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

% *Date of Decision: 01st May, 2023*

\+ CS(COMM) 288/2022 & I.A. 11118/2022, 11122/2022, 12282/2022

PEPSICO, INC. & ANR. ..... Plaintiffs
Through: Mr. Dayan Krishnan, Senior Advocate with Mr. Dheeraj Nair, Mr. Manish K. Jha, Ms. Shruti Dass and Ms. Ridhima Sharma, Advocates.

Versus

JAGPIN BREWERIES LIMITED & ANR. ..... Defendants
Through: Ms. Kiran Suri, Senior Advocate with Ms. Aishwarya Kumar and Ms. Prem Lata, Advocates.

CORAM:
HON'BLE MS. JUSTICE JYOTI SINGH

JUDGEMENT

JYOTI SINGH, J.

I.A. 6862/2022 (under Order 39 Rules 1 and 2 CPC, by Plaintiffs) **and 8623/2022** (under Order 39 Rule 4 CPC, by Defendants)

1. This judgment shall dispose of I.A. 6862/2022 filed by the Plaintiffs in which *ex-parte* ad interim injunction was granted by the Court on 06.05.2022 as well as I.A. 8623/2022 filed by the Defendants seeking vacation of the injunction.

2. Present suit has been filed by the Plaintiffs seeking decree of permanent injunction restraining the Defendants, by themselves, their agents, representatives, servants, men, distributors and all those acting in concert with them or on their behalf or claiming under or through them or otherwise howsoever, from using the trademark 'MIRINDA',

transliteration thereof in Hindi मिरिन्डा/ मिरिंडा and/or any other language and/or any deceptive variation thereof in relation to their product i.e. country-made liquor and/or in relation to any other business activity in a manner that it infringes Plaintiff No.1's statutory and common law rights in its registered and well-known mark MIRINDA and/or variants thereof including , , , (MIRINDA Marks), as well as passing off their goods as that of the Plaintiffs.

3. It is stated in the plaint that MIRINDA marks are registered trademarks of Plaintiff No.1 in India and subsist on the Register of Trademarks. Plaintiff No.1 is a corporation, duly incorporated under laws of State of North Carolina, USA and is engaged in the business of manufacturing and distributing, on its own and through affiliates and subsidiaries, non-alcoholic beverages, packaged and aerated water and snack foods. It is one of the world's premier consumer products companies and one of the largest and best-known manufacturers and distributors of soft drink beverages and snack food products in the world. Its products include refreshment beverages, packaged drinking water, sports drinks, fruit juices and salted snacks and foods, sold almost in every country in the world, under its several famous and reputed marks such as MIRINDA, PEPSI, 7UP, MOUNTAIN DEW, AQUAFINA, LAY'S, RUFFLES, CHEETOS, DORITOS, etc. Plaintiff No.2 is a company incorporated under the Indian Companies Act, 1956 and is a wholly owned subsidiary of Plaintiff No.1, engaged in sale of different beverages, packaged drinking water and snacks

under its own marks as well as various registered marks of Plaintiff No.1.

4. It is stated that MIRINDA mark was first adopted internationally in 1959 in Spain and the mark has been used by Plaintiff No.1 and/or its predecessors-in-title for over 60 years in relation to fruit flavoured non-carbonated beverage. In India, products under MIRINDA marks have been available since 1996 and Plaintiff No.1 holds several registrations, the earliest dating back to 1997. MIRINDA marks have been registered or 'applied' for registrations as trademarks by Plaintiff No.1 or its subsidiaries in about 190 countries in the world including USA, Australia, Canada, Egypt, Germany, etc.

5. Plaintiffs have also obtained MIRINDA formative domain name registrations in '.com', '.co.in' and '.in'. Domain name <mirinda.com> was created on 23.10.1998 whereas domain names <mirinda.co.in> and <mirinda.in> were created on 16.02.2005.

6. In India, the total net revenue earned from the sale of products under the MIRINDA marks from 2013 to December, 2021 is in excess of Rs.2500 crores, while internationally for the period 2011 to 2020 in terms of volume, the sale of products has been more than 7.5 billion. The immense goodwill and reputation of the MIRINDA marks is indicated from the fact that various celebrities have endorsed the products and advertising and promotional expenses from 2013 to December, 2021 have been in excess of Rs.157 crores in India alone, while globally they have exceeded millions of dollars. Products bearing the MIRINDA marks are extensively advertised and promoted by the Plaintiffs on dedicated accounts/pages/handles on different social media platforms such as Facebook, YouTube, Twitter and Instagram. Brand equity, a supplement of The Economic Times, a

leading publication of Bennet and Coleman & Co. Ltd. has consistently ranked Plaintiffs' mark MIRINDA as a leading brand for a number of years. Both internationally and in India, the print and the electronic media have reported on the formidable reputation of the MIRINDA marks. Plaintiffs have been vigilant in enforcing their statutory and common law rights in the MIRINDA marks in India by instituting legal actions, issuing cease and desist notices, filing oppositions before the Trade Marks Registry, etc. against third parties who attempted to infringe or dilute the said marks.

7. As per the averments in the plaint, Plaintiffs learnt in December, 2021 that Defendant No.2 applied for registration of the mark 'CONTINENTAL MIRINDA BEER' in Class 32 in his name, with a user claim from 06.07.2015. Plaintiffs immediately initiated an investigation, which revealed that Defendant No.2 is a Director in Defendant No.1 company, which is currently using Hindi transliteration of the mark MIRINDA i.e. मिरिन्डा in relation to country-made liquor and Defendant No.2 had applied for registration of the mark मिरिंडा in Class 33, but the application was abandoned.

8. Learned Senior Counsel for the Plaintiffs contended that MIRINDA marks are registered marks of Plaintiff No.1 and therefore, by virtue of the provisions of Section 28(1) of the Trade Marks Act, 1999 (hereinafter referred to as 'the Act'), Plaintiff No.1 has the right to their exclusive use in relation to the goods in respect of which the trademarks are registered as also to obtain relief in respect of infringement of the trademarks, in the manner provided by the Act. The unauthorized adoption and use of the impugned marks by the

Defendants is bound to cause confusion and association between the respective products of the parties in the mind of an unwary purchaser with average intelligence and imperfect recollection. Use of impugned marks, which are a transliteration of the MIRINDA marks, is resulting in confusion amongst the purchasers that the products of the Defendants emanate from the Plaintiffs and amounts to infringement under Section 29 of the Act. Plaintiffs have spent huge sums of money in promotion, advertisement and protection of the MIRINDA marks and by their continuous and extensive use earned formidable reputation and goodwill. Use of the impugned marks by the Defendants carries in it an inherent misrepresentation to the consumers that the products offered by them have an association with the Plaintiffs and is causing damage to the goodwill of the MIRINDA marks, amounting to passing off and violation of the common law rights of the Plaintiffs.

9. It was contended that it is a settled law that transliteration of a registered mark is impermissible in law as it causes deception amongst the consumers. Reliance was placed on the judgments in ***Bhatia Plastics v. Peacock Industries Ltd., 1994 SCC OnLine Del 387*** and ***Indian Express Limited v. Chandra Prakash Shivhare, 2015 SCC OnLine Bom 5541***.

10. Arguing in support of the application filed by the Defendants for vacation of the *ex-parte* ad interim order dated 06.05.2022, learned Senior Counsel for the Defendants traced the history of use and adoption of the impugned mark bringing forth that in the year 1914, a distillery company under the name and style of Cox Distillery, was established and was the first private distillery in Madhya Pradesh. In 1969, the District Industry Office, Madhya Pradesh granted production license and on 07.09.2002, name and formation of Cox

Distillery was changed to Cox India Limited by the inheritors of the business. In the year 2007, Cox India Limited adopted the word मिरिंडा for its range of products and sought registration of Cox मिरिंडा whisky from the office of Excise Commissioner, which was granted vide Registration No.599/01.

11. It was explained that adoption of the mark was inspired by the meaning of the word 'Mirinda', which in latin means admirable/wonderful and signifies quality of liquor/whisky. The adoption of the mark मिरिंडा was bonafide and honest, with an intent to signify the quality and taste of liquor.

12. It was submitted that Cox India Limited merged with M/s. Jagpin Breweries i.e. Defendant No.1 in 2014 and merger was approved by this Court on 12.05.2014, whereby all assets and liabilities were taken over by Defendant No.1. Office of Excise Commissioner, Madhya Pradesh accepted the merger and transferred all licenses in the name of Cox India Limited to Defendant No.1, which have been renewed from year to year. In 2016, Defendant No.1, while seeking renewal of the license, sought registration of Cox मिरिंडा Desi Madira Masala and continued renewing the license till 2020, when Defendant No.1 changed the name from Cox to the new name राजश्री, so as to associate its product with its Indianised name and ensure that the public easily identifies the mark with Defendant No.1 and its product i.e. liquor. In 2020, Defendant No.1 applied for license in the Excise department for the marks 'Desi

Madira Masala Rajshree Mirinda' and 'Prince Plain' in respect of plain country liquor.

