

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

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Date of decision: 10th October, 2013

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CS(OS) 2335/2010

M/S MOHAN MEAKIN LIMITED

..... Plaintiff

Through: Mr. N.K. Anand, Mr. Arun Kumar
Jha, Mr. Shivendra Pratap Singh,
Ms. Tanga Verma & Mr. Sunil
Mishra, Advs.

Versus

A.B. SUGARS LIMITED

..... Defendant

Through: Mr. Gaurav Pachnanda, Sr. Adv.
with Mr. Sidhant Goel, Mr. Mohit
Goel and Ms. Sangeeta Goel,
Advs.

CORAM :-

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

RAJIV SAHAI ENDLAW, J

1. The plaintiff has instituted this claiming permanent injunction restraining the defendant from manufacturing, selling, offering for sale, distributing, advertising or dealing in alcoholic beverages especially Indian Made Foreign Liquor (IMFL) or goods of any description bearing the trademark and/or trade name and/or label "TOLD MOM" and/or any other name/mark or label deceptively similar to the plaintiff's trademark/label "OLD MONK", and for ancillary reliefs of delivery, damages etc.

2. Summons of the suit and notice of the application for interim relief were issued. After extensive arguments on 2nd December, 2010 and 8th December, 2010, the counsel for the defendant stated that the defendant was agreeable to change the mark “TOLD MOM” as well as the label then being used by it for selling rum and sought time to suggest alternative names and labels. When further time for the said purpose was sought on 20th December, 2010, the defendant was restrained from using the name “TOLD MOM” and the label which it was then using and to which objection was taken in the plaint. No settlement could however be reached between the parties. The defendant ultimately proposed to change the name of its product from “TOLD MOM” to “TALL MOM” but which proposal was rejected by the plaintiff as recorded in the order dated 19th September, 2012.

3. Arguments on the application of the plaintiff for interim relief and of the defendant under Order 39 Rule 4 of the Civil Procedure Code (CPC), 1908 were commenced on 8th January, 2013, when upon enquiry, whether any evidence was required to be led in the suit, both counsels after consideration stated that the suit itself can be disposed of without any further evidence. Accordingly, arguments were heard on the suit itself. The defendant in the course of the said arguments filed an affidavit which was taken on record and considered.

4. The case of the plaintiff in the plaint is:

- (i) that the plaintiff is engaged in manufacturing and selling of vatted rum under the trademark “OLD MONK” since the year 1959;
- (ii) that the plaintiff’s rum under the trademark “OLD MONK” is the largest selling rum in India;
- (iii) that apart from the common law rights accruing in favour of the plaintiff’s trademark “OLD MONK” by virtue of long and continuous use, the plaintiff also holds proprietary rights over the trademark “OLD MONK” by virtue of as many as fifteen registrations, first of which is of 5th July, 1971 and all of which are subsisting;
- (iv) that the plaintiff also holds registration of the trademark “OLD MONK” in various other countries;
- (v) that the plaintiff has been using the trademark “OLD MONK” in unique distinctive design, colour scheme, lay out, get up and the said trademark and device/logo have become exclusively associated with the plaintiff’s product; the colour combination, lay out, get up and the lettering style used on the label/logo also constitute an original artistic work within the meaning of Section 2(c) of the Copyright Act, 1956 and the plaintiff is the owner thereof and entitled to protection thereof;
- (vi) that the sales of the said product of the plaintiff in the year 2009-2010 were of approximately Rs.1,14,84,28,312;

- (vii) that the plaintiff, since the year 1962 has been spending large amount of monies to promote the sales of its product “OLD MONK”, with the amount spent in the year 2009-2010 being Rs.2,33,65,038/-;
- (viii) that the trademark “OLD MONK” , owing to continuous and extensive use for the long period of time spanning a wide geographical area, has acquired the status of a well known trademark;
- (ix) that in the month of January, 2010, the plaintiff learnt of the product “TOLD MOM XXX RUM” of the defendant being sold in a label/trade dress nearly identical to and a complete rip off of the plaintiff’s product;
- (x) that the defendant was thus attempting to pass off its product as those of the plaintiff to the unwary customers, encashing upon the goodwill and reputation of the product of the plaintiff;
- (xi) that upon the plaintiff serving a cease and desist notice on the defendant, though the defendant claimed to have discontinued the use of the impugned label but insisted upon using the mark “TOLD MOM XXX RUM” and also applied for registration of the word/mark “TOLD MOM” in respect of wine, spirit, liquor, whisky, rum, vodka, brandy, scotch and other alcoholic beverages included in Class 33 of the Trademark Rules, 2002;

- (xii) that on enquiry, the plaintiff also learnt that the defendant had only made minor amendments to the label and the label being used by the defendant was still an imitation of the label of the plaintiff;
- (xiii) that upon the defendant refusing to comply with the further cease and desist notice of the plaintiff, the suit was filed.

