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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% ***Judgment Pronounced on: 31.05.2024***+ **FAO (COMM) 125/2023 & CM No.31050/2023****RAJENDRA VARDICHAND JAGETIA & ANR APPELLANTS**

versus

MODERN MOLD PLAST PVT LTD RESPONDENT**Advocates who appeared in this case:**

For the Appellants : Mr. Abhijit Mittal, Mr. Anukalp Jain, Mr. Bhav Arora, Mr. Pulkit Khanduja, Mr. S. Bhatnagar & Ms. S. Singh, Advs.

For the Respondent : Mr. Akhil Sibal, Sr. Adv. with Mr. Rishi Bansal, Ms. A. Jain & Mr. Arpit Singh, Advs.

CORAM:**HON'BLE MR. JUSTICE VIBHU BAKHRU****HON'BLE MS. JUSTICE TARA VITASTA GANJU****JUDGMENT****TARA VITASTA GANJU, J.:**

1. Being aggrieved with the grant of interim relief to the Respondent, the Appellants have filed this Appeal. By an order dated 04.05.2023 the learned District Judge, Commercial Courts-01, South District, Saket Courts, New Delhi [hereinafter referred to as "Impugned Order"] has allowed an Application under Order XXXIX Rule 1 & 2, Code of Civil Procedure, 1908 filed by the Respondent and



restrained the Appellants from using the impugned trademarks/labels 'MAHARAJA' and 'MAHARANA' or any other deceptively similar mark/label in relation to their goods.

2. A Coordinate Bench of this Court, by its order dated 01.06.2023 directed that there shall be a stay of the Impugned Order subject to the condition that the Appellants shall not accept offers or effect sales of moulded plastic furniture under the name of "MAHARAJA" or "MAHARANA" other than in the State of Gujarat. The restriction was also made applicable to online orders.
 - 2.1 The case of the Appellant No.1 is, that Appellant No.1 has been honestly and continuously using the trademark 'MAHARAJA' (Device) in respect of goods under Class – 20 since 10.02.2015. The Appellant no.1, has thereafter, obtained registrations for related marks in Classes – 20 and 35. The Appellant No.1 also obtained copyright registration for its artistic work titled 'MAHARAJA LABEL'. In addition, Appellant No.1 also applied for and obtained registration of a device mark 'MAHARANA' on 22.11.2017.
 - 2.2 The Respondent has been using the trademark 'MAHARAJA' in relation to goods under Class – 20 since the year 2009 and has obtained several registrations for the 'MAHARAJA' mark including 'MAHARAJA' (device); 'MODERN MAHARAJA' (device); 'MUKUT MAHARAJA' (device); 'METRO MAHARAJA' (device) and 'OMAHARAJA' (word). The Respondent has filed the Oppositions and Rectification petitions



against the trademarks of the Appellants in 2019 and thereafter.

- 2.3 The Respondent have alleged that the Appellants dishonestly and *malafidely* adopted the impugned trademarks while being engaged in an identical business and are passing off of their goods, as that of the Respondent. The Respondent thus, filed a Suit under Sections 134 and 135 of Trade Marks Act, 1999 [hereinafter referred to as “Trade Marks Act”] praying *inter-alia* for the relief of permanent injunction restraining the Appellants from passing off, delivery up, damages and rendition of accounts.
3. As stated above, by the Impugned Order, the interim application of the Respondent was allowed, and Appellants have been restrained in the following manner:

“26.... Accordingly, the defendants by themselves as also through their agents, representatives, distributors, assigns, heirs, successors, stockists and all others acting for an on their behalf from using, selling, soliciting, manufacturing, marketing, enquiring, importing, exporting, displaying, advertising physically or through social networking websites or through its or by any other mode or manner dealing in or using the impugned trademarks/labels 'MAHARAJA' and 'MAHARANA' or any other deceptively similar mark/label to the plaintiff's trademarks/labels 'MAHARAJA', 'MODERN MAHARAJA', 'MUKUT MAHARAJA', 'METRO MAHARAJA' and 'OMAHARAJA' in relation to their impugned goods and business including plastic/moulded furniture including inter alia, individual and group seating systems, dining gardens, mattresses and related/allied goods and from doing any other acts or deeds amounting to or likely to passing off their goods as that of the plaintiff till the final disposal of the present suit. The application U/o 39 Rule 1 and 2 CPC filed on behalf of the plaintiff stands allowed and disposed off accordingly.”

