

IN THE HIGH COURT OF DELHI AT NEW DELHI

W.P. (C) 9778 of 2006

Reserved on: 28th April 2011
Decision on: 19th May 2011

CHAMPAGNE MOET AND CHANDON Petitioner
Through: Mr. N. Mahabir with
Dr. Sheetal Vohra, Advocates.

versus

UNION OF INDIA & ORS Respondents
Through: Mr. Mohan Vidhani with
Ms. Deepa Arya, Mr. Rahul Vidhani and
Mr. Mahir Malhotra, Advocates for R-3.

CORAM: JUSTICE S. MURALIDHAR

1. Whether Reporters of local papers may be
allowed to see the judgment? No
2. To be referred to the Reporter or not? Yes
3. Whether the judgment should be reported in Digest? Yes

JUDGMENT
19.05.2011

1. An order dated 27th October 2004 passed by the Intellectual Property Appellate Board ('IPAB') dismissing the Petitioner's appeal against an order dated 12th June 1995 of the Deputy Registrar of Trademarks ('DR') is challenged in this petition under Article 226 of the Constitution. The Petitioner also challenges an order dated 3rd March 2006 passed by the IPAB rejecting the Petitioner's Review Petition No. 6 of 2004.

2. The Petitioner states that it is a company established under the laws of France and is a well-known manufacture of wines which it is selling under the trademark MOET, MOET & CHANDON and other brands in more than 150 countries of the world. It is stated that the Petitioner was founded in 1743 in France by Claude Moet who is stated to have been born at the time of Dom Perignon and stated to have dedicated his life to developing and perfecting the methods by which Champagne is made. He was succeeded by his grandson Jean-Remy Moet who in turn handed over the business in

1832 to his son Victor Moet and his son-in-law Pierre-Gabriel Chandon. It is stated that since then the Petitioner company is known as Moet & Chandon.

3. The Petitioner claims that its Champagne bearing the marks MOET & CHANDON had been shipped to India and that there are records to show that Champagne bearing the mark MOET was shipped to India as early as 1906. It is stated that the said brand of Champagne has been sold in India since then till date.

4. The Petitioner company holds a Registration for the trademark MOET in Class 33 of the Trade and Merchandise Marks Act, 1958 ('TM Act, 1958') under No. 396612 with effect from 15th October 1982 and for the trademark MOET & CHANDON under Registration No. 439835 B with effect from 5th July 1985.

5. Respondent No. 3 M/s Moet's is a partnership firm operating from 50, Defence Colony, New Delhi. It is stated that the trademark MOET'S was first coined and adopted by Respondent No. 3 in 1967. It is claimed to have been adopted from the Hindi word 'MOHIT' which was the name of one of the partners. It is stated that the said name was adopted as the trade name/trading style of the firm and has been used continuously by it since then. Respondent No. 3 claims that by virtue of its long, continuous, extensive and exclusive use, the trademark MOET'S has acquired goodwill and reputation among the public and the trade and is associated and identified by the purchasing public with the name of Respondent No. 3 firm. Respondent No. 3 applied for the registration of the mark MOET'S in Class 29 on 28th July 1986 and its application was advertised in the Trade Marks Journal No. 965 dated 16th August 1989 at page 637. The Petitioner filed its opposition to the said registration. Respondent No. 3 filed its counter statement to the opposition of the Petitioner on 22th November 1990. The Petitioner filed its evidence by way of an affidavit of Mr. Yves Benard on 26th June 1991. It also filed documents including notarised copies of invoices, correspondence, ledger records showing use and sale of goods under the mark MOET since 1906 continuously. Respondent No. 3 filed an affidavit of Yugal Kishore Aggarwal and Mr. Sandip Bindra.

