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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Date of decision: 22nd November, 2022

+ **CS (COMM) 803/2022 & I.A. 19139/2022**

SOM DISTILLERIES AND BREWERIES LIMITED Plaintiff

Through: Mr. Kapil Wadhwa, Ms. Tejasvini Puri
 & Ms. Vasanthi Hariharan, Advocates
 (M-9310388223)

versus

REGENT BEERS AND WINES LIMITED & ORS. Defendants

Through: Mr. Sagar Chandra, Mr. Vikas Rathi,
 Ms. Srijan Uppal, Mr. Ashutosh
 Ranga and Ms. K. Natasha,
 Advocates. (M:9582055230)

CORAM:

JUSTICE PRATHIBA M. SINGH

Prathiba M. Singh, J.(Oral)

1. This hearing has been done through hybrid mode.
2. The present suit has been filed by the Plaintiff - Som Distilleries and Breweries Limited against the Defendant No.1 - Regent Beers and Wines Limited seeking permanent injunction, restraining the infringement of trademark and copyright, passing off, dilution, tarnishment, rendition of accounts, damages, delivery up, and other reliefs. The case of the Plaintiff is that the Defendant No.1 is manufacturing, selling and offering for sale, its third-party beer brands such as 'BOLT'/'VASCO SUPER' by using/refilling the Plaintiffs' proprietary bottles which are embossed with the Plaintiff's registered marks 'HUNTER', 'SOM', corporate logo for 'SOM', and the trade name 'Som Distilleries & Breweries Ltd.' The impugned bottles of the Defendant No.1, bearing the embossing of the Plaintiff's mark 'HUNTER', are depicted below:



3. The Plaintiff is engaged in the manufacture and sale of beer and other IMFL products. The business of the Plaintiff was established in the year 1993 and it claims to have a presence in various states such as Delhi, Maharashtra, Karnataka, Kerala, Chhattisgarh, Orissa, Jharkhand, West Bengal, Andaman and Nicobar Islands, etc. Some of the brand names/marks used by the Plaintiff include 'HUNTER', 'MILESTONE 100', 'LEGEND WHISKEY', 'WOODPECKER', 'LEGEND BEER', 'POWER COOL', 'BLACK FORT RUM', 'WHITE FOX VODKA', '21ST CENTURY GIN', as also, 'HUNTER' and 'SOM', which are the subject matter of the present

suit.

4. As per the Complaint, the Plaintiff introduced its range of products branded as 'HUNTER' in the year 1995. Since then, the brand/mark 'HUNTER' has been used extensively and uninterruptedly by the Plaintiff and has become one of the premium beer brands in the market. The Plaintiff obtained registrations of the mark 'SOM', including the word mark and device mark, as also, the mark 'HUNTER', in Classes 32 and 33, in the early 1990s.

5. The Plaintiff claims to have sales of over Rs. 655 crores for the financial year 2021-22, along with promotional expenses of approximately Rs.35 crores. Insofar as the 'HUNTER', the sales of the Plaintiff for the year 2021-22 were over 200 crores, and the promotional expenses were approximately 64 crores.

6. On the other hand, the Defendant - Regent Beers and Wines Limited is a company engaged in the identical business of manufacture and sale of beer and similar IMFL products, under the marks 'BOLT' and 'VASCO SUPER', along with the variants thereof. The grievance of the Plaintiff is that, in and around July, 2020, it came across certain 'VASCO SUPER' beer bottles, which were bearing the embossing of the Plaintiff's mark 'HUNTER', the house trademark 'SOM', the corporate logo 'SOM', and the trade name 'Som Distilleries & Breweries Ltd.' The Plaintiff, upon discovering the said bottles, realized that the 'HUNTER' beer bottles, which were under circulation, were being recycled and re-filled by the Defendant No.1 for the sale of beer of its own manufacture.