4. Learned Counsel appearing on behalf of the Appellants have in the first instance contended that the Appeal could be disposed of in



terms of the direction passed by a Coordinate Bench on 01.06.2023, which are reproduced in paragraph 2 above. It is further contended that as far as concerns the two ‘MAHARAJA INTERNATIONAL’



Device Marks in Class 20 and 35 with crown under Application No. 3598362 and 3598349 respectively, are no longer being used by the Appellants.

- 4.1 Learned Counsel for the Appellants further averred that in so far as concerns the remaining two marks, which form subject matter of the dispute between the parties, being ‘MAHARAJA’ (device mark) and ‘MAHARANA’ (device mark) under Application No. 3020819 and No. 3684831, respectively, the Appellants are agreeable to restrict themselves to use of these marks within the territorial jurisdiction of the State of Gujarat alone.
- 4.2 On the merits of the dispute, it is contended that the Suit has been filed by the Respondent after a delay of six years. The suit was filed in 2021 while, admittedly, the Appellants have been in business since, 2015 and its turnover has grown in the last four years to approximately more than 7.76 crores for the Financial Year (FY) 2018-2019. Thus, the Respondent is not entitled to any interim relief in view of delay and latches.
- 4.3 It is further contended that ‘MAHARAJA’ is not a mark distinctive to the business of the Respondent alone. Relying on a search report



issued by the Registrar of Trademarks, it is submitted that there are many other businesses using this mark.

- 4.4 The Appellants have also raised the question of jurisdiction submitting that the Courts at Delhi have no jurisdiction under the Trade Marks Act, the Appellants are neither manufacturing nor selling their goods in Delhi.
5. *Per contra*, learned Senior Counsel appearing on behalf of the Respondent has contended that the adoption by the Appellants of the mark 'MAHARAJA' along with the crown is completely dishonest and with a view to impinge upon the goodwill of the Respondent. The 'MAHARAJA' device mark is not a generic term but has been coined by the Respondent for their use. 'MAHARAJA' is a laudatory term and is being used by the Respondent to describe furniture of a superior quality.
- 5.1 In response to the plea of acquiescence of the Appellants, it is contended by the Respondent that in view of the fact that it is settled law that where the adoption of the mark by an opposite party is patently dishonest, the plea of acquiescence would not be applicable.
- 5.2 So far as concerns the aspect of this Court not having any jurisdiction to hear this matter, learned Senior Counsel submits that the goods in question are also being sold from the domain name of the Appellants: <<https://maharajamouldedfurniture.com>> and the impugned goods are being delivered within the territorial



jurisdiction of the Courts at Delhi. Hence, the Courts at Delhi have jurisdiction to entertain this Petition.

6. In view of the fact that the suggestion of the Appellant to restrict their use of the trademarks territorially was not accepted by the Respondent, the Court proceeded to hear the matter on merits.
- 6.1 At the outset, it is apposite to reproduce the marks which form the subject matter of the dispute.

Appellants marks

Mark	Application No.	Class	Status	User Claimed	Date of Application
	3020819	20	Rectification filed	10.02.2015	30.07.2015
	3684831	20	Rectification filed	Proposed to be used	22.11.2017
	3598362	20	Opposed	01.04.2014	24.07.2017
	3598349	35	Opposed	01.04.2014	24.07.2017

**Respondent marks**

Mark	Application No.	Class	Status	User Claimed	Date of Application
	2872185	20	Opposed	01.01.2009	30.12.2014
	4197904	20	Opposed	01.01.2009	05.06.2019
	4197905	20	Opposed	01.01.2009	05.06.2019
	4197906	20	Opposed	01.01.2009	05.06.2019
	4345880	35	Objected	01.01.2009	13.11.2019



OMAHARAJA	4315829	20	Objected	Proposed to be used	09.10.2019
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7. The contentions raised by the Appellants before this Court have also been raised by them before the learned Commercial Court which essentially are that:

- (i) The Respondent does not have exclusive rights or monopoly over the term 'MAHARAJA' and that there are several others who are using the same mark. The word "MAHARAJA" is '*publici juris*' and a generic one;
- (ii) The Respondent is guilty of acquiescence and delay in approaching the Court; and
- (iii) The Courts at Delhi have no jurisdiction to try the Petition.

