

Delhi High Court

Vintage Distillers Limited vs Ramesh Chand Parekh on 16 November, 2022

Neutral Citation Number: 2022/DHC/004894

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IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of Decision: 16th November

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CS(COMM) 292/2022 & I.A. 7798/2022

VINTAGE DISTILLERS LIMITED

..... Plaintiff

Through: Mr. Chander M. Lall, Senior
Advocate with Mr. Nitin Mehta and
Mr. Arpit Rawat, Advocates.

versus

RAMESH CHAND PAREKH

..... Defendant

Through: Mr. Sandeep Sethi and
Mr. Rajshekhar Rao, Senior Advocates with
Mr. Essenese Obhan and Ms. Mehak
Dhingra, Advocates.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

JUDGEMENT

JYOTI SINGH, J.

I.A. 6938/2022 (under Order XXXIX Rules 1 and 2 CPC, by Plaintiff) and 7206/2022 (under Order VII Rule 10 CPC, by Defendant)

1. This judgment shall dispose of two applications, one filed by the Plaintiff under Order XXXIX Rules 1 and 2 CPC, 1908 seeking temporary injunction and the other filed by the Defendant under Order VII Rule 10 CPC for return of the plaint.

2. By the present suit, Plaintiff seeks permanent injunction restraining Defendant and all those acting on his behalf from directly or indirectly using the trademarks 'DHOLA THARU'/' ' and/or any other mark identical with or deceptively similar to Plaintiff's trademarks 'DHOLA MAARU'/' ' and the Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 registered trademark , in any manner whatsoever, including but not limited to manufacturing, selling, offering for sale, advertising, distributing, etc. alcoholic beverages under the Plaintiff's trademarks, amounting to infringement of the registered trademark (label) and copyright as well as passing off, amongst other reliefs.

3. Plaintiff is a Company incorporated under the Companies Act, 1956, having its registered and principal office at Delhi. Plaintiff is stated to be engaged in the business of manufacture and

distribution of alcoholic beverages, primarily country liquor, under various brands, amongst which a popular brand is 'DHOLA MAARU'/' '. It is averred that Plaintiff is engaged in alcohol business since 1988 and in course of nearly three and a half decades, it has acquired a formidable name and reputation in the industry. Plaintiff honestly and originally coined and adopted the trademarks 'DHOLA MAARU'/' ' in 2004 for its range of country liquor. The mark is a coined and inherently distinctive trademark for country liquor and Plaintiff is the first and exclusive user thereof.

4. It is further averred that since its adoption, more than 17 years ago, the trademarks 'DHOLA MAARU'/' ' have been continuously, uninterruptedly and commercially used in connection with Plaintiff's business. Products of the Plaintiff are currently sold and distributed in the State of Rajasthan as per the Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 Excise license issued to it. Apart from common law rights that have accrued in favour of the Plaintiff, by long and continuous use of the trademarks, it has also acquired statutory rights by way of registration of the label trademark, whose dominant and essential part is ' '. The registration dates back to 25.07.2005 in class 33 and applications for registration of the word marks 'DHOLA MARU' and ' ', are pending.

5. Plaintiff was constrained to approach this Court, when it learnt that the Defendant, who is engaged in identical business of alcohol beverages was about to commercially launch country liquor under deceptively similar trademarks 'DHOLA THARU'/' ' and , through his proprietorship firm M/s R.N. Products. In April, 2022, Plaintiff also learnt that Defendant was attempting to seek registration of the impugned marks.

Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894

6. Relevant it is to mention at this stage that on 09.05.2022, summons in the suit and notice in the application I.A. 6938/2022 was accepted on behalf of the Defendant and an assurance was given to the Court that till the next date of hearing, no fresh stocks would be manufactured by the Defendant. The undertaking/assurance continued during the hearing of the present applications and on the date when the judgment was reserved, it was recorded by the Court that the assurance shall continue till the pronouncement of the judgment.

7. Arguments canvassed on behalf of the Plaintiff are crystallized as follows:-

A. Plaintiff is the registered proprietor of the mark (hereinafter referred to as label mark) and the registration, which dates back to 25.07.2005 in class 33, is valid and subsisting. ' ' forms an essential, key and dominant part of the label trademark and is prominently identifiable and noticeable by proposed consumers. The mark is used on the products with its distinctive get up/artistic lay out and style albeit the label mark has undergone minor variations with the change in variety of the product, mandate of incorporating statutory warnings etc. under the Excise Notifications. However, the mark ' ' has remained consistent throughout. For the sake of completeness the registered label mark of the Signature Not Verified Signing Date:19.11.2022 13:20:27

Neutral Citation Number: 2022/DHC/004894 Plaintiff is (A) and the labels used by the Plaintiff are (B) and (C) below:-

(A)

(B)

(C)

B. Plaintiff adopted and has been using the trademarks 'DHOLA MAARU'/' ' since 2004 and the distinctive layout and get up of the label mark, with its colour combination, lettering style etc. constitutes original 'artistic work' within the meaning of Section 2(c) of the Copyright Act, 1957, having been created by the in-house employees of the Plaintiff, for and on behalf of the Plaintiff. Plaintiff is thus the first owner of copyright in the said labels under Section 17 of the said Act;

Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 C. on account of the registration in the label mark and the extensive user, Plaintiff has acquired both statutory and common law rights in the trademark. By virtue of Section 28(1) of the Trade Marks Act, 1999 (hereinafter referred to as the 'Act'), Plaintiff is the exclusive user of label mark and has a statutory right to protect it from unauthorised use by third parties as well a common law right to protect the word marks from passing off;

D. owing to Plaintiff's extensive and continuous use of the trademarks, immense goodwill and reputation has been painstakingly created over the past several years. The goodwill and recognition of Plaintiff's business and its trademarks is reflected in the extensive sales turnover, details of which are furnished in the plaint and as an illustration, for the fiscal year 2021-22, the sales turnover is to the tune of Rs. 162,18,82,915.11/-. Plaintiff has placed on record several invoices to support the sale figures; E. Defendant is verily believed to be engaged in an identical business of alcoholic beverages. The impugned mark used by the Defendant for sale of identical products, is visually and phonetically identical/deceptively similar. Defendant has slavishly imitated the overall artistic get up and style of Plaintiff's label mark including the style and design of a dark border and lighter background with identical colour combination, placement and style of text, etc. The copy and imitation leads to an inevitable conclusion that Defendant's malicious intent was to confuse the members of the consuming public into believing that Defendant's products Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 emanate from the Plaintiff or have some association with them;

F. Plaintiff also learnt that Defendant has applied for an excise license in the State of Rajasthan for sale of country liquor under the impugned mark and seriously concerned with the protection of its legal rights, Plaintiff has written to the concerned Excise Commissioner vide letter dated 15.04.2022, pointing out the violations. Both trademark applications filed by the Defendant in March, 2022 are on 'proposed to be used' basis, which shows that Defendant has not and cannot lay

any claim of being a prior user. This is also pointer to the fact that Defendant has recently adopted the impugned mark, with a view to encash on the formidable reputation and goodwill garnered by the Plaintiff over two decades and is a dishonest adoption. Defendant's transgression over Plaintiff's statutory and common law proprietary rights in label marks and 'DHOLA MAARU' / ' ', respectively, amounts to commercial impropriety, misappropriation, infringement and passing off. There is also a violation of the copyright of the Plaintiff and the averments in the plaint and application for injunction with regard to copyright infringement, are untraversed by the Defendant, save and except, some bald denials;

G. in Midas Hygiene Industries (P) Ltd. and Another v. Sudhir Bhatia and Others, (2004) 3 SCC 90, the Supreme Court held that in case of infringement of trademark and copyright, an injunction must follow. In Wander Ltd. and Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 Another v. Antox India P. Ltd., 1990 Supp SCC 727, the Court observed that injunctions are normally granted when Defendant is yet to commence its enterprise. In the present case, the plaint is predicated on a quia timet action as there was a credible and imminent apprehension that Defendant may begin selling identical products under the impugned mark in Delhi, causing irreparable harm and injury to the Plaintiff.

8. Per contra, contentions raised on behalf of the Defendant, are as under:-

A. the plaint deserves to be returned to the appropriate Court having jurisdiction as this Court lacks territorial jurisdiction to entertain the present suit. Plaintiff has combined two causes of action: (a) infringement of trademark and copyright; and (b) passing off. Plaintiff has claimed jurisdiction in the plaint on two grounds viz. (a) Plaintiff being the proprietor of the trademark and artistic work, is carrying on its business for gain within the territorial jurisdiction of this Court through its principal and registered office located at Delhi; and (b) Defendant has filed trademark applications with all-India effect, operating throughout the territory of India, including Delhi and therefore, there is imminent and credible apprehension that Defendant is likely to sell, distribute and market the impugned products in Delhi and/or expand his activities to Delhi and/or has dealings with traders from Delhi. Not a shred of evidence is placed on record to show that Defendant intends to launch the product under the impugned mark in Delhi. Defendant is located at Jodhpur, Rajasthan.

Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 Parties are in liquor business, which is highly regulated and no sales can be carried out without mandatory prior approvals from the competent authorities and liquor license for Delhi. The only material placed on record by the Plaintiff are the photographs of the bottles, allegedly sold by the Defendant and copies of trademark applications, which have no relevance to the issue of territorial jurisdiction; B. Plaintiff is a registered proprietor of the label mark only and does not have registration in the word marks 'DHOLA MARU' / ' '. The label mark, it is believed by the Defendant, has never been used by the Plaintiff and even along with the plaint no documents have been filed, to prove otherwise. Thus, the trademark is liable to be cancelled for non-use under

Section 47(2) of the Act. Seen in this light, in essence, the suit is a simpliciter suit for passing off and the claim of infringement is a mere smokescreen, with no merit. For conferring jurisdiction on this Court with respect to passing off action, Plaintiff will be required to show that Defendant has sold goods in Delhi. Nothing is placed on record or specifically pleaded by the Plaintiff which demonstrates sale of Defendant's products within the jurisdiction of this Court. Plaintiff itself has no sales in Delhi, which is evident from the invoices placed on record. Hence, I.A. 7206/2022 be allowed and plaint be returned to the appropriate Court having jurisdiction; C. without prejudice to the aforesaid stand, it was submitted that Plaintiff only has registration in a label mark. When the competing label mark is seen as a whole, it is clear that no Signature Not Verified similarity exists. The colour scheme, placement of words, Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 lettering style, font size, background colour, etc. are all dissimilar. Defendant's trademark labels are in consonance with and compliant of the legal and mandatory requirements of the order dated 05.02.2022, issued by the Excise Department of the State of Rajasthan, mandating use of blue and red colours and imposing other conditions as per the alcohol concentration. Competing labels are as follows:-

Plaintiff's Mark

Defendant's Marks

Applied under Application
5364924

Applied under Application
5364925

Signature Not Verified

Signing Date:19.11.2022
13:20:27

Neutral Citation Number: 2022/DHC/004894

D. it is a settled principle of law, as coded in Section 17 of the Act, that rival marks ought to be considered as a whole and should not be dissected into parts. When compared as a whole, similarity should be determined on the overall impression rather than comparing individual elements in isolation. Plaintiff has itself admitted that its registration has essential elements, which include dark border and lighter background and colour scheme of blue/red, thereby restricting its registration and consequential statutory rights to the whole label mark and no rights can be asserted on the word marks 'DHOLA MAARU'/' '.

