

IN THE HIGH COURT OF DELHI AT NEW DELHI

Judgment delivered on: April 17, 2023

+ FAO(OS) (COMM) 40/2023, CM APPLs. 9508/2023, 9509/2023 & 13777/2023

SONA MANDHIRA PVT. LTD. & ANR.

..... Appellants

Through: Dr. Abhishek Manu Singhvi,
Mr. Rajiv Nayar, Ms. Geeta
Luthra, Sr. Advs. with Mr. Vaibhav
Gaggar, Ms. Niyati Kohli,
Mr. Pratham Vir Agarwal,
Mr. Sidharth, Ms. Devika Mohan &
Mr. Manas Agarwal, Advs.

versus

SONA BLW PRECISION FORGINGS LTD. & ORS

..... Respondents

Through: Mr. Akhil Sibal Sr. Adv. with
Mrs. Meghna Mishra, Mr. Ankit
Rajgarhia, Mr. Tarun Sharma,
Mr. Meeran Maqbool, Mr. Karanveer
Kathuria, Ms. Sanya, Ms. Yamini
Mookherjee and Ms. Prachi Dubey,
Advs. for R-1

Mr. Rajshekhar Rao, Sr. Advocate
with Mrs. Meghna Mishra, Mr. Ankit
Rajgarhia, Mr. Tarun Sharma,
Mr. Meeran Maqbool, Mr. Karanveer
Kathuria, Ms. Sanya, Ms. Yamini
Mookherjee and Ms. Prachi Dubey,
Advs. for R-2

CORAM:

HON'BLE MR. JUSTICE V. KAMESWAR RAO

HON'BLE MR. JUSTICE ANOOP KUMAR MENDIRATTA

J U D G M E N T

V. KAMESWAR RAO, J

CM APPL. 9509/2023

This is an application filed by the appellants under Order XLI Rule 27 of the Code of Civil Procedure, 1908 ('CPC', for short) seeking to bring on record the examination report of the Trade Marks Registry dated April 28, 2010 and reply dated June 23, 2011. The reasons given in the application are that it has now come to the knowledge of the appellants through the website of the Trade Marks Registry that the registrant itself has disclaimed any exclusive rights of the impugned Trade Mark through its reply dated June 23, 2011, in response to the examination report dated April 28, 2010. It is stated in the application that the proceedings and the materials before the Trade Marks Registry for registration of the impugned mark would be material and relevant for the adjudication of the present appeal. That apart, it is stated that the documents being part of public record are undisputable and unimpeachable and it was incumbent upon the respondents to bring on record the same, which they have failed to do.

The respondents would contest the application by stating that the application is not maintainable under the parameters of Order XLI Rule 27 of CPC inasmuch as the said documents were publicly available on the website of the Trade Marks Registry. The appellants cannot contend that they were unaware of the said documents, more so, when certain other communications with the Trade Marks Registry were placed on record in the suit.

Noting the above stand of the parties, in the interest of justice, this application is allowed and the documents are taken on record.

Application is disposed of.

FAO(OS) (COMM) 40/2023

1. The present appeal has been filed by the defendants in the suit (hereinafter referred to as ‘appellants’, for convenience) impugning the judgment of the learned Single Judge dated February 22, 2023, whereby the application filed by the plaintiffs in the suit (hereinafter referred to as ‘respondents’, for convenience) under Order XXXIX Rules 1 and 2 of CPC bearing IA No. 6131/2020 in CS (COMM) 277/2020 seeking *ad-interim* injunction was allowed. The learned Single Judge while declaring that the respondent Nos. 1 and 2 were guilty of suppression of material facts, had imposed a cost of ₹10 lakh on the respondents, and restrained the appellants from using the word ‘**SONA**’ in its corporate name / Trade Mark / trade name / logo / domain name in relation to any goods or services during the pendency of the suit.

FACTS

2. At the outset, we may provide a brief factual matrix of the facts leading to the present appeal.

(i) On July 08, 2008, the respondent No.2 i.e. Sona Management Services Limited applied for registration of the device mark ‘**SONA Driving Tomorrow**’ with an ‘**S**’ symbol (a curved road), which was granted, with the following disclaimer:

"The applicant has no exclusive right for the word SONA, separately."

(ii) On September 10, 2008, SONA BLW Präzisionsschmiede GmbH, a German company applied for the word mark registration of ‘**SONA BLW**’, which was granted by the Trade Marks Registry on July 18, 2014.

(iii) On March 28, 2019, by way of an assignment deed, SONA BLW Präzisionsschmiede GmbH, transferred the mark ‘**SONA BLW**’ to the respondent No.1.

(iv) On June 06, 2020, an Extraordinary General Meeting of the appellant No. 1 was held wherein it was resolved to change of name of appellant No. 1 from Mandira Marketing Private Limited to Sona Mandhira Private Limited.

According to the appellants, Ms. Rani Kapur, Managing Director of the respondent No.2 company was present in the aforesaid meeting and seconded the resolution to change the name of the appellant No.1.

(v) As per the appellants, on July 24, 2020, the respondents filed the suit, by alleging that the respondent No.2 came to know about the change of name of the appellant No.1 on June 22, 2020. Along with the suit, the respondents also filed an application under Order XXXIX Rules 1 and 2 of CPC, being I.A. No. 6131 of 2020 seeking *ex-parte ad interim* stay.

(vi) On July 28, 2020, the suit being CS (COMM.) 277/2020 was first listed before the Court, when, according to the appellants, the learned Single Judge refused to grant any interim injunction in favour of the respondents in view of the objection raised by the appellants that the respondents have intentionally

suppressed the "disclaimer" attached to the Trade Mark '**SONA Driving Tomorrow**' bearing Registration No. 1707890.

(vii) On February 22, 2023, the learned Single Judge passed the impugned order granting an *interim* injunction in favour of the respondents and against the appellants, restraining the appellants and any other persons claiming on their behalf from using the word '**SONA**' as part of their Corporate Name/Trade Mark/Trade Name/Logo/Domain Name in any manner, in relation to any goods or services during the pendency of the suit.

SUBMISSIONS ON BEHALF OF THE APPELLANTS

3. Dr. Abhishek Manu Singhvi, Mr. Rajiv Nayar, Ms. Geeta Luthra and Mr. Dayan Krishnan, learned senior counsel appearing on behalf of the appellants have stated that the impugned order is erroneous for a multitude of reasons, which we shall narrate now. They submitted that the learned Single Judge while accepting that the word '**SONA**' in the device mark '**SONA Driving Tomorrow**', was rejected *qua* its exclusive use by the Trade Marks Registry by imposing a condition on the certificate '*THE APPLICANT HAS NO EXCLUSIVE RIGHT FOR THE WORD SONA, SEPARATELY.*', has yet granted exclusive rights for the same to the respondents. Further, the Trade Mark bearing Registration No. 1707890 is in Class 35 for the goods "*rendering management, consultative and advisory services in various fields*". As such, no case for infringement or passing off could have been made *qua* this Trade Mark against the appellants. It is further submitted that the learned Single Judge in respect of the other Trade Mark bearing Registration No. 1730148 being '**SONA BLW**' has allowed the respondent No.1 to seek relief thereof even though it

was only a proposed assignee of the said mark from the Registrant, i.e., SONA BLW Präzisionsschmiede GmbH, in breach of Section 17 and Section 45 (4) of the Trade Marks Act, 1999 (hereinafter referred to as 'Trade Marks Act'). It is also their case that in the reply dated June 23, 2011 of SONA BLW Präzisionsschmiede GmbH to letter dated May 13, 2010 of the Trade Mark Registry, wherein, for seeking registration on the said mark '**SONA BLW**', the original Registrant had claimed that other registrants of the word '**SONA**' were peacefully co-existing and thus registration could be possible. The said correspondence between SONA BLW Präzisionsschmiede GmbH and the Trade Marks Registry has now been brought on record.

4. It is further submitted that the learned Single Judge has erroneously considered the adoption of the word '**SONA**' by the appellants as *mala fide* when the respondents themselves had given up any right to the said word in public register. Without there being any legal and exclusive rights to use the word '**SONA**' by the respondents, the adoption could not have been considered *mala fide*.