7.1 The learned Commercial Court found that the Respondent had established its user claim since 2009, by filing invoices of that period, and for the year 2014-2015 (the year when the Appellants commenced their business) the Respondent showed a sale of more than Rs. 12.5 crores. It further held that the Appellant No.1 started using the trademark/label 'MAHARAJA' despite the fact that he was aware of the existence of the Respondent's mark. The learned Commercial Court, thus, held that the Respondent has at the *prima facie* stage shown that the Respondent had managed to establish its business and created a goodwill in the market in relation to plastic moulded furniture and allied goods and that the Respondent's



trademarks and labels have become associated with the aforesaid goods.

8. Once a registration is granted in favour of a party, such party acquires the right to use the mark with respect to such goods and services to the exclusion of all others. However, in order to prove the case of infringement of trade mark, a party is required to show that the person who is not the registered proprietor of the mark, has adopted the essential feature(s) of the registered trade mark. In the present case, the trademarks/device marks of the Appellants and the Respondent are identical – both use ‘MAHARAJA’ (device) marks. The Appellant No. 1 has one additional label mark by the name of ‘MAHARANA’. Both ‘MAHARAJA’ and ‘MAHARANA’ have similar meanings, and are used to denote a ‘great King’ or Royalty.
- 8.1 Undisputedly, the Respondent obtained prior registration of the ‘MAHARAJA’ trademark in the year 2009. As noted above, the question as to why the word ‘MAHARAJA’ was adopted by the Appellants remain unanswered. Other than stating that the word ‘MAHARAJA’ is generic and laudatory word, no explanation has been forthcoming for its adoption. It is also not disputed that the word ‘MAHARAJA’ is a word, coined by the Respondent.
- 8.2 The Appellants, contend the word ‘MAHARAJA’ is a common trade word and there are other businesses using the said word, and as such, no infringement action could be taken in relation to such a word by the Respondent. The said contention is egregious. Once the Appellants



have sought registration of the impugned mark, they no longer retain the ground to oppose Respondent's suit filed for infringement of its trademarks, on account of it being generic. In addition, the use of a mark by third parties cannot be a defence available, if it is shown that such use is in violation of a statutory right of the Plaintiff, and such statutory right, cannot be lost on the grounds of delay and acquiescence alone.

8.3 It is settled law that a party cannot approbate and reprobate at the same time or take an inconsistent or contrary stand with respect to a trademark. The doctrine of estoppel is a rule of equity. The Courts have consistently held that when a party is seeking registration of a mark, it cannot question the mark itself. A Coordinate Bench in ***Chhavi Poplai v. Rajesh Chugh***¹ has explained this principal stating that a Defendant cannot take a plea of a mark being common when the Defendant has himself sought exclusivity for such mark, by applying for its registration. The relevant extract reads as follows:

*“7. The above decision in SBL Ltd. v. Himalaya Drug Co. (supra) of the learned Single Judge was at the interlocutory stage. After the trial was complete a final judgment was delivered by a learned Single Judge of this Court in Himalaya Drug Co. v. SBL Ltd. (2010) 170 DLT 395 declining the Plaintiff an injunction. This view was, however, reversed by the Division Bench in Himalaya Drug Co. v. SBL Ltd. (2012) 194 DLT 536 (DB). **The principle that the Defendant cannot approbate and reprobate is well settled. In Neon Laboratories v. Thermis Medicare Ltd.** (2014) 60 PTC 621 (Bom) it was held that:*

“21. The issue of whether a defendant can take such a plea of a mark or a prominent feature of a mark being common to the trade when the defendant has himself

¹ 2019 SCC OnLine Del 7165



applied for registration is no longer res integra : the second action defeats the first argument. This seems to me logical. A man may well say, "I choose to use this particular mark because it is my belief that it is common to our trade and therefore none may claim exclusivity over it." It is quite another for him to say "I will contend in opposition to a claim of exclusivity that the mark I have adopted is so common to our trade that none may claim exclusivity, but I will myself nonetheless apply for registration and thereby mount precisely such a claim to monopoly, and it matters not that implicit in my registration application is a self-annihilating contradiction of my own stand of the mark being commonplace." There is a form of estoppel by conduct that applies to such a defendant. A man may not 'approbate and reprobate'. He may take inconsistent stands, but not ones that are mutually destructive."