13. It was emphasised that Defendants have been extensively using the mark मिरिंडा since 2007 in relation to liquor i.e for nearly 15 years now and there has not been a single instance or complaint by any customer alleging that he was confused into buying Defendants' product under an impression that it emanated from Plaintiffs' stable. Besides the fact that the marks are neither identical/similar nor deceptively similar, the consumer base and the trade channels are also different. Defendants sell their liquor only through Government approved liquor vends, located in 7 Districts of Madhya Pradesh. These shops only sell liquor under the name 'Liquor Shop', prominently written over the bill boards of the shops, which clearly distinguishes them from any confectionary/grocery shop, where soft drinks/snacks are sold. It needs no gainsaying that confectionary/ grocery shop keepers are not permitted to sell liquor and thus the trade channels of the rival products are very different, ruling out any possibility of confusion. Defendants are not allowed to sell liquor to retailers or customers directly and it is only when they receive the demand, they send the goods to the warehouses under control and supervision of excise officers with valid excise papers. The retailers thereafter visit the warehouses along with receipt of duties which they have deposited and the excise officer issues the country liquor to the retailer, who thereafter sells to customers through designated/ Government approved liquor shops. Additionally, excise department also deputes a Circle Inspector to monitor the sales and other aspects. As per Government Rules and Regulations, the manufacturer has to prominently display on the product the name of the manufacturer,

MRP, address, FSSAI etc. so that there is no confusion in the mind of the consumer between one manufacturer and the other. This apart, every bottle of the Defendants bears a stamp by the Government with Excise Adhesive Label, which is unique and different and helps the customers to relate the product to the specific manufacturer by scanning through the mobile camera.

14. It was further submitted that the country-made liquor is different from other liquor or spirits such as whisky, rum, vodka, etc. and is mostly made of molasses and grains and is clearly distinguishable from its mere colour and look and is usually consumed without addition of soda/soft drink and therefore, a customer who buys country liquor has no reason to buy any additional/ supplementary soft drink. It was also pointed out that as per the Government Rules and Regulations, Defendants cannot advertise liquor and therefore, the customers have no option but to visit the Government vends and buy the country liquor where no other product such as soft drink would be available and thus, no confusion could arise between the rival products or marks. In any case, Defendants have dedicated customers for the last 15 years and there has been no cause of complaint.

15. Even otherwise, it was urged by the learned Senior Counsel that Defendants' colour scheme, logo, style of writing and the entire get up of the bottles, in which they sell their product, are different and clearly distiguishable from the Plaintiffs' soft drinks. To make their product more distinguishable and highlight the association with the Defendants, they have been writing राजश्री with the word मिरिंडा and being in Hindi, it is easily understood by a common

man of average intelligence that the products come from the Defendants' stable. Even the rival products are different from each other. Country liquor is sold by Defendants in a packaging of 180 ml, as per the Regulation of the Excise Department and cannot be varied whereas Plaintiffs' soft drinks come in different packaging. Moreover, Plaintiffs' products are carbonated and create fizz which is not so in the case of Defendants' product. The design of the bottle of the Defendants is totally different in shape, height, style, design, etc. and can be distinguished by a naked eye. The bottle bears excise approved label and aluminium cap and the bottle is thick and short in size and there can be no chance of confusion amongst the purchasers.

16. It was further contended that PepsiCo came to India in 1990 and at that time, no one knew Pepsi in India. At the time when the Defendants' predecessors adopted मिरिंडा, Plaintiffs had no reputation and goodwill in the mark MIRINDA. Even the contention of the Plaintiffs that their mark is a well known mark as per the Trademark Rules, 2017, is an incorrect statement of fact and therefore, the claim of the Plaintiffs premised on reputation of the high threshold required under Section 29(4) of the Act is wholly misplaced.

17. The interim injunction order, it was strenuously argued, is prejudicing the Defendants in more than one way. Defendants sell their liquor to the Government vends pursuant to the bids invited by the Government for award of tenders for different Districts. Out of 52 Districts in Madhya Pradesh, Defendants were awarded 7 Districts, when their bids were accepted for the financial year 2022-2023. As per the tender terms and conditions i.e. Clauses 14.1 and 14.2, Defendants are bound to supply liquor under the mark Rajshree

Mirinda Masala, throughout the year on demand and failure to do so, will lead to imposition of penalties as also blacklisting of the Defendants for a long period. Clause 14.1 mandates that successful tenderer will have to ensure supply of country liquor at his own risk and cost. If the supply of liquor to the retailers is interrupted, then the successful tenderer will be considered as a defaulter and in case of more than one successive default, it would be treated as continuous failure of supply. In the event of such continuous failure, the supply area of the tenderer is liable to be attached and a penalty of Rs.50,000/- per day may be imposed by the Excise Commissioner. It is further provided in Clause 14.2 that if re-tendering arises due to fault of the successful tenderer, fresh tenders may be invited at the risk and cost of the defaulter and the difference in price will be borne by the defaulter bidder.

18. Grant of injunction to the Plaintiffs was also opposed by the Defendants on the ground of delay and acquiescence. It was argued that Defendants have been using the impugned mark for the last 15 years in India and it cannot be believed that Plaintiffs had not come across the mark in so many years. Defendants even applied for registration of their mark मिरिंडा in 2017 in Class 33, before the Trade Marks Registry *albeit* the same was abandoned inadvertently, however, it cannot be the case of the Plaintiffs that they had no knowledge of the same, as the moment anyone approaches the Trade Marks Registry to register a mark, the proposed mark can be easily searched by the public. Therefore, the only conslusion that can be drawn is that Plaintiffs were in complete know-how of the use of the mark by the Defendants for their liquor products and yet approached the Court after an inordinate delay of approximately 15 years. The fact

that the Plaintiffs sat by for years together, permitting the Defendants to expand their business constitutes estoppel against them from claiming infringement under the Doctrine of Acquiescence.

19. In rejoinder, learned senior counsel for the Plaintiffs**,** submitted that Defendants' stand that they are bound to supply liquor under the mark/name Rajshree Mirinda Masala, in terms of the tender documents, is devoid of merit. Notice Inviting Tender dated 15.03.2022 is brand neutral and the only mandatory requirement is supply of plain and masala country liquor under labels, duly registered with the Excise Department. Letter dated 30.03.2022, whereby tender was awarded to the Defendants shows that the tender is brand neutral and there is no obligation to supply only Mirinda Masala. Defendants have deliberately suppressed that they have a label registration for Masala country liquor i.e. 'Desi Madira Masala Prince Orange', which they can use to fulfill the tender requirements. This fact was initially admitted by the Defendants, however, later there was a shift of stand to state that some liquor warehouses were demanding only Mirinda Madira Masala and thus the injunction be vacated and Defendants be permitted to to sell under the mark मिरिंडा.

20. Defendants are disentitled to vacation of the injunction order even otherwise on account of their conduct. Local Commissioner's Report dated 31.05.2022 reflects that he was obstructed from executing the commission and even the local police acted in connivance with the Defendants. As a result, despite the injunction order, Defendants continued to sell their product under the impugned mark. After the Court passed the injunction order and the same was notified to the Defendants, it was their bounden duty to write to the Government authorities requesting them to withdraw the existing

stock from the market, instead Defendants kept the authorities in the dark by concealing the interim order, which is evident from the fact that Defendants were granted a supply license on 19.05.2022 by local authorities. Defendants' stand that the letter was in response to the Excise Officer's letter dated 19.05.2022 and is an inter-department communication, is inconsequential as it was incumbent on the Defendants to inform the District Excise Officer of the interim order passed by this Court.

21. The contention of the Defendants that failure to supply products under the mark मिरिंडा will lead to penalties and blacklisting is false as the tender is brand neutral and Defendant No.1 is in a position to supply the same product, namely, Desi Madira Masala under their other registered label/brand 'Desi Madira Masala Prince Orange'.

