPANY LTD. (SUPRA), SHYAM SEL AND POWER LTD., (SUPRA) AND RAMAKANT AMBALAL CHOKSI (SUPRA).”

Conclusion

- ❖ The decision of the Division Bench in UTO Nederland has given a very clear opinion to clear up the confusion dug up by the previous Benches of the Court while considering the current issue.
- ❖ It was important for such a decision to come out considering the impact it has on the appeals that flow from such orders regarding temporary injunctions. It prevents appellate overreach and limits substitution of judgment by higher courts in interlocutory stages.

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- ❖ The Division bench has protected trial court autonomy through its order and recognized the institutional role of trial courts in fact-finding and first-level decision making.

THANK YOU!
Questions?

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