6. By an order dated 12th June 1995 the DR dismissed the Petitioner's opposition and

directed the trademark application No. 457636 in Class 29 of Respondent No. 3 to proceed to registration. The summary of the findings of the DR are as under:

(i) The rival marks are identical but the goods being respectively manufactured and marketed by the Petitioner and Respondent No. 3 were not the same or of the same description, The Petitioner's specification of goods was 'quality wines, spirits and liquors' in Class 33 whereas the goods of Respondent No. 3 were 'meat, fish, poultry and game and meat extracts' included in Class 29.

(ii) The Petitioner failed to establish user since 1947. The registration in its favour was from 15th October 1982 and its annual sales figures for the year 1980-90 were given in French Francs and not in Indian currency. The bills furnished by the Petitioner do not bear the signatures of the issuing authorities or the trademark of the Petitioner in the text. Moreover, the bills were for the year 1980 onwards.

(iii) The mark applied for by Respondent No. 3 was a significant part of its trading style since 1967. It could therefore not be said that the adoption and user of the mark by Respondent No. 3 was dishonest. The Petitioner's objections were liable to be overruled. It was registerable within the meaning of Sections 12(3) and 33 of the TM Act 1958.

(iv) Respondent No. 3 had shown sales figures from 1968 and therefore the Petitioner's objection with reference to Sections 11(a) and 11(e) TM Act, 1958 was untenable. Since Respondent No. 3 had used the mark for a substantial period, it qualified for registration under Section 9 of the TM Act, 1958.

7. Aggrieved by the above order, the Petitioner filed an appeal in this Court which was numbered as CM (M) No. 487 of 1995. This Court granted stay of the order dated 12th June 1995 of the DR. After the enactment of the Trademarks Act, 1999 ('TM Act 1999') the aforementioned appeal stood transferred to the IPAB. By the impugned order dated 27th October 2004, the IPAB dismissed the Petitioner's appeal for the following reasons:

(a) The documents produced by the Petitioner before the DR and before the IPAB

did not show anything relevant to identify its trade in India.

- (b) The invoices of sales figures to embassies produced by the Petitioner proved exclusive use of the goods by the embassies. There was no evidence that the Petitioner's goods were available openly in India.
- (c) The Petitioner had furnished invoices and sales tax statistics in relation to the sale of the goods by it in India only for 1988-91. None of the documents referred to the Petitioner's trademark 'MOET' alone. The invoices as well as the advertisements consisted of the composite mark 'MOET & CHANDON'.
- (d) The Petitioner did not produce any evidence to show that it had attained reputation and goodwill in respect of its products in India with the mark 'MOET'. It also failed to establish the plea of prior user. Consequently the Petitioner's objection under Section 11(a) had to fail.
- (e) The goods in Class 29 for which Respondent No. 3 was seeking registration were of a different description and different kind from the goods in Class 33. The distributing channel for the goods of Respondent No. 3 was totally different.
- (f) Respondent No. 3 had established the use of the impugned mark at least from 1979. The Petitioner failed to establish that it had attained reputation and goodwill in India on the date that Respondent No. 3 applied for registration of the impugned trademark.

8. It is significant that Respondent No. 3 also applied for registration of the mark 'MOET'S' in Class 16 in respect of paper and paper products in application No. 457637. The opposition filed by the Petitioner to the said application under Class 16 was dismissed by an order dated 8th December 1999 of the DR. The Petitioner did not file any appeal against the said order which therefore became final between the parties.

9. Mr. N. Mahabir, learned counsel appearing for the Petitioner submitted that the adoption of the mark 'MOET' by Respondent No. 3 as its trading style or as a trademark was fraudulent and dishonest particularly since it had used two dots on the letter 'E'. It is stated that Respondent No. 3 had copied the essential feature of the Petitioner's trademark. It is submitted that even if Respondent No. 3 had removed the two dots over the letter 'E' then the mark presently used by it was different from what it had been granted registration for. This was another reason why its application ought to have been

rejected. It is submitted that the Petitioner's products (wines) and Respondent No. 3's products (food) are both table products; respectable eating houses and hotels cater for both and, therefore, the channels of trade were the same. There was a valid nexus between food and drinks. Consequently, wines and meat, poultry etc. were related goods and sold through a common trade channel. Inasmuch as Respondent No. 3 as part of its catering services provides foods and cocktails together, the adoption and use of mark 'MOET' by Respondent No. 3 was dishonest.