5. The defendant has contested the suit by filing a written statement, pleading:

- (a) that the mark “TOLD MOM” and the “TOLD MOM Label” of the defendant does not infringe or violate the common law or statutory rights of the plaintiff in the mark “Old Monk” and its label and the suit is actuated by trade rivalry;
- (b) that the defendant company since its incorporation in the year 1997 is one of the fastest growing company and has *inter alia* entered into a technical alliance with M/s Ian Macleod Distillers Ltd., a leading Scotland based Scotch company, for bottling of imported Scotch and has a vast distribution network in North India owning more than 3000 retail outlets in the States of Punjab, Uttarakhand, Uttar Pradesh and Haryana and having a IMFL bottling capacity of 1,50,000 cases per month and country liquor production of over 2,00,000 cases per month;
- (c) that in the year 2009, the defendant thoughtfully coined and adopted the mark ‘TOLD MOM’ for its business activity of selling country liquor; the defendant’s Trademark ‘TOLD

MOM’ is a coined mark and is a highly arbitrary, fanciful and artistic mark which is inherently distinctive of the goods for which it has been adopted and the mark ‘TOLD MOM’ in a short span of time has had an exceptional success;

- (d) that the product to which the Trademark ‘TOLD MOM’ has been applied is sold in bottles bearing a highly distinctive label having a unique colour scheme, distinctive design, layout and get up along with an arbitrary device of a mother which bears a connection with the Trademark ‘TOLD MOM’;
- (e) that the defendant’s Trademark ‘TOLD MOM’ and ‘TOLD MOM Label’ are inherently dissimilar to the plaintiff’s Trademark ‘OLD MONK’ and the ‘OLD MONK Label’;
- (f) that comparing the defendant’s and the plaintiff’s marks as a whole, there is no iota of overall phonetic, visual or structural resemblance / similarity which could confuse or deceive the consumers leading to passing off, unfair competition or dilution of goodwill;
- (g) that the essential features of both the marks are different; phonetically the pronunciation and syllables of both the marks are totally different;
- (h) that the said difference combined with factors like vast price difference, nature and characteristics of the products would not lead to any confusion or deception in the minds of a reasonably informed consumer;

- (i) that the description in the plaint of the defendant's Trademark as 'Told Mom XXX Rum' is wrong; the Trademark of the defendant is 'TOLD MOM' and the words 'XXX Rum' are not used in a trademark sense; that the words 'XXX Rum' cannot otherwise also be monopolized being generic and common to the trade of manufacturing and selling rum; thus the words 'XXX Rum' are to be ignored while comparing the two Trademarks for alleged violation of the Trademarks Act, 1999 and the Copyright Act, 1957;
- (j) that the trademark search for the marks starting with the word 'Old' in Classes 32 and 33 revealed that there were many marks which started with the word 'Old' and were deceptively similar to the plaintiff's trademark and registration whereof had not been opposed by the plaintiff – examples of Old Tom, Old Mull, Old Monarch, Old Magic, Old Marc, Old Mcdonald etc. have been given – this evidences the fact that the word 'Old' apart from being *publici juris*, generic and descriptive is also common to the trade;
- (k) that even the Registrar of Trademarks while examining the trademark application of the defendant for registration of the mark 'TOLD MOM' filed in Classes 32 & 33 had not cited the plaintiff's Trademark 'OLD MONK' as a possible conflicting mark;

- (l) that the plaintiff's mark comprises of descriptive and generic words – both the words 'Old' and 'Monk' are dictionary words of common parlance;
- (m) that a comparison of the plaintiff's 'OLD MONK Label' and the defendant's 'TOLD MOM Label' shows dissimilarity in the shape of the bottle, colour of the label, shape of the label, font size, background behind the name, picture on the label (with the label of the plaintiff showing the profile of a bald man and the label of the defendant showing the profile of an old lady with a crown and spectacles) etc.;
- (n) that there are dissimilarities also in the products sold under the plaintiff's and the defendant's mark; while the defendant uses the mark 'TOLD MOM' and the 'TOLD MOM Label' to sell country liquor, the plaintiff's mark 'OLD MONK' and 'OLD MONK Label' is applied for manufacturing and selling IMFL and there cannot be any probability of confusion amongst the consumers or general public; and
- (o) that the trademark / house mark 'A.B. Sugars' also is prominently displayed on the packaging / label of the products bearing the mark 'TOLD MOM' and which also distinguishes the two products.

