

TS (Com) – 90/2024

**Present: Rupanjana Chakrabarti
Judge, Commercial Court at Rajarhat,
North 24 Parganas**

**CNR: WBNP19-000038-2024
J.O Code.WB00612**

**9
02.08.2024**

Both parties file haziras.

Today is fixed for passing order in respect of the injunction application under Order 39 Rule 1 & 2 read with Section 151 of the CPC filed on behalf of the plaintiff on 20.03.2024.

The instant application for temporary injunction has come up for disposal in terms of the direction passed by the Hon'ble High Court, Calcutta in FMAT 136 of 2024 vide the Order dated 02.05.2024 and 21.05.2024.

Perused the plaint, the said injunction application, the written objection dated 19.06.2024 filed thereto, the affidavit-in-reply dated 21.06.2024 filed by the plaintiff to the written objection of the defendants, all the annexed documents relied upon by both sides in their respective applications, the case-laws which have been relied upon as well as the notes of argument filed on behalf of the plaintiff. A supplementary affidavit has also been filed on behalf of the plaintiff on 24.06.2024 which has been kept with the record.

The case of the petitioner/plaintiff in the instant application is that, the plaintiff is a registered Company, registered under the Companies Act, 1956. It is engaged in the business of offering warehousing facilities to different local and multinational companies in or around Kolkata and West Bengal. It has been running its business since the last 49 years and has great reputation and goodwill amongst the importers, exporters and whole-sellers. It has already been using its trade mark as “Tewari Warehousing Company” for its business activities and the popular acronym of the same as “TWC”. The clients, business assignees and vendors of the plaintiff company have always associated the acronym “TWC” with the plaintiff company. The trade mark “TWC” of the plaintiff is also visible in its logo in its letter pad, calendar, diary, bills, invoices etc.

The defendant no.2 is one of the Directors and share-holders of the plaintiff Company and also the husband of the defendant no.1. The defendants are running an unregistered partnership under the name and style of “TWC Services”. They are using a logo deceptively similar to that of the plaintiff. Moreover, the defendants have started an illegal website being “<https://twcsve.com>” with the pictures

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of the machinery used by the plaintiff and passing it off as part and parcel or extension of the plaintiff company. The allegation raised in the instant application is that the defendants and particularly, the defendant no.2 have stolen the trade secrets of the plaintiff company for undue profit to infringe upon the trade mark and trade name of the plaintiff company. They are passing off their services as that of the plaintiff causing immense harm and injury to the goodwill and trade mark/trade name of the plaintiff.

The Board of the plaintiff company was unaware of any competitive activities and/or trade being carried out by the firm “TWC Services” before 1st March, 2024. The domain name used by the defendants is also deceptively similar to that of the plaintiff and the same is also being used to target the goodwill of the business and clients of the plaintiff. The plaintiff has its website “<https://twctea.co.in>” & “<https://twc.net.in>” since long.

The website of the defendants named “<https://twcsvc.com>” is deceptively similar to the domain name of the plaintiff company. The defendants have invaded the plaintiff’s right to enjoy its trade mark and are also guilty of passing off their services as that of the plaintiff company. As such, the plaintiff has filed the injunction petition on 20.02.2024 before this Court praying for an ex-parte ad-interim injunction order restraining the defendants from using the trade name or its acronym and also from using the illegal website being <https://twcsvc.com>.

However, the prayer of the plaintiff was refused earlier by this Court vide order dated 22nd March, 2024 though it was observed, inter-alia, that the plaintiff has fulfilled all the criteria and all parameters for passing of an ex-parte ad-interim order of injunction in its favour i.e. it had balance of convenience and inconvenience, a prima-facie case and irreparable loss and injury on its side. Nevertheless, the prayer for ex-parte ad-interim injunction order was refused by this Court and being aggrieved the plaintiff had filed an Appeal being FMAT No.136 of 2024 along with the stay application before the Hon’ble High Court at Calcutta on 2nd March, 2024 and by passing an order dated 2nd May, 2024, the Hon’ble High Court at Calcutta has passed an ex-parte ad-interim injunction order in favour of the plaintiff/petitioner in FMAT No.136 of 2024 restraining the defendants/respondents from making any new posting on the website describing the business as “TWC Services” or from issuing any written business communication

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using the expression “TWC Services” till 10th May, 2024 or until further orders whichever is earlier. The said Order dated 2nd May, 2024 was extended on 16th May, 2024 till 12th June, 2024 and last extended on 21st May, 2024 till 28th June, 2024.