22. There is no delay on the part of the Plaintiffs in approaching the Court, as alleged by the Defendants. Plaintiffs became aware of Defendants' product only in December, 2021 when it learnt of the application for registration of the mark 'CONTINENTAL MIRINDA BEER' in Class 32 and soon thereafter, the suit was filed on 28.04.2022. Defendants have themselves stated that their products are available in few Districts of Madhya Pradesh and they cannot advertise. Therefore, it was not easy for the Plaintiffs to have known of their activities under the impugned mark. In any case, it is a settled law that in case of infringement, mere delay by itself will not defeat the statutory right of a registered proprietor. Reliance was placed on ***Midas Hygiene Industries (P) Ltd. and Another v. Sudhir Bhatia and Others, (2004) 3 SCC 90, Victoria Foods Private Limited v. Rajdhani Masala Company and Another, 2021 SCC OnLine Del***

4224 and ***Crayons Advertising Ltd. v. Crayon Advertising, 2014 SCC Online Del 218.***

23. Defendants have failed to make out case of acquiescence against the Plaintiffs which onus lies on them to show that there was some positive action on part of the Plaintiffs in letting the other party invade their rights and spend money on it. Therefore, acquiesence requires a positive act and not mere silence or inaction. Reliance was placed on ***M/s. Power Control Appliances and Others v. Sumeet Machines Pvt. Ltd., (1994) 2 SCC 448*** and ***Jolen Inc. v. Doctor & Company, 2002 SCC OnLine Del 518.***

24. Defendants have strenuously pleaded that they are honest and concurrent users of the trademark मिरिंडा. This defence cannot come to their rescue as it is a settled law that honest and concurrent user is not available as a defence to a claim of infringement, as held in ***KEI Industries Limited v. Raman Kwatra and Another, 2022 SCC OnLine Del 1459***. Without prejudice, even otherwise, adoption of the impugned mark is completely dishonest. No plausible reason has been put forth by the Defendants for adopting the mark मिरिंडा, save and except, stating that Mirinda in latin means 'admirable' which signifies quality of their liquor. Even this stand was contradicted by the Defendants in one of the hearings by stating that reason for adoption was that Cox Distillery was established by an Englishman, who came up with the term 'Mirinda' for whisky, however, pleadings show that Mr. Cox had founded the distillery in 1914 and hence could not have coined the mark in 2007.

25. Stand of the Defendants that they have been using the mark from 2007 is false to their knowledge and contrary to the record. Their

trademark application bearing No.3471413 for device mark मिरिंडा was abandoned. The application made on 01.02.2017 was on 'proposed to be used' basis. In the earlier application No.3465713, user was claimed from 06.07.2015 for the word mark 'CONTINENTAL MIRINDA BEER'. Insofar as the label registration is concerned, the submission that it is from the year 2007, cannot be countenanced as Defendants have failed to place on record any sales figures/invoices/CA certificates for the said period. Therefore, at this interim stage, pending trial, the claim of use of the impugned mark from 2007 cannot be accepted. ***[Ref.: FDC Limited v. Nilrise Pharmaceuticals Pvt. Ltd. and Another, 2022 SCC OnLine Del 3058]***. It is well established that mere registration with the excise authority will not entitle the Defendants to dilute the well known/ reputed and registered mark of the Plaintiffs. ***[Ref.: M/s. Radico Khaitan Limited v. M/s. Brima Sagar Maharashtra Distilleries Ltd., 2014 SCC OnLine Del 2036*** and ***Cox Distillery and Another v. McDowell & Company Ltd., 1999 SCC OnLine MP 10]***.

26. It is clear that Defendants have adopted the mark मिरिंडा, which is a transliteration of the Plaintiffs' registered mark MIRINDA dishonestly and with a view to encash on their formidable reputation. Plaintiffs have both device and word mark registrations for MIRINDA in Class 32 going back to 04.06.1997 and 06.10.2004, respectively. Mark MIRINDA was first adopted by Plaintiff No.1 in Spain in 1959 and today there are registrations worldwide in 190 countries. The Gurugram District Court in ***PepsiCo, Inc. and Anr. v. M/s Mist Group and Anr. (CS No. 88/2018),*** has held the mark to be a well-known mark.

27. Material on record would show that Plaintiffs are prior users as compared to the Defendants, even if their claim to use is accepted from the year 2007 and this is evident from various articles published in 1999, 2002 to 2005 as well as the agreement for bottling in 1998, invoices in the year 1999 as well as invoices for soft drinks for the year 2005-06. In a judgment passed by the Allahabad High Court in 2001, it is recognized that Plaintiffs were selling products under Mirinda marks in 1998.

28. The sales turnover, expenditures incurred on promotion and advertisement, etc. clearly show that Mirinda marks are a household name and have huge reputation and goodwill throughout the country and are entitled to protection under Section 29(4) of the Act, as Defendants are using a deceptively similar mark. It is settled that at the stage of interim injunction, Plaintiff has to only make out a *prima facie* case of 'reputation' under Section 29(4) of the Act. ***[Ref.: V. Guard Industries Ltd. v. Crompton Greaves Consumer Electricals Ltd., 2022 SCC OnLine Del 1593]***. Defendants have miserably failed in satisfying the test of claiming protection as a 'prior user' under Section 34 of the Act. ***[Ref.: Pfizer Products Inc. v. Rajesh Chopra & Ors., 2007 SCC OnLine Del 868*** and ***Devans Modern Breweries Ltd. v. Radico Khaitan Ltd., FAO(OS) (Comm) 74/2019].***

29. The argument of the Defendants that there is no likelihood of confusion amongst the consumers by their use of the similar mark मिरिंडा, is without any basis. The argument is based on difference in products, class of consumers, trade channels, packaging, design and size of bottles and sale through exclusive Government liquor vends, etc. In putting forth these defences, Defendants are overlooking the fundamental point that Plaintiffs are not required to show confusion or

deception while making out a *prima facie* case of infringement under Section 29(4) of the Act. Once the two competing marks are identical or similar and Petitioner has a repute of the level required under the said provision, no further questions are to be asked. The argument that pricing in class of customers being different, confusion is impossible, is in teeth of the judgments of the Supreme Court in ***Ruston & Hornsby Ltd. v. The Zamindara Engineering Co., (1969) 2 SCC 727*** and ***Rennaissance Hotel Holdings Inc. v. B. Vijaya Sai and Others, (2022) 5 SCC 1.*** Time and again, Defendants have sought to plead that country liquor is sold only through Government vends and therefore, no confusion can arise. This argument cannot be accepted for the simple reason that firstly, no confusion is required to be proved under Section 29(4) and, secondly, Government liquor vends are merely a medium of sale and not the end consumers, who are generally poor and illiterate people, considering the price of the product of the Defendants. Having themselves applied for the mark 'CONTINENTAL MIRINDA BEER' in Class 32, in which Plaintiff No.1's marks are already registered, Defendants cannot argue against confusion. Dissimilarity of products is not a ground available to the Defendants as a defence to infringement under Section 29(4) of the Act.

30. I have heard the learned Senior Counsels for the parties and examined the aforesaid contentions.

31. The first and foremost contention that this Court is required to examine is the aspect of delay and/or acquiescence, a ground strenuously pressed on behalf of the Defendants. Plaintiffs have pleaded and argued that in December, 2021, they learnt that Defendant No.2 had applied for registration of the mark 'CONTINENTAL MIRINDA BEER' in Class 32, whereafter they investigated the matter

and investigations revealed that Defendant No.2 is the Director of Defendant No.1 and was using Hindi transliteration of the mark MIRINDA, in relation to country made liquor. Soon thereafter, the suit was filed in April, 2022 and thus, there is no delay. Since Plaintiffs had no knowledge of the infringing activities of the Defendants prior to December, 2021, there was no occasion to sit by and allow Defendants to grow, as alleged and thus, there is no acquiescence. *Prima facie,* there is substance in this submission. It is the stated case of the Defendants that they sell only in 07 Districts of the State of Madhya Pradesh and cannot and do not advertise and thus at this stage, there is no reason for the Court to disbelieve that Plaintiffs had no knowledge of the sales under the impugned mark, in the absence of any material to the contrary placed on record by the Defendants. As soon as the investigations revealed sales under the impugned mark, action was initiated by the Plaintiffs and suit was filed, without delay. In any event, it is a settled law that in matters relating to infringement of trademarks or copyright, injunction must normally follow and delay should not be an impediment. In ***Midas Hygiene (supra),*** Appellants had filed a suit for passing off and infringement of copyright along with an application for interim injunction. Learned Single Judge of this Court granted injunction, which was vacated by the Division Bench, on ground of delay and laches in filing the suit. Allowing the appeal, the Supreme Court held that in cases of infringement, either of trademark or of copyright, normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in these cases, particularly, where adoption of the mark is dishonest. In this context, I may also refer to the judgment of the Supreme Court in ***M/s. Hindustan Pencils Private Limited v. M/s. India Stationary Products Co. & Another,***

1989 SCC OnLine Del 34 and of this Court in ***Victoria Foods (supra).*** Relevant para of the judgment in ***M/s. Hindustan Pencils (supra)*** is as follows:-