10. Mr. Mahabir next contended that the mere fact that the Petitioner had not been able to successfully challenge the grant of registration of the trademark 'MOET' in favour of Respondent No. 3 in Class 16 did not make any difference since no products in Class 16 were commercially sold by Respondent No. 3 at any point in time. No documents had been filed by it to show that 'take-away' or packaged food was sold by Respondent No. 3 under the trademark 'MOET'. Also Respondent No. 3 had not stated as to which part of the sales figures constituted catering services. Lastly, it is contended that there was no acquiescence on the part of the Petitioner as it opposed the application of Respondent No. 3 when it first became aware of such application. Relying on the judgment in *Power Control Appliances v. Sumeet Machines Pvt. Ltd.* 1995 PTC 165, it is submitted that in order to succeed in the plea of acquiescence Respondent No. 3 would have to show that it had been acting in ignorance of the Petitioner's title, whereas that was not the case. Relying on *Hindustan Pencils Pvt. Ltd. v. India Stationery Products* 1989 PTC 61, it is submitted that a dishonest adopter of a trademark cannot plea the ground of acquiescence. The judgment in *Khoday Distillers Ltd. v. Scotch Whisky Association* 2008 (37) PTC 417 is sought to be distinguished on the ground that in that case the Supreme Court found that the appellant had not adopted the impugned trademark dishonestly or fraudulently and further that the Respondent therein did not seek cancellation of the trademark PETER SCOT for over 14 years.

11. Appearing for Respondent No. 3, Mr. Mohan Vidhani learned counsel defended the orders of the DR as well as the IPAB by pointing out that the Petitioner had not placed any documents to show prior user. It is reiterated that there was acquiescence on the part of the Petitioner to the use of Respondent No. 3 to the trademark 'MOET'. The Petitioner had not instituted any infringement action against Respondent No. 3 at any

point in time. In fact, it accepted the verdict of the DR rejecting its opposition to the grant of registration in favour of Respondent No. 3 in Class 16. It is submitted that the mark 'MOET'S' is used by Respondent No. 3 in the paper packaging for 'take-away' food and, therefore, the mark was not confined to catering services. It is submitted that since there is a difference in the goods being traded by the Petitioner and Respondent No. 3, there was no problem of deception or confusion.

12. Mr. Vidhani drew a distinction between the infringement proceedings and the registration proceedings under the TM Act, 1958. Respondent No. 3 had successfully made out a case for grant of registration on the ground of honest and concurrent user as well as the existence of special circumstances in terms of Section 12(3) TM Act, 1958. Mr. Vidhani submitted that Section 33, which provided for saving of vested rights, talked of prior user of a mark in relation to the same goods, Section 12(3) TM Act, 1958 permitted the Registrar to grant registration of identical marks in favour of more than one proprietor if there was honest and concurrent use of identical marks in relation to "the same goods or description of goods." It is submitted that Respondent No. 3 also built up its own reputation as a provider of catering services for several years in Delhi. There were letters written by the embassies appreciating the catering services provided by Respondent No. 3 since 1967. The trademark 'MOET'S' was associated with the trading style, trade name and goods and services of Respondent No. 3. Reliance was placed by Mr. Vidhani on the decisions in *London Rubber Co. Ltd. v. Durex Products 1964 (2) SCR 211*; *Osram Gesellschaft Mit beschränkter Haftung v. Shyam Sunder 2002 (25) PTC 198 (Del)(DB)* and *Winthrop Products Inc. v. Eupharma Laboratories Ltd. 1998 PTC (18) 213*.