7. Upon acquiring knowledge of the activities of Defendant No.1, the Plaintiff addressed a legal notice dated 4th July, 2020 calling upon the

Defendant No.1 not to use the 'HUNTER' embossed bottles for its beer products. In response dated 14th July, 2020 the Defendant No.1 stated that the use of the Plaintiff's beer bottles may have inadvertently occurred due to a minor lapse or oversight by its staff during the manual sorting of the second-hand beer bottles. Accordingly, an assurance was given by the Defendant No.1 that it did not intend to use beer bottles with the Plaintiff's marks, and that it has instructed its staff to be more cautious and avoid use of embossed bottles belonging to the Plaintiff or any other entity. The relevant portion of the said reply dated 14th July, 2020 is set out below:

"2. It might be possible that due to minor lapses occurred during manual sorting of second hand beer bottles purchased by us may inadvertently sorted some bottles of brand in question. However we have not used the embossed second hand bottles with malice intention of using it as unfair and illegal means to promote our trade.

xxx xxx xxx

5. The design & shape of the bottle in question is common being used by Beer industry from past so many years. Since we procure the generic used beer bottles from the open market there is a possibility that a few of other embossed bottles could have mixed up along with other used bottles.

We wish to make it clear that as explained above we do not use at all beer bottles with other trademarks and there are no such bottles in the market to the best of our knowledge However we have instructed Strictly to our staff "

8. The case of the Plaintiff now is that recently i.e., sometime in October, 2022, the Plaintiff has again come across the Defendant's 'BOLT' beer bottles, bearing the embossing of the Plaintiff's mark 'HUNTER'. Hence, the present suit has been filed seeking permanent injunction, in the

following terms:

"A. A decree of permanent injunction restraining the Defendant No.1, its business associates, partners, directors, principal officers, family members, servants, agents, dealers, distributors, franchisees and anyone acting for and on its behalf, directly or indirectly, from selling, manufacturing, offering to sale, exporting, importing, distributing, advertising, promoting, directly or indirectly dealing in any bottle and/or packaging and/or label and/or any other goods/material using the Plaintiffs registered trademarks "HUNTER", "SOM", corporate logo



and trade name SOM DISTILLERIES & BREWERIES LTD. and any other trade mark/trade name deceptively similar to the Plaintiffs registered trademarks/trade name so as to result in infringement of the Plaintiffs statutory rights;

B. A decree of permanent injunction restraining the Defendant No.1, its business associates, partners, directors, principal officers, family members, servants, agents, dealers, distributors, franchisees and anyone acting for and on its behalf, directly or indirectly, from selling, manufacturing, offering to sale, exporting, importing, distributing, advertising, promoting, directly or indirectly dealing in any bottle and/or packaging and/or label and/or any other goods/material using the Plaintiffs brand "HUNTER",



the house trademark "SOM", the corporate logo and trade name "SOM DISTILLERIES & BREWERIES LTD" and any other trade mark/trade name deceptively similar to the Plaintiffs registered trademarks/trade name so as to result in passing off and unfair competition;

C. A decree of permanent injunction restraining the

Defendant No. 1, its business associates, partners, directors, principal officers, family members, servants, agents, dealers, distributors, franchisees and anyone acting for and on its behalf, directly or indirectly, from selling, manufacturing, offering to sale, exporting, importing, distributing, advertising, promoting, directly or indirectly dealing in any bottle and/or packaging and/or label and/or any other

goods/material using the Plaintiffs  logo so as to result in Copyright Infringement;

D. An order of delivery up to the Plaintiff of all the bottles embossed with the trademark "HUNTER",

"SOM", corporate logo  and trade name SOM DISTILLERIES & BREWERIES LTD for the purpose of handover to the Plaintiff;

E. An order of Rendition of Accounts against Defendant No. 1. If this Hon'ble Court allows rendition of accounts, the Plaintiff undertakes to pay further court fees if required once the sum is ascertained on the Defendant rendering true and proper accounts;