6. *Prima facie* finding the mark 'TOLD MOM' adopted by the defendant in relation to alcoholic beverages to be identical with or deceptively similar to the trademark 'OLD MONK' of the plaintiff, being used by the plaintiff

for nearly four decades prior to the adoption by the defendant, and further in the light of the ad-interim order already in force for nearly two years in favour of the plaintiff, the senior counsel for the defendant was heard first in detail.

7. The senior counsel for the defendant on 08.01.2013 *inter alia* argued that the product of the defendant though describing itself as 'Rum' (as the product of the plaintiff is described) is in fact country liquor, sold exclusively through Country Liquor Vends in the State of Punjab. The difference between IMFL, as the product of the plaintiff is and country liquor, as the defendant claims its product to be, was enquired and it was further enquired as to whether country liquor can be described as rum. The defendant thereafter filed an additional affidavit to the effect that the description by the defendant of its product as rum is in accordance with the Rules prevalent in the State of Punjab, where the defendant's product was being marketed and explaining the difference between 'Country Liquor Rum' and 'IMFL Rum'. It is further stated in the affidavit that country liquor and IMFL are sold through separate licenses. It is thus contended that since the product of the plaintiff is IMFL and the product of the defendant is country liquor, both cannot be sold through the same trade channels shops / vends and for this reason also there is no possibility of confusion amongst the purchasing consumers. In a written note of submissions on record, it is further the case of the defendant that while the product of the plaintiff is sold for Rs.260/- that of the defendant is sold for Rs.110/-.

8. The senior counsel for the defendant has referred to / argued:

- (i) To paras No.65 to 68 and 72 to 77 of ***Khoday Distilleries Limited (Now known as Khoday India Limited) Vs. The Scotch Whisky Association*** (2008) 10 SCC 723 laying down that when and how a person is likely to be confused is a very relevant consideration; where the class of buyers is quite educated and rich, the test to be applied is different from the one where the product would be purchased by the villagers, illiterate and poor; that ordinarily alcoholic beverages would be purchased by their brand name and when the product is to be purchased both by villagers and town people, the test of a prudent man would have to be applied. It was further held that the test to be applied in a country like India may be different from the test in England, United States of America or Australia;
- (ii) ***Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*** AIR 1965 SC 980 as relied upon in ***Giani Gurcharan Singh Vs. Madhusudhan Singh*** 2011 (45) PTC 533 (Del) laying down that in an action based upon infringement, if the mark used by the defendant is visually, phonetically or otherwise so close to the registered trademark of the plaintiff that it is found to be an imitation of the registered trademark, the statutory right of the owner of the registered trademark is infringed; it is contended that there is a difference between identical and similar; that ***Navaratna Pharmaceutical Laboratories*** supra was a case of identical and not similar; that thus the trademark has to be seen in its entirety. Reference in

this regard was invited to paras No.7 and 8, 26 to 29 of *Navaratna Pharmaceutical Laboratories* with emphasis being placed on that being a case of imitation and close resemblance and which is not a case here.

- (iii) On enquiry, it was told that the Trademarks Act does not distinguish between IMFL and country liquor, with both being placed in the same class;
- (iv) Attention was however invited to Law of Trade Marks & Geographical Indications by Mr. K.C. Kailasam, Second Edition 2005 on page 490 whereof in the commentary under Section 29, it has been opined by the learned author that the classification of goods and services adopted by the Registry is not the determining or guiding factor for ascertaining similarity of goods and services and the classification is only an administration system, to facilitate search for conflicting marks and examination by the Trademarks Registry. It was thus argued that in the classification under the Trademark Rules, medicines for humans and animals are placed in the same class and thus classification is immaterial. Reliance in this regard was also placed on para No.5 in Chapter V of Kerly's Law of Trade Marks and Trade Names, Twelfth Edition opining that the fact that certain goods or services may fall within the same class is no evidence that they are of the same description which is the important criteria in considering the restrictions on registrations;

- (v) ***Ruston & Hornsby Ltd. Vs. The Zamindara Engineering Co.***
(1969) 2 SCC 727 laying down that though the defendant may be using the plaintiffs mark, the get up of the defendant's goods may be so different from the get up of the plaintiff's good and the prices may be so different that there would be no probability of deception of the public. (I may however add that the said observation is in relation to an action of passing off and the Supreme Court observed that in an infringement action, an injunction would issue as soon as it is proved that the defendant is improperly using the plaintiff's trademark). (The counsel for the plaintiff also drew attention to para No.6 of the said judgment holding the statutory protection is absolute in the sense that once a mark is shown to offend, the user of it cannot escape by showing that something outside the actual mark itself distinguishes his goods from those of the registered proprietor);
- (vi) ***Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd.***
(2001) 5 SCC 73 but in which case also there was no registered trademark;
- (vii) The senior counsel for the defendant under instructions also offered the undertaking of the defendant not to sell the goods under the trademark 'TOLD MOM' and 'TOLD MOM Label' outside the State of Punjab and / or otherwise than through the Country Liquor Vends;