13. One of the first issues considered by the DR in his order dated 12th June 1995 rejecting the Petitioner's opposition to the application of Respondent No. 3 for registration was whether Section 11(a) of the TM Act, 1958 stood attracted. The DR referred to the affidavit dated 12th March 1994 by way of evidence in which Respondent No. 3 had indicated the figures of sales of its goods for the impugned mark from 1968-69 up to 1992-93. The opposition by the Petitioner under Section 11(a) was premised on the public being so familiar with the trademark of the Petitioners that the use by Respondent No. 3 of the same mark was likely to deceive or cause confusion. In support

of this, the Petitioners had along with their affidavit dated 3rd May 1991 relied on the fact that the Petitioner's wines had been sold in India since 1947. However, the sales figures provided were only from 1979 and that too in French Francs. On an appreciation of this evidence the DR concluded that while the sales figures furnished by Respondent No. 3 had been supported by invoices and other correspondence the Petitioners did not produce satisfactory evidence of use prior to 1980. The IPAB in its impugned order dated 27th October 2004 concurred with the above finding of the DR. The IPAB again examined the invoices and other documents filed by the Petitioner and Respondent No. 3. The IPAB concluded that "there was absolutely no evidence or material on record to establish that the appellant's products are openly available in the market in India which alone would establish the goodwill and reputation of the appellant in the trade". The second significant aspect was that none of the documents produced by the Petitioner referred to the trademark 'MOET' alone. The invoices and advertisements produced by the Petitioner consisted of the composite mark 'MOET & CHANDON'.

14. In light of the above concurrent findings on an appreciation of evidence by two quasi judicial authorities, this Court is not inclined to exercise its powers of judicial review under Article 226 of the Constitution. This Court is not exercising appellate powers as it were. The above concurrent determination on facts by the DR and the IPAB has not been shown to be perverse or contrary to the evidence on record. No ground has been made out to interfere with the rejection of the Petitioner's opposition under Section 11(a) TM Act 1958.

15. The IPAB held that the goods for which Respondent No. 3 was seeking registration was under Class 29 in respect of "meat, fish, poultry, games, meat extracts preserved brought and cut foods..." whereas the Petitioner held registration under Class 33 for "wines, spirits and liquors". The IPAB concluded that these were goods of different description and kind and that the distributing channel for the goods of Respondent No. 3 was different. The contention of the counsel for the Petitioner that since wine and food are table products, and the trading channel is common there exists "a vital nexus between food and drink" is an attractive one. Still, while wine may be served with food in a hotel or restaurant the goods *per se* cannot be said to be of the same description. The Petitioner's wines and liquors may be well-known in the trade for spirits and liquors as

distinct but the channels of trade are not invariably the same as food and eatables generally. Wines are sold in liquor shops and bars as well. There was no evidence led before the DR to show that Respondent No. 3 built up its reputation in catering services by taking advantage of the reputation that the Petitioner in respect of its wines which may have been served with food in the restaurant of Respondent No. 3. The affidavit filed by the Petitioner on this aspect can, at best, be said to be a self-serving one. On the other hand Respondent No. 3 placed on record its sales figures from 1968 onwards and therefore was able to satisfactorily establish that it had built its own goodwill and reputation in catering services. Consequently, even on this aspect, this Court is not inclined to interfere with the finding of the IPAB.

16. Much of the argument in this Court turned on the alleged dishonest adoption and user of the mark 'MOET'S' by Respondent No. 3 particularly since Respondent No. 3 also used two dots above the letter 'E'. The explanation given by Respondent No. 3 in this regard in the affidavit of evidence is that using of dots over an alphabet is not entirely unknown to Indian languages and that this reflected the way Mohit Bindra called himself when he was a child. While there is some force in the contention of learned counsel for the Petitioner that this explanation is a bit far-fetched, what appears to have weighed with the DR in the order dated 12th June 1995 was that MOET'S has been the trading style of Respondent No. 3 since 1967. Consequently, the DR held that the adoption of the trade name as its mark for its catering services by Respondent No. 3 could not be said to be 'commercially dishonest'. This is a plausible view to take.