5. The contention of the learned senior counsel for the appellants is that the suit was liable to be dismissed on account of suppression of material facts in the plaint. The Trade Mark wherein the Registration No. 1707890 has been granted by the Trade Marks Registry was with a 'disclaimer' stating "*THE APPLICANT HAS NO EXCLUSIVE RIGHT FOR THE WORD SONA, SEPARATELY*". According to them, the respondents without dealing with or even adverting to the above disclaimer imposed by the Trade Marks Registry, sought to mislead this Court by stating as if they have exclusive rights over the word mark '**SONA**'. They stated that the

respondents had intentionally suppressed the disclaimer on the Registration Certificate of the Trade Mark bearing Registration No. 1707890, which shows that the device mark registration in favour of the respondent No.2 was conditional and did not allow the respondents to claim any exclusive rights in the word ‘**SONA**’. It is their case that the learned Single Judge should have dismissed the suit and disentitled the respondents to any relief based on the concealment of this fact itself.

6. According to Dr. Singhvi, the very purpose of a disclaimer is to minimise the possibility of extravagant and unauthorised claims being made on the basis of registration of the Trade Mark (s). Since the Registration Certificate of the instant Trade Mark bears the disclaimer, the respondents cannot claim exclusive rights to the use of the said word. In support of his submissions, he has relied upon the judgment of the Supreme Court in the case of *Registrar of Trade Marks v. Ashok Chand Rakhit, AIR 1955 SC 558*; the decision of this Court in *Rajesh Jain v. Amit Jain and Anr., 2014 SCC OnLine Del 1984*; and the judgment of the Calcutta High Court in the case of *Shambhu Nath and Bros. & Ors. v. Imran Khan, 2018 SCC OnLine Cal 7145*.

7. Further, he has placed reliance on the correspondence exchanged between the respondents and the Trade Marks Registry with regard to the Trade Mark bearing Registration No.1707890, to submit that the respondent No.2 is seeking registration of its device mark and stated that ‘**Driving Tomorrow**’ with an ‘S’ symbol (a curved road) are the differentiating features. Therefore, no exclusive right for the word ‘**SONA**’ was claimed by the respondents. He stated that even this correspondence was

intentionally concealed by the respondents while filing the suit, thereby disentitling the respondents to any relief.

8. Dr. Singhvi stated that the change of the corporate name of the appellant No. 1 to Sona Mandhira Private Limited took place in view of a shareholders' resolution passed in the Extraordinary General Meeting of the appellant no.1 company held on June 06, 2020. For the passing of the said resolution, two shareholders namely Ms. Mandira Koirala and Ms. Rani Kapur were present. The resolution provides that Ms. Rani Kapur seconded the change of name of the appellant No.1. It is stated that Ms. Rani Kapur is the mother of Ms. Mandira Koirala and Mr. Sunjay Kapur and is also the Managing Director of Sona Management Services Limited, i.e., respondent No.2. According to him, the mischief on the part of the respondents lies in the fact that Mr. Sunjay Kapur is trying to oppress his sister Ms. Mandira Koirala to the filing of the present suit without the knowledge of Ms. Rani Kapur, who had in fact allowed the change of the corporate name of the appellant No.1. He also stated that the dispute in the suit is primarily a family dispute between the Chairman of the respondent No.1 and the appellant No.2, them being brother and sister. Dr. Surinder Kapur, the father of the Chairman of respondent No.2, was also a Director of the appellant No.1 in 2011. In fact, he had allowed and even urged the appellants to use the word '**SONA**'.

9. Additionally, Dr. Singhvi submitted that the word '**SONA**' is a generic and common word in trade and has attained the status of *publici juris*. It is not an invented word but a generic word and as such no one can claim exclusive proprietary rights over the name '**SONA**'.

10. Yet another contention of the learned counsel for the appellants is that the suit was liable to be dismissed on account of delay and laches as also acquiescence of the respondents in the use of the mark 'SONA' by the appellants. The appellant No.1, for the last ten years was trading / carrying out works for the respondents and was using the said mark / logo on its product when the respondents and appellants were working together.

11. That apart, the learned senior counsel for the appellants submitted that no case for passing off has been made out by the respondents, inasmuch as the products of the appellants and the respondents cater to different segments of the market, and the purchasers of the goods and the entire supply chain is different. While the respondent No.1 supplies only to Original Equipment Manufacturers ('OEM' for short), the appellant No.1 has its market post the sale of a vehicle. The device / logo of the respondents and the appellants is also different inasmuch as the colour combination, trade dress and even the taglines are not similar.

12. Dr. Singhvi, referring to the decision in *Cadbury UK v. Lotte India, (2014) 207 DLT 500*, stated that it is settled law that there are two essential ingredients to be fulfilled to claim passing off. Firstly, a party must represent its goods to be that of another party, and secondly there must be a confusion or a likelihood of confusion. According to him, for the above stated ingredients to be satisfied in the present case, the mark of the respondents need to be at least similar to that of the appellants. There is no likelihood of confusion as the two marks are not similar, and as such the basic ingredients of passing off of a Trade Mark do not apply to the instant case.

13. It is further contended that only a Trade Mark which is registered is assignable in terms of Section 36 of the Trade Marks Act. In the present case, only the Trade Mark containing the words ‘**SONA BLW**’ is registered in the name of SONA BLW Präzisionsschmiede GmbH. There is no registration for the Trade Mark ‘**SONA**’ separately. The case of the respondents is that the mark has been assigned by SONA BLW Präzisionsschmiede GmbH in favour of the respondent No.1. According to the learned senior counsel for the appellants, the assignment is limited to ‘**SONA BLW**’ and not the mark ‘**SONA**’ separately. ‘**SONA**’ is not registered as it has no distinctive feature even as per the Trade Marks Registry and as such can be used by any person and cannot be monopolised by the respondents. Reliance in this regard is placed on the judgment of the Supreme Court in the case of *Thukral Mechanical Works v. PM Deseals Private Limited and Anr.*, (2009) 2 SCC 768.

14. The fact that the respondents have suppressed material facts in the suit has been found out by the learned Single Judge, as is apparent from paragraph 42 of the impugned judgment, which reads as under:

“42. As far as the suppression of disclaimer is concerned, I am in agreement with the submission made by the learned senior counsel for the defendants that the disclaimer attached to the registration granted in favour of the plaintiffs under the Application No. 1707890 was a vital and material fact to be disclosed upfront by the plaintiffs in the Plaint, especially where they are claiming exclusive rights in the word “SONA”.”

15. It is the case of the appellants as has been contended by Dr. Singhvi, Mr. Nayar and Ms. Luthra and Mr. Krishnan that once the learned Single Judge has held that the respondents are guilty of concealment and

suppression of material facts, he could not have awarded the respondents with an injunction restraining the appellants from using the word ‘SONA’, more so when by virtue of the disclaimer put in Trade Mark bearing Registration No. 1707890, the respondents did not have any exclusive right for the word ‘SONA’. The impugned order is in the teeth of the judgment of the Supreme Court in the case of *K.D. Sharma v. Steel Authority of India Limited*, (2008) 12 SCC 481 and of this Court in *Hillcrest Realty Sdn Bhd v. Hotel Queen Road Private Limited*, (2009) SCC OnLine Del 4336 DB as affirmed by the Supreme Court in *Ram Parshottam Mittal v. Hillcrest Realty Sdn Bhd*, (2009) 8 SCC 709, and *G Narayanaswamy Reddy and Anr. v. Govt. of Karnataka and Anr.*, (1991) 3 SCC 26. The Supreme Court in *K.D. Sharma (supra)* has specifically held that in cases where there is material suppression and concealment of facts by the party who has come to the Court for equitable relief, the Court ought not to adjudicate the matter on merits and that the Court will be failing in its duty if it did not dismiss the matter at the threshold.

16. According to them, the learned Single Judge has erred inasmuch he should have dismissed or rejected the application made by the respondents as the respondents had breached the *imprimatur* of law under Order VI Rule 15A of CPC inserted in view of Section 16 of the Commercial Courts Act, 2015 (hereinafter referred to as ‘Commercial Courts Act’) which reads as under:

“15A. Verification of pleadings in a commercial dispute,—
(1) Notwithstanding anything contained in Rule 15, every pleading in a commercial dispute shall be verified by an affidavit in the manner and form prescribed in the Appendix to this Schedule.

