

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Judgment Reserved on : 06th January, 2023*
Judgment Delivered on : 19th January, 2023

+ **CS(COMM) 550/2022**

KRBL LIMITED Plaintiff

Through: Mr. Sudarshan Kumar Bansal,
Mr. Anirudh Bakhru, Mr. Nikhil
Sonker and Ms. C. Tejaswani,
Advocates.

versus

VIKRAM ROLLER FLOUR MILLS LIMITED Defendant

Through: Mr. Ajay Sahni, Mr. Manish Singhal
and Mr. Chirag Ahluwalia,
Advocates.

CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL

JUDGMENT

AMIT BANSAL, J.

I.A. 12642/2022 (O-XXXIX R-1 & 2 of CPC)

1. By way of the present judgment, I shall decide the application filed on behalf of the plaintiff under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC).
2. Submissions on behalf of the counsels were heard on 7th December, 2022, 13th December, 2022 and 6th January, 2023, when judgment was reserved and liberty was given to both parties to file written submissions within one week. Pursuant thereto, written submissions have been filed on

behalf of the parties.

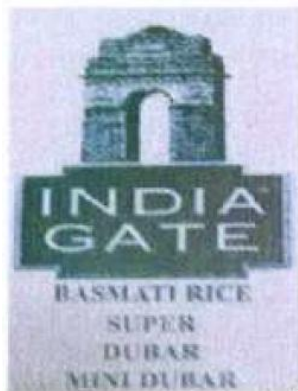
3. Briefly, the case set up by the plaintiff in the plaint is as follows:

3.1. The plaintiff company is in the business of processing, marketing and exporting rice of various kinds and is a market leader in the aforesaid business in India.

3.2. In 2019, the plaintiff acquired rights in the trademark 'INDIA GATE' (word *per se*) from one, Mr. Ram Pratap vide Deed of Assignment dated 6th August, 2019 and hence, the trademark 'INDIA GATE' (word *per se*) was subsequently registered in favour of the plaintiff vide registration certificate dated 12th August, 2019, effective from 18th June, 1993.

3.3. The plaintiff has filed various other trademark applications in respect of 'INDIA GATE' label/device/word marks in various classes which have been opposed.

3.4. The plaintiff has been granted copyright registration for 'INDIA



GATE' labels, / and in India as well as abroad. The abovesaid labels/artistic works of the plaintiff bear original artistic features of placement, distinctive getup, makeup, lettering style etc.

3.5. The plaintiff has given sales figures in respect of export as well as domestic sales of the plaintiff's rice sold under the trademark 'INDIA

GATE' w.e.f. 1993-94. Plaintiff has placed on record various invoices showing sales of its products under the trademark 'INDIA GATE' with effect from 18th February, 1995

3.6. Plaintiff has also given details in respect of advertisement and promotional expenses in respect of plaintiffs' trademark 'INDIA GATE' with effect from 2004-05.

3.7. On account of its impressive sales figures, it is claimed that the plaintiff's trademark has become distinctive and acquired secondary significance with the goods and business of the plaintiff.

3.8. The trademark 'INDIA GATE' has been declared as a '*well-known trademark*' under Section 2(1)(zg) of the Trade Marks Act, 1999 by the Registrar of Trade Marks vide publication dated 19th August, 2019.

3.9. The defendant is engaged in the business of processing, marketing and selling of 'atta', 'suji', 'maida', 'rawa' and 'bran' under the trademark 'INDIA GATE', with the device of INDIA GATE.

3.10. Plaintiff filed a suit, bearing CS no.131/2011 against the defendant wherein an *ex parte* injunction order was granted on 16th June, 2011 in favour of the plaintiff and against the defendant restraining the defendant from using the trademark 'INDIA GATE' along with the device of INDIA GATE. The said injunction order was confirmed vide order dated 24th October, 2011. The said suit has been re-numbered and is pending adjudication.

3.11. An appeal, bearing FAO no.7/2012 was filed by the plaintiff before this Court and a common order dated 21st April, 2014 was passed by this Court in the said appeal as well as appeals/revisions filed on behalf of the defendant.