[Emphasis is ours]

9. The Appellants have also raised a plea of acquiescence of the mark and have contended that in view of the fact that the Appellants have acquired registration in 2015 and 2017, the suit that was filed in 2021 is barred by acquiescence.
- 9.1 Section 33 of the Trade Marks Act defines the effect of acquiescence and states that if a proprietor of an earlier mark has not taken steps for a continuous period of five years while the use of such registered mark continues, he shall not be entitled to challenge the later mark on the grounds of invalidity nor be entitled to oppose such later trade mark unless the registration of the later trade mark was not in good faith. Section 33 of the Trade Marks Act states:

"Section 33: Effect of acquiescence –

(1) Where the proprietor of an earlier trade mark has acquiesced for a continuous period of five years in the use of a registered trade mark, being aware of that use, he shall no longer be entitled on the basis of that earlier trade mark-



(a) to apply for a declaration that the registration of the later trade mark is invalid, or

(b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used, unless the registration of the later trade mark was not applied in good faith.

(2) Where sub-section (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark, or as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark may no longer be invoked against his later trade mark.”

9.2 The Appellants have been in business since the year 2015 and it is their contention that the Respondent executed certain business transactions with them in the year 2017 and the suit was filed against them only in the year 2021, therefore, the Respondent had the knowledge of the use of the ‘MAHARAJA’ Trademark by the Appellants in the interregnum period, which amounts to acquiescence of use of the Appellants.

9.3 The law of acquiescence is well settled. In order for the Court to reach a conclusion that a plaintiff has acquiesced to the use by a defendant of the mark, there has to be an active encouragement by the plaintiff and an express assent to the use of such mark by such plaintiff and only then would a defendant be entitled to raise such a defence. This principle has been discussed by the Supreme Court in the case of ***Ramdev Food Products (P.) Ltd. v. Arvinbhai Rambhai Patel and Ors.***², where it was held as under:

“103. Acquiescence is a facet of delay. The principle of acquiescence would apply where: (i) sitting by or allow another to invade the rights and spending money on it; (ii) it is a course of conduct

² (2006) 8 SCC 726



inconsistent with the claim for exclusive rights for trade mark, trade name, etc.

104. In Power Control Appliances v. Sumeet Machines (P) Ltd.
[(1994) 2 SCC 448] this Court stated: (SCC p. 457, para 26)

“26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name, etc. It implies positive acts; not merely silence or inaction such as is involved in laches.”

105. In an infringement of trade mark, delay by itself may not be a ground for refusing to issue injunction as has been observed by Lahoti, J. (as His Lordship then was) in *Midas Hygiene Industries (P) Ltd. v. Sudhir Bhatia* [(2004) 3 SCC 90] in the following terms: (SCC p. 91, para 5)

“5. The law on the subject is well settled. In cases of infringement either of trade mark or of copyright, normally an injunction must follow. Mere delay in bringing an action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the mark was itself dishonest.”

106. The defence of acquiescence, thus, would be satisfied when the plaintiff assents to or lay by in relation to the acts of another person and in view of that assent or laying by and consequent acts it would be unjust in all the circumstances to grant the specific relief.”

[Emphasis is ours]

9.4 A Coordinate Bench of this Court in the case of ***Mr Sanjay Chadha Trading as M/s Eveready Tools Emporium v. Union of India and Ors.***,³ has while relying on ***M/s. Hindustan Pencils Private Limited v. M/s. India Stationary Products Co. & Anr***⁴, held that for the defence of acquiescence, there has to be a positive or tacit act, that would indicate the encouragement of use of the trademark, either actively or

³ 2022/DHC/004457

⁴ 1989 SCC OnLine Del 34



tacitly as follows:

*“32. Where the plaintiff, however, is guilty of acquiescence, there different considerations may apply. **As already noted, acquiescence may mean an encouragement by the plaintiff to the defendant to use the infringement mark.** It is as if the plaintiff wants the defendant to be under the belief that the plaintiff does not regard the action of the defendant as being violative of the plaintiff’s rights. Furthermore, **there should be a tacit or an express assent by the plaintiff to the defendant’s using the mark and in a way encouraging the defendants to continue with the business. In such a case the infringer acts upon an honest mistaken belief that he is not infringing the trade mark of the plaintiff** and if, after a period of time when the infringer has established the business reputation, the plaintiff turns around and brings an action for injunction, the defendant would be entitled to raise the defence of acquiescence. Acquiescence may be a good defence even to the grant of a permanent injunction because the defendant may legitimately contend that the encouragement of the plaintiff to the defendants use of the mark in effect amounted to the abandonment by the plaintiff of his right in favour of the defendant and, over a period of time, the general public has accepted the goods if the defendant resulting in increase of its sale. **It may, however, be stated that it will be for the defendant in such cases to prove acquiescence by the plaintiff. Acquiescence cannot be inferred merely by reason of the fact that the plaintiff has not taken any action against the infringement of its rights.**”*

[Emphasis is ours]

9.5 *Prima facie*, the Appellants have been unable to show that the Respondent have acquiesced to the use by the Appellants of the mark ‘MAHARAJA’. The Appellants have not been able to show, that the Respondent being aware of their existence, tacitly allowed them to continue. To the contrary, the Appellant No.1 was aware of the Respondent’s trademark ‘MAHARAJA’ in the year 2017 as the Respondent had sold goods bearing the trademark ‘MAHARAJA’ to the Appellants, between February and September 2017, which invoices have been placed on record by the Appellants before the learned



Commercial Court. *Per contra*, the Respondent has contended that a Rectification Petition was filed against Appellant No. 1's trademark in the year 2019, itself. Therefore, in the absence of tacit consent, the ground for acquiescence is not made out. If, the Appellants had been manufacturing similar goods using the word 'MAHARAJA' from the year 2015 itself, their need for purchase from the Respondent is also inexplicable. The Appellants' adoption of the same trademark in 2015 is thus, *prima facie* dishonest.

- 9.6 The Respondent has clarified the delay in filing the Suit by stating that once they became aware of the existence of the Appellants' trademarks and filed petitions opposing these trademarks. It is contended that initially, the Respondent could not get any proof of user by the Appellants between September, 2019 and January, 2021 but when in the first week of February, 2021, the Respondent became aware of the Appellants manufacturing, displaying, advertising, and promoting the goods under the impugned trademark labels throughout the country, that the present Suit was filed by the Respondent.
10. The other contention raised by the Appellants is that the Court did not have territorial jurisdiction to entertain the Plaint. The Respondent had in its plaint clearly set out that the Appellants are permitting advertising, soliciting and sale of their goods through an interactive website: <<https://maharajamouldedfurniture.com>> in several parts of New Delhi. The Respondent has also placed on record screenshots of the website of the Appellants from which the infringing products are being sold.



10.1 The issue in relation to purchase of goods from interactive websites is no longer *res integra*. This Court in ***Shree Girirajji v. Gagan Pagrani Proprietor of Plastica Industries***⁵ while relying on ***World Wrestling Entertainment, Inc. v. M/s. Reshma Collection & Ors.***⁶, has held that if customers can place orders for purchase of goods from Delhi through an interactive website, then the Courts in Delhi will have jurisdiction for the infringement and passing off. The relevant extract of ***Shree Girirajji*** case is below:

*“14. Undisputedly, if a person carries on his business through an interactive site and, sells and markets its goods through such sites, the courts exercising jurisdiction in respect of places where the goods are made available would have the jurisdiction to entertain a suit for infringement of the trademarks. Indisputably, customers in Delhi can place orders and purchase goods online through the interactive website. Thus, the courts in Delhi would have the jurisdiction to entertain the suit for infringement of trademarks and passing off (Reference: *World Wrestling Entertainment, Inc. v. Reshma Collection*, 2014 SCC OnLine Del 2031).”*

[Emphasis is ours]

10.2 The plea of jurisdiction has to be taken on a demurrer. The Appellants website: <<https://maharajamouldedfurniture.com>> is an interactive website. The learned Commercial Court has found that the infringing products can be bought and delivery of such products is also available in South Delhi. Thus, the contention of the Appellants that the learned Commercial Court had no jurisdiction to try the Suit is misconceived.