> *"29. If an action is taken by the registered owner and no interim injunction is granted, the effect is that goods bearing the infringement mark or spurious goods would continue to be sold in the market. After a number of years when the case is finally disposed of, after trial, and the plaintiff succeeds and gets a permanent injunction then, possibly, the plaintiff may also be compensated by his being awarded damages or an account of profits. In that sense the non-grant of the interim injunction would not, ultimately, prejudice the plaintiff for he may be compensated with payment of money but during this period when the defendant is allowed to continue to infringe the intellectual property it is the consumer or the purchaser who alone suffers and who ultimately cannot be compensated. Therefore, in order to curb the menance of manufacture, production and sale of spurious goods and the blatant violation of intellectual property it will be proper for the court to take into consideration the interest of the general public. In this regard reference may usefully be made to the following observations of McCARTHY at page 346, para 30.21 which deals with the protection of third parties:*
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> > *"Some courts also consider the necessity of protecting third parties. In trademark infringement cases, "third parties" means the buying public. If the equities are closely balanced, the right of the public not to be deceived or confused may turn the scales in favour of a preliminary injunction."*
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> *It would appear to be difficult to accept that relief of temporary injunction should not be granted, because of the delay on the part of the plaintiff, even though the court feels, at that point of time, that ultimately permanent injunction will have to be granted."*

32. Law on acquiescence is also no longer *res integra*. The onus was clearly on the Defendants to show that there was some positive act on part of the Plaintiffs, which led to an impression that Plaintiffs were letting the Defendants sell under the impugned mark and had turned a blind eye so as to be disentitled to trample over the business of the Defendants. This onus the Defendants have failed to discharge even on a *prima facie* threshold and to the contrary, Plaintiffs have agitated their claims as soon as they gained knowledge in December,

2021. The Supreme Court in ***M/s Power Control Appliances (supra)*** held as follows:-

> *"26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In Harcourt v. White [(1860) 28 Beav 303 : 54 ER 382] Sr. John Romilly said: "It is important to distinguish mere negligence and acquiescence." Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in Mouson (J.G.) & Co. v. Boehm [(1884) 26 Ch D 406]. The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in Rodgers v. Nowill [(1847) 2 De GM&G 614 : 22 LJ KCH 404] .*
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> *27. The law of acquiescence is stated by Cotton, L.J. in Proctor v. Bannis [(1887) 36 Ch D 740] as under:*
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> > *"It is necessary that the person who alleges this lying by should have been acting in ignorance of the title of the other man, and that the other man should have known that ignorance and not mentioned his own title."*
>
> *In the same case Bowen, L.J. said:*
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> > *"In order to make out such acquiescence it is necessary to establish that the plaintiff stood by and knowingly allowed the defendants to proceed and to expend money in ignorance of the fact that he had rights and means to assert such rights."*
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> *28. In Devidoss and Co. [AIR 1941 Mad 31 : (1940) 2 MLJ 793 : ILR 1941 Mad 300] at pages 33 and 34 the law is stated thus:*
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> > *"To support a plea of acquiescence in a trade mark case it must be shown that the plaintiff has stood by for a substantial period and thus encouraged the defendant to expend money in building up a business associated with the mark. In Rowland v. Michell [(1896) 13 RPC 464] Romer J. observed:*
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> > > *'If the plaintiff really does stand by and allow a man to carry on business in the manner complained of to acquire a reputation and to expend money he cannot then after a long lapse of time, turn round and say that the business ought to be stopped.'"*
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> *In the same case, but on appeal Lord Russel, C.J. said [Rowland v. Michell, (1897) 14 RPC 37, 43] at p. 43:*
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> > *"Is the plaintiff disentitled to relief under that head by injunction because of acquiescence? Of course it is involved in*

> *the consideration of that that the plaintiff has a right against the defendant and that the defendant has done him a wrong and the question is whether the plaintiff has so acted as to disentitle him from asserting his right and from seeking redress from the wrong which has been done to him. Cases may occasionally lay down principles and so forth which are a guide to the court, but each case depends upon its own circumstances."*

xxxx xxxx xxxx xxxx

29. This is the legal position. Again in Halsbury's Laws of England, Fourth Edn., Vol. 24 at paragraph 943 it is stated thus:

> *"943. Acquiescence.— An injunction may be refused on the ground of the plaintiff's acquiescence in the defendant's infringement of his right. The principles on which the court will refuse interlocutory or final relief on this ground are the same, but a stronger case is required to support a refusal to grant final relief at the hearing. [Patching v. Dubbins [(1853) Kay 1 : 69 ER 1] ; Child v. Douglas [(1854) 5 De GM&G 739 : 43 ER 1057] ; Johnson v. Wyatt [(1863) 2 De GJ&Sm 18 : 46 ER 281] ; Turner v. Mirfield [(1865) 34 Beav 390 : 55 ER 685] ; Hogg v. Scott [(1874) LR 18 Eq 444] ; Price v. Bala and Festiniog Rly. Co. [(1884) 50 LT 787]] The reason is that at the hearing of the cause it is the court's duty to decide upon the rights of the parties, and the dismissal of the action on the ground of acquiescence amounts to a decision that a right which once existed is absolutely and for ever lost: Johnson v. Wyatt [(1863) 2 De GJ&Sm 18 : 46 ER 281] at 25; and see Gordon v. Cheltenham and Great Western Union Rly. Co. [(1842) 5 Beav 229, 233 : 49 ER 565] per Lord Langdale MR."*

33. Coming now to Plaintiffs' claim of infringement. Plaintiffs have primarily predicated their case on provisions of Section 29(4) of the Act, which is extracted hereunder for ready reference:-

> ***"Section 29. Infringement of registered trade marks.***
>
> *(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which—*
>
> *(a) is identical with or similar to the registered trade mark; and*
>
> *(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and*
>
> *(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark."*

34. The scope and ambit of Section 29(4) has been discussed and decided in several judgments and needs no reiteration. From a plain reading of the provisions of Section 29(4), it is luminously clear that the legislative intent in enacting sub-section (4) of Section 29 is to carve out an exception to Section 29(1) and (2) of the Act. The ingredients of Section 29(4) are: (a) the two rival marks are identical or similar; (b) Plaintiff's mark must have a reputation in India; (c) Defendant's mark must take unfair advantage or be detrimental to the distinctive character or repute of Plaintiff's mark; and (d) use of Defendant's mark should be in such a manner that it is 'without due cause'. Section 29(4) has been analysed in great depth by this Court in ***ITC Limited v. Philip Morris Products SA and Ors., 2010 SCC OnLine Del 27*** and I may usefully allude to a few observations in this regard. The Court has held that Section 29(1) and (2) of the Act relate to infringement where there is resemblance or deceptive similarity between a registered mark and another, in relation to same or similar goods and in such a case, if requisite degree of resemblance is established, infringement is made out and where the marks and the goods are identical, infringement is presumed under Section 29(3). However, a slightly different standard has been set by the Legislature in a case of infringement, where the goods or products are dissimilar, and there is trademark dilution. The Court relied on the concept of dilution as follows:-

> *"32. The concept of dilution was first thought of by Frank I Scheckter, in "The Rational Basis of Trade Mark Protection" [1927] 40 Harvard Law Review 813. Judge Learned Hand's famous opinion in Yale Electric Corp. v. Robertson, 26 F.2d 972 (2d Cir. 1928) which approved injunctive relief against a defendant's use of a mark similar to that of the plaintiff in connection with unrelated goods states, inter alia, that:*
>
> > *"[I]t has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a*

> *court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner's reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask. And so it has come to be recognized that, unless the borrower's use is so foreign to the owner's as to insure against any identification of the two, it is unlawful."*

33. The old law in India, i.e the Trade and Merchandise Marks Act, 1958, did not provision for trademark dilution, as in the case of Section 29(4). The principle of dilution therefore, was developed by our courts, having regard to internationally recognized standards about the need to protect generally well known trademarks, whose exploitation, without any good cause in relation to diverse and dissimilar products or services could injure and "dilute" its appeal. Thus, in Daimler Benzaktiegesellschaft v. Eagle Flask Industries Ltd., ILR (1995) 2 Del 817 this court held that:

> *"14. There are marks which are different from other marks. There are names and marks which have become household words. Mercedes as name of a Car would be known to every family that has ever used a quality car. The name "Mercedes" as applied to a car, has a unique place is the world. There is hardly one who is conscious of existence of the cars/automobiles, who would not recognize the name "Mercedes" used in connection with cars. Nobody can plead in India, where "Mercedes" cars are seen on roads, where "Mercedes" have collaborated with TATAs, where there are Mercedes Benz—Tata trucks have been on roads in very large number, (known as Mercedes Benz Trucks, so long as the collaboration was there), who can plead that he is unaware of the word "Mercedes" as used with reference to car or trucks;*
>
> *15. In my view, the Trade Mark law is not intended to protect a person who deliberately, sets out to take the benefit of somebody else's reputation with reference to goods, especially so when the reputation extends worldwide. By no stretch of imagination can it be said that use for any length of time of the name "Mercedes" should be not, objected to.*
>
> *16. We must keep in mind that the plaintiff company exists in Germany. An insignificant use by too small a product may not justify spending large amounts needed in litigation. It may not be worthwhile.*
>
> *17. However, if despite legal notice, any one big or small, continues to carry the illegitimate use of a significant world wide renowned name/mark as is being done in this case despite notice dated 04-07-1990, there cannot be any reason for not stopping the use of a world reputed name. "None should be*

> *continued to be allowed to use a world famed name to goods which have no connection with the type of goods which have generated the world wide reputation.*
>
> *18. In the instant case, "Mercedes" is a name given to a very high priced and extremely well engineered product. In my view, the defendant cannot dilute that by user of the name Mercedes with respect to a product like a thermos or a casserole."*

The observations have been assimilated in case law, by the courts in India, and applied, wherever trademark dilution was alleged (Ref Larsen & Toubro Limited v. Lachmi Narain Traders, ILR (2008) 2 Del 687, Sunder Parmanand Lalwani v. Caltex (India) Ltd., AIR 1969 Bom 24; Bata India Ltd. v. Pyare Lal & Co. Meerut City, AIR 1985 All 242; Kiriloskar Diesel Recon (P) Ltd. v. Kirloskar Proprietary Ltd., AIR 1996 Bom 149)."