F. An order of damages to the Plaintiff to the tune of Rs.2,00,00,000/- for damage caused to the Plaintiffs brand equity, goodwill and reputation;

G. An order against Defendant No.2-4 to ensure compliance of orders of this Hon'ble Court & directions to maintain a system of checks and balances wherein the supply of beer by Defendant No. 1 to Defendant No. 2-4 is monitored and such supply to Defendant No. 2-4 does not include products that infringe upon the Plaintiffs statutory rights in Plaintiffs

registered trademarks  "HUNTER", "SOM",



corporate logo and trade name SOM
DISTILLERIES & BREWERIES LTD;”

9. The present suit was listed for the first time yesterday i.e., on 21st November, 2022. Upon noticing the present matter in the cause list, Mr. Sagar Chandra, Id. Counsel had sought time to receive instructions in the matter.

10. Today, Mr. Chandra, Id. Counsel has reverted and submits that he has received instructions from his client to the effect that they never use embossed bottles of any brands, and the Defendant uses bottles embossed with its own marks. The Defendant No.1 has also assured, vide its email dated 22nd November, 2022 handed over in Court today, to its counsel that the Defendant No.1 would remain more cautious in sorting of the recycled beer bottles, and would not use any embossed bottles of the Plaintiff, as also, any third party. The said email dated 22nd November, 2022 is extracted below:

“As per our telephonic discussions in captioned matter, we instruct you to inform count we never use embossed hotties of any other brand. we purchase new regent embossed bottles for filling of beer manufactured by us, we also recycle our regent embossed bottles and use it and the same we purchase own discarded bottles from local vendors. while purchasing our own discarded bottles from vendors some bottles of other concerns might have come and escaped the attention of sorters. We agree that we will remain more cautious in sorting and shall not use any embossed bottles of any other concern including plaintiff's. other details shall be provided by us after going through the petition.”

11. Heard ld. Counsel for the parties and perused the record. In the opinion of this Court, the stand of the Defendant No.1, both in the reply dated 14th July, 2020 to the Plaintiff's legal notice, as also, in the email dated 22nd November, 2022 produced before this Court today, clearly shows that the Defendant No.1 does not intend to use 'HUNTER' branded bottles. The Defendant No.1 has also assured that it would remain more cautious and not use any embossed bottles of the Plaintiff for beer of its manufacture and sale. The assurances given by Defendant No.1 contained in the reply dated 14th July, 2020 to the Plaintiff's legal notice, as also, in the email dated 22nd November, 2022, extracted hereinabove, are accepted by this Court.

12. In the liquor trade, recycling of bottles is a usual phenomenon. The use of recycled bottles belonging to another's manufacturer for the sale of beer of one's own manufacture under a completely different brand name/mark would not be permissible. However, on several occasions, the same may happen inadvertently as is evident from the various cases which have come up before this Court.

13. This Court has had the occasion to consider matters involving a fact-situation similar to the present case, wherein injunctions were sought by liquor manufacturers against the use of their recycled bottles, bearing the embossing of their marks, by their competitors. In **Allied Blenders and Distillers Pvt. Ltd. v. Rangar Breweries Ltd. [(2019) 261 DLT 129]**, this Court has observed as under:

"10. In the present suit, the Defendant has agreed to suffer an injunction and has also undertaken not to use glass bottles bearing the mark 'Officer's Choice' with

the infringing design. The Plaintiff has produced the original infringing bottle bearing the embossed mark 'Officer's Choice' as also the label of 'Rangar da Santra'. The Court is satisfied that bottles bearing the mark 'Officer's Choice' are being used in some manner for sale of 'Rangar da Santra'. Under these circumstances, permanent injunction as prayed would be liable to be granted against the Defendant. The Defendant's arguments that the bottles are counterfeit bottles of the Defendant, depends on the outcome of the complaint, which is pending investigation and unless and until some other party is found to be indulging in the counterfeiting, the Defendant cannot escape liability. Under these circumstances, suit is liable to be decreed in terms of Paragraph (i) and (ii) of the prayer clause."