Section 17 of the Act provides that there can be no monopoly over a part of the registered trademark, if it is not registered separately or if it is not of distinctive character. Therefore, no protection can be afforded to the Plaintiff qua the word marks 'DHOLA MAARU'/' ' ';

E. Plaintiff's marks 'DHOLA MAARU'/' ' ' (word per se) are inherently incapable of being protected, as they do not serve as source indicators of the goods and fail the test of being trademarks. 'DHOLA MARU' is commonly used in the State of Rajasthan, as part of its cultural heritage. It is also common knowledge that several entities use the words 'DHOLA MARU' as trade names/trademarks for products in allied and cognate classes of goods and services. Prior to Plaintiff's adoption of its trademarks, 'Dhola'- formative marks existed on the Trade Marks Register and continue to exist even today. Hence, no monopoly or exclusive right can be claimed by the Plaintiff over the Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 suffix 'Dhola' and ex-consequentia no injunction can be granted in its favour, prohibiting any other entity from adopting the 'Dhola' marks. Details of registrations in respect of trademark 'DHOLA MARU/MAARU', as brought out in reply to the application, are as under:-

S. No.	Trademark	Application No.	Class	Status
1		1258121	30	Registered
2		1375236	30	Reg
3		1397356	30	Reg
4	DHOLA MARU BIDI	481685	34	Reg
5		2785985	24	Reg
6	DHOLAMARU	4004403	11	Reg
7	DHOLAA	5222452	03	Pe
8	DHOLAMARU	4788581	29	Op
9	DHOLA CREATION	4415869	25	Pe
10	DHOLA MAARU	4636216	25	Pe

F. it is trite that words/marks that describe a product/service do not inherently identify a particular source and descriptive marks cannot be protected, unless they acquire Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 distinctiveness through secondary meaning. Whether or not a descriptive mark has acquired a secondary meaning can only be adjudicated after trial. During the prosecution of Plaintiff's label trademark, the

Examiner of Trade Marks had raised an objection under Section 9 of the Act, which is proof enough that the trademark is non-distinctive and can bestow no proprietary rights;

G. the suit deserves to be dismissed for suppression and concealment of material particulars as the plaint does not disclose the requirements and mandates under the Excise law pertaining to labelling. Order dated 05.02.2022, issued by the Excise Department of the State of Rajasthan, makes it mandatory for caps and labels of country liquor bottles to be restricted to blue and red colours, which connotes the concentration of alcohol content for them to be recognisable by the consumers and members of trade. Similarly, there are restrictions with respect to the labels used on the bottles, which explains why Defendant has adopted the colour scheme etc. and even this is not disclosed in the plaint; H. the claim of the Plaintiff that the suit is predicated on a quia timet action is belied by the fact that in the plaint itself, Plaintiff has admitted that during its investigation, it found two products with the impugned marks and this also shows that Defendant had already commenced his business prior to the filing of the present suit;

I. Defendant operates the Thar Group of Companies, a name analogous to delivering exceptional goods/services and quality for the past 35 years. The word 'THAR' has been incorporated as a part of Defendant's business entities and Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 Companies' names, some of which are more than 20 years old, such as 'Thar Dry Port', one of the oldest and most reputed Defendant's Company, which has proliferated its services in Western and North Western India. Thar Group of Companies has served Rajasthan and other Indian States in various sectors of transportation and logistics, hospitality, manufacturing, real estate, petroleum and other allied infrastructure activities. Defendant has been using the mark 'THAR' and its variations since 1988 openly, extensively and continuously in the market, investing immense time, research and efforts to popularize its brands; J. Defendant has obtained registrations in various trademarks, which includes the word 'THAR', either as a suffix or a prefix, details of which have been furnished in the reply; K. Defendant came up with the combination of the mark 'DHOLA THARU' on account of three reasons:

(a) 'Tharu' community is known for their fondness of liquor; (b) the word 'Dhol' or 'Dhola' is a common name across the country denoting drum, commonly used in celebrations and therefore, the coined word 'DHOLA THARU' was to bring together the aspect of celebration; and (c) Defendant operates his Companies under Corporate names, which incorporate the word 'THAR';

L. there is no material on record which shows that Plaintiff has used the registered label mark and therefore, the mark is liable to be cancelled for non-use under Section 47(2) of the Act. Defendant reserves the right to take appropriate steps in accordance with law;

Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 M. the rival trademarks are wholly different and there is no similarity in the words DHOLA MAARU and DHOLA THARU or the colour scheme, symbols, lettering style etc. It is impossible to conclude that there is any intent on part of the Defendant to misrepresent to the public that the goods of the Defendant emanate from the Plaintiff. Defendant does not need to encash or ride upon the alleged goodwill of the Plaintiff as the goodwill and reputation of the

Defendant is insurmountable in the business it is carrying on for over three decades;

N. reliance was placed on the judgments in *Veerumal Praveen Kumar v. Needle Industries (India) Ltd. and Anr.*, 2001 SCC OnLine Del 892; *Fedders Llyod Corporation Ltd. & Anr. v. Fedders Corporation & Anr.*, 2005 SCC OnLine Del 443; and *Allegran Inc. & Anr. v. Intas Pharmaceuticals*, 2012 SCC OnLine Del 5293, in support of the argument that on account of non-use, Plaintiff's marks have lost distinctiveness and it cannot claim monopoly by merely squatting on the trademark. Non-use is a ground for cancellation of registration under Section 47(2) of the Act. Reliance was placed on the judgments in *IHHR Hospitality Pvt. Ltd. v. Bestech India Pvt. Ltd.*, 2012 SCC OnLine Del 2713; *Bhole Baba Milk Food Industries Ltd. v. Parul Food Specialities Pvt. Ltd.*, 2011 SCC OnLine Del 4422; *Pathanj ali Ayurved Limited Represented by its Director and Another v. Arudra Engineers Private Limited Represented by its Managing Partner R. Natraj*, 2021 SCC OnLine Mad 5567 and *Skyline Education Institute (India) Private Limited v. S.L. Vaswani and Another*, (2010) 2 Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 SCC 142, for the proposition that words/marks which are commonly used and are of common origin with cultural roots in the society and/or are descriptive of the products, cannot be accorded protection under the Act; O. for the proposition that registration in a label mark does not confer exclusive right to use a part of the whole mark, which is non-distinctive and common to trade, reliance was placed on the judgments in *Vardhman Buildtech Pvt. Ltd. & Ors. v. Vardhman Properties Ltd.*, 2016 SCC OnLine Del 4738; *Radico Khaitan Limited v. Carlsberg India Private Limited*, 2011 SCC OnLine Del 3925; and *OM Logistics Ltd. v. Mahendra Pandey*, 2022 SCC OnLine Del 757; and P. Defendant has been bonafidely using the mark 'THAR' and its variations including 'THARU' since 1988 openly, extensively and continuously in the market. The label marks are in conformity with excise law requirements and hence there is no passing off as alleged. Defendant has not infringed Plaintiff's registered mark as there is no similarity in the rival marks and hence no injunction should be granted in favour of the Plaintiff.

9. Arguing in Rejoinder, it was urged on behalf of the Plaintiff:

A. the allegation by the Defendant that there is non-use of the registered trademark by the Plaintiff, is without any basis. The trademarks (label) actually used by the Plaintiff are similar to the registered label mark, save and except, to the extent of certain additional contents, which are incorporated on account of excise law requirements in the State of Rajasthan, including statutory warnings and colour schemes.

Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 The Supreme Court in *Gujarat Bottling Co. Ltd. and Others v. Coca Cola Co. and Others*, (1995) 5 SCC 545, has held that the Trade Marks Act confers on the registered proprietor certain rights which enable him to sue for infringement of the trademark, irrespective of whether the mark is used or not. Non-use of the trademark may lead to cancellation of the Registered proprietor's mark under Section 47(2) of the Act, but cannot be used as a defence against infringement, as held in *Hardie Trading Ltd. and Another v. Addisons Paint & Chemicals Ltd.*, (2003) 11 SCC 92. Even otherwise, variations in the label are strictly in compliance with the

mandates imposed under the Excise regulatory regime and fall under the exception carved out in Section 47(3) of the Act;

B. it is denied that this Court lacks the territorial jurisdiction to entertain the present suit. The suit was filed on account of a credible and imminent apprehension that Defendant may be selling the impugned products in Delhi, which is now fortified by the stand of the Defendant in reply to the application under Order XXXIX Rules 1 and 2 CPC that Defendant continues to expand its growing brand value and consumer base with each passing day. Moreover, Plaintiff has its principal place of business and registered office in Delhi with no subordinate office in Rajasthan and has invoked the jurisdiction of this Court under Section 134(2) of the Act and Section 62(2) of the Copyright Act. Reliance was placed on *Teva Pharmaceutical Industries Ltd. & Ors. v. Natco Pharma Limited*, FAO(OS) 144/2014, decided on 30.05.2014; *Shree Nath Heritage Liquor Pvt. Ltd. v. Allied Signature* Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 *Blender & Distillers Pvt. Ltd.*, 2015 SCC OnLine Del 10164; and *M/s. Allied Blenders & Distillers Pvt. Ltd. v. Prag Distillery Pvt. Ltd. & Another*, 2017 SCC OnLine 7225.

10. I have heard learned Senior Counsels for the parties and examined their rival contentions.

11. Since an objection has been raised to the territorial jurisdiction of this Court, it is imperative to decide the application filed by the Defendant under Order VII Rule 10 CPC, before proceeding to examine the application under Order XXXIX Rules 1 and 2 CPC. The jurisdiction of this Court is questioned by the Defendant on two-fold grounds. In respect of the claim for infringement, it is the contention of the Defendant that no evidence has been placed on record by the Plaintiff to support the alleged imminent threat or apprehension that Defendant intends to launch his product in Delhi. Parties being in liquor business, the sales are regulated and cannot be carried out without mandatory excise approvals etc. Therefore, no cause of action for infringement lies before this Court. With respect to passing off, it is urged that the invoices produced in the plaint show that the Plaintiff's factory is located in Rajasthan with no sales in Delhi and nothing is placed on record or pleaded by the Plaintiff to demonstrate sales of Defendant's products, within the jurisdiction of this Court. There is no pleading with respect to specific targeting of customers in Delhi.