11. The grant of an injunction is equitable remedy in cases of infringement and passing off. The learned Commercial Court has found that the

⁵ 2024 SCC OnLine Del 2084

⁶ 2014 SCC OnLine Del 2031



Appellants were passing off their goods as those of the Respondent and infringing upon the rights of the Respondent.

11.1 In determining whether there is a likelihood of confusion, a Coordinate Bench of this Court in the ***Hamdard National Foundation (India) and Anr. v. Sadar Laboratories Pvt. Ltd.***⁷, has while referring to US statute and decisions of US Courts, held that there are four factors to be kept in mind to consider the likelihood of confusion – the similarity in the two marks *via-a-vis*; appearance, pronunciation, verbal translation of the pictures or designs involved and the suggestion of the mark; the intent of the adoption; the use and marketing of the mark and the degree of care exercised by the purchasers. The Court further held that three tests of ‘sound’, ‘sight’ and ‘meaning’ are well accepted for determination of similarity of competing marks and that similarity in any one of the three is sufficient to result in confusion. The relevant extract is below:

“27. The question whether there is any likelihood of confusion is required to be considered bearing in mind several factors. In the United States of America, the statute, Restatement of Torts § 729 (1938), lists out the following four factors:

“(a) the degree of similarity between the designation and the trade-mark or trade name in (i) appearance; (ii) pronunciation of the words used; (iii) verbal translation of the pictures or designs involved; (iv) suggestion; (b) the intent of the actor in adopting the designation; (c) the relation in use and manner of marketing between the goods or services marketed by the other; (d) the degree of care likely to be exercised by purchasers [McCarthy, J. Thomas, McCarthy on Trademarks and Unfair Competition, § 23:21 (5th ed. 2019)]”

⁷ 2022 SCC Online Del 4523



28. The three tests of sound, sight and meaning are now well accepted for determining the similarity between competing marks. And, similarity in any of the three aspects - visual impression, verbal sound, and meaning - may be sufficient to result in confusion. The question of similarity and the likelihood of confusion between two competing marks is determined on the basis of their overall commercial impression.”

[Emphasis is ours]

11.2 In addition, while citing a judgment of the US Supreme Court, the Coordinate Bench in the ***Hamdard National Foundation (India) case*** has set out the following factors for determination of likelihood of confusion:

“29. In *Re E.I. du Pont de Nemours & Co.*[476 F.2d 1357, 177 USPQ 563 (CCPA 1973).], the United States Supreme Court had set out the following factors to be considered for ascertaining whether there is likelihood of confusion:

“1. The similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation, and commercial impression.

2. The similarity or dissimilarity and nature of the goods described in an application or registration or in connection with which a prior mark is in use.

3. The similarity or dissimilarity of established, likely-to-continue trade channels.

4. The conditions under which and buyers to whom sales are made, i.e. “impulse” vs. careful, sophisticated purchasing.

5. The fame of the prior mark.

6. The number and nature of similar marks in use on similar goods.

7. The nature and extent of any actual confusion.

8. The length of time during and the conditions under which there has been concurrent use without evidence of actual confusion.

9. The variety of goods on which a mark is or is not used.

10. The market interface between the applicant and the owner of a prior mark.

11. The extent to which applicant has a right to exclude others from use of its mark on its goods.

12. The extent of potential confusion.



13. Any other established fact probative of the effect of use.”

30. In *Polaroid Corp. v. Polarad Elecs. Corp.* [287 F.2d 492 (2d Cir. 1961)], the United States Court of Appeals, Second Circuit **mentioned the following eight factors,** relevant for considering the question as to the likelihood of confusion:

“Where the products are different, the prior owner's chance of success is a function of many variables : the strength of his mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant's good faith in adopting its own mark, the quality of defendant's product, and the sophistication of the buyers.””

[Emphasis is ours]

11.3 In the present case, the two marks are identical and there is thus similarity of all three – sound, sight and meaning. Even, the impugned trade mark ‘MAHARANA’ is similar in meaning and sight, and only slightly distinct in sound. Thus, the overall commercial impression is of a high likelihood of confusion.