(2) An affidavit under sub-rule (1) above shall be signed by the party or by one of the parties to the proceedings, or by any other person on behalf of such party or parties who is proved to the satisfaction of the Court to be acquainted with the facts of the case and who is duly authorised by such party or parties.

(3) Where a pleading is amended, the amendments must be verified in the form and manner referred to in sub-rule (1) unless the Court orders otherwise.

(4) Where a pleading is not verified in the manner provided under sub-rule (1), the party shall not be permitted to rely on such pleading as evidence or any of the matters set out therein.

(5) The Court may strike out a pleading which is not verified by a Statement of Truth, namely, the affidavit set out in the Appendix to this Schedule.”

17. It is stated that the impugned judgment has rendered the entire amendment made by the Parliament through Section 16 of the Commercial Courts Act otiose and ineffective.

18. As per the learned senior counsel for the appellants, the learned Single Judge has erred in restraining the appellants from using the word ‘SONA’ in its corporate name or on its packaging despite having found the following:

- (i) There was no *ad-interim* injunction for a period of three years.
- (ii) The respondents had suppressed material facts from the pleadings and there is a direct breach of the Statement of Truth filed.
- (iii) There are more than 200 companies using the word ‘SONA’ as part of its corporate name with 45 companies being in the same class.
- (iv) Respondent No.2 had stated that “The text “Driving Tomorrow” with “S” symbol (curved road) in the applied mark

clears the existence of relation between the mark and the road driven automated objects. The applied Trade Mark contains distinctive feature such as the text “Driving Tomorrow” with “S” symbol (curved road), which clearly differentiates it from other conflicting Trade Marks provided in the subjected departmental letter”.

(v) The Managing Director of the respondent No.2 being the owner of the registered device mark ‘**SONA Driving Tomorrow**’ had approved the change of the corporate name of the appellant No.1 to Sona Mandhira Private Limited in the capacity of a shareholder.

(vi) There was substantive correspondence between the respondents and the Trade Marks Registry giving up any exclusive claim on the word ‘**SONA**’ for seeking any Trade Mark registration. Under Sections 18(5) and 28(2) of the Trade Marks Act, conditions put on the Trade Mark by the Registry has a statutory effect, and for that purpose the materials used by the Registrar had become part of the Trade Mark proceedings and could not have been ignored by the learned Single Judge.

(vii) The markets of the appellant are in “After Sales” and that of the respondents are in “OEM”.

(viii) The two logos used by the appellants and the respondents are totally different. The concept of deceptive similarity was totally taken away by such distinction in logos.

(ix) There was suppression by the respondents in the suit which is in the face of the Commercial Courts Act.

(x) There was no exclusivity to the word ‘**SONA**’ by the Trade Marks Registry. *Sona Group*, which has been defined in the

Memorandum of Association of the respondent No.1 as Sona Autocom Holding Private Limited, does not have a registered Trade Mark and does not conduct any business in automotive parts.

19. According to them, the learned Single Judge failed to take into consideration the following:-

- i. The equitable relief of passing off is not available to a person who has been guilty of material suppression;
- ii. The equitable relief of passing off is not available to a person whose right to use the mark has been disclaimed/conditioned by the Trade Marks Registry to be non-exclusive.
- iii. The equitable relief of passing off is not available to a party which is a later adopter of the Trade Mark and where such mark is freely used by similarly situated persons even prior to such party.
- iv. The equitable relief of passing off could not be claimed by the respondent No.2 who had registered the conditional mark in Class 35 which is not concerned with the goods in question, i.e., without proving any use.
- v. The equitable relief of passing off is not available to the respondent No.1 which had only filed an assignment deed without any goodwill, and the assignment was of the whole mark '**SONA BLW**', which could not be split or broken up.
- vi. Equitable relief of passing off could not be granted in favour of the respondents on the basis of a non-existent *Sona Group* especially when the word '**SONA**' was allowed to be used only in a non exclusive manner by the Trade Marks Registry.

20. Mr. Nayar, relying upon the communication between the attorneys of SONA BLW Präzisionsschmiede GmbH and the Trade Marks Registry dated June 23, 2011, regarding the objections raised by the Trade Marks Registry, has vehemently contended that there is a clear submission that other Trade Marks with the name ‘SONA’ are peacefully coexisting without incidence of any confusion or deception. Having taken such a stand, the respondents cannot now contend that they have any exclusive right to the said word. That apart, even this communication has been suppressed/concealed by the respondents, and on this ground as well, the respondents deserve no discretionary relief from this Court.

21. The learned senior counsel for the appellants have sought the prayers as made in the appeal.

SUBMISSIONS ON BEHALF OF THE RESPONDENTS

22. It was the case of the respondents before the learned Single Judge that the word ‘SONA’ has been used as part of the corporate name of the respondent No.1 group name and as a Trade Mark even through its predecessors since 1984. They asserted that the respondent No.1 is a leader in production of precision forged gears and differential assemblies and other applications for automotive industries and has a major presence worldwide. It has been using ‘SONA’ formative marks for manufacturing as also sale in drive-line and electrical divisions. It also asserted that there are other entities which are part of the *Sona Group* having the word ‘SONA’ in their name such as Sona Autocamp Holding Private Limited and Sona Skill Development Centre Limited.

23. According to the respondents, just before the filing of the suit, it discovered that the appellants have adopted the corporate name and Trade

Mark 'SONA' as part of its own corporate name / trade name. It was averred before the learned Single Judge that the appellant No.1 was doing business since the year 2011 under the name Mandira Marketing Private Limited and changed it to Sona Mandhira Private Limited only on June 22, 2020. According to the respondents, the appellants are also engaged in a similar trade as that of the respondent No.1, which establishes that the appellants were in fact aware of the registration in favour of the respondents, as well as the long uninterrupted use of the Trade Mark / corporate name 'SONA' and have deliberately and dishonestly adopted the said mark as part of its corporate name so as to pass off its goods as that of respondents. The appellant No.2 Ms. Mandira Koirala being the sister of Mr. Sunjay Kapur, who is the Chairman of respondent No.1 and Director in respondent No.2 company, and the appellants also being in a similar line of business as that of the respondent No.1, there is no doubt of the appellants being well aware of the enormous goodwill and reputation of the respondent No.1 amongst its customers and in the market. The appellants have adopted the mark 'SONA' as part of its corporate name to deceive the unsuspecting public at large into believing that there exists an association between the respondent No.1 and them. Their case was that such illegal and unauthorised adoption of the mark / trade name 'SONA' which is identical to that of the respondent No.1 *inter alia* infringes the Trade Mark of the respondent No. 1 as per Section 29 (5) of the Trade Marks Act and would result in the following:

- (i) Infringement of the registered Trade Mark / trade name / logo 'SONA' and derivatives thereof;
- (ii) Passing-off

(iii) Presentation and unfair competition

(iv) Dilution

24. Mr. Akhil Sibal and Mr. Rajshekhar Rao, learned senior counsel appearing on behalf of the respondents, at the outset, have contested the stand of the appellants that the learned Single Judge has erred in granting the injunction. According to them, the scope of an appeal against a discretionary interim order is limited inasmuch as the appellate court will not interfere with the exercise of discretion of the court of first instance and apply its own discretion, except when such discretion of the court of first instance has been shown to have been exercised arbitrarily, capriciously or perversely, or when the settled principles of law have been ignored. In this regard, they have relied upon the decision of the Supreme Court in the case of *Wander Limited and Anr. v. Antox India P. Limited, 1990 (Supp) SCC 727*.

25. It is stated that though the Registration Certificate of the device mark ‘**SONA Driving Tomorrow**’ which clearly discloses the relevant disclaimer, was filed along with the plaint, and the appellants were served with an advance copy of the suit four days before the matter was listed before the Court, the learned Single Judge found that the respondents had not disclosed the factum of the disclaimer in the main body of the plaint, and saddled the respondents with exemplary costs, which have been duly deposited. According to Mr. Sibal, the finding of the learned Single Judge that every instance of non-disclosure does not *ipso jure* require that the matter not be considered on merits, and the interim relief be declined, and the suit be dismissed at the threshold, cannot be faulted. He stated that in this regard, the appellants have failed to put forth any provision of law or

any judicial pronouncement which establishes the contrary. In fact, the judgments relied upon by the learned senior counsel recognise that while the Court possesses the power in an appropriate case to decline relief on the ground of a fraud played upon the court, each case has to be considered on its own facts, and the discretion of the Court be exercised accordingly. In fact, in the cases relied upon by the appellants, the Court additionally considers the merits of the matter, thus negating the very proposition for which reliance was placed on those cases.