12. In *Teva Pharmaceutical Industries Ltd. & Ors.* (supra), a Division Bench of this Court while considering an appeal from an order of the learned Single Judge under Order VII Rule 10 CPC, directing return of the plaint, held that it would be sufficient if the Plaintiff pleaded apprehension of sale/marketing in Delhi, to clothe Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 the Courts in Delhi with territorial jurisdiction to entertain the suit. The Court observed as under:

"20. We have also wondered whether owing to the statement aforesaid of the respondent / defendant, of not intending to market the product in India, the territorial jurisdiction of this Court, otherwise invoked in accordance with law, can be ousted. We are unable to find any basis for holding that though on the basis of averments in the plaint, this Court will have territorial jurisdiction, the same can be ousted on the statement of the respondent / defendant of not doing / intending to do

act, to prevent which suit is filed, within the territorial jurisdiction of this Court. We are of the opinion that once the appellants / plaintiffs have pleaded apprehension of sale / marketing in Delhi, the Courts in Delhi would have jurisdiction to entertain the suit and such jurisdiction cannot be ousted by the defendant by making a statement not to do any such act in Delhi, though the defendant would be entitled to prove that there is no basis for such apprehension. If such a course of action were to be permitted, it would enable a defendant to avoid action in a particular Court by making such a statement and indulge in forum shopping. We also find that the same was not permitted by this Court in *Rana Steels Vs. Ran India Steels Pvt. Ltd.* (2008) 37 PTC 24 (Del); there, though the counsel for the defendant stated that the defendant had no intention to sell its products in Delhi, it was held that the plaint could not be ordered to be returned on the basis of the said statement. Though the matter was taken in appeal by way of FAO(OS) 212/2008 but was compromised."

13. In *Pfizer Products, Inc. v. Rajesh Chopra & Others*, 2006 SCC OnLine Del 177, the learned Single Judge of this Court observed that a threat of selling the offending goods in Delhi would itself confer jurisdiction in the Courts in Delhi to entertain a suit claiming injunction in respect thereof. Whether a threat perspective is justified or not, is a matter which has to be considered and decided upon in an application filed by the Plaintiff under Order XXXIX Rules 1 and 2 CPC or on merits when the suit is taken up for disposal. Insofar as Order VII Rule 10 CPC is concerned, taking whatever is stated in the plaint is correct, one would have to assume that the threat or intention of the Defendant to sell or offer for sale the offending goods in Delhi, is correct. In *Exphar SA and Another v. Eupharma Laboratories Signature Not Verified Ltd. and Another*, (2004) 3 SCC 688, the Supreme Court held that Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 while considering an application, where issue of territorial jurisdiction is raised, only the plaint needs to be seen on a plain demurrer and the allegations or averments are to be taken as correct. In order to succeed in the objection to the jurisdiction, Defendant must demonstrate that granted the averments made in plaint, Court does not have territorial jurisdiction, as a matter of law. To the same effect are the observations of the Division Bench in *M/s. RSPL Limited v. Mukesh Sharma & Anr.*, 2016 SCC OnLine Del 4285 and *M/s. Allied Blenders & Distillers Pvt. Ltd. v. R.K. Distilleries Pvt. Ltd.*, 2017 SCC OnLine Del 7224.

14. Since the present suit relates to infringement of trademark and copyright, another aspect becomes important in the present case. Section 134(2) of the Act and Section 62(2) of the Copyright Act 1957, provide an additional remedy to file a suit where the Plaintiff is residing or carrying on business, in addition to the places which are already available to the Plaintiff under Section 20 CPC. In this context, observations of the Court in *Ultra Home Construction Pvt. Ltd. v. Purushottam Kumar Chaubey & Ors.*, 2016 SCC OnLine Del 376, become relevant and are extracted hereunder:

"13. By virtue of the Supreme Court decision in *Sanjay Dalia* (supra) this deeming provision contained in the explanation in section 20 of the Code has been read into section 134(2) of the Trade Marks Act, 1999 and section 62(2) of the Copyright Act, 1957 for the purposes of isolating the place where the plaintiff can be said to carry on business. It will be noted that though the expression "carries on business" is used in

all the three provisions (i.e., section 20 of the Code, section 134(2) of the Trade marks Act, 1999 and section 62(2) of the Copyright Act, 1957), the deeming provision contained in the Explanation in section 20 of the Code has not been expressly incorporated in the other two provisions. But, the Supreme Court has, in the said decision, given the expression "carries on business" used in relation to a corporation in the context of a defendant in section 20 of the Code the same meaning when it is used in relation to a plaintiff under the said sections 134(2) and 62(2). It would be instructive to note the following observations of the Supreme Court in the said decision:

Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 "14. Considering the very language of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act, an additional forum has been provided by including a District Court within whose limits the plaintiff actually and voluntarily resides or carries on business or personally works for gain. The object of the provisions was to enable the plaintiff to institute a suit at a place where he or they resided or carried on business, not to enable them to drag the defendant further away from such a place also as is being done in the instant cases. In our opinion, the expression "notwithstanding anything contained in the Code of Civil Procedure" does not oust the applicability of the provisions of Section 20 of the Code of Civil Procedure and it is clear that additional remedy has been provided to the plaintiff so as to file a suit where he is residing or carrying on business, etc. as the case may be. Section 20 of the Code of Civil Procedure enables a plaintiff to file a suit where the defendant resides or where cause of action arose. Section 20(a) and Section 20(b) usually provides the venue where the defendant or any of them resides, carries on business or personally works for gain. Section 20(c) of the Code of Civil Procedure enables a plaintiff to institute a suit where the cause of action wholly or in part, arises. The Explanation to Section 20 CPC has been added to the effect that corporation shall be deemed to carry on business at its sole or principal office in India or in respect of any cause of action arising at any place where it has subordinate office at such place. Thus, "corporation" can be sued at a place having its sole or principal office and where cause of action wholly or in part, arises at a place where it has also a subordinate office at such place.

15. The learned author Mulla in Code of Civil Procedure, 18th Edn., has observed that under clauses (a) to (c) of Section 20, the plaintiff has a choice of forum to institute a suit. The intendment of the Explanation to Section 20 of the Code of Civil Procedure is that once the corporation has a subordinate office in the place where the cause of action arises wholly or in part, it cannot be heard to say that it cannot be sued there because it did not carry on business at that place. The linking of the place with the cause of action in the Explanation where subordinate office of the corporation is situated is reflective of the intention of the legislature and such a place has to be the place of the filing of the suit and not the principal place of business. Ordinarily the suit has to be filed at the place where there is principal place of business of the corporation."

xxx xxx xxx "18. On a due and anxious consideration of the provisions contained in Section 20 CPC, Section 62 of the Copyright Act and Section 134 of the Trade Marks Act, and the object with
Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number:

2022/DHC/004894 which the latter provisions have been enacted, it is clear that if a cause of action has arisen wholly or in part, where the plaintiff is residing or having its principal office/carries on business or personally works for gain, the suit can be filed at such place(s). The plaintiff(s) can also institute a suit at a place where he is residing, carrying on business or personally works for gain de hors the fact that the cause of action has not arisen at a place where he/they are residing or any one of them is residing, carries on business or personally works for gain. However, this right to institute suit at such a place has to be read subject to certain restrictions, such as in case the plaintiff is residing or carrying on business at a particular place/having its head office and at such place cause of action has also arisen wholly or in part, the plaintiff cannot ignore such a place under the guise that he is carrying on business at other far-flung places also. The very intendment of the insertion of provision in the Copyright Act and the Trade Marks Act is the convenience of the plaintiff. The rule of convenience of the parties has been given a statutory expression in Section 20 CPC as well. The interpretation of provisions has to be such which prevents the mischief of causing inconvenience to the parties.

19. The intendment of the aforesaid provisions inserted in the Copyright Act and the Trade Marks Act is to provide a forum to the plaintiff where he is residing, carrying on business or personally works for gain. The object is to ensure that the plaintiff is not deterred from instituting infringement proceedings "because the court in which proceedings are to be instituted is at a considerable distance from the place of their ordinary residence". The impediment created to the plaintiff by Section 20 CPC of going to a place where it was not having ordinary residence or principal place of business was sought to be removed by virtue of the aforesaid provisions of the Copyright Act and the Trade Marks Act. Where the corporation is having ordinary residence/principal place of business and cause of action has also arisen at that place, it has to institute a suit at the said place and not at other places. The provisions of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act never intended to operate in the field where the plaintiff is having its principal place of business at a particular place and the cause of action has also arisen at that place so as to enable it to file a suit at a distant place where its subordinate office is situated though at such place no cause of action has arisen. Such interpretation would cause great harm and would be juxtaposed to the very legislative intendment of the provisions so enacted.

20. In our opinion, in a case where the cause of action has arisen at a place where the plaintiff is residing or where there are more than one such persons, any of them actually or Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 voluntarily resides or carries on business or personally works for gain would oust the jurisdiction of other place where the cause of action has not arisen though at such a place, by virtue of having subordinate office, the plaintiff instituting a suit or other proceedings might be carrying on business or personally works for gain.

21. At the same time, the provisions of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act have removed the embargo of suing at place of accrual of cause of action wholly or in part, with regard to a place where the plaintiff or any of them ordinarily resides, carries on business or personally works for gain. We agree to the aforesaid extent that the impediment imposed under Section 20 CPC to a plaintiff to institute a suit in a court where the defendant resides or carries on

business or where the cause of action wholly or in part arises, has been removed. But the right is subject to the rider in case the plaintiff resides or has its principal place of business/carries on business or personally works for gain at a place where cause of action has also arisen, suit should be filed at that place not at other places where the plaintiff is having branch offices, etc.

22. There is no doubt about it that the words used in Section 62 of the Copyright Act and Section 134 of the Trade Marks Act, "notwithstanding anything contained in CPC or any other law for the time being in force", emphasise that the requirement of Section 20 CPC would not have to be complied with by the plaintiff if he resides or carries on business in the local limits of the court where he has filed the suit but, in our view, at the same time, as the provision providing for an additional forum, cannot be interpreted in the manner that it has authorised the plaintiff to institute a suit at a different place other than the place where he is ordinarily residing or having principal office and incidentally where the cause of action wholly or in part has also arisen. The impugned judgments, in our considered view, do not take away the additional forum and fundamental basis of conferring the right and advantage to the authors of the Copyright Act and the Trade Marks Act provided under the aforesaid provisions."

xxx xxx xxx "52. In our opinion, the provisions of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act have to be interpreted in the purposive manner. No doubt about it that a suit can be filed by the plaintiff at a place where he is residing or carrying on business or personally works for gain. He need not travel to file a suit to a place where the defendant is residing or cause of action wholly or in part arises. However, if the plaintiff is residing or carrying on business, etc. at a place where the cause of action, wholly or in part, has Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 also arisen, he has to file a suit at that place, as discussed above."

xxx xxx xxx

19. Clearly, on the basis of the averments in the plaint itself and in the backdrop of the observations in Dhodha House (supra), the appellant/plaintiff carries on business in Deogarh, Jharkhand. It may also carry on business at Delhi. But, because the cause of action has allegedly arisen in Deogarh, Jharkhand, and not in Delhi, the appellant/plaintiff cannot sue the defendants/respondents in Delhi in view of the decision in Sanjay Dalia (supra). Thus, this court does not have the territorial jurisdiction to entertain the suit. And, on this count, the decision of the learned single judge cannot be faulted. But, the suit ought not to have been dismissed. As this court did not have jurisdiction, the plaint ought to have been returned under order 7 rule 10 CPC. Only to that extent, the learned single judge had erred."