- (viii) Attention was invited to Section 29(2) of the Trademarks Act and it was contended that the present case would at best fall in Sub-clause (b) thereof, as of similarity to registered trademark and identity or similarity of goods covered by the registered trademark and not in Sub-clause (c) providing for identity with the registered trademark and identity of the goods and it was contended that the presumption under Section 29(3) of likely confusion on the part of the public is available only to cases falling under Sub-clause (c) and not to cases falling under Sub-clause (b);
- (ix) that the judgments relied upon by the counsel for the plaintiff in his written note of arguments on record are of identity of trademark and where the case is not of identity but of similarity, the test as in case of passing off will apply. Attention in this regard was invited to ***K.R. Chinna Krishna Chettiar Vs. Shri Ambal & Co., Madras*** PTC (Suppl.) (1) 258 (SC) relied upon by the counsel for the plaintiff;
- (x) Oxford English Reference Dictionary, Second Edition was cited to contend that 'Monk' is pronounced as 'Mank';
- (xi) ***Kalindi Medicure Pvt. Ltd. Vs. Intas Pharmaceuticals Ltd.*** 2006 (33) PTC 477 (Del.) where *ex parte* injunction granted in favour of the registered proprietor of 'LOPRIN' brand in respect of pharmaceutical products against the use of the word / mark 'LOPARIN' also in relation to pharmaceutical products

was vacated *inter alia* for the reason, of the plaintiff's product being a non schedule product; while the defendant's product was a Schedule-H product, while the plaintiff's product was taken orally and sold as a pill, the defendant's product was intramuscularly injected with aid of a syringe; and, other factors viz. design, get-up of packing, price, weight etc. and the curative quality of the two products;

- (xii) ***Carew Phipson Limited Vs. DeeJay Distilleries Pvt. Limited*** AIR 1994 Bom 231 wherein interim injunction was refused on the ground that customers buying the alcoholic beverages subject matter in that case would normally be educated and discerning and are likely to refer to the house mark/trade mark 'Blue Riband' while buying the same and not simply ask for 'Gin N Lime' or 'Gin N Orange'.
- (xiii) ***McGregor-Doniger Inc. Vs. Drizzle Inc.*** 599 F.2d 1126 where the United States Court of Appeals, Second Circuit held that even close similarity between two marks is not dispositive of the issue of likelihood of confusion and similarity in and of itself is not the acid test; whether the similarity is likely to provoke confusion is the crucial test and further holding that difference in price when standing alone though may be insufficient to establish competitive distance but is clearly a factor to be considered along with others in measuring product proximity;

- (xiv) McCarthy on Trademarks and Unfair Competition, Volume 2, para No.23.04[4][e], opining that confusion means more than a call to the mind and it is argued that merely because ‘TOLD MOM’ may remind of ‘OLD MONK’ is no reason to hold ‘TOLD MOM’ to be capable of causing confusion; and
- (xv) ***Toho Company Ltd. Vs. Sears, Roebuck & Co.***, 645 Federal Reporter, 2d Series 788 where the United States Court of Appeals, Ninth Circuit held that garbage bag seller’s use of ‘Bagzilla’ and slogan ‘monstrously strong bags’ posed no likelihood of confusing consumers by suggesting that the trash bags were made, sponsored or endorsed by creators of ‘Godzilla’ character.

9. The counsel for the plaintiff in rejoinder has highlighted / argued:

- (i) that the defendant, on the impugned label describes its rum as “rare old rum”;
- (ii) Class 33 under the Trademarks Rules covers alcoholic beverages, whether they are country liquor or IMFL;
- (iii) that the defendant’s application for registration of its trademark is for the entire country and not for the State of Punjab only;
- (iv) that the claim of the defendant, of its product as ‘rare old rum’ instead as ‘country liquor’ amounts to a false trade description within the meaning of Section 2(1)(i) of the Trademarks Act;

- (v) That Section 2(1)(za) of the Trademarks Act describes trade description as a description, statement or other indication as to the standard of quality of goods according to a classification commonly used in the trade;
- (vi) that the use by the defendant of the trademark 'TOLD MOM' and 'TOLD MOM Label' similar / deceptively similar to the mark and label 'OLD MONK' of the plaintiff will affect the goodwill and will hurt the image of the plaintiff;
- (vii) that the products of the plaintiff and the defendant are of the same nature;
- (viii) that the plaintiff's trademark is a well known trademark within the meaning of Section 2(1)(zg) of the Trademarks Act;
- (ix) that the Division Bench of this Court in ***United Biotech Pvt. Ltd. Vs. Orchid Chemicals & Pharmaceuticals Ltd.*** 2012 (50) PTC 433 (Del.) (DB) after considering most of the judgments cited hereby on behalf of the defendant, held that the test to be applied is of deceptive similarity and it is to be seen whether the two marks are structurally and phonetically similar and would cause deception in the mind of the consumer and upheld the removal of the trademark 'FORZID' for the reason of the same being deceptively similar to the earlier registered trademark 'ORZID', both in relation to pharmaceutical products;