26. According to Mr. Sibal, the exercise of discretion by the learned Single Judge is sound, as he had considered the following as mitigating factors against refusal to consider the merits of the matter and decline relief on the alleged non-disclosure alone.

- (i) The suit was filed urgently amidst the COVID-19 pandemic.
- (ii) The appellants appeared before the Court on advance notice and pointed out the said disclaimer to the Court, on which basis, *inter-alia*, no *ad-interim* injunction was granted and therefore the respondents have already suffered the consequence of non-disclosure.
- (iii) Certain other crucial documents including the assignment deed dated March 28, 2019 assigning the word mark in favour of the respondent No. 1, the sale agreement dated April 09, 2012 between the respondents and the appellants, as well as relevant emails of 2012 and 2017 between Mr. Himanshu Koirala and the late Dr. Surinder Kapur and Mr. Vivek Singh of the *Sona Group*, all of which substantially support the case of the respondents, were also overlooked while initially filling the suit and were later brought on record and the plaint appropriately amended.

- (iv) The respondents failed to include in the plaint another registration for the word mark ‘**SONA BLW**’ without any disclaimer regarding the word ‘**SONA**’, which was valid and subsisting in favour of the respondent No. 1.
- (v) An injunction against infringement and passing off is granted not only to protect the proprietary rights of the plaintiffs, but also to protect an ordinary unwary consumer who may be deceived due to adoption of a similar mark for similar goods by the defendant, and therefore that there is an element of public interest also to be protected.
- (vi) The adoption of the word ‘**SONA**’ by the appellants is dishonest and *mala-fide* and therefore *prima facie* the draw of equity is against the appellants and in favour of the respondents.
27. Mr. Sibal has relied upon the decision of this Court in ***Cadbury India Limited v. Neeraj Food Products , 142 (2007) DLT 724*** wherein the Court was faced with a similar allegation of alleged suppression of a disclaimer, in two of the three registrations in favour of the plaintiff therein, whereby no exclusive use of the word was conferred. This Court, nevertheless refused to non-suit the plaintiff on the basis of concealment of material facts, on the ground that the plaintiff had a third registration in respect of which there was no disclaimer.
28. Reliance is also placed on the judgment in ***Research in Motion Limited v. Data Infosys Limited, 2012 SCC OnLine Del 6503*** following ***Cadbury India Limited (supra)***, wherein this Court negated the argument of suppression merely because in one of the registrations there was a disclaimer, and held that it would be of little or no consequence as there

were subsequent registrations in favour of the plaintiff without any disclaimer.

29. Mr. Sibal by relying upon the decisions of this Court in the case of *H&M Hennes and Mauritz AB & Anr. v. HM Megabrand Private Limited & Ors.*, (2018) SCC OnLine Del 9369 and *Telecare Network India Private Limited v. Asus Technology Private Limited & Ors.*, (2019) SCC OnLine Del 8739, contended that the correspondence exchanged between the respondents and the Trade Marks Registry is not relevant for the purposes of adjudication of the suit and any statement made therein cannot act as an estoppel against the respondents, as has been held by the learned Single Judge. Insofar as letter dated June 23, 2011 from the attorneys of SONA BLW Präzisionsschmiede GmbH, i.e., the owner and assignor of the Trade Mark 'SONA BLW' is concerned, he stated that the same does not form part of the suit record, wherein pleadings were completed on February 21, 2021. He stated that in view of the stricter regime introduced under the Commercial Courts Act, no reliance could be placed by the learned senior counsel for the appellants, on the said communication, at this stage.

30. Insofar as the submission of Mr. Nayar that the said letter dated June 23, 2011 contains the submission of the peaceful coexistence of the respondents with the registrants of the marks cited therein, Mr. Sibal would submit that the letter cannot in any manner enure to the benefit of the appellants as it relates to third party registration and not any particular cited mark of the appellants. In terms of Sections 12 and 28(3) of the Trade Marks Act, it is apparent that in special circumstances, more than one registration could be granted for the same Trade Mark. The proprietor of

each of such registered Trade Mark is entitled to sue any party that uses and thereby infringes the said registered Trade Mark, except another proprietor of the same Trade Mark. It is apparent that the appellants do not possess any such registration and therefore cannot draw any parallel with the third party proprietors of the Trade Mark 'SONA'.

31. The learned senior counsel for the respondents have also sought to controvert the contention of the appellants that the mark 'SONA' is 'common to trade', by stating that in order to make out a defence of 'common to trade', actual, substantial and widespread use of the mark must be shown. There is a distinction between 'common to trade' and 'common to register', both in respect of corporate names reflected in the records of the Registrar of Companies, and also Trade Marks reflected in the records of the Trade Marks Registry. In the instant case, no actual, substantial or widespread use whatsoever, by any of the cited companies has been pleaded or even established as regards automotive parts. That apart, in any event any third party use cannot come to the aid of the appellants unless the appellants are able to make out a case for the use of the said mark in their independent right. Reliance in this regard is placed on the following judgments:-

- (i) ***Pankaj Goel v. M/s. Dabur India Limited, 2008 (38)PTC49 (Del)***
- (ii) ***H&M Hennes & Mauritz AB and Anr. v. HM Megabrands Private Limited and Ors., 2018 SCC OnLine Del 9369.***
- (iii) ***Century Traders v. Roshan Lal Duggar & Co., ILR (1977) II Delhi 709***

(iv) *Walter Bushnell Private Limited v. Miracle Life Sciences, (2014) 213 DLT 119*

32. According to Mr. Sibal, there is an apparent dishonesty on part of the appellants in adopting the mark '**SONA**' as part of their corporate name, inasmuch as the appellants are trying to market/sell their products as that of the respondents'. This is demonstrated by the following:-

(i) The '**SONA**' mark adopted as far back as 1984 was a predominant part of the names of at least 14 corporate entities set up both domestically and internationally from time to time as part of the *Sona Group* and was always treated as a valuable corporate asset.

(ii) The registrations were always in the name of corporate entities and never in the names of individuals, reflecting the ownership with the companies rather than as family property to be used and licensed as desired by family members.

(iii) The respondent No. 1, which is the owner of the '**SONA**' Trade Mark, is a publicly listed company with more than 5,67,78,278 shares held by public shareholders (as on March 17, 2023) and not a closely held family company.

(iv) The appellant No. 1 was incorporated on October 10, 2011 as Mandira Marketing Private Limited. Neither at the time of incorporation, nor at any point during the lifetime of late Dr. Surinder Kapur, the founder of *Sona Group*, did the mark '**SONA**' form part of the corporate name of the appellant No.1.

(v) In an email dated January 17, 2012 exchanged between the late Dr. Surinder Kapur and Mr. Himanshu Koirala, the then Managing Director of the appellant No.1, Mr. Koirala shared an '**M**' logo on the

device mark of the appellant No. 1 with the late Dr. Kapur. In response, the late Dr. Kapur expressly commented that, *“I suggest you use SONA Logo, for Sona Group products. To create your own Brand will pay you in the long run...”* This correspondence makes it clear that appellant No. 1 was consciously incorporated without a ‘SONA’ formative corporate name with an independent ‘M’ logo, with a clear understanding that the ‘SONA’ logo would only be used by the appellant No.1 for Sona Group products and not as its own brand.

33. In furtherance of the above understanding as captured in the correspondence between Dr. Surinder Kapur and Mr. Himanshu Koirala, a sales agreement dated April 09, 2012 was entered into between the respondent No.1 and the appellant No.1, whereby the appellant No.1 was permitted to sell the products of the respondents. As a corollary to the said agreement, the Trade Mark ‘SONA’ was used by the appellants. At no point of time did the appellants use the mark ‘SONA’ independently, until the impugned adoption. In fact, the appellant No.1, before the impugned adoption was using its own independent registered logo ‘M’ including on its website, invoices, brochures, etc. The appellant No.1 had also adopted another independent mark ‘ADLCC’ for which it has sought registration. From the year 2011 – 2020 i.e., until the impugned adoption the appellant No.1 was using these two independent Trade Marks for its products and only used the Trade Mark ‘SONA Driving Tommorrow’, i.e., the mark of the respondent in their role as the licensee/seller of the products of the respondents. He stated that the learned Single Judge considered the import of the email dated January 17, 2012 and held that the contents of the said

email establishes that the appellant No.1 was never considered a group company of the *Sona Group*.