15. Reverting to the facts of the present case, Plaintiff has pleaded in the plaint that the cause of action arose in April, 2022 when Plaintiff came to know of Defendant's trademark application for the impugned mark and his application seeking Excise License for the products. It is further pleaded that this Court has territorial jurisdiction to entertain, try and adjudicate the suit under Section 134(2) of the Act and Section 62(2) of the Copyright Act, 1957 as the Plaintiff being the registered proprietor of the trademark ' ' (label) and artistic work therein is carrying on its business for gain

within the territorial limits of this Court, through its principal and registered office located in Delhi and Plaintiff has no office or official place of business in Jodhpur, where the Defendant is located. It is further pleaded that acts of the Defendant will have an effect of causing confusion and/or deception to the Plaintiff's customers from Delhi as well as causing loss of reputation and goodwill to the Plaintiff in Delhi, being its principal feat of business, where the nerve centre of the business is located. Pertinently, it is also pleaded that the Defendant has filed trademark applications for registration of the Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 impugned marks, without any restriction to specific territorial or geographical boundaries and with an all-India effect i.e. the applications have a dynamic effect, operating throughout the territory of India, including Delhi. Therefore, there is imminent and credible apprehension that Defendant is likely to sell, distribute, market and deal in his impugned products also in Delhi and/or expand his activities to Delhi and/or has dealings with traders from Delhi. The threat is real and imminent in view of the pan-India trademark applications and therefore, a substantial and integral part of cause of action has arisen within the territorial jurisdiction of this Court, even under Sections 19 and 20 CPC.

16. Similar issue arose before this Court in M/s. Allied Blenders & Distillers Pvt. Ltd. (supra) and from a reading of the judgement it is discernible that the pleadings in the said case pertaining to cause of action were similar to the present case. In the context of the pleadings therein, after examining the plea of jurisdiction, the Division Bench held as follows, which in my view, covers the case of the Plaintiff in entirety:-

"21. In paragraph 27, the purported cause of action is with regard to the sale of the respondent's product in the State of Andhra Pradesh. In paragraph 28, however, while making the averments with regard to territorial jurisdiction, the plea of Section 134(2) and Section 62(2) of the Trade Marks Act and the Copyrights Act, respectively, has also been taken. It is, however, stated that the scale of the business activity of the defendant is not known and that "it is apprehended as being highly likely that the product sold under the impugned mark 'Regular Choice' will be made available in New Delhi". It is further alleged that there is a strong apprehension that the respondents will launch the impugned product in New Delhi and would be available within the jurisdiction of this court. Furthermore, it is averred that the threat that the respondent/defendant would sell and or offer for sale the impugned product within the jurisdiction of this court is both credible and imminent. It is clearly stated that this apprehension on the part of the plaintiff constituted a substantial and integral part of the cause of action which, according to the appellant/plaintiff, accrued within the jurisdiction of this court. And, Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 therefore, it was pleaded that this court would have territorial jurisdiction by virtue of Section 20 CPC also.

22. Now, if all these averments in the plaint are taken to be correct, it would mean that there is a reasonable and credible apprehension that the impugned product would be launched and sold in New Delhi. These are the ingredients for a quia timet action. In other words, they constitute the cause of action for instituting a suit in the

nature of a quia timet action. It is in this backdrop that we feel that the learned single Judge has fallen into error when he has prima facie taken the view that no part of the cause of action has occurred in Delhi. Just because the respondent/defendant had been selling the product under the impugned mark in Andhra Pradesh does not mean that when there is an imminent threat of the respondent/defendant launching and selling the same product under the same mark in Delhi, no cause of action, based on such apprehension, could arise. Clearly, the apprehension of the respondent launching its product under the impugned trade mark in Delhi, on a demurrer, would constitute cause of action or at least a part of the cause of action. Therefore, independent of the fact that as to where the appellant's/plaintiff's registered office or subordinate office was located, under section 20(c) of the CPC itself, this court would have territorial jurisdiction because part of the cause of action had arisen in Delhi as per the plaint."

17. Applying the provisions of Sections 134(2) of the Act and 62(2) of Copyright Act, as well as Section 20(C) CPC and the aforementioned judgments, in my view, the averments in the plaint on a plain demurrer, viz: (a) case being in the nature of a quia timet action i.e. credible and imminent apprehension of threat of Defendant selling the products in Delhi; (b) pan-India application by the Defendant for trademark registrations; (c) principal place of business of the Plaintiff being in Delhi; and (d) absence of subordinate or branch office of the Plaintiff in Jodhpur, where the Defendant is located, show that cause of action arises within the territorial jurisdiction of this Court. Additionally, it requires to be noted that in reply to the application filed by the Plaintiff under Order XXXIX Rules 1 and 2 CPC, Defendant has categorically admitted that he is expanding the business and consumer base with every passing day. Relevant pleadings to this effect are as follows: Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 • "Defendant's other Companies are leading names in the real industry, which are operated under India's rapidly growing and widely popular brand "THAR MEADOWS". The Thar group of Companies has served Rajasthan and other states of India....." • The Defendant continues to expand its growing brand value and consumer base with each passing day"

- "The Defendant's qualitative services are enjoyed and trusted by many individuals across the nation"

18. For all the aforesaid reasons, the application under Order VII Rule 10 CPC, filed by the Defendant, for return of plaint, deserves to be dismissed.

19. Coming to the merits, Plaintiff is stated to be engaged in the alcohol business since the year 1988 i.e. roughly over three and a half decades. The trademarks ' ' /DHOLA MAARU, as per the averment in the plaint, were adopted in the year 2004, for a range of country liquor and have been continuously, uninterruptedly and openly used commercially in connection with the liquor trade. It is undisputed that Plaintiff is the registered proprietor of the trademark ' ' (label) only, in class 33, while applications for registration of the two word marks are pending. Details of the registration are furnished in para 5 of the plaint and the registrations are stated to be valid and subsisting. Under Section 28(1) of the Act, on registration of the trademark, the registered proprietor gets an exclusive

right to use the trademark in relation to the goods for which the mark is registered and to obtain relief in respect of infringement by third parties. Action for infringement is a statutory remedy for vindication of rights of a registered proprietor, as held in *Kaviraj Pandit Durga Dutt Sharma v. Navratana Pharmaceutical Laboratories*, AIR 1965 SC 980 and *National Bell Co. v. Metal Goods Mfg. Co. (P) Ltd. and Another*, AIR 1971 SC 898. Therefore, Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 there cannot be a speck of doubt that being a registered proprietor of the label mark, Plaintiff has an exclusive right to use it and to protect the mark from infringement by an unauthorized and illegal user.

20. Section 29 of the Act provides that a registered trademark is infringed by a person, who not being a registered proprietor or a person using by way of permitted use, in the course of trade, uses a mark, which is identical with or deceptively similar to the registered trademark, in respect of the goods or services which are identical or similar. The question, therefore, that needs to be considered is whether the claim for infringement, made by the Plaintiff against the Defendant is justified. It is an undisputed fact that the registered trademark of the Plaintiff in question is a label mark and the Plaintiff does not have registration in the marks ' / DHOLA MAARU' (words per se). It is in this backdrop that Defendant urges that Plaintiff cannot lay a claim of infringement of word mark ' ', in the absence of a separate registration.

21. Law on this issue is no longer res integra. In *M/s. South India Beverages Pvt. Ltd. v. General Mills Marketing Inc. & Anr.*, 2014 SCC OnLine Del 1953, a Division Bench of this Court emphasised on the rule of anti-dissection and stated that the Courts while dealing with the case of trademark infringement, involving composite marks must consider the same in their entirety as an indivisible whole rather than truncating or dissecting them into their component parts and making comparison with the corresponding parts of the rival marks to determine confusion. However, having so observed, the Division Bench held that it is permissible to accord more or less importance or the dominance to a particular portion or element of a mark in case of composite marks and that the principle of 'anti-dissection' does not Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 impose an absolute embargo upon consideration of the constituent elements of a composite mark. Thus, the principle of anti-dissection and identification of dominant mark are not anti-thetical to one another and if viewed from a holistic perspective, the said principles complement each other.

22. Similar issue was considered and decided by a Division Bench of this Court in an earlier judgment in the case of *United Biotech Pvt. Ltd. v. Orchid Chemicals & Pharmaceuticals Ltd. & Ors.*, 2012 SCC OnLine Del 2942. In the said case, Respondent filed an application for removal of the mark 'FORZID' registered in favour of the Appellant in class 05, on the ground that it was deceptively similar to an earlier registered trademark 'ORZID' (label mark), also registered in class 05, in favour of the Respondent therein. Erstwhile IPAB had allowed the rectification application and the learned Single Judge dismissed the writ petition, challenging the said order. Deciding an intra-court Appeal, where the primordial argument of the Appellant was that Respondent's assertion of statutory right in the word 'ORZID' was contrary to the mandate of Section 17 of the Act, which gives exclusive right to a registered proprietor to use the trademark as a whole and not in part, the Division Bench held as follows:

"26. We find that the learned Single Judge rightly held that when a label mark is registered, it cannot be said that the word mark contained therein is not registered. We, thus, are of the opinion that although the word "ORZID" is a label mark, the word "ORZID" contained therein is also worthy of protection. The learned Single Judge has rightly observed that the judgment of the Supreme Court in Ramdev Food Products Ltd. (supra) is the complete answer. This aspect is considered and the argument of the appellant is rejected in the following words:

"27. On whether the OCPL could successfully ask for rectification for UBPL's word mark FORZID notwithstanding that OCPL held registration only for a label mark, the judgment of the Supreme Court in Ramdev Food Products Ltd. v. Arvindbhai Rambhai Patel, (2006) 8 SCC 726 : AIR 2006 SC 3304 is a complete answer. The Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 Court there referred to an earlier decision in Registrar of Trade Marks v. Ashok Chandra Rakhit, AIR 1955 SC 558, which concerned the proprietary mark 'Shree' which formed part of the device as a whole and was an important feature of the device. The Supreme Court observed that registration of a trade mark as a whole would give the proprietor "a right to the exclusive use of word 'Shree' as if separately and by itself." Therefore it would not be correct for UBPL to contend that the registration held by OCPL does not cover the word mark ORZID.""

23. The Division Bench of this Court in Himalaya Drug Company v. S.B.L. Limited, 2012 SCC OnLine Del 5701, elucidated the significance of the 'essential' features of the trademark and observed as under:

"44. The courts have propounded the doctrine of prominent and essential feature of the trade mark for the purposes of adjudication of the disputes relating to infringement of trade mark. While deciding the question of infringement, the court has to see the prominent or the dominant feature of the trade mark. Even the learned single judge agrees to this proposition when the learned judge quotes McCarthy on Trade Marks that all composite marks are to be compared as whole. However, it is dependent on case to case to basis as a matter of jury question as to what can be the possible broad and essential feature of the trade mark in question.