- (x) Identical features on the two labels were highlighted; Reference was made to Volume L. RPC Page 12 to contend that the action of the defendant is dishonest; the defendant initially agreed to change its label but subsequently changed its mind;

I may add that the counsel for the plaintiff in his written note of arguments has also referred to:

- (I) ***Munday Vs. Carey*** Vol.XXII, No.10 And Trade Mark Cases, 273 (***Club Vs. Hub***) where not only the phonetic similarity but dishonesty in adoption was also found;
- (II) ***Bale & Church Ld. Vs. Sutton Parson & Sutton & Astrah Products*** Vol.LI. Reports of Patent, Design, And Trade Mark Cases 129 (***Kleenoff Vs. Kleenup***) where the use by the defendant of 'KLEENUP' was held to be so nearly resembling the plaintiff's registered mark 'KLEENOFF' as to be calculated to cause goods sold under the mark 'KLEENUP' to be taken as the goods of the plaintiff and the test of ordinary memory of ordinary purchaser was applied;
- (III) ***Essco Sanitation, Delhi Vs. Mascot Industries (India), Delhi*** 1982-PTC-302 (***Essco Vs. Osso***) where it was held that a purchaser will seldom have two marks before him and cannot retain in his mind every detail of the mark which he has once seen and will have a general recollection of the nature of the trademark;

- (IV) *Pepsico, Inc. Vs. Pure Water Beverages* 2011 (47) PTC 147 (Del.) (**Aquafina Vs. Aquafine**) Where the test of essential features of the mark / label was applied;
- (V) *Devi Pesticides Private Ltd. Vs. Shiv Agro Chemicals Industries* 2006 (32) PTC 434 (Mad.) (DB) (**Super Boom Vs. Boom Plus**) holding that where the similarity is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is imitation, no further evidence is required to establish that the plaintiff's rights are violated; and
- (VI) *K.R. Chinna Krishna Chettiar Vs. Ambal & Co., Madras* PTC (Suppl) (1) 258 (SC) (**Ambal Vs. Andal**) laying down that nobody can abstract the name and use a phonetically equivalent of it and escape the charge of piracy of the mark pleading that the visual aspect of his mark is different from that of the plaintiff and further holding the name 'ANDAL' to be not ceasing to be deceptively similar to the name 'AMBAL' because it was used in conjunction with a pictorial device.

10. I have considered the rival submissions. As would be evident from the narration above, though the defendant has also challenged the similarity / of its mark and label to that of the plaintiff's registered mark and label, but the star argument of the defendant is on the principles as invoked in *Kalindi Medicure Pvt. Ltd.* supra.

11. Before I turn to *Kalindi Medicure Pvt. Ltd.* I may mention that as laid down in the judgments aforesaid also, the test of similarity / dissimilarity is

to be applied in the light of the product / goods or services in consideration and may be different for different category of products, goods or services, depending not only upon the nature and character of the product, its use by consumers but also the trade channels. The products of both the plaintiff and the defendant in the present case are alcoholic beverages. Though the Supreme Court in ***Khoday Distilleries Limited*** supra was concerned with the same product but the alcoholic beverages with which this judgment is concerned, as distinct from the high end alcoholic beverages with which the Supreme Court was concerned, are on the contrary at the lower if not lowest rung of price range, the purchasers whereof are often described as tipplers and who often purchase the same not in the highest form of awareness, as distinct from connoisseurs in whose context the observations relied upon by the defendant were made by the Supreme Court.

12. The reasons which prevailed with the learned Single Judge of this Court in ***Kalindi Medicure Pvt. Ltd.*** supra to not grant interim injunction, inspite of the defendant therein having merely added the alphabet 'A' between the alphabets 'P' & 'R' in the registered trademark 'LOPRIN' of the plaintiff in that case, were (i) the interlocutory remedy being intended to preserve in *status quo* the rights of the parties and the defendant in that case by the time of institution of the suit, having incurred substantial amounts for the launch of its product 'LOPARIN' and having also applied for registration of the same as a trademark; (ii) though the drugs under both the trademarks were used for treatment of heart ailment but whereas 'LOPRIN' of the plaintiff was a preventive drug, 'LOPARIN' of the defendant was a curative drug; (iii) in pharmaceutical trade, the names of various drugs are