34. According to Mr. Sibal, the email dated January 09, 2017 falsifies the stand taken by the appellants that the mark ‘SONA’ is generic and common to trade and that the appellants have an independent right to use the same.

35. Insofar as the issue of disclaimer is concerned, the learned senior counsel for the respondents would state that the learned Single Judge justified in holding that notwithstanding the disclaimer, the Court would give due regard to the whole of the mark including the disclaimed mark, while deciding the question of infringement, and that the disclaimer in the Trade Mark does not travel to the market place and for the purpose of comparison, a disclaimed portion can also be considered along with the mark as a whole for the purpose of infringement. In this regard, reliance is placed on the following judgments:-

- (i) *Pidilite Industries Limited v S.M Associates & Ors., 2003 (5) BomCR 295*
- (ii) *Shree Nath Heritage Liquor Pvt. & Ors v. Allied Blender & Distillers Private Limited, 2015(63) PTC 551(Del)*
- (iii) *Cadbury India Limited (supra)*
- (iv) *Sanofi India Limited & Anr v. Universal Neutraceuticals Private Limited, 2014 SCC OnLine Del 2051*
- (v) *Research In Motion Limited (supra)*

36. The learned senior counsel for the respondents have also submitted that the predominant part of the corporate name of the respondents as also the registrations is ‘SONA’. As the registered Trade Mark ‘SONA BLW’ contains no disclaimer qua the said word ‘SONA’, ‘SONA’ dominant part

of the said Trade Mark. According to them, an infringement action will lie against a dishonest adoption of the dominant or essential part of a registered Trade Mark. Reference is made to the judgment of this Court in the case of *Sona BLW Precision Forgings Limited v. Sonae EV Private Limited*, CS(COMM) 383/2022, between the respondent No.1 herein and another third party in respect of a dishonest adoption of the word ‘Sonae’ as part of its corporation name, wherein it was held that ‘SONA’ forms a dominant part of the Trade Mark of the respondent No.1 and as such is entitled to protection. They have also relied upon the judgment of this Court in *South India Beverages Private Limited v. General Mills Marketing Inc. & Anr.*, (2014) SCC OnLine Del 1953. They submitted that the learned Single Judge was right in holding that ‘SONA’ is a predominant part of the Trade Mark of the respondents, and further that the word ‘SONA’ cannot be said to be descriptive or even suggestive of the goods of the respondents, i.e., automotive parts. According to them, as such, ‘SONA’ for automotive parts is an arbitrary association deserving the highest degree of protection.

37. They also submitted that the learned Single Judge was right in negating the arguments of the appellants that there could be no passing off as the appellants are using a different logo and cater to a different segment of the market as both the respondents and the appellants deal with automotive parts, even purchasers of such part could be deceived into believing that an association exists between the respondents and the appellants, more so, when such an association existed earlier and has now been terminated. It is in this context that the learned Single Judge held that the incorporation of the word ‘SONA’ by the appellant No.1 as part of its corporate name *prima facie* appears *mala fide*, and granted interim

injunction in the favour of the respondent No.1. Reliance is placed in this regard on the judgments in the cases of *Laxmikant Patel v. Chetanbhat Shah and Ors.*, AIR 2002 SC 275 and *Cadila Health Care Limited v. Cadila Pharmaceuticals Limited*, (2001) 5 SCC 73.

38. Mr. Sibal and Mr. Rao have also contested the stand of the appellants that the adoption is justified in view of the acquiescence of the appellants with the Trade Mark ‘SONA’ and also the consent given to the appellants by Ms. Rani Kapur and Dr. Surinder Kapur. According to them, this submission is unmerited, in view of the following:-

- (i) The appellant No.1 was incorporated in 2011 during the lifetime of Dr. Surinder Kapur, without the name ‘SONA’ in its corporate name, while several other entities/companies that were incorporated by the *Sona Group* at that time admittedly contained the word ‘SONA’ as part of their corporate name.
- (ii) Email dated January 17, 2012, whereby the late Dr. Surinder Kapur suggested the use of the ‘SONA’ logo only for *Sona Group* Products and further suggested that the appellant No.1 create its own brand which would be beneficial in the long run.
- (iii) Ms. Rani Kapur could only have been a share holder of the appellant No.1 in her individual capacity, which could in no manner have effected the rights of the respondents in the Trade Mark ‘SONA’, more so, when the registrations stood in the name of corporate entities and not any individual. In any case, Ms. Rani Kapur has not sought to claim any ownership rights in the Trade Mark at any point.

(iv) The appellant No.1 was acting as a Sales Agent/Licensee of the respondent No.1, and could not thereafter dishonestly assert ownership right over the Trade Mark 'SONA'.

(v) The respondents on coming to know of the change of the corporate name of the appellant No.1, immediately approached this Court by way of the suit, clearly evidencing their intent not to allow the appellants to use the mark 'SONA'.

39. They also contended that as has been found by the learned Single Judge, the balance of convenience hangs in favour of the respondents for a multitude of reasons. The suit was filed within one month of the change of the corporate name of the appellant No.1. Any use of the logo/mark SONA MANDHIRA by the appellants is exclusively after filing of the suit and therefore, no equity can arise in their favour. Any goods manufactured and sold using the device logo/mark SONA MANDHIRA would have been manufactured and sold after filing of the suit. It is well settled that a defendant cannot derive any equities from infringing use, especially after being expressly put to notice. Reference in this regard is made to the decision in *M/s Hindustan Pencils Private Limited v. M/s India Stationary Products Co. & Anr., AIR 1990 Delhi 19*. They have also relied upon the judgment of the Supreme Court in *Midas Hygiene Industries (P) Limited & Another v. Sudhir Bhatia & Others, (2004) 3 SCC 90*, to contend that in case of infringement, either of a Trade Mark or of a copyright, an injunction must follow. The grant of injunction becomes necessary if it *prima facie* appears that the adoption of the mark itself was dishonest.

40. They have sought dismissal of the appeal.

FINDINGS

41. Having heard the learned senior counsel for the parties and perused the record, the challenge in the appeal is primarily to the order dated February 22, 2023 whereby the learned Single Judge has allowed the application filed by the respondent Nos.1 and 2 under Order XXXIX Rules 1 and 2 of CPC and restrained the appellants herein from using the mark ‘SONA’ as part of its corporate name, while dismissing two applications filed by the appellants for rejection of the plaint and dismissal of the suit.

42. At the outset, we may highlight the position of law with respect to the powers of an appellate Court dealing with an appeal against a discretionary order. It is well settled that the appellate Court will not reassess the material on which the Court of first instance has decided to grant or refuse an interim protection. The *locus classicus* in this regard, is the judgment in ***Wander Limited (supra)***, wherein a three-judge Bench of the Supreme Court has held as under:-

“14. The appeals before the Division Bench were against the exercise of discretion by the Single Judge. In such appeals, the appellate court will not interfere with the exercise of discretion of the court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily, or capriciously or perversely or where the court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle. Appellate court will not reassess the material and seek to reach a conclusion different from the one reached by the court below if the one reached by that court was reasonably possible on the material. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the

discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion. After referring to these principles Gajendragadkar, J. in Printers (Mysore) Private Ltd. v. Pothan Joseph [(1960) 3 SCR 713 : AIR 1960 SC 1156] : (SCR 721)

“... These principles are well established, but as has been observed by Viscount Simon in Charles Osenton & Co. v. Jhanaton [1942 AC 130] ‘...the law as to the reversal by a court of appeal of an order made by a judge below in the exercise of his discretion is well established, and any difficulty that arises is due only to the application of well settled principles in an individual case’”
.....”