45. It is settled law that where the defendant's mark contains the essential feature of the plaintiff's mark combined with other matter, the correct approach for the court is to identify an essential feature depending particularly "on the court's own judgment and burden of the evidence that is placed before the Court". In order to come to the conclusion whether 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 differences, rather overall similarity has to be judged. While judging the question as to whether the defendant has infringed the trade mark or not, the court has to consider the overall impression of the mark in the minds of general public and not by merely comparing the dissimilarities in the two marks.

46. The ascertainment of an essential feature is not to be by ocular test alone but if a word forming part of the mark has come in trade to be used to identify the goods of the owner of the trade mark, it is an infringement of the mark itself to use that word as the mark or part of the mark of another trader for which confusion is likely to result. The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating Signature Not Verified
Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 how small is the chance of error in any customer who places his order for goods with both the marks clearly before him, for orders are not placed, or are often not placed, under such conditions. It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole". In the decision reported as (1951) 68 RPC 103 at page 105, *De Cordova v. Vick Chemical Co.*, the plaintiffs were the proprietors of a label containing the words "Vick's VapoRub" as the essential feature, registered in Jamaica, and the defendants used a similar label with the words "Karsote Vapour Rub" as the essential feature, and it was shown that the expression "VapoRub" had become distinctive of the plaintiff's goods in Jamaica, an action for infringement was successful. (See *De Cordova v. Vick Chemical Co.* (supra), (1941) 58 RPC 147, *Saville Perfumery Ltd. v. June Perfect Ltd.*, (1972) 1 SCC 618 : AIR 1972 SC 1359 at 1362, *National Chemicals and Colour Co. v. Reckitt and Colman of India Limited* and AIR 1991 Bom 76, *National Chemicals and Colour Co. v. Reckitt and Colman of India Limited*)

47. Identification of essential features of the trade marks has been discussed in details in the case of *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories* (supra):--

"In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, 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;..... "When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be "in the course of trade", the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for then the infringement is made out...."

48. The Court in determining whether the Defendant's mark is deceptively similar to the mark of the Plaintiffs were enunciated in the judgment of Mr. Justice Parker in the decision reported as (1906) 23 RPC 774, *Pionotist Case*:

"You must take the two words. You must judge them, both by Signature Not Verified their look and by their sound. You must consider the goods to Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trademarks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods - then you may refuse the registration, or rather you must refuse the registration in that case."

24. These principles were followed by a Co-ordinate Bench of this Court in Max Healthcare Institute Limited v. Sahrudya Health Care Private Limited, 2017 SCC OnLine Del 12031, holding that 'MAX' is the essential feature of the label mark of the 6 trademarks of the Plaintiff therein and thus the use of the word 'MAX' by the Defendant amounts to infringement albeit the decision was taken in the context of deciding an application filed by the Defendant under Order 7 Rule 11 CPC. The Bombay High Court in Brihan Karan Sugar Syndicate Pvt. Ltd. v. Lokranjan Breweries Pvt. Ltd., 2014 SCC OnLine Bom 1063, was dealing with the claim for infringement by the Plaintiff with respect to the registered trademark 'TANGO PUNCH' and the issue was whether the word 'TANGO' was an essential, leading and memorable feature of the mark as the Plaintiff had sought to restrain the Defendant from using the bottles with a trademark 'TANGO'. Opposition by the Defendant was on the ground that Plaintiff's registered mark was a composite label and not a word mark and Plaintiff could claim no monopoly on the word 'TANGO', not being registered separately as a word mark. Relying on the judgment in Ultra Tech Cement Limited v. Alaknanda Cement Pvt. Ltd. and Another, 2011 SCC OnLine Bom 783 and other judgments on the point, the Bombay High Court held as under:

Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 "24. Where Mr. Kadam sees a conflict (between seeing the mark as an inseverable whole and enforcing a monopoly on the use of a particular, essential element of it), I see none. Of course the statute provides that where a mark has multiple elements, its registration gives exclusivity in the use of the entirety of the mark. But this cannot mean that where the mark has a unique, distinctive, memorable, leading and essential feature, albeit not one separately registered, that that feature can be used willy-nilly by all and sundry without fear of repercussion. In the context of trade mark law, a leading or essential feature is akin to a synecdoche, a figure of speech where a part is uniquely representative of the whole (and sometimes vice-versa): "sails" for boats, or "willow" for a cricket bat for instance. I believe there is a valid analogy to be drawn with trade mark law, for it often happens that a singular feature of a trade mark is so utterly unique and distinctive that it at once connotes the whole of the mark. In Mr. Kadam's formulation, were these components not separately registered, it would be open hunting season on them all and anyone could use them even in conjunction with rival products. That seems to me to be a concept that entirely undermines the fundamentals of trade mark protection law."

25. Therefore, what emerges from a reading of the aforesaid judgments is that even in case of a label/device marks, it is possible for the Court to follow the 'dominant' mark test and in case it is found that Defendant's mark appropriates the essential features of the Plaintiff's mark, albeit it is a component of a whole mark (label or device), Court can compare the essential features of the rival marks to determine if there is any identity/deceptive similarity to determine if there is infringement. Of course, in every case, this would be purely a matter of judgment of the Court, depending on the facts and circumstances of the case, keeping in mind the overall impression of the mark that would be generated in the minds of a general public.

26. It is in this perspective that the label mark of the Plaintiff requires examination, to determine if any 'essential' features can be identified. Looking at the label marks, and going by the colour contrast to the background, font size, stylized writing etc., in my prima facie view, the word ' ' form an essential, key Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 and dominant part of the registered label mark of the Plaintiff, Applying the 'dominant mark' test, which has been held to be complementing the anti-dissection rule, this Court finds no merit in the contention of the Defendant that Plaintiff cannot assert a right to exclusive use of the part of the word mark ' ' only because it has registration in the label mark, as a whole.

27. The next plank of the argument of the Plaintiff requiring consideration is whether the rival marks ' ' and ' ' are identical/deceptively similar, which is one of the ingredients of infringement under Section 29(2) of the Act. It is clear that rival marks are not identical and thus the controversy narrows down to see if they are deceptively similar. The test for comparison of two word marks was formulated by Lord Parker in *Re Pianotist Co.'s Application*, (1906) 23 RPC 774, as follows:

"You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks."

28. In *Kaviraj Pandit Durga Dutt Sharma* (supra), it was held:

"28.

.....In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, 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;

Signature Not Verified whereas in the case of passing off, the defendant may escape Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff."

29. In *Corn Products Refining Co. v. Shangrila Food Products Ltd.*, AIR 1960 SC 142, the Supreme Court observed that the question whether two competing marks are similar so as to be likely to cause confusion or association is one of first impression and the question has to be approached from the point of a man with average intelligence and imperfect recollection.

30. It would be relevant to refer to a passage from *Mahashian Di Hatti Ltd. v. Raj Niwas*, Proprietor of MHS Masalay, 2011 SCC OnLine Del 2076, a decision rendered by a Co-ordinate Bench of this Court, relevant passage of which is extracted hereunder:

"12. It is thus settled proposition of law that in order to constitute infringement the impugned trademark need not necessarily be absolutely identical to the registered trademark of the Plaintiff and it would be sufficient if the Plaintiff is able to show that the mark being used by the defendant resembles his mark to such an extent that it is likely to deceive or cause confusion and that the user of the impugned trademark is in relation to the goods in respect of which the Plaintiff has obtained registration in his favour. It will be sufficient if the Plaintiff is able to show that the trademark adopted by the defendant resembles its trademark in a substantial degree, on account of extensive use of the main features found in his trademark.

In fact, any intelligent person, seeking to encash upon the goodwill and reputation of a well-established trademark, would make some minor changes here and there so as to claim in the event of a suit or other proceeding, being initiated against him that the trademark being used by him, does not constitute infringement of the trademark, ownership of which vests in some other person. But, such rather minor variations or distinguishing features would not deprive the Plaintiff of injunction in case resemblance in the two trademarks is found to be substantial, to the extent that the impugned trademark is found to be similar to the registered trademark of the Plaintiff. No person can be allowed to sell goods either using the mark of another person or its imitation, so as to cause injury to that person and thereby enrich himself at the cost of a person who has spent considerable time, effort and money in building the brand reputation, which no amount of promotion or advertising can create unless the quality of the goods being sold under that brand is also found to be good and acceptable to the consumer. In a case based on infringement of a registered trademark, the Plaintiff need not prove Signature Not Verified anything more than the use of its registered trademark by the Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 defendant. In such a case, even if the defendant is able to show that on account of use of other words by him in conjunction with the registered word mark of the Plaintiff, there would be no confusion in the mind of the customer when he come across the product of the defendant and or that on account of the packaging, get up and the manner of writing trademark on the packaging, it is possible for the consumer to distinguish his product from that of the Plaintiff, he

would still be liable for infringement of the registered trademark."

31. For the sake of completeness, I may also refer to a passage from FDC Limited v. Docsuggest Healthcare Services Pvt. Ltd. & Anr., 2017 SCC OnLine Del 6381, as under:

"57. The degree of similarity between the marks concerned can be assessed from their visual, structural and phonetic similarity. Apart from the visual and phonetic similarity, factors like class of users, distinctive character of the registered trademark, imperfect recollection of the average consumer, and overall impression of the mark are considered in ascertaining similarity between two marks. The Supreme Court in Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories AIR 1965 Supreme Court 980 (1), in para 28 observed as follows:

"In an action for infringement, the plaintiff must, no doubt, make out that use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, 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;...."

[emphasis supplied]

32. On the question of phonetic similarity, there is again a wealth of judicial precedents and to avoid prolixity I may only refer to the judgment of the Supreme Court in Amritdhara Pharmacy v.

Satya Deo Gupta, AIR 1963 SC 449, where the test of phonetic similarity in judging two competing marks 'AMRITDHARA' and Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 'LAKSHMANDHARA' was used and relevant passages from the said judgment are as follows:

"6. It will be noticed that the words used in the sections and relevant for our purpose are 'likely to deceive or cause confusion'. The Act does not lay down any criteria for determining what is likely to deceive or cause confusion. Therefore, every case must depend on its own particular facts, and the value of authorities lies not so much in the actual decision as in the tests applied for determining what is likely to deceive or cause confusion. On an application to register, the Registrar or an opponent may object that the trade mark is not registrable by reason of clause (a) of Section 8, or sub-section (1) of Section 10, as in this case. In such a case the onus is on the applicant to satisfy the Registrar that the trade mark applied for is not likely to

deceive or cause confusion. In cases in which the tribunal considers that there is doubt as to whether deception is likely, the application should be refused. A trade mark is likely to deceive or cause confusion by its resemblance to another already on the register if it is likely to do so in the course of its legitimate use in a market where the two marks are assumed to be in use by traders in that market. In considering the matter, all the circumstances of the case must be considered. As was observed by Parker, J. in *Pianotist Co.'s Application*, Re [(1906) 23 RPC 774] which was also a case of the comparison of two words--

"You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks." (p. 777) For deceptive resemblance two important questions are: (1) who are the persons whom the resemblance must be likely to deceive or confuse, and (2) what rules of comparison are to be adopted in judging whether such resemblance exists. As to confusion, it is perhaps an appropriate description of the state of mind of a customer who, on seeing a mark thinks that it differs from the mark on goods which he has previously bought, but is doubtful whether that impression is not due to imperfect recollection.