14. More recently, in *Annheuser-Busch LLC v. Surjeet Lal and Anr.* [2022 SCC OnLine Del 772], the following was held by this Court:

"8. This Court has had the occasion, in a similar fact situation, in M/s. Allied Blenders and Distillers Pvt. Ltd. v. Rangar Breweries Ltd. [CS (COMM) 1213/2018 decided on 21st May, 2019], to grant a permanent injunction against the use of the Plaintiff's trademark 'Officer's Choice' by the Defendant. In the said case, the Plaintiff had raised a grievance that the Defendant's products are being sold with the Defendant's own label. However, some of the Defendant's bottles had embossings of the trademark 'Officer's Choice' on them. Thus, the Plaintiff claimed that the bottles could be recycled bottles of the Plaintiff, but the Defendant has no right to be using the same for the purpose of manufacture and sale of their own product. While decreeing the Plaintiff's suit, this Court observed as under:

"10. In the present suit, the Defendant has agreed to suffer an injunction and has also

undertaken not to use glass bottles bearing the mark 'Officer's Choice' with the infringing design. The Plaintiff has produced the original infringing bottle bearing the embossed mark 'Officer's Choice' as also the label of 'Rangar da Santra'. The Court is satisfied that bottles bearing the mark 'Officer's Choice' are being used in some manner for sale of 'Rangar da Santra'. Under these circumstances, permanent injunction as prayed would be liable to be granted against the Defendant. The Defendant's arguments that the bottles are counterfeit bottles of the Defendant, depends on the outcome of the complaint, which is pending investigation and unless and until some other party is found to be indulging in the counterfeiting, the Defendant cannot escape liability. Under these circumstances, suit is liable to be decreed in terms of Paragraph (i) and (ii) of the prayer clause."

9. Similar is the view taken by the ld. Division Bench of the Bombay High Court in Som Distilleries and Breweries Ltd. v. SABMiller India Ltd. [2013 (56) PTC 237 (Bom)], wherein the plaintiff had a registered trademark for a particular brand of beer, and the defendant, as in the present case, was using the bottles having the embossing of the plaintiff's trademark. The relevant observations from the said judgment read as under:

"10. The case of the Appellant was that used bottles of beer are collected by the cabadis from the market and are sold back to the brewers for the purposes of recycling. In the process of recycling the previous labels are removed and the labels of the respective companies are affixed. The Appellant stated that though every possible care and precaution is taken to ensure that only the bottles bearing the labels and brand name of the Appellant are taken out in the

recycling process, the possibility of a minuscule minority of the bottles of the Respondent or of any other company having similar shape and size of the bottle sneaking into the process of recycling on account of human error could not be ruled out. XXX XXX XXX

12. The Appellant sought to set up a case of an honest use within the meaning and ambit of Section 30(1). Sub-section (1) of Section 30 provides that nothing in Section 29 shall be construed as preventing the use of a registered mark by any person for the purposes of identifying the goods or services as those of the proprietor, provided the use is in accordance with honest practices in industrial or commercial matters and is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark. The defence of the existence of an honest practice is clearly contrary to the case of the Appellant itself that though it was taking every possible precaution, it was conceivable that some bottles using the mark of the Respondent may have sneaked into the production process. That apart, a case of honest practice in industrial or commercial matters has to be pleaded and prima facie established. The Appellant has clearly failed to do so.