12. The settled legal principle that interim relief is intended to preserve the rights of parties which appear on a *prima facie* case, has been enunciated in a catena of judgments. The Supreme Court in ***Wander Ltd. & Anr. v. Antox India (P) Ltd.***⁸ has held that an action for infringement is taken when there is violation of a right which is recognised by statute, while passing off action is available to a Plaintiff irrespective of the action for infringement where the

⁸ 1990 (Supp) Supreme Court Cases 727



conduct of the Defendant evidences deception and misrepresentation as under:

“16. An infringement action is available where there is violation of specific property right acquired under and recognised by the statute. In a passing-off action, however, the plaintiff’s right is independent of such a statutory right to a trade mark and is against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit. The tort of passing-off involves a misrepresentation made by a trader to his prospective customers calculated to injure, as a reasonably foreseeable consequence, the business or goodwill of another which actually or probably, causes damages to the business or goods of the other trader....”

[Emphasis is ours]

12.1 The Supreme Court in a plethora of judgments has held that although passing off is based on deceit, fraud is not always a necessary element. The reason that a defendant has imitated/adopted a plaintiff’s marks is not always relevant in an action for ‘passing off’. It has been held that in an action for passing off, it is essential to seek a grant of temporary injunction and even the absence of an intention to deceit cannot come in the way of such injunction. It is apposite to refer to the following extract of ***Wockhardt Ltd. v. Torrent Pharmaceuticals Ltd.***⁹:

*“8. We may indicate, at this juncture, that insofar as the second test is concerned, this Court has in a plethora of judgments held that though passing off is, in essence, an action based on deceit, **fraud is not a necessary element of a right of action, and that the defendant’s state of mind is wholly irrelevant to the existence of a cause of action for passing off, if otherwise the defendant has imitated or adopted the plaintiff’s mark.** We need only state the law from one of our judgments, namely, in *Laxmikant V. Patel v.**

⁹ (2018) 18 SCC 346



Chetanbhai Shah [Laxmikant V. Patel v. Chetanbhai Shah, (2002) 3 SCC 65], which reads as under: (SCC p. 73, para 13)

“13. In an action for passing off it is usual, rather essential, to seek an injunction, temporary or ad interim. The principles for the grant of such injunction are the same as in the case of any other action against injury complained of. The plaintiff must prove a prima facie case, availability of balance of convenience in his favour and his suffering an irreparable injury in the absence of grant of injunction. According to Kerly [Law of Trade Marks and Trade Names (12th Edn., Sweet & Maxwell, London 1986).] (ibid, para 16.16) passing off cases are often cases of deliberate and intentional misrepresentation, but it is well settled that fraud is not a necessary element of the right of action, **and the absence of an intention to deceive is not a defence,** though proof of fraudulent intention may materially assist a plaintiff in establishing probability of deception. Christopher Wadlow in Law of Passing Off (1995 Edn., at p. 3.06) states that the plaintiff does not have to prove actual damage in order to succeed in an action for passing off. Likelihood of damage is sufficient. The same learned author states that the defendant's state of mind is wholly irrelevant to the existence of the cause of action for passing off (ibid, paras 4.20 and 7.15). **As to how the injunction granted by the court would shape depends on the facts and circumstances of each case.** Where a defendant has imitated or adopted the plaintiff's distinctive trade mark or business name, the order may be an absolute injunction that he would not use or carry on business under that name. (Kerly [Law of Trade Marks and Trade Names (12th Edn., Sweet & Maxwell, London 1986), ibid, para 16.97).”

[Emphasis is ours]

12.2 The learned Commercial Court found that even prior to the commencement of the business by the Appellants, the reputation of the Respondent was established by showing sufficient sales. The Court also found that the Appellants had purchased the goods of the Respondent in the year 2017. Thus, the Respondent being a prior user coupled with the fact of adoption of identical and deceptively similar marks by the



Appellants, would evidence a *prima facie* case of passing off. We find no infirmity with this finding of the learned Commercial Court.

13. Usually, an Appellate Court will not interfere with the exercise of discretion by a Subordinate Court unless it is shown that the discretion has been exercised arbitrarily, in a perverse manner or capriciously or when settled principles of law have been ignored. The Appellants have been unable to show any other such ground.
14. In view of the foregoing discussion, this Court finds no infirmity with the Impugned Order.
15. The Appeal is unmerited and accordingly dismissed.

(TARA VITASTA GANJU)
JUDGE

(VIBHU BAKHRU)
JUDGE

MAY 31, 2024/r