7. Let us apply these tests to the facts of the case under our consideration. It is not disputed before us that the two names "Amritdhara" and "Lakshman-dhara" are in use in respect of the same description of goods, namely a medicinal preparation for the alleviation of various ailments. Such medicinal preparation will be purchased mostly by people who instead of going to a doctor wish to purchase a medicine for the quick Signature Not Verified alleviation of their suffering, both villagers and townfolk, literate Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 as well as illiterate. As we said in *Corn Products Refining Co. v. Skangrila Food Products Ltd.* [(1960) (1) SCR 968] the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. To such a man the overall structural and phonetic similarity-of the two names "Amritdhara" and "Lakshmandhara" is, in our opinion, likely to deceive or cause confusion. We must consider the overall similarity of the two composite words "Amritdhara" and "Lakshmandhara". We do not think that the learned Judges of the High Court were right in saying that no Indian would mistake one for the other. An unwary purchaser of average intelligence and imperfect recollection would not, as the High Court supposed, split the name into its component parts and consider the etymological meaning thereof or even consider the meaning of the composite words as "current of nectar" or "current of Lakshman". He would go more by the overall structural and phonetic similarity and the nature of the medicine he has previously purchased, or has been told about, or about which has otherwise learnt and which he

wants to purchase. Where the trade relates to goods largely sold to illiterate or badly educated persons, it is no answer to say that a person educated in the Hindi language would go by the etymological or ideological meaning and see the difference between "current of nectar" and "current of Lakshman". "Current of Lakshman" in a literal sense has no meaning; to give it meaning one must further make the inference that the "current or stream" is as pure and strong as Lakshman of the Ramayana. An ordinary Indian villager or townsman will perhaps know Lakshman, the story of the Ramayana being familiar to him; but we doubt if he would etymologise to the extent of seeing the so-called ideological difference between "Amritdhara" and "Lakshmandhara". He would go more by the similarity of the two names in the context of the widely known medicinal preparation which he wants for his ailments."

33. In *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.*, (2001) 5 SCC 73, the Supreme Court emphasised that the principle of phonetic similarity cannot be jettisoned, even if the manner in which the two competing marks are written is different.

34. From the conspectus of the aforesaid judgments, it may be summed up that in comparing the marks the degree of similarity can be assessed from their visual, structural and phonetic similarity.

Looked from this perspective, in my prima facie view ' ' is visually, phonetically and structurally deceptively similar to the Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 prominent and essential part of Plaintiff's label mark ' ' and no further enquiry is necessitated to assess the 'similarity', at this stage.

35. The second ingredient of Section 29(2) is the identity/similarity of the goods or services in the two competing parties. Admittedly, both parties are using their respective marks in respect of country liquor and therefore the goods are identical. The goods being identical the class of purchasers/consumers of the two products are also likely to be same or overlapping and needless to state that trade channels would be common. The rival marks being deceptively similar and the goods being identical with the trade channels being common the only other question that needs to be determined is if there is a likelihood of confusion or association by the use of the Plaintiff's trademark by the Defendant for its product.

36. In *Shree Nath Heritage Liquor Pvt. Ltd.* (supra), the Division Bench culled out the factors required to be considered by Courts to determine likelihood of 'confusion' in trademark infringement. Some of the factors that can be culled out from the reading of the aforesaid judgment are: (a) strength of the mark; (b) degree of similarity between the rival marks; (c) proximity of products; (d) likelihood that prior owner will bridge the gap; (e) actual confusion; (f) reciprocal of defendant's good faith in adopting its own mark (bad faith); (g) quality of Defendant's product; (h) marketing channels; and (i) Defendant's intention in reflecting the mark.

37. In *Cadila Health Care Ltd.* (supra), the Supreme Court laid down the factors for deciding the likelihood of confusion albeit in passing off, but it was subsequently held in several judgments that the same principles would apply for determining confusion in cases of Signature Not

Verified infringement. The factors are as follows:

Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 "35.....

- (a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.
- (b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.
- (c) The nature of the goods in respect of which they are used as trade marks.
- (d) The similarity in the nature, character and performance of the goods of the rival traders.
- (e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.
- (f) The mode of purchasing the goods or placing orders for the goods.
- (g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks."

38. Considering that the essential part of the Plaintiff's label mark has been copied by the Defendant and ' ' and ' ' are deceptively similar, coupled with the fact that the goods are identical and trade channels are common, in my view, the triple identity test stands satisfied and there is every likelihood of confusion in the mind of the purchaser with average intelligence and imperfect recollection that the product of the Defendant emanates from the Plaintiff and has come connection or association and prima facie case of infringement is made out by the Plaintiff.

39. It was also contended on behalf of the Defendant that Plaintiff cannot assert an exclusive right/monopoly in its trademark, as ' ' is a commonly used word in the State of Rajasthan as a part of its cultural heritage and is inherently incapable of serving as a trademark i.e. source identifier of the Plaintiff's goods. It is difficult for this Court to prima facie accept this contention.

Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894

40. It needs no reiteration that when a common word is applied in a context where it has no co-relation to the product in question, it is termed as 'arbitrary' mark. Arbitrary marks enjoy high degree of protection without proof of secondary meaning. It was held in *Telecare Network India Pvt. Ltd. v. Asus Technology Pvt. Ltd. and Others*, 2019 SCC OnLine Del 8739, that a word may be generic qua a specific business, trade or industry or goods but not across all trades, businesses or classes, for instance 'ARROW' is a generic word qua Archery business but arbitrary qua shoes. Similarly, IVORY would be generic when used to describe a product made from elephant tusks but

would be arbitrary when applied to a soap.

41. In *M/s. Kirolimal Kashiram Marketing & Agencies Pvt. Ltd. v. M/s. Shree Sita Chawal Udyog Mill*, 2010 SCC OnLine Del 2933, Plaintiff had prayed for an injunction restraining the Defendant from using the trademark 'GOLDEN DEER', which was alleged to be deceptively similar to 'DOUBLE DEER', the registered trademark of the Plaintiff. The Division Bench, noting that the learned Single Judge had fallen into error, held that copying a prominent part of a trademark leads to deceptive similarity, especially when the product of both the parties is the same. The expression 'DEER' was arbitrarily adopted by the Appellant qua the product rice, with which it has no connection and is thus entitled to a high degree of protection. Reliance was placed on the judgment in *Amar Singh Chawal Wala v. Shree Vardhman Rice and Genl. Mills*, 2009 SCC OnLine Del 1690, where the dispute arose with respect to the registered marks 'GOLDEN QILLA' and 'LAL QILLA' and the product in question was also rice. Agreeing with the Plaintiff in the said case, the Court held that use by the Defendants of the mark and device 'HARA QILLA' and 'QILLA' respectively, would cause confusion and deception amongst the users. Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 and trade in general. It is noticeable that in the said case also the trademark was 'arbitrary' to the product in question and was accorded protection. It is trite that when a common word is applied in an unfamiliar way or to products with which it is wholly unconnected, it is referred to an 'arbitrary' mark, for instance, APPLE for computer or Canon to camera or printer and enjoys a high degree of protection.

42. In *Telecare Network India Pvt. Ltd.* (supra), this Court held that though 'ZEN' is a generic word qua a School of Buddhism, yet it is not generic with regard to mobile phones and tablets, as the word has no connection or co-relation with mobile phones or tablets. Significantly, the Court also held that being 'arbitrary', the mark is entitled to protection without proof of it having acquired secondary significance.

43. Reliance has been correctly placed by the Plaintiff on the judgment in *Bata India Limited v. Chawla Boot House*, 2019 SCC OnLine Del 8147, where the Co-ordinate Bench of this Court held that the word 'POWER' could not be immediately connected to shoes (footwear) and applying the competitor's need test, is an arbitrary mark. Applying the 'imagination test' as well as the 'competitor's need test', by no stretch of imagination can it be said that ' /DHOLA MAARU' has a connection or co-relation with the product in question i.e. country liquor. The expression ' /DHOLA MAARU' is 'arbitrary' qua the product and therefore entitled to high degree of protection.

44. Insofar as the argument of the Defendant that ' ' is a generic expression, used commonly as part of the cultural heritage of State of Rajasthan, is concerned, learned Senior Counsel for the Plaintiff has rightly placed reliance on the judgment in *K.R. Chinna* Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 *Krishna Chettiar v. Shri Ambal and Co., Madras and Another*, (1969) 2 SCC 131, wherein competing marks were 'SRI ANDAL' and 'SRI AMBAL', both being separate divinities and the Court granted injunction. In *Vishnudas Trading as Vishnudas Kishendas v. Vazir Sultan Tobacco Co. Ltd., Hyderabad and Another*, (1997) 4 SCC 201, the Supreme Court recognized trademark proprietor's rights in 'CHARMINAR' a historical 18th century monument, a part of the Indian heritage and in *Nandhini*

Deluxe v. Karnataka Coop. Milk Producers Federation Ltd., (2018) 9 SCC 183, the Court found that trademark rights could be asserted in 'NANDHINI', which represents a Goddess and Cow in Hindu Mythology. As noted above, ' ' has absolutely no reference to character and quality of country liquor and is completely arbitrary. Following the said judgment to the present case in my prima facie view contention of the Defendant that ' ' is generic and commonly used word, making the mark vulnerable cannot be accepted.

45. Though subtly, it was sought to be contended by the Defendant that several entities including those in allied and cognate classes of goods and services, use the mark/expression ' ' / 'DHOLA MARU', as their trade name, etc. and support was taken from the documents filed by the Defendant in this regard, which include trademark registration certificates/applications filed by different entities for registration in various classes, including under class 30 as well as print outs of search results on google.com.