almost similar to each other, having common prefix or suffix for the reason of the drug conveying the salt of which it is a derivative of; (iv) though the possibility of the doctors erring between the two drugs could not be ruled out but the method of intake of the two drugs could not be ignored -- while plaintiff's product 'LOPRIN' was to be taken orally and was sold as a pill, the defendant's product 'LOPARIN' was to be intramuscularly injected with the aid of a syringe; (v) while the plaintiff's product 'LOPRIN' was for long term preventive usage, generally for life, the defendant's product 'LOPARIN' belonged to the Life Saving Medicines Category given to the patients in critical hours of vascular complications; (vi) the two were thus *prima facie* completely different kind of drugs directed to remedy different situations; (vii) a patient who had been using 'LOPRIN' for long period of time, under no circumstance, was likely to mistake 'LOPARIN' injection for 'LOPRIN' tablets; (viii) the defendant's product 'LOPARIN' being an injection was not capable of self administration, without proper training and was typically used in Intensive Cardiac Care Units under special medical supervision; (ix) that the defence of the defendant of having *bona fide* coined 'LOPARIN' adopting 'LO' from the category of the drug, being Low Molecular Weight Heparin and PARIN from the name of the molecule Enoxaparin could not be ignored; (x) the price difference between the two was over 52 times; and, (xi) the defendant had already built a good market for its product and thus the balance of convenience was also in favour of the defendant.

13. As would be apparent from the above, the reasons which prevailed with this Court in refusing interim injunction restraining infringement of the

trademark 'LOPRIN' by use of the mark 'LOPARIN', cannot be said to apply to the products in the present case.

14. Though the senior counsel for the defendant has laid considerable emphasis on the trade channels for the product of the plaintiff and the product of the defendant in the present case being different for the reason of the plaintiff's product being an IMFL and the defendant's product being a country liquor but I have been unable to find any prohibition in the Excise Policy for the year 2012-13 or in the Punjab Excise Act, 1914 or The Punjab Liquor License Rules, 1956 copies whereof were handed over by the senior counsel for the defendant during the course of hearing, against the same vend having the license for sale of both, IMFL and country liquor. Though I must confess that the undersigned at least has not till now found so. However at the same time, the vendes/shops for country liquor and IMFL especially on the highways and in smaller towns are found adjacent to or in close proximity to each other. It is also not as if the defendant is engaged in the business of sale and marketing of country liquor only. It is the case of the defendant in its written statement itself that it is one of the fastest growing companies and has entered into a technical alliance with M/s Ian Macleod Distillers Ltd., a leading Scotland based Scotch Company, for bottling of imported Scotch and has a vast distribution network in North India owning more than 3000 retail outlets in the States of Punjab, Uttarakhand, Uttar Pradesh and Haryana and having a IMFL bottling capacity of 1,50,000 cases per month and country liquor production of over 2,00,000 cases per month. To allow such an entity as the defendant use of the mark "TOLD MOM", if found to be similar or deceptively similar to the registered trademark "OLD

MONK” of the plaintiff, when both marks are being used for marketing of rum, merely because the rum of the defendant presently falls in the category of Country Liquor and the rum of the plaintiff falls in the category of IMFL would in my opinion be in infringement of the trademark of the plaintiff and affecting the rights of the plaintiff as the proprietor of the registered trademark. It is for this reason only that the undertaking offered by the defendant not to sell the goods under its trademark “TOLD MOM” and “TOLD MOM Label” outside the State of Punjab and/or otherwise than through the Country Liquor Vends is not found to be sufficiently protecting such rights if found of the plaintiff. The use by the defendant of the trademark “TOLD MOM” if found to be similar or deceptively similar to the trademark “OLD MONK” of the plaintiff is likely to affect the goodwill attached to the trademark of the plaintiff. A trademark which distinguishes the goods of one person from those of the other is infringed not only when a average consumer thereof is led into buying the goods of the latter presuming the same to be of the former but also when such consumer by consuming the goods of the latter, under the impression that they are of the former forms an impression/opinion of the quality of the said goods and which impression/opinion guides the further purchases by the customer of the said goods and the reputation which the customs propagates of the goods.

15. In the present case, since the product of both, the plaintiff and the defendant bears the description rum and both are alcoholic beverages, considering the nature and class of the consumers thereof, the factum of the product of the defendant being country liquor in contradistinction to the

product of the plaintiff being IMFL is unlikely to distinguish the two qua the consumers thereof. Such consumers are not educated and technical persons like medical practitioners or chemists dealing with the pharmaceutical product in 'LOPRIN' -- 'LOPARIN' case above. If the possibility of confusion between the two products exists, it would matter not even if the shops/vends in which the two are sold are different.