13. There is no merit in the second submission as well. Section 29(1) provides that a registered trade mark would be infringed by a person who though not being a registered proprietor or a permitted user uses in the course of trade, a mark which is identical with, or deceptively similar to the trade mark in relation to goods and services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark. In order to attract Section 29(1) several

ingredients must be established. Firstly, there must be in existence a registered trade mark. Secondly, there has to be a use by a person who is not a registered proprietor or a person using by way of a permitted use. Thirdly, the use must be in the course of trade. Fourthly, the use must be of a mark which is identical with or deceptively similar to the trade mark. Fifthly, the use must be in relation to goods and services in respect of which the trade mark is registered. Finally, the use must be in such a manner as to render the use of the mark likely to be taken as being used as a trade mark. All these ingredients which have been set out in sub-section (1) of Section 29 have been fulfilled. The respondent is the registered proprietor of the marks in question. The Appellant is not a registered proprietor or a person entitled to permissive use. The Appellant has used on the bottles of beer the very mark of the Respondent in respect of which the mark of the Respondent is registered. This use is in such a manner as would render the use of the mark likely to be taken as being used as a trade mark.”

10. Yet again, in a similar fact situation, while relying upon the above judgment in *Som Distelleries (supra)*, a *ld. Single Judge of this Court in Cobra Beer Partnership Ltd. & Anr. v. Superior Industries Ltd. [CS (OS) 1802/2014 decided on 8th April, 2015]* has held as under:

“28 A prima-facie case has been made by the plaintiff in his favour. He has been able to show that his registered marks “COBRA” and “KING COBRA” are being infringed by the defendant. Irreparable loss and injury would be suffered by the plaintiff in case the ad-interim injunction is not granted as the regular sale of beer by the defendant in the bottles having embossing of the plaintiffs” registered trademark would dilute the

reputation of the plaintiff and the goodwill which he has built over the years and it would be tarnished. Balance of convenience is also in his favour.”

11. Thus, the sale of any product with the recycled bottles of another manufacturer would result in infringement and passing off. Though the bottle itself may be a genuine bottle which may have been put by the Plaintiff originally in the market, after the contents are consumed and the bottle reaches the recycling cycle, the Defendant's use of such bottles which have the Plaintiff's trade mark embossed on them would cause confusion as to its source. However, in view of the fact that the Defendant has candidly made a statement and has given an undertaking before this Court as captured above, the assurances and undertakings given by the authorized signatory of the Defendant Company are taken on record and accepted. In future, the Defendants shall ensure that the recycled 'BUDWEISER' bottles are not used for the beer, manufactured and sold by them, under the marks 'BLACK FORT' and 'POWER COOL', or under any other mark. A greater degree of supervision shall be exercised at the manufacturing plant of the Defendant Company, and random checks and inspections shall also be conducted by the Defendants to ensure that the bottles used in its manufacturing plant do not, in any manner, bear the mark 'BUDWEISER'. 12. With the acceptance of undertakings and the statements given by the Defendants, it is directed that the Defendants shall, henceforth, stand restrained from using, manufacturing or selling the mark 'BUDWEISER', even in recycled bottles, or in any manner whatsoever, in respect of beer manufactured and sold by the Defendants.”

15. This Court is inclined to take a similar approach in the present case,

by accepting the undertakings and assurances given by the Defendant No.1 to the effect that it shall be cautious and shall not use recycled bottles bearing the Plaintiff's marks for beer of its manufacture and sale, either under its mark 'VASCO SUPER', or 'BOLT', or under any mark/name belonging to a third-party. In the facts and circumstances of the case, the present suit is decreed in terms of the relief of permanent injunction as sought in paragraphs A, B, and C of the prayer clause of the Plaintiff.

16. In view of the assurances given by the Defendant No.1, extracted hereinabove, the Plaintiff does not press the relief of damages, as also, any other reliefs as prayed for in the Plaintiff.

17. Let the email dated 22nd November, 2022 addressed by the Defendant No.1 be also filed in the Registry and placed on record.

18. Since the parties have settled the matter amicably, court fee to the extent of 50% is directed to be refunded to the Plaintiff, through Counsel.

19. Decree sheet be drawn accordingly. All pending applications are also disposed of.

PRATHIBA M. SINGH, J.

NOVEMBER 22, 2022

dj/ad