3.12. In July, 2011, the defendant filed a suit, being CS no. 1777/2011 against the plaintiff before this Court alleging infringement of their



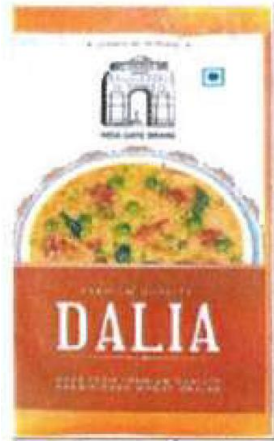
trademark/ label **INDIA-GATE** /‘INDIA GATE’ registered in class 30. The said suit was re-numbered and is pending adjudication before this Court and no interim order has been passed therein.

3.13. A cancellation petition has been filed by the plaintiff against the



aforesaid registered trademark/label of the defendant, **INDIA-GATE** / ‘INDIA GATE’, which is pending adjudication. The defendant has given an undertaking that the defendant would not rely upon the said registration against the plaintiff.

3.14. In the first week of May, 2022, the plaintiff came to know about an application filed by the defendant in Class 30 for registration of trademark



(device) / 'INDIA GATE BRAND' in relation to 'dalia' and also came to know about the defendant using the aforesaid trademark in respect of 'dalia'.

4. Accordingly, the present suit has been filed seeking, *inter alia*, the relief of permanent injunction against the defendants. The suit was accompanied by the present application under Order XXXIX Rules 1 and 2 of the CPC seeking a grant of interim injunction. Summons in the suit and notice in the application was issued on 21st November, 2022. Pursuant thereto, written statement, as well as reply to the interim application, has been filed on behalf of the defendant.

SUBMISSIONS OF THE PLAINTIFF

5. Counsel for the plaintiff has made the following submission.

5.1 The user by the defendant of the trademark 'INDIA GATE' in relation to 'dalia' is in violation of the order dated 21st April, 2014 passed by this court in FAO no.7/2012. The defendant was permitted to use the trademark 'INDIA GATE' in respect of only 'atta', 'suji', 'maida', 'rawa' and 'bran', but not 'dalia'. It is further submitted that the injunction granted against the defendant by the Trial Court vide order dated 24th October, 2011 in relation to goods other than 'atta', 'suji', 'maida', 'rawa' and 'bran' was

not set aside and therefore, continues to operate.

5.2 The invoices placed on record by the defendant showing user prior to the date of invoice of the plaintiff do not show that the defendant was selling its goods under the trademark 'INDIA GATE'.

5.3 The trademark registration application of the defendant in respect of 'dalia' is still pending. Therefore, the aforesaid usage constitutes infringement of the registered and 'well-known trademark' of the plaintiff, 'INDIA GATE'.

5.4 The impugned logo on the defendant's packaging is similar to the logo on the plaintiff's packaging and therefore, constitutes infringement of the copyright of the plaintiff.

5.5 The defendant is also guilty of passing off its goods as those of the plaintiff.

5.6 Defendant has failed to make out a case of 'continuous user' in terms of Section 34 of the Trade Marks Act, 1999. Reliance in this regard has been placed on *Pioneer Nuts and Bolts Pvt. Ltd. v. Goodwill Enterprises*, 2009 SCC OnLine Del 2851, *PEPS Industries (P) Ltd. v. Kurlon Ltd.*, 2022 SCC OnLine Del 3275, *Dabur India Ltd. v. Real Drinks Pvt. Ltd.*, 2014 SCC OnLine Del 23 and *S. Narendra Kumar & Co. v. Everest Beverages and Foods Industries*, 2008 SCC OnLine Del 1759.

SUBMISSIONS OF THE DEFENDANT

6. *Per contra*, the case of the defendant in the written statement and as per the submissions made by the counsel for the defendant can be summarized as under:

6.1 The consent order dated 21st April, 2014 is only in relation to 'rice'

(plaintiff's product) and 'atta', 'suji', 'maida', 'rawa' and 'bran' (defendant's products) and not in relation to any other goods. Therefore, it was open for both the sides to expand their business to other products.

6.2 The defendant is the prior user of the trademark 'INDIA GATE' in respect of 'atta', 'suji', 'maida', 'rawa' and 'bran', which are all wheat products, since 1975. The defendant has an inherent right to expand its range of products and hence, use the aforesaid trademark in respect of 'dalia', which is an allied/cognate product to the earlier products of the defendant. The defendant has been using the trademark 'INDIA GATE' in respect of 'dalia' since 2015, which the plaintiff was fully aware of.

6.3 The plaintiff itself has filed various registration applications for the trademark 'INDIA GATE' in respect of 'rice flour', 'idli rava', 'rice atta' and in respect of goods other than 'rice', such as 'quinoa', 'flax seeds' and 'millets'.