16. Notice in this regard may be taken of the fact that even the counsels for the defendant though well prepared with their arguments, upon being quizzed as to how the defendant inspite of its product being country liquor, was describing the same as rum, could not immediately answer and had to resort to filing of an additional affidavit showing the word rum to have been permitted to use for both country liquor and IMFL.

17. The consumption of alcoholic beverages is always by a far larger number of persons than those who may actually go to the shops/vends to buy the same. Alcohol is traditionally consumed in groups/companies, of which only one member may have gone to do the purchase. The person consuming the same is thus unlikely to be informed of the shop/vend from which the product has been sourced. Often, purchases are made by persons other than those who consume. Consumption of alcoholic beverages is also generally at places other than where the same are sold and which places may be common to country liquor and IMFL.

18. The defendant has also not offered any explanation for adopting the name "TOLD MOM" or even while expressing willingness to change, offering to change the same to "TALL MOM". It is not as if "TOLD

MOM” or “TALL MOM” have any relationship to the product. It is not like “LOPARIN” qua which explanation of the same being a combination of the quality and molecular name of the drug was offered. The only reason for the defendant to adopt the name “TOLD MOM” which is a rather strange name for alcohol, can be to ride piggyback on the goodwill of the product of the plaintiff, of which there is no dispute, has large sales over several decades.

19. According to the defendant, the sale price of the products of the plaintiff and defendant is Rs.260/- and Rs.110/- respectively. Though the difference is of slightly more than double but hardly any, if one were to go by the price range of the said products. It is not as if the defendant’s product is selling for tens of rupees as compared to the plaintiff’s product of hundreds of rupees. There is plethora of research on the internet indicating that price is a key determinant for access to alcohol and that young people, binge drinkers and heavy drinkers prefer cheaper drinks and those groups are especially responsive to price. Studies have consistently shown that lower socio-economic groups and people with limited disposable income (young people, indigenous groups and heavy drinkers) are more directly impacted by the price of alcoholic products and spirits are twice as price sensitive as wine and beer. A study titled Evidence for the Effectiveness and Cost-Effectiveness of Interventions to Reduce Alcohol-Related Harm conducted in or about the year 2009 by World Health Organization, Regional Office for Europe has shown that if prices are raised, consumers reduce their overall consumption and tend to shift to cheaper beverages with heavier drinkers tending to buy the cheaper products within their preferred beverage category. A difference of a hundred odd rupees is not found to be such

which will distinguish the two products. Moreover, in alcoholic beverages, different products in different price range under the same trademark are not unknown. Ready example of Johnnie Walker ranging from the Red to the Blue including Black and Double Black Label, though a high end product, and of beers of varying strength and quality and different prices can be given.

20. That brings me to the crucial aspect of similarity. Spoken repeatedly in the Court rooms and analyzed “TOLD MOM” and “ OLD MONK” may not appear to be similar at all. However it is not the test of microscopic examination in the Court room but the test of environment in which the trademark is used which has to be applied.

21. The Supreme Court in *Cadila Health Care Ltd.* supra has held that while applying the test of dissimilarity of the marks or the customer knowing about the distinguishing characteristics of the plaintiff’s goods, the ground reality in India, of there being no single common language, a large percentage of population being illiterate and a small fraction of people knowing English cannot be lost sight of. It was further held that while examining such cases in India, what has to be kept in mind is that the purchaser of such goods in India who may have absolutely no knowledge of English language or of the language in which the trademark is written and to whom different words with slight difference in spellings may sound phonetically the same has to be kept in mind. The test, the Supreme Court held which has to be applied is, whether the misrepresentation made by the defendant is of such a nature as is likely to cause an ordinary consumer to confuse one product for another due to

similarity of marks and other surrounding factors. The Supreme Court in *Cadila Health Care Ltd.* supra cited with approval the earlier judgment in *Corn Products Refining Co. Vs. Shangrila Food Products Ltd.* AIR 1960 SC 142 laying down that English cases proceeding on the English way of pronouncing an English word by English men, which is not always the same, may not be of much assistance in our country in deciding questions of phonetic similarity. It was emphasized that English to the mass of Indian people is a foreign language.

22. Applying the said test, I find a very close phonetic similarity between “OLD MONK” and “TOLD MOM”. Those in the know of English language in India are unlikely to pronounce “MONK” as “MANK” as has been contended by the senior counsel for the defendant. If “MONK” is pronounced as “MONK” only, the possibility of “TOLD MOM” being confused for “OLD MONK” is found to be of a high possibility. The addition of ‘T’ and replacement of ‘NK’ with ‘M’ does not make much of a difference since no stress is placed on the syllables ‘T’ & ‘NK’ in the words ‘TOLD’ & ‘MONK’ respectively while pronouncing the same.