Further case of the plaintiff/petitioner is that, though the trade mark of the plaintiff is not registered, still it is entitled to an order of temporary injunction under the law of passing off and the underlying principles of the laws of passing off and for infringement of trade mark are substantially the same. In the instant case, the plaintiff/petitioner is the prior user of the acronym TWC in its trade mark, trade name and logo. The goodwill of the plaintiff company is intrinsically associated with its trade name, trade mark and logo. There is deceptive similarity in the name of the defendants partnership firm, “TWC Services” with the trade mark acronym “TWC” of the plaintiff Tewari Warehousing Company Pvt. Ltd. and such deceptive similarity would lead any reasonable man of ordinary prudence to confuse the partnership of the defendants as the plaintiff company. The plaintiff has intellectual property rights over its trade name Tewari Warehousing Company and the defendants do not have any right to use the acronym TWC.

However, they are using the said acronym TWC creating confusion in the minds of the consumers and traders etc. and this has adverse impact on the goodwill of the plaintiff company. In its rejoinder/affidavit-in-reply to the written objection filed by the defendant, the plaintiff has averred, inter-alia, that the defendants have willfully violated the injunction order passed by the Hon’ble Court in FMAT No.136 of 2024.

Further, the defendant no.2 has obtained a cash credit facility and term loan for a sum of Rs.10,00,00,000/- (rupees ten crores only) from the State Bank of India, Howrah Branch in the name of their partnership business TWC Services. The plaintiff company was unaware of these transactions. Subsequently, it transpired that the defendant no.1 had conspired to provide Guarantee Agreement dated 25.11.2022 creating charge over the assets of the plaintiff company for the said loan sanctioned by the Bank in favour of the defendants’ partnership firm.

The plaintiff company had filed a Police complaint which was converted into an F.I.R. and is now under investigation. The plaintiff has also filed a Writ Petition before the Hon’ble High Court at Calcutta praying for direction upon the

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Police Authority to complete the said investigation. The plaintiff has never agreed to or allowed the formation of any further legal entity by any of its Directors and/or Share-holders to conduct any competitive business with the trade mark and/or using the trade name and acronym TWC for any business transaction and for opening any website in any competitive business.

The plaintiff company is a separate legal entity and the defendants' partnership firm is passing off as its subsidiary.

The plaintiff/petitioner has relied upon **Pianotist Company Ltd. (Chancery Division), in 1906 (23) RPC 774** where an application was made for the registration as a Trade Mark of the word "Neola" for a piano player, being a musical instrument included in Class 9. The registered proprietors of the Trade Mark "Pianola" registered for all goods in Class 9 opposed the registration. The Comptroller decided against the Opponents and ordered the registration to proceed. The opponents appealed. The appeal was referred to the Court.

The Hon'ble High Court of Justice, Chancery Division held, that having regard to the kind of customers for such goods and a difference in the articles actually sold under the names, there was not likely to be any confusion. The appeal was dismissed with costs.

The plaintiff/petitioner has also relied upon **Wander Ltd. And Anr. -- vs -- Antox India P. Ltd. in 1990 (Supp) SCC 727** which holds, inter-alia, that "An infringement action is available where there is violation of specific property right acquired under and recognised by the statute. In a passing-off action, however, the plaintiff's right is independent of such a statutory right to a trade mark and is against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit. The tort of passing-off involves a mis-representation made by a trader to his prospective customers calculated to injure, as a reasonably foreseeable consequence, the business or goodwill of another which actually or probably, causes damage to the business or good of the other trader."