35. The Court further observed that the entire structure of Section 29(4) is different from the earlier provisions in Section 29 and this is because the 'likelihood of confusion' test, which is the essential basis of trademark law, is not incorporated in relation to infringement of the kind Section 29(4) envisions. The emphasis on similar goods is the recurring theme in each of the sub-clauses (a), (b) and (c) of Section 29(2) and identity/similarity requirement along with similarity of goods are twin conditions. However, Section 29(4) posits identity or similarity of the mark but in relation to dissimilar goods. Importantly, the Court also held that the object of the dilution form of infringement under Section 29(4) in effect, is a wider trademark protection without the concomitant likelihood of confusion requirement as the Legislature has not referred to the need for proving confusion under sub-section (4). Thus, what the Plaintiff is required to establish are cumulative conditions of similarity or identity of marks, repute in India, use of mark without cause and intent to take unfair advantage or the use of the impugned mark being detrimental to the distinctive character/repute of the registered mark. Reference was made to the judgment in ***Baywatch Production Co. v. Home Video Channel, [1997] F.S.R. 22 (Ch.),*** where the Court had delineated the 'questions'

that a Court is required to pose and answer under Section 29(4), while adjudicating a claim for infringement and relevant passage from the judgment in ***DaimlerChrysler AG v. Alavi, [2001] RPC 42*** is as follows:-

> *"88. In my view, the best approach is just to follow the section, remembering Jacobs A.G.'s warning that it is concerned with actual effects, not risks or likelihoods. The enquiry is as follows. (1) Does the proprietor's mark have a reputation? If so, (2) is the defendant's sign sufficiently similar to it that the public are either deceived into the belief that the goods are associated with the proprietor so that the use of the sign takes unfair advantage of the mark, or alternatively causes detriment in their minds to either (a) the repute or (b) the distinctive character of the mark, or (3) even if they are not confused, does the use of the sign nonetheless have this effect, and (4) is the use complained of nonetheless with due cause. Detriment can take the form either of making the mark less attractive (tarnishing, to use Neuberger J.'s word) or less distinctive (blurring). On this analysis, VISA is of course a case of tarnishing."*

36. Insofar as the test of similarity is concerned, the Court relied on the judgment in ***Sabel BV v. Puma AG, [1998] RPC 199,*** where it was held as under:-

> *"37. The test of similarity or confusion had been indicated, in Sabel BV v. Puma AG, [1998] RPC 199 as follows:—*
>
> > *"... The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case....That global appreciation of the visual, aural or conceptual similarity or the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components ... The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details."*
>
> *It was held in Adidas-Salomon AG v. Fitnessworld Trading Ltd., 0041 Ch 120, that it is not necessary to establish confusion or the likelihood of confusion in order to establish infringement under this head. The plaintiff has to show that there is sufficient degree of similarity between the mark with a reputation and the sign (ie. the impugned mark) to have the effect that the relevant section of the public establishes a link between the sign and the mark. The court also cautioned that all tests have to be cumulatively satisfied, or else the courts would be indulging in over-protection to the registered mark, affecting competition:*

'Above all, it is necessary to give full weight to the provisions of Article 5(2) as a whole. Thus the national court must be satisfied in every case that the use of the contested sign is without due cause; and that it takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark. These requirements, properly applied, will ensure that marks with a reputation, whether or not the reputation is substantial, will not be given unduly extensive protection'."

37. The Court also relied on the judgment of the European Court in ***Intel Corp Inc v. CPM United Kingdom Ltd., 2009 ETMR 13***, as follows:-

"44. As regards the degree of similarity between the conflicting marks, the more similar they are, the more likely it is that the later mark will bring the earlier mark with a reputation to the mind of the relevant public. That is particularly the case where those marks are identical.

45. However, the fact that the conflicting marks are identical, and even more so if they are merely similar, is not sufficient for it to be concluded that there is a link between those marks.

46. It is possible that the conflicting marks are registered for goods or services in respect of which the relevant sections of the public do not overlap.

47. The reputation of a trade mark must be assessed in relation to the relevant section of the public as regards the goods or services for which that mark was registered. That may be either the public at large or a more specialised public (see General Motors, paragraph 24).

48. It is therefore conceivable that the relevant section of the public as regards the goods or services for which the earlier mark was registered is completely distinct from the relevant section of the public as regards the goods or services for which the later mark was registered and that the earlier mark, although it has a reputation, is not known to the public targeted by the later, mark. In such a case, the public targeted by each of the two marks may never be confronted with the other mark, so that it will not establish any link between those marks.

49. Furthermore, even if the relevant section of the public as regards the goods or services for which the conflicting marks are registered is the same or overlaps to some extent, those goods or services may be so dissimilar that the later mark is unlikely to bring the earlier mark to the mind of the relevant public.

50. Accordingly, the nature of the goods or services for which the conflicting marks are registered must be taken into consideration for the purposes of assessing whether there is a link between those marks.

51. It must also be pointed out that certain marks may have acquired such a reputation that it goes beyond the relevant public as regards the goods or services for which those marks were registered.

52. In such a case, it is possible that the relevant section of the public as regards the goods or services for which the later mark is registered will make a connection between the conflicting marks, even though that public is wholly distinct from the relevant section of the public as regards goods or services for which the earlier mark was registered.

53. For the purposes of assessing where there is a link between the conflicting marks, it may therefore be necessary to take into account the strength of the earlier mark's reputation in order to determine whether that reputation extends beyond the public targeted by that mark.

54. Likewise, the stronger the distinctive character of the earlier mark, whether inherent or acquired through the use which has been made of it, the more likely it is that, confronted with a later identical or similar mark, the relevant public will call that earlier mark to mind.

xxxx xxxx xxxx xxxx

60. As regards the circumstance referred to in point (d) of that question, the fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark would call the earlier mark to mind is tantamount to the existence of such a link."

38. Finally, on an analysis of all the requisite parameters, the Court observed as under:-

"48. It is an established principle, in India, that in any trademark infringement action, the question of similarity (of the rival marks) is to be addressed first. Here, the test — evolved over 40 years ago — of course in the context of similar goods and applied consistently by the court, was summarized by the following quote, (from an old English decision) by the Supreme Court, in Amritdhara Pharmacy v. Satya Deo Gupta, AIR 1963 SC 449 onwards:

> *"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."*

This court is of opinion that the test here (for dilution) is not exactly the same. For one, Parliament has consciously eschewed the *"deceptively" similar standard-which is defined by Section 2, in relation to infringement claims under Section 29(4). This would mean that the identity or similarity standard is a notch higher — the claimant has to prove or establish that the two marks are identical with or similar to each other. The question of deception does not arise here. There must be a near identification of the two marks or they must have the closest similarity. The second aspect is that the other elements necessary to establish dilution dissimilarity of goods, the claimant mark having a reputation in India; the use of the mark without due cause, resulting in detriment to it, or the defendant taking undue advantage, have to be established. These ingredients are all to be established, as the conjunctive "and" is used, in Section 29(4).*

49. As commented earlier, the analogy of tests evolved in infringement actions where similar goods or services are in question appears to be inapposite, after the enactment of Section 29(4). The plaintiff has to fulfill a more stringent test (than the deceptive similarity standard) of proving identity or similarity, where trademark dilution is complained. Applying the reasoning of the decisions cited previously, it is held that a "global" look, rather than a focus only on the common elements of the mark, is to be taken, while considering if the impugned or junior mark infringes, by dilution, an existing registered mark….."