46. In this context, I may only refer to a paragraph from the judgment of this Court in Telecare Network India Pvt. Ltd. (supra), where the Court has held that in the absence of actual user evidence by third parties, merely filing search reports from the Trade Marks Office Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 does not prove the defence of the Defendant that the mark is common to trade. Relevant para is as follows:

"37. This Court is further of the view that mere filing of a search report from the Trade Mark Office does not prove that the mark mentioned in the search report is actually being used by third parties. To prove the defence of common to trade, it is imperative on the part of the party who relies upon the mark of third parties to produce cogent and clear evidence of use of the said mark. In Novartis AG. v. Crest Pharma Pvt. Ltd., 2009 (41) PTC 57 (Del.) it has been held as under:--

"32. The next contention of the defendant is that there are number of other companies who are using the similar trade mark as that of the plaintiff, those are CEFF, SIMCEF, CEF, BECEF, SYCEF, CEACEF, SYCEF, SICEF and C-CEF. The contention of the defendant has no force as the defendants have failed to produce any evidence of the actual user of the said marks referred by the defendants. In order to take the said defence, the party has to give cogent evidence before this court as to since when these trade marks are being used and what is the goodwill and reputation of the said trade marks. The defendant in the present case has not produced the samples of the third parties in order to show as to whether the said marks are being used and goods are available in the market or not. The similar defence raised in various cases has been dealt by the courts from time to time in the cases of Century Traders (supra), Corn Products refining Co. v. Shangrila Food Products Ltd., AIR 1960 SUPREME COURT 142 and Pankaj Goel v. Dabur India Ltd., 2008 (38) PTC 49 (Del). Relevant part of the decision of Corn Product (supra) is reproduced hereinbelow:--

"17. The series of marks containing the common element or elements therefore only assist the applicant when those marks are in extensive use in the market. The onus of proving such user is of course on the applicant, who wants to rely on those marks. Now in the present case the applicant, the respondent before us, led no evidence as to the user of marks with the common element. What had happened was that Deputy Registrar looked into his register and found there a large number of marks which had either 'Gluko' or 'Vita' as prefix or suffix in it. Now of course the presence of a mark in the register does not prove its user all. It is possible that the mark may have been registered but not used. It is not permissible to draw any inference as to their user from the presence of the marks on the register."

(emphasis supplied) Signature Not Verified Signing Date:19.11.2022 13:20:27
Neutral Citation Number: 2022/DHC/004894

47. In Shree Nath Heritage Liquor Pvt. Ltd. (supra), the Division Bench held that merely because the mark is common to the register of trademarks it may not be common to trade. For an argument predicated on common to trade to succeed, evidence of extensive use of the mark in question needs to be shown. Merely relying on a few third-party labels is not enough to prove that the mark is common to trade. Applying the observations in the above judgments to the present set of facts the documents placed on record by the Defendant are trademark registration certificates or applications or some results from random internet search. There are no documents showing actual extensive user by any third party. It is, even otherwise, trite that the mere entry of the mark in the Register of Trade Marks is not evidence of its actual use for a mark may be registered by an entity, but may not have been put to actual use. In any case, this argument does not inure to the benefit of the Defendant, for the reason that the mark ' ' is purely arbitrary to the products in question in the present case and in law entitled to a high degree of protection.

48. Another argument which was vehemently raised by the Defendant was that Plaintiff's registered mark suffers from non-use. It was contended that Plaintiff has not placed on record any material to show that it has used the registered label mark bearing application no. 1373603 since its registration in the year 2005. The trademark which is not used is liable to be cancelled under Section 47(2) of the Act and therefore, Plaintiff is not entitled to claim monopoly on the basis of the registration in the trademark ' ' (label) and consequently not entitled to interim relief, either on ground of infringement or passing off. Genesis of this argument is the allegation that Plaintiff is seeking infringement of label marks, which are Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 different from the mark for which it has registration. Comparing the registered label mark and the trade marks (labels) actually used by the Plaintiff over the product bottles, certain differences were pointed out to the Court viz: word mark ' ' is a single word in the registered mark but is separately written in the actual used marks; colour schemes, symbols used thereunder and the font of the tagline below the word ' ' are different.

49. Coming to the legal argument that the trademark of the Plaintiff is liable to be cancelled and removed from the Register of Trade Marks, on account of non-use under Section 47(2) of the Act, in my view, the contention deserves to be rejected. The Supreme Court in Gujarat Bottling Co. Ltd. and

Others (supra), has held that protection of a registered trademark is not dependent on its use. Relevant para is as under:

".....

In respect of a trade mark registered under the provisions of the Act certain statutory rights have been conferred on the registered proprietor which enable him to sue for the infringement of the trade mark irrespective of whether or not that mark is used.
....."

50. Section 18 of the Act permits an application for registration of a trademark to be filed on a 'proposed to be used' basis and therefore, it is apparent that registration of a trademark is not dependent on its use. In any case, in the event of a non-use of a registered trademark, in a given case, the Act itself provides a remedy and mechanism to the aggrieved party to seek its removal from the Register under Section 47(1)(b). Therefore, while it may be open to the Defendant to resort to the remedy available under the said provision of the Act, however, this cannot be taken as a defence against infringement. [Ref. Hardie Trading Ltd. and Another (supra)]. In Radico Khaitan Ltd. v. Signature Not Verified Devans Modern Breweries Ltd., 2019 SCC OnLine Del 7483, a Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 similar issue had come up before a Co-ordinate Bench of this Court and relying on the provisions of the Act and the judgements, the Court held that Plaintiff being the registered proprietor of the mark had an exclusive right to use the same and the right to sue for infringement was not dependent on the use of the mark.

51. On facts, Plaintiff has traversed the objection of non-use by pointing out to the categorical stand taken in the pleadings in the plaint that the trademarks have been in use since 2004. Sales turnover figures from the years 2005-06 upto 2021-22 have been placed on record, supported by invoices. Sales turnover figures reflect that the sales of the product of the Plaintiff, under its trademarks have steadily increased from Rs.18,64,24,594/- to Rs.162,18,82,915.11/- and at prima facie stage, this is enough to establish user.

52. In so far as slight variation in the label mark is concerned, Plaintiff is right in contending that Section 47(3) of the Act itself carves out an exception to non-use. Section 47(3) of the Act is extracted hereunder for ready reference:

"47. Removal from register and imposition of limitations on ground of non-use.--

....

(3) An applicant shall not be entitled to rely for the purpose of clause (b) of sub-section (1) or for the purposes of sub-section (2) on any non-use of a trade mark which is shown to have been due to special circumstances in the trade, which includes restrictions on the use of the trade mark in India imposed by any law or regulation and not to any intention to abandon or not to use the trade mark in

relation to the goods or services to which the application relates."

53. Plain reading of the provision shows that provisions of Section 47(2) will not apply where the non-use of a trademark is due to special circumstances in the trade, which includes restrictions on the use of the trademark in India imposed by any law or Regulations and not due to any intention to abandon or not to use the trademark in relation to Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 the goods or services to which the application relates. Plaintiff has sought refuge under the exception of Section 47(2) on the ground that Plaintiff had to vary the label on account of the requirement of a Notification issued by the Office of Excise Commissioner, Rajasthan, which requires a strong concentration liquor to have a red background and the light concentration liquor to have a blue background and the change is necessitated due to these regulatory requirements, including mention of statutory warnings etc. No changes other than those mandated by law for sale of country liquor, are discernible on the label marks used by the Plaintiff and certainly none to the essential elements which are under the cover of registration. Thus, in my prima facie view, the defence set up by the Defendant against infringement, predicated on alleged non-use of the label mark by the Plaintiff, cannot be accepted. Interestingly, Defendant has himself relied on the Notification issued by the Excise department to justify use of similar colour scheme etc. to get over the allegations of infringement and passing off.

54. In this context, I may profitably refer to the judgment of the Bombay High Court in Sabmiller India Ltd. v. Jagpin Breweries Ltd., 2014 SCC OnLine Bom 4842, where the Court held that only because a registered trademark is not used in exactly the same form as it is registered, it cannot be said that the mark is abandoned. So long as the trademark, which is actually used by the Plaintiff, consists of its leading, essential and prominent features, the use of the mark will be deemed to constitute the use of the registered trademark itself. It was also observed that the trademark label undergoes change in shapes/sizes to suit the container on which it is affixed. Sometimes, additions/deletions are made in the trademark label in accordance with the statutory/regulatory requirements and use of such altered Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 trademark labels will be deemed to constitute use of the registered trademark. Of course, a caveat was added by the Court that the alterations should not be such as would substantially alter the identity of the mark with reference to its prominent, leading and essential features. Reliance was placed by the Court on the decisions of the Bombay High Court in SKOL Breweries Ltd. v. Fortune Alcobrew Pvt. Ltd., 2012 (50) PTC 413 (Bom.) and SKOL Breweries Ltd. v. Som Distilleries and Breweries Ltd., 2012 (49) PTC 231 (Bom.). The facts of the present case, according to this Court, completely fit into the jacket of the observations of the Bombay High Court, as in the present case, the only alteration or variation in the registered label of the Plaintiff is on account of the regulatory regime under the Excise law, relating to sale of country liquor and Plaintiff cannot escape mandatory compliances required by law.

55. In Fedders Llyod Corporation Ltd. & Anr. (supra), the Division Bench of this Court has held that in order to constitute non- use there must be an intention to abandon the trademark and filing a suit for infringement shows that there is no intention on the part of the Plaintiff to abandon its trademark. The present suit for infringement is itself an indication that Plaintiff never intended to abandon its trademarks.

56. Before drawing curtains, I may also deal with the defence of the Defendant that the use of the label mark ' ' by the Defendant is bona fide. Defendant has been using the mark 'THAR' and its variants including 'THARU' since the year 1988 openly, extensively, continuously and uninterruptedly in the mark. Defendant has in fact taken shifting stands with respect to the reason for adopting the ' '. On the first date of hearing, as rightly contended Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 by the Plaintiff, it was submitted that the word THARU was adopted as the Defendant has various companies under the name THAR or its formatives. Thereafter, the position adopted was that the word THARU refers to a community in Nepal, which is fond of liquor and the word DHOLA/DHOL is a common word across the country denoting drum/large drum and is used in celebrations. Therefore, the allegedly coined word indicates celebrations. While the Defendant may be right in its submission that the word THARU has been adopted after its various companies under the name THAR and its formatives and the word THARU refers to a community in Nepal and the word DHOLA refers to a term, however, this explanation in the present context for country liquor is not plausible or believable and to say the least, is a dishonest adoption. Plaintiff has been in the business of liquor trade from the year 1988 and has been using the mark ' ' since 2004, which is prima facie evident from the sales invoices placed on record. Both parties sell identical goods i.e. country liquor and Plaintiff sells its product in the State of Rajasthan, where Defendant also carries on business. Both parties are well-known Companies in their respective fields and it cannot be said that the Defendant was unaware of Plaintiff's business or trademarks. It is hard to believe that Defendant was unaware of the Plaintiff's trade in liquor or the marks ' '/DHOLA MAARU and the registered label mark, under which the country liquor was sold for nearly two decades. The effort by the Defendant to come as close as possible to the mark of the Plaintiff is evident by juxtaposing the two words DHOLA and THARU, assuming that the companies of the Defendant are run under the name THAR/THARU. It is not explained why the word DHOLA was prefixed with THARU for use as a Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 trademark and that too for an identical product sold by the Plaintiff. The adoption is clearly with a view to encash on the formidable reputation of the Plaintiff and is completely dishonest, tainted, illegal and mala fide. Any person who uses the mark which is deceptively similar to a registered trademark and for an identical product, cannot escape the rigors of infringement.

57. In *Metropol India (P) Ltd. v. Praveen Industries India (Regd)*, 1997 SCC OnLine Del 705, the Court held that the very act of the Defendant in trying to sell its product by use of the word 'PRAVEEN CLEANJO', which is deceptively similar to the Plaintiff's registered mark 'CLEANJO', is a dishonest act to draw upon Plaintiff's goodwill. Reliance was placed on the judgment of the Court in *Slazenger & Sons v. Feltham & Co.*, 6 RPC 531, where the Court observed as follows:

"One must exercise one's common sense, and, if you are driven to the conclusion that what is intended to be done is to deceive if possible, I do not think it is stretching the imagination very much to credit the man with occasional success or possible success. Why should we be astute to say that he cannot succeed in doing that which he is straining every nerve to do?"