The plaintiff/petitioner has also relied upon **N.R. Dongre and Ors. -- vs --**

Whirlpool Corporation & Anr. in 1996 5 SCC 714 where a Trade mark, already used by a company, got registered by another company through deception to obtain economic benefit of reputation by Injuring goodwill and business of the other company. The passing off action by the affected party even against the registered owner of trade mark was held to be maintainable and the party was held to be entitled to protection”

The plaintiff/petitioner has also relied upon **Laxmikant V. Patel – vs – Chetanbhai Shah and Anr. in (2002) 3 SCC 65** which holds, inter-alias, that “A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that the goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury. This form of injury has also been termed as tort of "injurious falsehood:"”

The plaintiff/petitioner has also relied upon **Satyam Infoway Ltd. – vs – Siffynet Solutions (P) Ltd. in (2004) 6 SCC 65** which holds, inter-alias, that “The use of the same or similar domain name may lead to a diversion of users which could result from such users mistakenly accessing one domain name instead of another. This may occur in e-commerce with its rapid progress and instant (and theoretically limitless) accessibility to users and potential customers and particularly so in areas of specific overlap. Ordinary consumers/users seeking to locate the functions available under one domain name may be confused if they accidentally arrived at a different but similar website which offers no such

services. Such users could well conclude that the first domain- name owner had misrepresented its goods or services through its promotional activities and the first domain-owner would thereby lose its custom. It is apparent, therefore, that a domain name may have all the characteristics of a trade mark and could found an action for passing off.”

The plaintiff/petitioner has also relied upon **Mahindra & Mahindra Limited and Anr. – vs – MNM Marketing Pvt. Ltd. & Anr. in 2014 SCC OnLine Bom 1343**, wherein the Hon’ble Court has discussed how acronym of a company should be protected from passing off.

The said case-law, inter-alias, provides in paragraph no.36 thereof that *“The Plaintiffs are also entitled to seek relief on the ground of passing off. As correctly submitted by the Plaintiffs, it is settled law that registration is no defence to an action for passing off. The Plaintiffs goodwill and reputation in their said trademark "M & M" is sufficiently established by the material produced on record. The Plaintiffs' use of "M & M" is long prior to that of the Defendants. Secondary significance has been acquired by the Plaintiffs' said trademark. Therefore, any use of "M & M" by the Defendants will inevitably lead to an association of the Defendants' goods and business with those of the Plaintiffs. Damage will result thereby to the Plaintiffs' reputation.”*

The plaintiff/petitioner has also relied upon **Jaydip Dutta and Anr. – vs – Sangopang Bricks Pvt. Ltd. in FMAT 21 of 2023 With IA No.CAN 1 of 2023** which holds, inter-alias, that *“There appears to be a contradiction into the ultimate findings recorded by the trial Court with the findings on the factual matrix. The moment the trial Court found that all three golden parameters of injunction have been satisfied and was also aware that there is no embargo on the Court to pass an ex parte ad interim order of injunction in an exceptional case yet it did not pass the ex parte ad interim order of injunction on the score as discerned from the impugned finding, which is unacceptable.*

We, therefore, find that the Court ought to have passed an interim order.”

The plaintiff/petitioner has also relied upon **Paul Brothers and Anr. – vs – Union of India and Ors. in 2023 SCC OnLine Cal 1358** which holds, inter-alias, that *“The points raised on behalf of the petitioners on section 42 of The Trade Marks Act, 1999 also merits consideration. Under section 42, wherein an*

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assignment of trademark, including of unregistered trade marks, is made otherwise than in connection with the goodwill of the business, the assignment shall not take effect unless the assignee applies to the Registrar for advertisement of the assignment within a maximum time frame of 6+3 months from the date on which the assignment is made.”