6.4 As regards the trademark of the plaintiff being a '*well-known trademark*', it is not based on any proper determination by the Court.

6.5 Registration in respect of the plaintiff is defective as the trademark application was wrongly advertised as a word mark instead of a device mark as initially applied for.

6.6 Counsel for the defendant has drawn the attention of the Court to copies of bills/invoices as well as advertisements in trade directories showing user of the trademark 'INDIA GATE' by the defendant since 1990.

ANALYSIS & FINDINGS

7. I have heard the rival submissions.

8. Both sides have placed extensive reliance on the order dated 21st

April, 2014 passed by this Court in FAO no.7/2012 and have sought to place their own interpretation of the same. Therefore, it is deemed expedient to extract the relevant portions of the said order:

“1. Counsels for the parties, and who are veterans in IPR law, after some initial arguments, have agreed to dispose of these appeals with the following consent order:-

(i) The appellant in FAO 7/12 i.e. KRBL Ltd., and who is the plaintiff in the trial court, will use the trademark ‘INDIA GATE’ with respect to rice but not with respect to Aata, Suji, Maida, Rawa and Bran being presently used by the respondents/defendants, and all of which later products will be sold in packages of 20 kilograms and above by the respondents/defendants. Any claim or entitlement of the respective parties to use the trademark ‘INDIA GATE’ for any other products except as stated in this order, is not the subject matter of the present consent order. The trademark ‘INDIA GATE’ will be used with respect to product rice in packages of any size whatsoever by the appellant/plaintiff.

(ii) The respondents in FAO 7/2012, and who are defendants in the suits, without in any manner comment being made upon their inter se disputes, will, so far as the appellant-plaintiff is concerned, be entitled to use the trademark ‘INDIA GATE’ for their products being Aata, Maida, Rawa, Suzi and Bran, for which a registration under the Trades Mark Act, 1999 exists in their favour. Of course, observations with respect to registration is not being made in a final manner for or against any of the parties to the appeal, and which aspect will be decided in appropriate legal proceedings.

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3. This consent order will bind the parties with respect to use of the trade mark ‘INDIA GATE’, is in the nature of interim order till the disposal of the suit not only in the present suit/litigation, but also for the interim stages in the other

litigations which are said to be pending inter se respondents/defendants on the one hand and the appellant-plaintiff on the other hand.

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5. *It is again clarified that the observations in this appeal and order are with respect to use in the interim stages during the pendency of the suit for the trademark 'INDIA GATE', and with respect to the products which is stated above in the present order.*

...”

9. The position that emerges from a reading of the aforesaid order can be summarized as under:

9.1 This was a **consent order** passed by the Court.

9.2 The plaintiff was restrained from using the trademark 'INDIA GATE' in respect of the following products viz, 'atta', 'suji', 'maida', 'rawa' and 'bran', that were being used at that point of time by the defendant.

9.3 The defendant could not use the trademark 'INDIA GATE' in respect of 'rice'.

9.4 Plaintiff was permitted to use the trademark 'INDIA GATE' in respect of 'rice' in packages of any size. The defendant could sell 'atta', 'suji', 'maida', 'rawa' and 'bran' in packages of 20 kg and above.

9.5 **The entitlement of parties to use the trademark 'INDIA GATE' for any other products other than the aforementioned products, was not covered by the said order.**

9.6 This arrangement was to continue till the final disposal of the suit.

10. A reading of the aforesaid order makes it clear that there was no bar either on the plaintiff or on the defendant to use the trademark 'INDIA

GATE' in respect of products other than those that were the subject matter of the said suit i.e., 'atta', 'suji', 'maida', 'rawa', 'bran' and 'rice'.

11. Counsel for the plaintiff submits that since the aforesaid order did not set aside the order passed by the Trial Court on 24th October, 2011, restraining the defendant from use of the trademark 'INDIA GATE' along with the label or device of INDIA GATE in respect of products other than the products that were registered by the defendant. The said restraint order would continue to operate even after passing of the aforesaid consent order.