39. In this context, I may also refer to a judgment of a Division Bench of this Court in ***Ford Motor Company & Anr. v. C.R Borman & Anr., 2008 SCC OnLine Del 1211,*** relevant paras of which are as follows:-

"15. Finally, we must consider the impact of Section 29 of the Act. On a reading of paragraph 12 of the impugned Order, it appears to us that one of the reasons which had weighed on the learned Single Judge was that Section 29(4) would, inter alia, apply only in cases where the Defendants had taken unfair advantage of the Plaintiffs' reputation. If a Plaintiff fails to plead that the Defendants have taken unfair advantage of the Plaintiffs' reputation, the consequence will be that no cause of action would have arisen for the invocation of Section 29(4). In such an event, the Plaint would have to be rejected under Order 7 Rule 11 and not returned to the Plaintiffs under Order 7 Rule 10. However, as already dealt with above, a reading of Paragraphs 32 to 34 of the Plaint leave no possibility for doubting that the Plaintiffs had in terms, inter alia, pleaded that the Defendants had taken unfair advantage of the Plaintiffs' reputation. A holistic reading of the Plaint would show that a case has been stated justifying the invocation of Section 29(4). It is quite another matter whether this case would eventually be proved through evidence by the Plaintiffs. However, since the necessary pleadings

are available in the Plaint, it is not possible to apply the rigours of either Order 7 Rule 11 for rejecting the Plaint or of Order 7 Rule 10 for returning the Plaint.

16. The learned Single Judge has interpreted Section 29(4) in a manner that would afford protection to a Plaintiff only in respect of the Class in respect of which registration of the trademark has been carried out. The learned Single Judge has opined that the primary objective of the Act is to restrict protection to trademarks in respect of the Class under which it has been applied and registered. The view of the learned Single Judge is that the intendment of the Act could not be for a blanket protection to be made available to a trademark in respect of the entire gamut of Classes. What should not be lost sight of is the fact that Section 29(4) is palpably an exception to the scheme of the Act and applies only to those trademarks which have earned a reputation in India. If it is, prima facie, clear or it is proved through evidence that the concerned trademark enjoys and commands a reputation in India, the Plaintiffs do not have to prove deception on the part of the Defendants or likelihood of the customer being misled because of the use of the challenged trademark. Once the Plaintiffs have made out a case that the offending trademark is identical with or similar to its registered trademark, relief would be available even if the purveyed goods are not similar and/or fall in the same category or class. On a careful comparison of Section 29(4) with other provisions of that Section as well as the Act, this legal position commends itself to us. It is impermissible to ignore all these features of Section 29(4) only because they may be seen as running counter to other provisions of the Act. This is the very purpose of inserting an exception. It would be advantageous to reproduce the sentence from 'Parliamentary Discussion on the Trade Marks Act, 1999' which reads thus -'The proposed Bill seeks to introduce protection for registration of trade marks for services in addition to goods. It also seeks to extend protection for well-known trademarks and to do away with the system for registration in Part A and B and to provide for a single computerised register with a simplified procedure for registration with equal rights'' Well-known trademarks, it is worthy of reiteration, have been specifically dealt with in Section 29(4) and it would be jurally impermissible to dilute or water down the intendment of the Legislature."

40. Relevant would it be to rely on the judgment of the High Court of Madras in ***Ashok Leyland Limited v. Blue Hill Logistics Pvt. Ltd. & Another, 2010 SCC OnLine Mad 6126,*** where the Court held that the protection extended by Section 29(4) of the Act, even to dissimilar goods and services is based on the doctrine of dilution, which is a type of violation of a trademark in which Defendant's use, while not

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causing a likelihood of confusion, blurs distinctiveness or tarnishes the image of Plaintiff's mark. I may profitably extract relevant passages from the judgment hereunder:-

> *"33. The protection extended by Section 29(4) even to dissimilar goods and services, is actually based upon 'the doctrine of dilution'. Dilution is a type of violation of a trade mark, in which the Defendant's use, while not causing a likelihood of confusion, blurs distinctiveness or tarnishes the image of the Plaintiff's mark. In Daimler Benz Aktigesellschaft v. Hybo Hindustan, AIR 1994 Del. 239, it was held that the rights conferred upon owner of the registered mark cannot be diluted by other persons adopting the same mark, and trying to escape through the gateway that they have adopted the mark for dissimilar products and services. The same principles were followed in Honda Motors Co. Ltd. v. Charanjit Singh, 2003 (26) PTC 1 (Del.). In Ford Motor Company of Canada Limited v. Ford Service Centre, 2009 (39) PTC 149, the Plaintiff's registered trade mark was in relation to motor vehicles. The Defendant used the same mark for its fuel filling station. A defence taken by the Defendant in that case, similar to the one taken in this case, was rejected by the Delhi High Court. In Tata Sons Limited v. A.K. Choudhry, 2009 (40) PTC 54, the Delhi High Court prohibited the Defendants from using the trade mark 'Tata' in relation to cutlery by invoking Section 29(4).*
>
> *34. There cannot be any dispute in this case about the fulfillment of the conditions contained in clauses (a) and (b) of sub-section (4) of Section 29. The Plaintiff's registered trade mark is "LUXURA'. The mark adopted by the First Defendant is the word "LUXURIA" along with the device of a reclining chair. Therefore, certainly, the mark adopted by the First Defendant is similar to the registered trade mark of the Plaintiff. Hence, Clause (a) of sub-section (4) of Section 29 stands satisfied.*
>
> *xxxx xxxx xxxx xxxx*
>
> *40. Once it is clear that the focus of Section 29(4)(c) is on the reputation of the mark and not on the reputation of its maker, we may have to see how to assess and determine the reputation of a mark. The reputation of a trademark has to be assessed on the basis of several factors, such as the publicity that preceded and succeeded the launch of the product carrying the mark, the volume of turnover and the impact that the mark has created in the minds of the public, enabling them to associate the mark with the product. The reputation of the mark need not always be reflected by the volume of turnover alone. While dealing with the concept of "goodwill", which is only an expression that belongs to the same genre as the expression "reputation," a learned Judge of the Delhi High Court, extracted in his decision in Thermofriz Insulations v. Vijay Udyog, 1981 PTC 128, a passage from an unreported judgment of the Supreme Court which reads as under:*

"17. The Supreme Court in Civil Appeal No. 1201/66 in an unreported judgment Khushal Khengar Shah v. Mrs. Khorshedbanu Dadiba Boatwalla, dated February, 12, 1970 has laid down:

> *"The goodwill of a business is however an intangible asset being the whole advantage of the reputation and connections formed with the customers together with the circumstances which make the connection durable. It is that component of the total value of the undertaking which is attributable to the ability of the concern to earn profits over a course of years because of its reputation, location and other features".*

41. *The Apex Court had an occasion to consider what constituted goodwill in S.C. Cambatta & Co Private Ltd. v. CEPT, AIR 1961 SC 1010. Referring to English and Australian decisions, the Supreme Court held in paragraphs 7 to 9 of the said judgment as follows:*

"7. …The matter has been considered in two cases by the House of Lords. The first case is Trego v. Hunt, where all the definitions previously given were considered, and Lord Macnaghten observed that goodwill is "the whole advantage, whatever it may be of the reputation and connection of the firm, which may have been built up by years of honest work or gained by lavish expenditure of money". In a subsequent case reported in Inland Revenue Commissioners v. Muller & Co.'s Margarin Ltd., Lord Macnaghten at pp. 223 and 224 made the following observations:

> *"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good-name, reputation, and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start…. If there is one attribute common to all cases of goodwill it is the attribute of locality. For goodwill has no independent existence. It cannot subsist by itself. It must be attached to a business. Destroy the business, and the goodwill perishes with it, though elements remain which may perhaps be gathered up and be revived again."*

8. These two cases and others were considered in two Australian cases. The first is Daniell v. Federal Commissioner of Taxation, where Knox, C.J. Observed:

> *"My opinion is that while it cannot be said to be absolutely and necessarily inseparable from the premises or to have no separate value, prima facie at any rate it may be treated as attached to the premises and whatever its value may be, should be treated as an enhancement of the value of the premises".*

In the second case reported in Federal Commissioner of Taxation v. Williamson, Rich, J. observed at p. 564 as follows:

> *"Hence to determine the nature of the goodwill in any given case, it is necessary to consider the type of business and the type of customer which such a business is inherently likely to attract as well as the surrounding circumstances .... The goodwill of a business is a composite thing referable in part to its locality, in part to the way in which it is conducted and the personality of those who conduct it, and in part to the likelihood of competition, many customers being no doubt actuated by mixed motives in conferring their custom."*
>
> *In Earl Jowitt's Dictionary of English Law, 1959 Edn., "goodwill" is defined thus:*
>
> *"The goodwill of a business is the benefit which arises from its having been carried on for some time in a particular house, or by a particular person or firm, or from the use of a particular trade mark or trade name."*
>
> *9. It will thus be seen that the goodwill of a business depends upon a variety of circumstances or a combination of them. The location, the service, the standing of the business, the honesty of those who run it, and the lack of competition and many other factors go individually or together to make up the goodwill, though locality always plays a considerable part. Shift the locality, and the goodwill may be lost. At the same time, locality is not everything. The power to attract customers depends on one or more of the other factors as well. In the case of a theatre or restaurant, what is catered, how the service is run and what the competition is, contribute also to the goodwill."*