The plaintiff has prayed for restraining order against the defendants as the prior user and on the ground of violation of its intellectual property rights by the wanton use of the acronym “TWC” for their unregistered partnership firm “TWC Services” and also for the unauthorized use of their deceptively similar website and/or domain name as that of the plaintiff which is likely to create confusion in the minds of other persons engaged in the business in any capacity either as businessman or consumers and as this is bound to have adverse repercussion on the goodwill and reputation as well as the business of the plaintiff and also for the breach and violation of the established principles of law.

The respondents/defendants have contested the instant application under Order 39 Rule 1 & 2 read with Section 151 of the CPC filed by the petitioner/plaintiff by filing written objection contending, inter-alia, that the suit as well as injunction application are not maintainable and the same are designed with the mala-fide motive of the plaintiff/petitioner to mislead the Court to pass favourable orders in favour of the petitioner/plaintiff to which it is not entitled as per law. The respondents’/defendants’ partnership firm is a sister concern of the petitioner/plaintiff company and the said company has continuous business relationship with the partnership firm of the respondents/defendants since its inception in May, 2021. There is no question of passing off or deceptive similarity of the mark or logo of the petitioner’s/plaintiff’s company as the partnership firm of the petitioner’s/plaintiff’s company are related business entity. This fact has been deliberately suppressed by the petitioner/plaintiff from the Court and as the petitioner has come to the Court with unclean hands, it is not entitled to any equitable relief in the form of temporary injunction.

It is also the case of the defendants that the petitioner’s company is a family company of the Tewari family and various family members including the respondents are its share-holders as well as the directors. The plaintiff has suppressed that the defendant no.2 is the key managerial person of the plaintiff

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company. As it is a family company any person of the family may use the acronym “TWC” and user of the said acronym for the partnership firm did not infringe any intellectual property rights of the plaintiff company by passing off or otherwise. The existence of “TWC Services” was well-known to the plaintiff company and its directors and it has been reflected in the 12th annual report and added statements of accounts of Tewari Warehousing Company Pvt. Ltd. for the financial year ending on 31st March, 2022.

The plaintiff company had arrangement or transactions with the Tewari Services at arms length basis and it was well-known to the directors of the said company that the three managerial persons of the plaintiff’s company namely Manoj Tewari, was the partner of “TWC Services” and the said two concerns had unloading charges transaction of Rs.24,295.29/- in the concerned order. The transactions at arms length basis or signed by the other directors i.e. Ram Bhual Tewari and others and as such, there was no reason for the plaintiff to be taken by surprise due to the existence of the partnership firm and the use of the acronym “TWC” by the said partnership firm. The respondents’ partnership firm had all along acted with the plaintiff’s company and there is/was no likelihood for the customers and/or businessman engaged with the plaintiff’s company to be confused or misled due to the user of the acronym “TWC” as they are well informed about the existence of the said sister concern and also about the dealings and constitution of the plaintiff’s company. The persons who have transaction with the plaintiff company as well as the defendants’ partnership firm are not laymen to be misled by the use of acronym. Any person in the business has sufficient knowledge about the Tewari Warehousing Company, its directors, shareholding and subject of business and also its related business and arms length transactions. The plaintiff and its directors had happily allowed transactions with the defendants when their relations with the partnership of the respondents and particularly the respondent no.2 was good. Now that subsequently, dispute has arisen between the family members including founding members of the plaintiff’s company and the defendant no.2, the other directors have influenced the father of the defendant no.2 and provoked him to file case against the defendants under the corporate veil of the company. The defendants have prayed for rejection of injunction petition and vacating of the ad-interim injunction order against them in force till today.

The said ad-interim injunction order was operative by dint of the orders dated 02.05.2024, 16.05.2024 and 21.05.2024 passed by the Hon'ble Court in FMAT No.136 of 2024 between the parties.