12. I do not agree with the aforesaid submission of the plaintiff. The observations made in paragraph 14 of the order dated 24th October, 2011, which was the subject matter of appeal in FAO no. 7/2012, restraining the defendants from using the trademark 'INDIA GATE' along with the label or device of INDIA GATE in respect of any product other than 'atta', 'suji', 'maida', 'rawa' and 'bran', would not operate after the consent order dated 21st April, 2014 was passed by this Court. Once a comprehensive consent order has been passed by the Appellate Court clearly defining the *inter se* arrangement between the plaintiff and the defendant during the pendency of the suit, no reliance can be placed on the order of the Trial Court, which is deemed to have merged with the order passed by the Appellate Court. Therefore, there is no merit in the submission that the consent order did not specifically set aside the order of the Trial Court and only partially modified the said order.

13. After passing of the aforesaid consent order, the plaintiff filed various trademark registration applications in Class 30 in respect of 'rice flour', 'idli rava', 'rice atta' and goods other than 'rice', such as 'quinoa', 'flaxseeds',

‘millets’, etc. However, no trademark registration application has been filed by the plaintiff for ‘dalia’.

14. Surely, if the plaintiff has a right to expand the usage of its trademark ‘INDIA GATE’ in respect of other ‘rice’ products and products beyond ‘rice’, the defendant cannot be denied the same right to expand its business into other allied/cognate products. The present case relates to ‘dalia’, which would fall in the category of wheat products. Pertinently, the defendant is not using the trademark ‘INDIA GATE’ in respect of ‘rice’ or ‘rice’ products. I do not read any restriction in the consent order either on the plaintiff or the defendant from expanding their business into other products. Therefore, in my considered view, the defendant was entitled to expand its product range into similar or cognate or allied goods and use the trademark ‘INDIA GATE’ in respect of such goods, including ‘dalia’. In this regard counsel for defendant has correctly placed reliance on the judgment of a Co-ordinate Bench of this Court in *Somany Ceramics Ltd. v. Shri Ganesh Electric Co.*, 2022 SCC OnLine Del 3270. The relevant paragraph is set out below:

“61. Pertinent it is to mention, at this stage, that while the Plaintiff started its business in ceramics tiles, it subsequently expanded into sanitaryware and bath fittings and obtained registrations in Class 11 on 05.01.2007. Later, Plaintiff also expanded its business into selling water heaters/geysers and obtained registration on 31.07.2018. This fact is important in the context of the judgment of the Supreme Court in Laxmikant (supra), where it was held that Courts have to be mindful of future expansion of the business of a proprietor of a trademark. Plaintiff is right in its contention that merely because a trademark registration is applied for in a particular class, the proprietor is forever bound to sell only those goods. Law recognises the expansion of business into similar or cognate or

allied goods and this factor is relevant for determination of a claim for passing off.”

15. It has been vehemently contended on behalf of the plaintiff that the defendant has failed to file invoices showing that the products of the defendant were sold under the trademark ‘INDIA GATE’. Therefore, the defendant cannot claim user prior to the registration of the plaintiff. In this regard, reference may be made to the invoices placed on record by the defendant beginning from 8th May, 1990 (pages no. 44 to 189 of the defendant’s documents) which show the use of the ‘INDIA GATE’ device mark and the word mark. While it is correct that some of the invoices for the earlier period do not show that the goods were being sold under the trademark ‘INDIA GATE’, in all the aforesaid invoices the device of INDIA GATE prominently features at the top left corner of the invoices. Defendant has also placed on record the advertisements made by the defendant in various trade directories with effect from May, 1990 (pages no. 325 to 339 of the defendant’s documents) to show that the defendant was continuously using the trademark ‘INDIA GATE’ in respect of their wheat products.

16. For a *prima facie* consideration, the defendant has placed sufficient material on record showing user of the ‘INDIA GATE’ device mark from 1990, which is prior to the registration of the plaintiff. To be noted, the registration granted in favour of the plaintiff was only in respect of ‘rice’. The earliest invoice filed on behalf of the plaintiff showing user of the trademark ‘INDIA GATE’ is of 18th February, 1995.

17. It has also to be borne in mind that the defendant was granted registration in respect of the device mark ‘INDIA GATE’ with effect from 3rd November, 1993. In this regard reference may be made to the judgment

in *Gujarat Bottling Co. Ltd. v. Coca Cola Co.*, (1995) 5 SCC 545 followed by a Co-ordinate Bench of this Court in *Aditya Birla Nuvo Limited v. R.S. Sales Corporation*, 2018 SCC OnLine Del 9794, wherein it has been held that a mark which is registered is protected, irrespective of the fact whether the party uses the registered mark or not.