17. The IPAB in the impugned order dated 27th October 2004 did not consider it necessary to dwell on whether the benefit of Section 12 (3) of the TM Act, 1958 can be given to Respondent No. 3 since the Petitioner had not established that it had attained reputation and goodwill in India "on the date of the application of the Respondent for registration of the impugned mark". This again is not an implausible view and does not call for interference. Section 12 (3) TM Act 1958 permits registration to be granted in respect of identical marks in favour of more than one proprietor where the user is shown to be 'honest and concurrent'. Section 33 TM Act 1958 saves the rights of a prior user of the mark in two situations: prior use by the proprietor of the mark, or prior date of registration. But for Section 12 (3), to apply the goods have to be shown to be either the

same or of the same description. For Section 33 the goods have to be the same. Once it was held that the goods and services traded by Respondent No. 3 and the Petitioner are not the same or of similar description, and that the Petitioner was unable to show that as on the date of application for registration by Respondent No. 3 the Petitioner had built a reputation for wines in India, the further question as to whether Respondent No. 3 was the prior user or an 'honest and concurrent user' in relation to those goods was not required to be examined.

18. The further defence urged by Respondent No. 3 in this context is that of acquiescence. The submission is that at no point in time has the Petitioner instituted any infringement action to restrain Respondent No. 3 from using the mark MOET'S. Also, the application by Respondent No. 3 for registration of the same mark in Class 16 was unsuccessfully opposed by the Petitioner. It's opposition No. DEL6451 was rejected and registration was granted by an order dated 8th December 1999. The Petitioner accepted the said order by not filing any appeal. The order of the DR dated 8th December 1999 records the submission of Respondent No. 3 herein that 'MOET'S' "is also the principal part of the trading style of the sister concerns of the Applicant-firm, namely, MOET'S SIZZLER, MOET'S CATERING SERVICES & MOETS." With the Petitioner having accepted that finding it is estopped from contending that the adoption of the words 'MOET'S' by Respondent No. 3 even thereafter is dishonest. Apart from saying that the mere grant of such registration in Class 16 does not enure to the benefit of the Respondent No. 3, the Petitioner has no satisfactory explanation for its acquiescence in the use by Respondent No. 3 of the mark 'MOET'S' as part of its trading name since 1967.

19. In *Power Control Appliances v. Sumeet Machines Pvt. Ltd.*, it was held as under:-

"29. Acquiescence is setting 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* 28 Beav 303 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 & 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.”

20. Again in ***Ramdev Food Products Pvt. Ltd. v. Arvindbhai Rambhai Patel*** AIR 2006 SC 3304 it was held as under (AIR @ 3323-24):

“103. Acquiescence is a facet of delay. The principle of acquiescence would apply where: (i) sitting by or allowing another to invade the rights and spending money on it; (ii) it is a course of conduct inconsistent with the claim for exclusive rights for trade mark, trade name, etc.”

21. The contention that a dishonest adoption of a mark would not entitle Respondent No. 3 to raise the defence of acquiescence is not tenable in view of the finding that the user of the mark by Respondent No. 3 cannot be said to be dishonest. Further, the fact remains that the adoption of ‘MOET’S’ as part of its trading name by Respondent No. 3 has not been sought to be prevented by the Petitioner at any point in time. Also, the Petitioner did not challenge the DR’s order dated 8th December 1999 rejecting the opposition by the Petitioner to the grant of registration of the mark in relation to Class 16 in favour of Respondent No. 3. The plea of acquiescence merits acceptance.

22. Consequently, this Court finds no grounds having been made out for interference with the impugned order dated 27th October 2004 of the IPAB. The writ petition is dismissed, but in the circumstances with no order as to costs.

S. MURALIDHAR, J

MAY 19, 2011

akg