58. In another decision in *Munday v. Carey*, 22 RPC 273, the Court held as follows:

"... where you see dishonesty, then even though the similarity were less than it is here, you ought, I think, to pay great attention to the items of similarity, and less to the items of dissimilarity."

59. To the same effect are the observations of this Court in Win-Medicare Pvt. Ltd. v. Galpha Laboratories Ltd. and Ors., MANU/DE/0051/2016, where the Court held that Defendants being involved in the same trade ought to have been aware of the Plaintiff and its medicinal products available in the market under the trademark BETADINE. Adoption of a deceptively similar trademark and trade Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 dress by the Defendant under the mark BECTODINE was held to be dishonest adoption.

60. For the proposition that the expression ' ' is not distinctive to Plaintiff's goods and is commonly used in State of Rajasthan, learned Senior Counsels for the Defendant relied on the judgments in IHHR Hospitality Pvt. Ltd. (supra), Bhole Baba Milk Food Industries Ltd. (supra), Pathanj ali Ayurved Limited (supra) and Skyline Education Institute (India) Private Limited (supra).

61. In IHHR Hospitality Pvt. Ltd (supra), Appellant had registration for the mark ANANDA for ayurveda and herbal preparations grocery etc., while Respondent was using the mark ANANDA for construction and sale of apartments and therefore there was no similarity in the goods. The sales were to the tune of Rs. 200 crores in the last 10 years. The facts are wholly inapplicable to the present case where the competing goods are identical and Plaintiff has been able to prima facie demonstrate its sales turnover is to the tune of Rs.1,630 crores between 2005 and 2022.

62. In Bhole Baba Milk Food Industries Ltd. (supra), Appellant sought a restraint against the Respondent from using the mark KRISHNA in relation to Ghee products. The Court observed that a Deity may be associated with a particular kind of goods and it is common knowledge that Lord Krishna was known for his love of milk and butter and can be linked with the said products, which would dilute the proprietary claim projected by any person in relation to KRISHNA with dairy products. In the present case, the mark ' ' is wholly unconnected and unrelated to country liquor.

63. Reliance on the judgment in Skyline Education Institute (India) Private Limited (supra), is also misplaced. In the said case, Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 Court found as a matter of fact found that the term SKYLINE was generic and was being used by thousands of persons and institutes, including 117 Companies, which were readily identifiable. In the present case, it cannot be said that the mark ' ' is generic and furthermore, Defendant has been unable to place any evidence on record of actual use of the mark by third parties and that too for alcohol.

64. For the proposition that Plaintiff's registrations in the label mark does not confer exclusive right to a part of the mark, reliance was placed on the judgments in Vardhman Buildtech Pvt. Ltd. & Ors. (supra), Radico Khaitan Ltd. v. Carlsberg India Private Limited (supra) and OM Logistics Ltd. (supra). In Vardhman Buildtech Pvt. Ltd. & Ors. (supra), Respondent's registration was in a label mark whereas the Appellant's registration was in the label . As a matter of fact, in the said case, the

Court found that the word VARDHMAN is itself of a non-distinctive character and is not only common to the trade in question but to several other businesses. In the present case, Plaintiff's registration is for a label mark, essential part of which is and Defendant has not been able to show that the mark is common to the trade qua country liquor.

65. In Radico Khaitan Limited v. Carlsberg India Private Limited (supra), the claim of infringement was with respect to the mark 8PM by use of the mark PALONE 8 PM by the Defendants. The issue before the Court was whether a single numeral 8 in the facts of the case could be protected while comparing the two marks for goods falling in classes 32 and 33 separately. The Court found that numeral 8 Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 was common to trade for alcohol. Court also noted that the cases referred to by the Plaintiff have no bearing as in all the said cases, the trademarks were not single letter marks and the Defendants in those cases had appropriated the entire mark of the Plaintiff. In OM Logistics Ltd. (supra), the marks in question were 'OM EXPRESS LOGISTICS' and OM LOGISTICS LTD. The injunction was primarily vacated in the said case on account of concealment and suppression by the Plaintiff and secondly, OM LOGISTICS were found to be common to trade to the particular class 39.

66. In support of the argument that the Plaintiff's registered marks suffer from non-use, Defendant relied on Veerumal Praveen Kumar (supra), Fedders Llyod Corporation Ltd. & Anr. (supra) and Allegran Inc. & Anr. (supra). Insofar as, Veerumal Praveen Kumar (supra) is concerned, this Court in Radico Khaitan Limited v. M/s Devans Modern Breweries Ltd. (supra) distinguished the said judgment holding that in Veerumal Praveen Kumar (supra) there had been non-use of the registered marks for 40 years, except between 1977 to 1979 and nothing was placed on record to show that the Plaintiff had come into business in India at any subsequent stage. The Court also noted that the delay on the part of the Plaintiff permitted the Defendant to expend money over a considerable period of time and build up a business bearing the mark in question. In the present case, prima facie this Court has come to a finding that Plaintiff cannot be condemned on ground of non-use of the mark, for the aforesaid reasons and the invoices and figures of sales placed on record from the year 2005-06 evidence to the contrary. In Fedders Llyod Corporation Ltd. & Anr. (supra), it was held that the mark can lose its distinctiveness by non-use where non-use is on the part of the registered trademark holder but the non-use does not render the entry Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 incorrect and only gives the right to a person whose interest is affected, to apply for its removal. In the present case, no such intention of non-use or abandonment of the trademark is prima facie reflected from the record and even otherwise non-use can at the highest give a cause to the Defendant to resort to appropriate remedies for seeking removal of the mark from the Trade Marks Registry. Non- use cannot serve as a defence against infringement.

67. In Allegran Inc. & Anr (supra), order was passed by the learned Single Judge under the provisions of Order XII Rule 6 CPC, which was subsequently partially set aside by the Division Bench and the matter was directed to be re-heard by the learned Single Judge. None of these cases, therefore, come to the aid of the Defendant.

68. Insofar as the claim of passing off is concerned, it is settled that passing off is a common law remedy unlike infringement which is a statutory right. The entire basis or edifice of a passing off action is that no one has right to represent his goods or services as those of someone else and Courts would come to aid and restrain the misrepresentation, even though it may not be fraudulent. Lord Diplock in *Erven Warnink BV v. J. Townend & Sons*, (1979) 2 All ER 927, brought forth the essential ingredients of an action for passing off which may be aptly concised as: (i) misrepresentation; (ii) made by a trader in the course of trade; (iii) to prospective customers of goods or services supplied by him; (iv) which is calculated to injure the business or goodwill of another trader; and (v) which causes actual damage to a business or goodwill of the trader who brings an action for passing off. An important ingredient which the common law tort of passing off envisions is therefore misrepresentation. On the first principles, if the Defendant uses a trademark which is identical or deceptively similar to that of the Plaintiff's mark, registered or unregistered, with a view Signature Not Verified Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 to encash on its reputation and goodwill on account of the confusion in the mind of the public that the goods of the Defendant emanate from the Plaintiff, Defendant is guilty of passing off. In *Laxmikant V. Patel v. Chetanbhai Shah and Another*, (2002) 3 SCC 65, the Supreme Court held as follows:

"10. 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."

69. In the present case, as already noted in the earlier part of the judgment every attempt has been made by the Defendant to come as close as possible to the Plaintiff's trademarks ' ' / DHOLA MAARU and label mark and the apparent phonetic similarity strengthens this view. A very important facet of an action of passing off is the trade dress, the letter and font style of the label or the trademark used by the competing parties. In the present case a bare perusal of the rival label marks would show that the manner in which the words have been placed and used by the Defendant, there is every likelihood of confusion and misrepresentation. Even assuming for the sake of arguments that the Defendant was bound to use certain colours on account of excise regulations, the use of the Signature Not Verified words and that too in the same language i.e. Hindi and Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 same style of writing and font and similarity in large part of the trade dress, is a pointer to his intent to misrepresent and take undue advantage of Plaintiff's goodwill.

70. Plaintiff has been able to show at least prima facie from the sales figures supported by invoices on record that it has continuously, uninterruptedly and extensively used the trademark (label) since the year 2005-06 and the sales have steadily increased. For the year 2021-22 alone, the sales turnover of the Plaintiff is Rs. 162,18,82,915.11/-. The reputation and goodwill that Plaintiff has been prima facie able to establish gives strength to the arguments of the Plaintiff that the intention of the Defendant by using a deceptively similar mark, both phonetically and visually, was to encash on its stellar reputation and misrepresent to the unwary purchasers that the product of the Defendant emanates from the Plaintiff or has some association with the Plaintiff. This Court is also persuaded to come to this prima facie conclusion, keeping in backdrop the fact that the product in question is country liquor and the classes of consumers which are likely to purchase this kind of liquor, may not be very literate or discernible so as to make out the alleged fine and microscopic distinction or difference between the suffixes MARU and THARU, which the Defendant is seeking to draw. Defendant is prima facie guilty of infringement and passing off.

71. Accordingly, during the pendency of the suit, Defendant, his partners or proprietors, as the case may be, officers, servants and agents, distributors, wholesalers, dealers, retailers or any other person acting for and on his behalf are restrained from:

a. manufacturing, selling, offering for sale, advertising, directly or indirectly, country liquor/impugned product, bearing Signature Not Verified the trademark/logo/label 'DHOLA THARU'/' ', or Signing Date:19.11.2022 13:20:27 Neutral Citation Number: 2022/DHC/004894 any other trade mark/trade name/domain name, which is identical or deceptively similar to the Plaintiff's registered trademark (label), amounting to infringement of the trademark or using the trademarks/logo 'DHOLA THARU'/' ', or any other trade mark/trade name/domain name, which is identical or deceptively similar to the Plaintiff's trademarks "DHOLA MAARU"/ , amounting to Passing off; and b. manufacturing, selling, offering for sale, advertising, directly or indirectly, the impugned product using the artistic writing style, lay out, get up, colour scheme, trade dress, along with other essential features and arrangement in any material form, which may be identical or deceptively similar to the trade dress etc. in Plaintiff's label mark , amounting to copyright infringement.

72. Application being I.A. 7206/2022 under Order VII Rule 10 CPC filed by the Defendant is dismissed and I.A. 6938/2022 under Order XXXIX Rules 1 and 2 CPC filed by the Plaintiff is allowed.

73. Applications are accordingly disposed of.

74. Needless to state that the observations and findings in the present judgment are only prima facie and shall not affect the final adjudication of the suit.

CS(COMM) 292/2022 & I.A. 7798/2022

75. List before the learned Joint Registrar on 02.12.2022, the date already fixed, for further proceedings.

JYOTI SINGH, J Signature Not Verified NOVEMBER 16 , 2022/rk/shivam Signing Date:19.11.2022
13:20:27