18. The undertaking given on behalf of the defendant in the rectification petition filed by the plaintiff was only in respect of the earlier suit that was pending before the Patiala House Courts, New Delhi. The said undertaking cannot be applied to the present suit.

19. Reliance placed on behalf of the plaintiff on the judgments in *Pioneer Nuts and Bolts Pvt. Ltd. v. Goodwill Enterprises*, 2009 SCC OnLine Del 2851, *PEPS Industries (P) Ltd. v. Kurlon Ltd.*, 2022 SCC OnLine Del 3275, *Dabur India Ltd. v. Real Drinks Pvt. Ltd.*, 2014 SCC OnLine Del 23 and *S. Narendra Kumar & Co. v. Everest Beverages and Foods Industries*, 2008 SCC OnLine Del 1759, would not come to the assistance of the plaintiff as in all the aforesaid cases, unlike the present case, there was no registration of the trademark in favour of the defendant.

20. Much emphasis has been laid on behalf of the plaintiff on the aspect that the trademark of the plaintiff is a 'well-known trademark' in terms of Section 2(1)(zg) of the Trade Marks Act, 1999. In this regard, reliance has been placed on the order dated 31st July, 2019 passed by the Deputy Registrar of Trade Marks, declaring the trademark of the plaintiff, 'INDIA GATE' as a 'well-known trademark'. However, a perusal of the aforesaid order shows that the aforesaid determination was made by the Deputy Registrar based on an order dated 10th May, 2016 passed by the Additional District Judge, Patiala House Courts, New Delhi in *ex parte* proceedings. It

is pertinent to note that neither any prayer was sought nor any issue was framed with regard to the trademark of the plaintiff being a ‘*well-known trademark*’. The plaintiff cannot take advantage of the aforesaid determination of its trademark being a ‘*well-known trademark*’ so as to prevent the defendant from using the said trademark in respect of which the defendant has prior user and registration. In terms of Section 28(3) of the Trade Marks Act, 1999, where two persons are registered proprietors of identical or similar trademarks both shall have the exclusive right to use the said trademarks.

21. It is significant to note that the defendant applied for the registration of the device mark ‘INDIA GATE’ in respect of ‘dalia’ on 5th October, 2021 claiming user since 1st April, 2015. The defendant has also placed on record invoices from 8th October, 2015 (pages no.291-322 of the defendant’s documents) showing sale of ‘dalia’ under the trademark ‘INDIA GATE BRAND’, which is much prior to filing of the present suit.

22. As regards the infringement of the plaintiff’s registered copyright by the defendant, it is to be noted that the earliest copyright registration in favour of the plaintiff is in 1999, which is much after the user of the artistic



device of INDIA-GATE by the defendant. The pictorial depiction of INDIA GATE is substantially different in the label of the plaintiff and the label of the defendant. Therefore, no case for copyright infringement is made out.

23. As regards the allegations of passing off, in paragraph 36 of the plaint at page no.52, a comparison of the trademark 'INDIA GATE' of the plaintiff and the defendant has been made, which is set out below:



24. The aforesaid comparison shows that there is a material difference between the packaging of the plaintiff and the defendant. Even though the words 'INDIA GATE' and the pictorial representation of INDIA GATE occur in both the packaging of the plaintiff and the defendant, the getup of the packaging is substantially different, so there can be no possibility of confusion or deception to the public. Reference in this regard may be made to the judgment of a Co-ordinate Bench of this Court in *Laxmi Agro Impex India v. Ladli India Commodities*, 2019 SCC OnLine Del 11147, wherein it has been held that the rival marks have to be compared as a whole, keeping in mind an unwary purchaser of average intelligence and imperfect

recollection. The judgment in *Laxmi Agro* (supra) was upheld by a Division Bench of this Court in *Laxmi Agro Impex India v. Ladli India Commodities*, 2019 SCC OnLine Del 11717 and SLP (C) no.8282/2020 preferred thereagainst was dismissed on 16th October, 2020.

25. In view of the discussion above, the plaintiff has failed to establish a *prima facie* case in its favour for the grant of interim injunction. Balance of convenience is also in favour of the defendant for not granting interim injunction at this stage, as the product 'dalia' of the defendant has been selling in the market with the impugned trademark since 2015. There is no merit in the present application under Order XXXIX Rules 1 and 2 of the CPC.

26. Dismissed.

JANUARY 19, 2023

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AMIT BANSAL, J.

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