43. In fact, this view has been further propounded by the Apex Court in a veritable plethora of cases including ***K. Palaniswamy v. Shanmugam & Ors., Civil Appeal 1392/2023, Shyam Sel & Power Limited v. Shyam Steel Industries, (2023) 1 SCC 634, Narendra Hirawat & Co. v. Sholay Media Entertainment, (2022) 1 SCR 857 and Ambala Sarabhai Enterprises v. K.S. Infraspace LLP, (2020) 5 SCC 410*** and by this Court in ***Shrivats Rathi and Anr. v. Anil Rathi and Ors., 2021 SCC OnLine Del 2.***

44. In the backdrop of the aforesaid enunciation of law, we shall now deal with the merits of the instant case. The facts, as have been highlighted in the initial part of this order depicts that the respondent No.2 applied for registration of the device mark ‘**SONA Driving Tomorrow**’ with an ‘S’ symbol (curved road) on July 08, 2008. On January 14, 2015, the Trade Marks Registry accepted the registration of the respondent No.2 for the device mark ‘**SONA Driving Tomorrow**’ with ‘S’ symbol. According to

the respondent No.1, it is a leader in production of precision forged gears and differential assemblies and other applications for the automotive industry, and has a major presence not only in the Indian market but also abroad. Their sales figures for the year 2019-2020 was 539,67,93,795/-. The Trade Mark of '**SONA**' initially owned by respondent No.2 was assigned and transferred to respondent No.1 on March 28, 2019. The respondent No.1 was also assigned the Trade Mark owned by SONA BLW Präzisionsschmiede GmbH, including the rights in the word marks '**SONA BLW**', duly registered in India on July 18, 2014.

45. It is also the conceded case of the parties that the appellant was the licensee for selling the products of the respondent No.1 in terms of Sales Agreement dated April 09, 2012. The agreement was terminated on September 04, 2020, which is immediately after the change of corporate name by the appellant No.1 as Sona Mandhira Private Limited on June 06, 2020. It has also come on record that as a sales licensee, the appellant No.1 was selling the goods of respondent No.1 using the device mark '**SONA Driving Tomorrow**' with '**S**' symbol.

46. The submissions of learned senior counsel for the appellants primarily are that the respondents have suppressed/concealed two material facts. The first one being, the disclaimer on the Registration Certificate of the Trade Mark issued to the respondent No.2 with registration No. 1707890, which shows that the device mark registration in favour of respondent No.2 is conditional and did not allow it to claim any exclusive right in the word '**SONA**' separately. The second suppression/concealment is that, the respondents have not placed on record of the learned Single

Judge the correspondence exchanged between the respondents and the Trade Marks Registry.

47. The learned Single Judge did hold that the respondents have concealed/suppressed the aforesaid two aspects. However, he also observed that concealment made by the plaintiff in every case would not result in an automatic dismissal of the plaint and/or application seeking *interim* relief. He held that the relief of injunction against infringement and passing off is granted not only to protect the proprietary rights of the plaintiff, but also to protect an ordinary unwary consumer who may be deceived due to adoption of a similar mark for similar goods by the defendant. On the aspect of concealment of correspondence exchanged between the respondents and the Trade Marks Registry, he also held that the same cannot be a reason to deny relief to the respondents or dismissing the suit.

48. It must be stated here that the learned senior counsel for the appellants had relied upon a letter dated June 23, 2011 from the attorneys of SONA BLW Präzisionsschmiede GmbH to the Trade Marks Registry, in reply to objections raised by the Trade Marks Registry that the Trade Mark ‘SONA BLW’ is devoid of any distinctive character and that there are similar marks already on the Register. They would submit that there is a clear admission therein that all the cited marks by the Registry share the word ‘SONA’ and still peacefully co-exist on the Register without incidence of any confusion or deception. They have also referred to the judgments of the Division Bench of this Court in *S. K. Sachdeva (supra)* and *Raman Kwatra (supra)*, in an attempt to distinguish the judgments in the cases of *Telecare Network (supra)* and *H&M (supra)* which find mention in the impugned judgment. It must be stated at this juncture that

the correspondence dated June 23, 2011, was not available before the learned Single Judge. The findings of the impugned judgment that the correspondence of the respondents with the Trade Marks Registry is not material for adjudication, has been made with respect to the correspondence of the respondent No.2 with the Trade Marks Registry dated November 21, 2008. However, even with regard to the correspondence dated June 23, 2011, we find ourselves in agreement with the conclusion arrived at by the learned Single Judge. This we say so, as the correspondence on which the reliance has been placed by the appellants is exchanged between the German company SONA BLW Präzisionsschmiede GmbH and the Trade Marks Registry, before the Trade Mark ‘**SONA BLW**’ was assigned to the respondent No.1 and of which a separate registration has been taken by the respondent No.1 in India. Surely, the correspondence dated June 23, 2011 relied upon by the appellant is not emanating from the respondent No.1 and as such the said letter cannot act as an estoppel against the respondent No.1.

49. The judgment in the case of *S. K. Sachdeva (supra)* as relied upon by the learned senior counsel for the appellants is clearly distinguishable, as the plaintiffs therein had in their communication to the Trade Marks Registry categorically admitted that no party can claim exclusive rights on the impugned mark therein, as the same is popular and common to trade. Subsequently, the said communication to the Trade Marks Registry was sought to be withdrawn, a few days prior to filing of the suit by the plaintiffs. In the withdrawal letter, the plaintiffs sought to take a stand contrary to its earlier letter, that in relation to schools, the impugned mark is exclusively identified with the plaintiffs, and no other person is therefore

entitled to use it for schools. This Court vacated the *interim* injunction not only on the basis of the concealment by the plaintiffs of their stand taken before the Trade Marks Registry, but also on finding *prima facie* that multiple schools were already using the impugned Trade Mark, even prior to the adoption of the mark by the plaintiffs. As such, this Court held that the plaintiffs would have to establish at trial that the impugned mark is exclusively associated with the schools of the plaintiffs. It is in that factual situation that this Court held that the interim injunction therein was liable to be vacated.

50. Similarly, the judgment in the case of **Raman Kwatra** (*supra*) shall also not be of aid to the appellants inasmuch as in that case, the Trade Marks Registry had in its examination report cited the Trade Mark of the defendants, in response to which, the plaintiff expressly stated that its marks are different from that of the cited marks, including that of the defendants, and therefore there is no likelihood of confusion. Subsequently, the plaintiff filed a suit contending to the contrary and alleging likelihood of confusion on account of the defendant's use of its Trade Mark. It was in this situation that this Court while stating that there is no dispute with the proposition laid down in **Telecare Network** (*supra*) that there can be no estoppel against a statute, held that the said proposition would not be applicable in the facts of that case. As such, the said judgment is also distinguishable.

51. Hence, the aforesaid plea of learned senior counsel for the appellants does not appeal to this Court to be considered as a reason for vacating the *interim* order granted by the learned Single Judge. Insofar as the plea on concealment of the disclaimer is concerned, the same has been dealt with by the learned Single Judge in paragraphs 44 to 48 in the following manner:-

*“44. I am not impressed with the above submissions. As noted herein above, the disclaimer of the exclusive right in the word **“SONA”** was a vital fact to be disclosed by the plaintiffs in the **Plaint**. It may or may not eventually influence the outcome of the **Suit/application** seeking interim injunction one way or the other, however, has to be disclosed. The Court has to be informed of all relevant facts for it to take a decision.*

*45. The Court is also not expected to scan through voluminous documents filed by the plaintiffs with the **Plaint** in order to find for itself such an important and vital fact. In fact, the plea that the disclosure could not be made as the **Plaint** was filed during Covid-19 lockdown, is defeated by the fact that the plaintiffs had this document in their custody and filed the same with the **Plaint**, however, did not mention its effect in the **Plaint**. The non-disclosure, therefore, has nothing to do with Covid-19 lockdown. However, to a limited extent that the suit was filed in urgency and during the Covid-19 pandemic, the same can act as a mitigating circumstance.*

*46. Equally, only because the plaintiffs were unable to obtain an **exparte ad interim** order because of the presence of the defendants, who pointed out the above concealment on the first date of hearing, cannot absolve the plaintiffs from the repercussions of such concealment. Concealment remains unpardonable even where the plaintiff does not succeed in misleading the Court thereby, or where the defendant appears and is able to highlight such concealment on the first date of hearing, thereby preventing an adverse order being passed against it. However, having suffered the consequence of non-disclosure, the plaintiff cannot be condemned indefinitely.*

*47. The fact that the plaintiffs also failed to plead another registration which may be supportive of its case in the **Suit**, also cannot absolve the plaintiffs of their misconduct, but may act as a mitigating circumstance.*

*48. Having said the above, however, in my view, the concealment made by the plaintiffs in every case would not result in an automatic dismissal of the **Plaint** and/or of the applications filed by the plaintiffs seeking interim relief. In law, an injunction against infringement and passing off is granted not only to*

protect the proprietary rights of the plaintiffs but also to protect an ordinary unwary consumer who may be deceived due to adoption of a similar mark for similar goods by the defendant. There is, therefore, an element of public interest also to be protected. Facts of each case would, therefore, have to be considered to determine the effect of concealment/misstatement therein.”