41. From a reading of the aforesaid judgment, it is clear that goodwill and reputation may not necessarily be directly proportionate to the turnover or the net profits earned in business, *albeit* turnover is one of the crucial factors that may indicate the existence of reputation. The other thing that needs to be noted are the observations of this Court in para 37 of the judgment in ***Bloomberg Finance LP v. Prafull Saklecha & Ors., 2013 SCC OnLine Del 4159,*** which is as under:-

> *"37. Section 29(4) is also distinct from Section 29(1) to (3) of the TM Act in another important aspect. The element of having to demonstrate the likelihood of confusion is absent. Perhaps to balance out this element, the legislature has mandated the necessity of showing that (a) the mark has a reputation in India (b) that the mark has a distinctive character (c) the use by the infringer is without due cause. In other words, the legislative intent is to afford a stronger protection to a mark that has a reputation without the registered proprietor of such mark having to demonstrate the likelihood of confusion arising from the use of an identical or similar*

> *mark in relation to dissimilar goods and services. The words 'detriment' in the context of the 'distinctive character' of the mark brings in the concept of 'dilution' and 'blurring'. In the context of 'repute' they are also relatable to the concept of 'tarnishment' and 'degradation'. The words "takes 'unfair advantage" refers to 'free-riding' on the goodwill attached to mark which enjoys a reputation. The disjunctive 'or' between the words 'distinctive character' and 'repute' is designedly inserted to cater to a situation where a mark may not have a distinctive character and yet may have a reputation."*

42. The Madras High Court in ***Ashok Leyland (supra)*** has observed that Section 29(4)(c) has been carefully enacted not to incorporate the expression 'well known trademark' and used the expression 'reputation'. In other words, the provision does not expect the registered trademark of the Plaintiff to be a declared well-known trademark within the meaning of Section 2(1)(zg) of the Act and reputation in India is the essential parameter that is required to be met *albeit* it needs no gainsaying that if the trademark of the Plaintiff is a declared well-known mark, it would be entitled to a higher form of protection.

43. The case of the parties in the present case will require to be tested from the prism of the principles set forth in the judgments referred to above, in the context of provisions of Section 29(4) of the Act. The registered marks of the Plaintiffs are MIRINDA and its variants and the registrations are valid and subsisting. Impugned marks of Defendants are मिरिन्डा and मिरिंडा, which are transliterations of Plaintiffs' mark MIRINDA. By definition, transliteration is conversion of a text from one script or alphabet to another, as opposed to translation from one language to another. Shorter Oxford Dictionary 5th Edition defines 'transliteration' as a noun to mean rendering of letters or characters of one alphabet in those of another. It is well-settled that use of an infringing mark

whether as a translation or transliteration amounts to infringement. ***[Ref.: Indian Express (supra) and Bhatia Plastics (supra)].*** A bare comparison of the rival marks shows that they are phonetically identical and conceptually similar to each other and therefore the first ingredient of Section 29(4) stands satisfied.

44. Insofar as the reputation of the mark MIRINDA in India is concerned, the same is vouchsafed by the pleadings in the plaint as well as the documents on record. Plaintiff has pleaded and placed on record documents evidencing both device and word mark registrations for MIRINDA in India in Class 32. The earliest device mark registration dates back to 04.06.1997. Indisputably, MIRINDA was first adopted by Plaintiff No.1 in Spain in 1959 in relation to fruit flavoured non-carbonated beverages and in India in 1996, from which year it has been extensively and continuously used. Articles published in print/online media, highlighting the brand value of the trademark have been filed and to refer a few illustratively: article published in Rediff in 1999; in India Today with celebrities as brand ambassadors in 1999; in Financial Express in 2002; in Economic Times in 2005. Chartered Accountant certificates have been filed pointing to the annual turnover from sale of products under the trademark MIRINDA which reflects that between the years 2013 to 2020, the annual turnover is over Rs. 2500 crores. Invoices in support have also been placed on record. Plaintiffs are also recipient of several awards such as 'Most Trusted Brands of Brand Equity' in the years 2012, 2013, 2014, 2015 and 2016. The promotional and advertising expenditure, as pleaded, are to the tune of over Rs. 157 crores for a period of nearly 7 years and it is also shown that several celebrities have endorsed Plaintiffs' products under the marks MIRINDA, as brand ambassadors.

45. Facts of this case come close to the case in ***Bayerische Motoren Werke Ag v. Om Balajee Automobile (India) Private Limited, 2020 SCC OnLine Del 484,*** where the Plaintiff had sought restraint against the Defendant from manufacturing, exporting or otherwise dealing with goods including but not limited to e-rickshaws bearing the Defendants DMW marks or any other mark identical or deceptively similar to Plaintiff's BMW marks. Amongst other grounds, it was contended by the Plaintiff that this was a clear case of dilution of Plaintiff's well known mark BMW, under Section 29(4) of the Act and once the said provision was attracted, the element of having to show the likelihood of confusion is absent. Referring to ***National Sewing Thread Co. Ltd. v. James Chadwick and Bros. Ltd., AIR 1953 SC 357,*** Court held as follows:-

> *"22. Hence the court held that where the products are different, prior owner's chance of success is a function of many variables; the strength of his mark, the degree of similarities between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion , etc. All variables have to be taken into account. Based on the above the court on the facts of that case concluded that visual appearance of the two marks is different and they relate to different products. Further, the manner in which they are treated by the appellant and the respondent respectively the court concluded that it was difficult to imagine that an average man of ordinary intelligence would associate the goods of the appellant as that of the respondent. Clearly, in the facts of that case the court came to a conclusion that an average man of ordinary intelligence would not associate the goods of the appellant as that of the respondent. In my opinion, the facts of the present case are materially different. The strength of the trademark of the plaintiff cannot be disputed. The plaintiff is manufacturing motorcycles under the mark BMW since 1923 and motor cars since 1928, under the said mark. It has assembly plants in 14 countries and a global sales network in more than 140 countries. The plaintiff and affiliated companies have a work force nearly of 1,25,000. In 2016, it had a revenue of 94.163 million Euros. In 2016, 23,67,600 vehicles were sold worldwide by the plaintiff of which two million vehicles were cars with the brand BMW mark. In these circumstances, the use of the mark DMW by the defendant prima facie appears to be a dishonest act with an intention of trying to take advantage of the*

> *reputation and goodwill of the brand of the plaintiff. It is likely to mislead an average man of ordinary intelligence.*
>
> *xxx xxx xxx*
>
> *25. It is manifest from the facts narrated above that the brand of the defendant is visually and phonetically similar to the mark of the plaintiff. Further, the plaintiff's mark is a well known trademark and use of the aforesaid mark by the defendant on its product constitutes infringement within the meaning of Section 29(4) of the Trademarks Act. The defendant is obviously seeking to encash upon the brand quality and goodwill which the mark BMW enjoys in the market. Such use by the defendant is detrimental to the reputation of the registered mark BMW of the plaintiff company. The defendant is prima facie guilty of infringement of the trade mark of the petitioner."*

46. *Prima facie*, there is disingenuous use of the Plaintiffs' mark MIRINDA by the Defendants, with the intent to encash on the goodwill and reputation associated with their brand and to benefit out of the same, which would be detrimental to the distinctive character of the Plaintiffs' marks and dilute the same. Pertinently, the above assertions touching upon the width, span and strength of the mark MIRINDA in the plaint have only been evasively and vaguely denied by the Defendants in the written statement. Stand of the Defendants that they have been using the mark from 2007 is *prima facie* incorrect since the trademark application bearing No.3471413 for device mark मिरिंडा was abandoned. The application filed on 01.02.2017 was on 'proposed to be used' basis. In the earlier application No.3465713, user was claimed from 06.07.2015 for the word mark 'CONTINENTAL MIRINDA BEER'. Insofar as the label registration is concerned, the submission that it is from the year 2007, cannot be countenanced as Defendants have failed to place on record any sales figures/invoices/CA certificates for the said period. Therefore, at this interim stage, pending trial, the claim of use of the impugned mark from 2007 cannot be accepted. ***[Ref.: FDC Limited (supra)].***

47. In my *prima facie* view, case of the Plaintiffs herein falls within the scope and ambit of Section 29(4) of the Act, given the strength and repute of MIRINDA marks, degree of similarity with the impugned mark and the chance of the Plaintiffs bridging the gap between soft drinks and country made liquor. Plaintiffs have made out a case of infringement against the Defendants. Balance of convenience also lies in favour of the Plaintiffs and irreparable harm and injury shall be caused to the Plaintiffs if the interim injunction is not confirmed.