Considering the factual circumstances of the case, the contentions made out in the plaint, the injunction petition and the written objection, the materials on record as revealed through the relevant annexures and reported case-laws of the Hon'ble Court which have been relied upon, it appears that undoubtedly the plaintiff's company is the prior user of the acronym "TWC" and it has not been denied by the respondents/defendants that the said company has sufficient goodwill and reputation in the market as a company dealing with warehousing facilities to different local and multinational companies. The plaintiff company also has websites in "<https://twctea.co.in>" & "<https://twc.net.in>". The acronym "TWC" is part of the logo and trade name of the plaintiff company. In transactions with different customers, the plaintiff has and have been using the said acronym. Admittedly, the defendants concern i.e. unregistered partnership firm has come into existence much later. An arguable case has, therefore, arisen concerning the issue as to whether the respondent no.2 being a key managerial person and a director of the plaintiff company has siphoned the assets and capital of the said company exclusively for the benefit of the defendants' partnership firm beyond the knowledge and without the consent of the Board of Directors of the plaintiff company or not. The said arguable case may be decided only upon trial.

It appears that evidently the partnership firm of the defendants under the name and style of "TWC Services" includes the acronym "TWC" of the plaintiff company and prima-facie the user of the words "TWC" in its name and domain name as well as website is likely to create an impression in the minds of the persons dealing in business with the two concerns that the latter is an offshoot or a subsidiary of the former. There are prima-facie ingredients of passing off and as such, the plaintiff has established a prima-facie case. The plaintiff has alleged that by fraud exercised upon the company the plaintiff has been shown as the guarantor of a loan of Rs.10,00,00,000/- (rupees ten crores only) granted by the SBI in favour of the defendants' partnership firm. Though the defendants have denied about the exercise of any fraud, it appears that there is nothing on record to suggest that the plaintiff company has ever been benefited from the defendants'

concern. Prima-facie it appears that the flow of money and/or benefits has been only as a one way traffic i.e. flowing from the plaintiff company to the defendants' partnership firm and not vice-versa.

Moreover, it appears that the plaintiff company is shown as a guarantor of the defendants' firm not for a paltry sum of money but of a substantial amount of Rs.10,00,00,000/- (rupees ten crores only). Prima-facie there is no document or anything on record to show that the defendants' partnership firm came into existence with the written approval or sanction of the Board of Directors of the plaintiff company and as such, it appears that if the defendants continue to use the trade name, trade mark, logo or acronym "TWC" of the plaintiff company for its business which is of similar or competitive nature, then there is every likelihood of continuous loss and legal injury of the plaintiff through passing off and its reputation, goodwill and business are all likely to be impacted if the same is permitted to continue.

The prima-facie case, balance of convenience and inconvenience and the criteria of irreparable loss and injury to be suffered by the plaintiff/petitioner in absence of temporary injunction order as prayed for all weigh in favour of the plaintiff/petitioner. Several criminal matters are pending between the parties being initiated by the plaintiff. At this juncture, it is urgently necessary to protect the trade name and reputation of the plaintiff company and to see that no further injury is caused by the reckless user of the acronym "TWC" in the name and website/public domain of the respondents.

On the score, the application for temporary injunction filed on behalf of the plaintiff is considered and allowed on contest.

Hence it is

ORDERED

that

the respondents/defendants and their representatives, agents, assigns are restrained by temporary injunction from using the trade name and logo "TWC" for the service provided by them from their partnership firm and also from using the website "<https://twcsvc.com>" and passing off their services similar to that of the plaintiff till disposal of the suit.

It appears from the record that the defendants/respondents have not filed

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written statement as yet.

They are at liberty to do the needful in this regard and i.d. necessary order would be passed.

Fix 04.10.2024 for further steps and further order.

Sd/- Rupanjana Chakrabarti
Judge
Commercial Court,
Rajarhat, North 24 Parganas

Later

The plaintiff files a verified extension application supported by affidavit enclosing verified statement of truth/affidavit praying for extension of ad-interim order passed in FMAT 136 of 2024 by the Hon'ble High Court, Calcutta which stood in force till today.

The plaintiff also files a verified application supported by affidavit along with verified statement of truth/affidavit enclosing documents on the grounds stated therein.

Let the same be kept with the record.

To date.

Sd/- Rupanjana Chakrabarti
Judge
Commercial Court,
Rajarhat, North 24 Parganas