52. The aforesaid would reveal that the learned Single Judge did come to a conclusion that the concealment of disclaimer on the exclusive rights in the word ‘SONA’ was a vital fact to be disclosed by the respondents in the plaint, though it may not eventually influence the outcome of the suit/application seeking *interim* injunction.

53. We find that the learned Single Judge, by stating so, was also of the view that the concealment made by the plaintiff in every case would not result in automatic dismissal of the plaint or the application filed by the plaintiff seeking interim relief, as there is an element of public interest also to be protected.

54. On a detailed perusal of the impugned order, we find that the learned Single Judge while holding that there is concealment of material facts by the respondents, has also considered certain mitigating circumstances as mentioned in paragraphs 45 to 50, which we have already reproduced above. The learned Single Judge in exercise of his judicial discretion concluded that for the acts of concealment, the respondents can be visited with exemplary costs rather than dismissing the suit/application.

55. That apart, we find that the learned Single Judge was of the view that keeping in view the earlier adoption of the word ‘SONA’ by the respondents, its extensive use by the respondents, and the likelihood of

deception and confusion being caused in the mind of an unwary customer of continued association between the respondents and the appellants due to the adoption of the mark ‘SONA’ in the corporate name of the appellant No.1, the respondents were successful in demonstrating a *prima facie* case for grant of an interim injunction in their favour. The appellants have failed to demonstrate that the exercise of discretion by the learned Single Judge is perverse, capricious, arbitrary or illegal.

56. It is the submission of learned senior counsel for the appellants that the stand taken by the respondents that ‘SONA’ is the predominant feature of the mark of the respondents and using a part of a registered Trade Mark/prominent feature of the mark leads to infringement, is contrary to its stand taken before the Trade Marks Registry. This submission has been dealt with learned Single Judge in paragraphs 65, 66 and 67 which we reproduce as under:-

*“65. Explaining the above provisions, a Division Bench of this Court in **Vardhman Buildtech Pvt. Ltd.** (supra), has held that registration in a composite mark containing various parts would confer on the proprietor an exclusive right to use of the trade mark taken as a whole and not to only a part thereof. However, in my opinion, this would not defeat the right of the plaintiff/proprietor to claim injunction on the basis of passing off. For the test of passing off, the marks are to be tested on the standard of a person of average intelligence with imperfect recollection. It is the overall impression of the mark created on the consumer that would be the governing factor to determine likelihood of confusion or deception. In such determination, therefore, the Court may also identify elements or features of the mark that are more or less important for purpose of making the comparison between the competing marks.*

*66. In **M/s. South India Beverages Pvt. Ltd.**, 2014 SCC OnLine Del 1953, a Division Bench of this Court has held that in a*

composite mark, it is not improper to identify elements or features of the mark that are dominant or significant because they attract attention and consumers are more likely to remember and rely on them for purposes of identification of the source. It was held as under: -

“19. Though it bears no reiteration that while a mark is to be considered in entirety, yet it is permissible to accord more or less importance or 'dominance' to a particular portion or element of a mark in cases of composite marks. Thus, a particular element of a composite mark which enjoys greater prominence vis-à-vis other constituent elements, may be termed as a 'dominant mark'.

20. At this juncture it would be apposite to refer to a recent decision of this Court reported as 211(2014) DLT 296 Stiefel Laboratories v. Ajanta Pharma Ltd. The Court whilst expounding upon the principle of 'antidissection' cited with approval the views of the eminent author on the subject comprised in his authoritative treatise - McCarthy on Trademarks and Unfair Competition. It was observed:

“41. The anti-dissection rule which is under these circumstances required to be applied in India is really based upon nature of customer. It has been rightly set out in McCarthy on Trademarks and Unfair Competition about the said rule particularly in Para 23.15 which is reproduced hereunder:

23.15 Comparing Marks: Differences v. Similarities

[1] The Anti-Dissection Rule

[a] Compare composites as a Whole:

Conflicting composite marks are to be compared by looking at them as a whole, rather than breaking the marks up into their component parts for comparison. This is the “anti dissection” rule. The rationale for the rule is that the commercial impression of a composite trademark on an ordinary prospective buyer is created by the mark as a whole, not by its component parts. However, it is not a violation of the anti-dissection rule to view the component parts of conflicting composite marks as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus, conflicting marks must be compared in their entirety. A mark should not be dissected or split up into its component parts and each part then compared with corresponding parts of the conflicting mark to determine the likelihood of confusion. It is the impression that the mark as a whole creates on the average reasonably prudent buyer and not the parts thereof, that is important. As the Supreme Court observed:

“The commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety.” The anti- dissection rule is based upon a common sense observation of customer behavior: the typical shopper does not retain all of the individual details of a composite mark in his or her mind, but retains only an overall, general impression created by the composite as a whole. It is the overall impression created by the mark from the ordinary shopper’s cursory observation

in the marketplace that will or will not lead to a likelihood of confusion, not the impression created from a meticulous comparison as expressed in carefully weighed analysis in legal briefs. In litigation over the alleged similarity of marks, the owner will emphasize the similarities and the alleged infringer will emphasize the differences. The point is that the two marks should not be examined with a microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity are more important than minor points of difference. A court should not engage in "technical gymnastics" in an attempt to find some minor differences between conflicting marks.

However, where there are both similarities and differences in the marks, there must be weighed against one another to see which predominate.

The rationale of the anti-dissection rule is based upon this assumption: "An average purchaser does not retain all the details of a mark, but rather the mental impression of the mark creates in its totality. It has been held to be a violation of the anti-dissection rule to focus upon the "prominent" feature of a mark and decide likely confusion solely upon that feature, ignoring all other elements of the mark. Similarly, it is improper to find that one portion of a composite mark has no trademark significance, leading to a direct comparison between only that which remains." [Emphasis Supplied]

21. The view of the author makes it scintillatingly clear, beyond pale of doubt, that the principle of 'anti dissection' does not

impose an absolute embargo upon the consideration of the constituent elements of a composite mark. The said elements may be viewed as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus, the principle of 'anti- dissection' and identification of 'dominant mark' are not antithetical to one another and if viewed in a holistic perspective, the said principles rather compliment each other.

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23. It is also settled that while a trademark is supposed to be looked at in entirety, yet the consideration of a trademark as a whole does not condone infringement where less than the entire trademark is appropriated. It is therefore not improper to identify elements or features of the marks that are more or less important for purpose of analysis in cases of composite marks.

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26. Dominant features are significant because they attract attention and consumers are more likely to remember and rely on them for purposes of identification of the product. Usually, the dominant portion of a mark is that which has the greater strength or carries more weight. Descriptive or generic components, having little or no source identifying significance, are generally less significant in the analysis. However, words that are arbitrary and distinct possess greater strength and are thus accorded greater protection.”

67. In the present case, the plaintiffs have registration in their favour, of which the word “SONA” is a predominant part. It has

registrations in the word mark “SONA BLW” as well. Applying the ratio of M/s. South India Beverages Pvt. Ltd (supra), this Court in its judgment dated 02.08.2022 passed in CS(COMM) 383/2022, titled Sona BLW Precision Forgings Ltd. v. Sonae EV Private Limited, has held that “SONA” forms a dominant part of the plaintiffs’ Trade Mark, thus is entitled to protection. It is also of import that the word “SONA” otherwise cannot be said to be descriptive or even suggestive of the goods in which the plaintiff deals in. Further, the reason given by the defendants for adoption of the word „SONA’ in its corporate name does not impress me, as has been explained hereinafter.”