48. Learned Senior Counsel for the Defendants had relied on the judgment in ***Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel and Others, (2006) 8 SCC 726,*** to support the plea that there is an inordinate delay of approximately 15 years as the mark MIRINDA has been extensively used by the Defendants since 2007. In the said judgment, the Supreme Court has held that delay in an infringement of trademark may by itself not be a ground for refusing to issue injunction but may cause the Court in a given case to refuse an interlocutory injunction, where the Defendant has built up a trade in which he has notoriously used the mark, relying on Kerr in his *Treatise on the Law and Practice of Injunction*, 6th Edn., PP. 360-361 and also observed that specific knowledge on the part of the Plaintiff and prejudice suffered by the Defendant would also be a relevant factor. However, the said judgment, in my view, does not aid the Defendants. Plaintiffs have explained and pleaded that they learnt only in December, 2021 that Defendant No. 2 had applied for 'CONTINENTAL MIRINDA BEER' in Class 32, upon which they investigated the matter. The investigations revealed that Defendant No.2 is the Director of Defendant No.1 which is using the Hindi transliteration of the mark MIRINDA in relation to country made liquor and soon thereafter, the present suit was filed in April, 2022. At

this stage, therefore, this Court is unable to come to a *prima facie* conclusion against the Plaintiff that there is delay in approaching the Court and in any event, assuming there is some delay, that is not enough by itself to deter this Court from granting injunction, more so when the adoption is dishonest. For the same reason, the judgment in ***Khoday Distillers Limited v. Scotch Whisky Association and Others, (2008) 10 SCC 723,*** relied upon by the Defendants is also distinguishable on facts. Additionally, Plaintiffs have also explained that Defendants were selling their products locally in a few Districts of Madhya Pradesh and since the product could not be advertised, being prohibited by law, there was no way Plaintiffs could have known about usage of the impugned mark earlier.

49. Reliance was placed by the Defendants on the judgment in ***Lowenbrau AG & Anr. v. Jagpin Breweries Ltd. & Anr., 2009 SCC OnLine Del 45,*** to set up a case of honest and concurrent user. In the said judgment, this Court held that concurrent and honest use is a valid defence against action for infringement under the Trade and Merchandise Marks Act, 1958 and even Sections 9(1), 30(1), 30(2) and 35 of the Act recognizes honest and concurrent use, and on the conditions mentioned therein being satisfied, valid defence can be raised against infringement. This judgment also does not inure to the advantage of the Defendants since this Court has rendered a *prima facie* finding that the adoption of the impugned mark is dishonest and the attempt to adopt and use the trademark of the Plaintiffs, which has a repute of the threshold required under Section 29(4) of the Act, is only to gain advantage and mileage from the said mark. Furthermore, this defence is contradicted by the Defendants by their own argument that the reason for adoption was that Cox Distillery was established by an Englishman and when he came up with the term 'Mirinda' for

whisky, the same was adopted by the Defendants. It is obvious that if this was the reason for adoption, mark could not have been coined by the said entity in 2007.

50. Defendants have also relied on the judgment in ***Radico Khaitan Limited v. Carlsberg India Private Limited, 2011 SCC OnLine Del 3925***, more particularly, para 30 thereof, wherein this Court observed that it is always not necessary to infer that trade practice is honest solely because the manner of use of expression is in descriptive sense and not in a prominent fashion. The converse may be true also in some cases and there are certain industries wherein special emphasis has to be given to the said expression upon the product or an ingredient of the product, so as to catch the customers or attract the consumers, rather than using it as a small word on the label. It was further held that the decisive test for examining the honest practice is not prominence or non-prominence of the expression, which though may be relevant but much will depend upon the manner of use of the expression as warranted in the said industry, which will set out the limit for what can be honest or dishonest. The judgment is wholly inapplicable to the present case since the word 'MIRINDA' is *prima facie* far from descriptive and moreover, Defendants cannot be allowed to raise this argument, having themselves applied for claiming exclusive right over the word which is MIRINDA's transliteration in Hindi. It needs no emphasis that Plaintiffs' mark MIRINIDA has acquired huge goodwill and reputation and going by the strength of the mark, Defendants' use of a mark which is a transliteration with phonetic identity, cannot be counterbalanced by the defence of honest and concurrent user. ***[Ref. Sagar Ratna Restaurants Private Limited v. DS Foods and Others, 2021 SCC OnLine Del 2539, Vasundhra Jewellers Pvt. Ltd. v. Kirat Vinodbhai Jadvani and Another, 2022***

SCC OnLine Del 2996 and ***Raman Kwatra and Another v. KEI Industries Limited, 2023 SCC OnLine Del 38].***

51. Defendants placed heavy reliance on the judgments of the Supreme Court in ***Nandhini Deluxe v. Karnataka Cooperative Milk Products Federation Ltd., (2018) 9 SCC 183*** and ***Vishnudas Trading as Vishnudas Kishendas v. Vazir Sultan Tobacco Co. Ltd., Hyderabad and Another, (1997) 4 SCC 201.*** In ***Nandhini Deluxe (supra)***, the trademark 'NANDINI' was being used by the Respondent since 1985 in respect of milk and milk products as against the Appellant who adopted the mark 'NANDHINI' for restaurants in 1989 and the case is distinguishable on facts looking at the length of user and strength of mark MIRINDA. The same issue came up before this Court in ***Bayerische Motoren Werke Ag (supra)*** and the Defendant cited the case of ***Nandhini Deluxe (supra).*** The Court distinguished the judgment on the ground that where products are different, prior owner's chance of success is a function of various variables, such as strength of his mark; degree of similarity etc. and in the present case the reputation of MIRINDA marks is an added and crucial factor, which distinguishes it from the facts of the cases in ***Nandhini Deluxe (supra)*** and ***Vishnudas Trading (supra).***

52. This Court also finds merit in the stand of the Plaintiffs that the Defendants are not bound to supply liquor under the mark 'Rajshree Mirinda Masala' under the tender awarded to them by the Excise Department for the Financial Year 2022-23. The Notice Inviting Tender dated 15.03.2022 shows that the tender is brand neutral and the only mandatory requirement is supply of plain and masala country liquor under the labels duly registered with the Excise Department and this is fortified by the Letter of Award dated 30.03.2022. Besides, there is also *prima facie* merit in the contention that Defendants have a

label registration for masala country liquor as 'Desi Madira Masala Prince Orange' which can be used to satisfy the demand under the tender. Therefore, the principal grievance and ground raised by the Defendants in the application seeking vacation of *ex parte* injunction is totally flawed.

53. Lot of stress was laid by the learned Senior Counsel for the Defendants to bring home the point that there is no likelihood of confusion only because the Defendants mark is a transliteration of the mark of the Plaintiffs, since the products in question and the class of customers as well as packaging, price and trade channels are different, with special emphasis on the fact that the country made liquor of the Defendants is sold only through Government liquor vends. In my view, this argument only deserves to be rejected, being devoid of merit. Plain reading of Section 29(4) of the Act coupled with the judgments of this Court where its ambit and scope has been considered at length, in my view, the said defences would not aid the Defendants. As repeatedly held and affirmed in the judgments referred to above, once the Plaintiff is able to show *prima facie* reputation of the threshold required under Section 29(4) of the Act, the likelihood of confusion or deception is obliterated and this becomes pronounced when the impugned mark is a transliteration of the Plaintiff's mark. Insofar as dissimilarity of goods, trade channels etc. is concerned, once the Plaintiff comes under the umbrella of the provisions of Section 29(4), protection would transcend across goods and the Court would injunct a Defendant, who uses an identical/deceptively similar mark, with an intent to take undue advantage of Plaintiff's well known and reputed mark, resulting in its dilution and blurring.

54. For all the aforesaid reasons, the *ex parte* ad interim order dated 06.05.2022 is made absolute till the decision of the suit and

Defendants, by themselves, their agents, representatives, servants, men, distributors and all those acting in concert with them or on their behalf or claiming under or through them or otherwise howsoever, are hereby restrained from using the trademark 'MIRINDA', transliteration thereof in Hindi मिरिन्डा/ मिरिंडा and/or in any other language and/or any deceptive variation thereof in relation to their product i.e. country-made liquor and/or in relation to any other business activity in a manner that it infringes Plaintiff No.1's statutory and common law rights in its registered and well-known mark MIRINDA and/or variants thereof including , , , , (MIRINDA Marks).

55. Accordingly, I.A No. 6862/2022 filed by the Plaintiffs under Order XXXIX Rules 1 & 2 CPC is allowed and I.A. No. 8623/2022 by the Defendants under Order XXXIX Rule 4 CPC is dismissed. Both applications stand disposed of.

56. It is important to pen down the usual caveat that the views and observations expressed by the Court in this judgment are only *prima facie* and tentative and shall have no bearing on the final adjudication of the suit.

JYOTI SINGH, J

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