23. The distinction carved out by the senior counsel for the defendant, of identical and similar marks under Section 29 of the Act also in my view has to take colour from the nature of the product and its consumers. The same two marks may be described as similar if the consumers thereof are highly discernable and identical if they are not. The same is the position with respect to identity and similarity of the goods. A highly priced cosmetic item consumed generally by the so-called creamy layer of the society may not be held to be identical but only similar to another cosmetic item. However here

as aforesaid, inspite of the distinction created by the Excise Laws between the product of the plaintiff and the defendant, with the former product falling in the category of IMFL and latter in the category of country liquor, by description of both as rum, the distinction under the Excise Laws dissipates. I thus find not only identity of the mark of the defendant with the mark of the plaintiff but also identity of the goods covered by both the marks and the case to be falling in Section 29(2)(c) and in which cases as per Section 29(3), the likelihood of confusion on the part of public has to be presumed.

24. For the reasons aforesaid, the test laid down by the Bombay High Court in *Carew Phipson Limited* supra, of the customers buying alcoholic beverages subject matter of that case being normally educated and discerning, does not apply to the alcoholic beverages in the present case.

25. I have carefully examined the two labels also and do not find such a marked difference between the two so as to, notwithstanding the identity aforesaid of the goods and the trademark, warn the consumer of the two products being different. General impression of the two labels is the same, with the words “Deluxe Rum” and “Very Old Vatted XXX” being common to both. Even though they may not be the part of the trademark, but because of commonality dilute the difference if any in the remaining label. The Supreme Court as far back as in *Parle Products (P) Ltd. Vs. J.P. & Co., Mysore* (1972) 1 SCC 618 held that while comparing only the broad and essential features are to be considered and it would be enough if the impugned mark/label bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him. The Supreme Court clarified that merely because the

marks/labels upon being placed side by side are found to be different is no ground to hold the same to be not similar or dissimilar as an ordinary purchaser is not gifted with the powers of observation of a Sherlock Holmes. The law so laid down remains good after forty years also and was reiterated in ***Ramdev Food Products (P) Ltd. Vs. Arvindbhai Rambhai Patel*** (2006) 8 SCC 726.

26. I may also add that the Supreme Court in ***K.R. Chinna Krishna Chettiar*** supra has held phonetic similarity even in the absence of ocular/visual similarity to be enough to disentitle the offending mark from registration.

27. Though in some of the judgments the tests to be applied in the case of passing-off and in the case of infringement of trademark has blurred, with the Division Bench of this Court in ***Gufic Ltd. Vs. Clinique Laboratories LLC*** 2010 (43) PTC 788 (Del) holding that the tests of deceptive similarity in the case of infringement is the same as in the case of passing-off action, where the marks are not identical but in my humble opinion the said test in the case of infringement is to be confined only to comparison of the marks and the factors of pricing, trade channels etc., which in a passing-off action, in spite of similarity of marks may deprive the plaintiff of an injunction, can have no applicability in a infringement action once similarity is established. Though paragraph 4 of ***Ruston & Hornsby Ltd.*** supra appears to suggest so but an uncertainty has arisen owing to the language used in paragraph 91 of ***Ramdev Food Products (P) Ltd*** supra also. The Act, in Section 29 lays down the test of identity, similarity or deceptive similarity with the registered trademark only and not of confusion as in the case of passing-off, on the

anvil of not only similarity of marks but also of prices, trade channels etc. The Act, in Section 2(h) defines deceptive similarity also on the touchstone of resemblance likely to deceive or cause confusion and not extending to pricing, trade channels etc. In my view, since the infringement action is statutory, the test of infringement cannot be extended beyond the parameters of the statute, by incorporating therein factors of pricing, trade channels etc. which are not laid down as tests of infringement in the statute.

28. I am therefore of the view that the plaintiff has been successful in making out a case of infringement by the defendant of its registered trademark “OLD MONK” and “OLD MONK Label” by use of the mark “TOLD MOM” and “TOLD MOM Label” in relation to rum, even though falling in the Excise category of country liquor.

29. A decree of permanent injunction is accordingly passed in favour of the plaintiff and against the defendant, restraining the defendant its directors, wholesalers, distributors, officers and agents from manufacturing, selling, offering for sale, distributing, advertising or directly or indirectly dealing in alcoholic beverages bearing the trademark “TOLD MOM” and under the “TOLD MOM Label” or any other mark or label identical and/or deceptively similar to the registered trademark “OLD MONK” and “OLD MONK Label” of the plaintiff. The plaintiff shall also be entitled to costs of the suit.

Decree sheet be drawn up.

RAJIV SAHAI ENDLAW, J

OCTOBER 10, 2013

‘bs/gsr/pp..