57. We find ourselves in complete agreement with the conclusion of the learned Single Judge on the above issue as well.

58. Yet another submission of Dr. Singhvi is that in view of Section 16 of the Commercial Courts Act which amended Order VI Rule 15A of CPC, on finding that there is a concealment made by the respondents, the learned Single Judge should have dismissed the suit. Order VI Rule 15A contemplates that every pleading in a commercial dispute shall be verified by an affidavit in a prescribed format, and a party shall not be permitted to rely on a pleading which is not verified in the manner provided, as evidence or any of the matters set out therein. He stated that the said provision establishes the mandatory nature of the pleadings to be verified by way of an affidavit, and that any concealment shall result in the dismissal of the suit. Though, the submission looks appealing on a first blush, on a closer consideration, it is noted that Order VI Rule 15A does not prescribe any effect in the eventuality there is a concealment by a party. It appears that the same is for the reason, discretion lies with the Court, to deal with such concealment in the facts of a particular case and pass appropriate orders. In the present case, as noted from the impugned order, the learned Single

Judge while concluding that *prima facie* there is *mala fide* on the part of the appellant No. 1 in changing its corporate name, and also that the respondents are guilty of suppression/concealment, and also by observing that concealment made by the plaintiff in every case would not automatically result in the dismissal of the application, has balanced the equities by imposing cost on the respondents. As we have already held that the learned Single Judge was justified in exercising the discretion, this plea of Dr. Singhvi is liable to be rejected.

59. Another plea is that the adoption of ‘SONA’ by the appellant was in view of the consent given by Ms. Rani Kapoor, who was the Managing Director of the respondent No.2 company, and hence, the principle of estoppel / acquiescence would come into play and the respondents could not have raised any objection to the adoption to which she had given her consent. The reasoning given by the learned Single Judge while rejecting this plea is in paragraph 76 of the impugned order, which we reproduce as under, as we are also in agreement with the same.

“76. As far as the claim of permission for the change of the corporate name from Mrs.Rani Kapur is concerned, the documents relied upon by the learned senior counsel for the defendants appear to be executed by Mrs.Rani Kapur as a shareholder of defendant no.1 and in her individual capacity. The registrations of the trade marks stand in the name of the plaintiff no.2, which is a corporate entity. They already stand assigned in favour of the plaintiff no. 1. Mrs.Rani Kapur in her individual capacity, therefore, cannot claim any right over the said mark, which can be assigned or licensed by her to a third party in her individual capacity.”

60. Additionally, we state that Ms. Rani Kapoor is wearing two hats; first as a shareholder of the appellant company and second as the Managing

Director of the respondent No.2 company. In any case, even as the Managing Director of respondent No.2 company, she could not have granted any consent for use/adoption of the impugned Trade Mark, without a specific authorisation/approval in that regard. Nothing has been brought to our notice to demonstrate that she had any such authorisation. Suffice it to state, mere consent of a person cannot be construed as an assignment / authorisation by a company in favour of the another company to change its corporate name. Hence, this plea is also rejected.

61. In view of the discussion above, we are of the view that there is basis for the learned Single Judge not to dislodge the respondents on the ground that there has been a concealment/suppression of facts by the respondents. We are also of the view that the learned Single Judge has exercised his discretion judiciously, in concluding that in the facts of the case, equities lie in favour of the respondents, and that the respondents have been able to make out a good *prima facie* case for the grant of *interim* protection, and in granting the *ad-interim* injunction in their favour and against the appellants. There being no perversity, arbitrariness or illegality in the exercise of discretion by the learned Single Judge, the impugned order warrants no interference. The other judgments on which reliance was placed by the learned senior counsel for the appellants are not required to be gone into as they were all considered by the learned Single Judge, and also in view of our above conclusion.

62. The appeal is dismissed. Parties are to bear their own costs.

63. It is made clear that any expression on the merits of the case made hereinabove shall only be *prima facie* and not conclusive.

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64. This application has been filed by the appellants seeking permission to sell the existing stock of their inventory in the market.

65. The submissions of Mr. Vaibhav Gaggar, learned counsel for the applicants can be summed up as under:

(i) The appellants can raise invoices for the said goods under the said company name only i.e. Sona Mandhira Private Limited, as their PAN and GST registrations are done under the said company name.

(ii) The appellants are manufacturers and procurers, and the injunction has a ripple effect along the supply and distributor chain and also affects the daily operations and functioning of the appellants.

(iii) The domain name of the appellants is “*sonamandhira.com*”.

(iv) There will be huge financial impact on their ability to discharge their debt liability to various banks.

66. In support of the submissions, reliance is placed on the judgments of this Court in *Alkem Laboratories Limited v. Laborate Pharmaceuticals India Limited and Anr.*, 2022 SCC OnLine Del 1803; *Lupin Limited v. Sun Pharma Laboratories Limited & Anr.*, 2014 SCC OnLine Del 2088; *Sun Pharma Laboratories Limited v. Ajanta Pharma Limited*, 2019 SCC OnLine Del 8443, and *M/s S. Oliver Bernd Freier GmbH & Co. KG v. M/s Rasul Exports & Anr.* 2014 SCC OnLine Del 564.

67. On the other hand, it is the submission of Mr. Sibal is that the product manufactured by the appellant did not bear the mark ‘SONA’ and it is only the packaging which has the same. He stated that for selling the product, the appellant is required to only change the packaging without affecting the goods so manufactured. The submission of Mr.Sibal that the goods are

manufactured without the mark ‘SONA’, it is only the packaging which has the same, has not been contested by Mr. Gaggar.

68. The submissions made by Mr. Gaggar are not appealing. Surely the effect of the respondents’ application having been allowed by the learned Single Judge is that the appellants are required to change the corporate name of the appellant No.1. If the name of the appellant No.1 is required to be changed on the strength of the order passed by the learned Single Judge, the appellant can inform the concerned PAN / GST authorities in that regard. Surely no such authority shall compel the appellants to continue filing returns under the old name in violation of the order of the learned Single Judge, which we have now upheld.

69. That apart, we are in agreement with the submission of Mr. Sibal that no new registration is required with regard to PAN and GST of the appellant No. 1; only amendment / updation in the name of the appellant No.1 is required to be carried out. The plea that supply and distribution chain shall be adversely affected is also not appealing, for the reason that the learned Single Judge has come to a *prima facie* finding that the appellant with *mala fide* intentions, changed its corporate name from Mandira Marketing Private Limited to Sona Mandhira Private Limited, with which finding we agree. In this given background, the plea of equity as sought to be urged by Mr. Gaggar cannot be accepted. Similar would be the position with regard to the change of domain name and email address of the appellant No.1.

70. That apart, the submission made by Mr. Sibal that the appellants are manufacturing their product without the mark ‘SONA’, it is only the packaging which has impugned Trade Mark, and can be changed, also

compels us not to grant the prayer as sought for by the appellants in this application. This we say so, as changing the packaging of the products to sell it may not prove expensive, and no serious prejudice would be caused to the appellants by the exercise. However, if the prayer made in the application is granted, grave prejudice would be caused to the respondents, particularly, when the respondents have succeeded before the learned Single Judge and this Court has dismissed the appeal in the above paragraphs. The submission of Mr. Sibal that the goods are not perishable is also a factor which weighs with us for not granting the prayer as made in the application. The judgments relied upon by Mr. Gaggar would not come to the aid of the applicants, in view of our above conclusion, and additionally as they are distinguishable for the reasons below:-

- (i) In *Alkem Laboratories (supra)*, the applications under Order XXXIX Rules 1, 2 and 4 of CPC were still pending consideration and even the goods in that case were pain relievers and Schedule H drugs. As such, this Court found it appropriate that public interest would be subserved if the product was allowed to be sold.
- (ii) In *Lupin Limited (supra)*, the application under Order XXXIX Rule 4 was pending, and the plaintiff therein had conceded to the liquidation of the existing stock by the defendants.
- (iii) In *Sun Pharma Laboratories (supra)*, the defendant was also a registered Trade Mark holder, and had a manufacturing license for the impugned product.

(iv) In *S. Oliver Bernd Freier GmbH (supra)*, this Court found that the suit therein was filed after a delay of two years and the defendants were using the impugned marks for many years.

71. In the peculiar facts of this case, we do not find any merit in the application, the same is dismissed.

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Dismissed as infructuous.

V. KAMESWAR RAO, J

ANOOP KUMAR MENDIRATTA, J.

APRIL 17, 2023/aky



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