

MANU/DE/4834/2009

Equivalent/Neutral Citation: 2010(44)PTC610(Del)

IN THE HIGH COURT OF DELHI

IA Nos. 3833, 4446 and 4995/2009 in CS (OS) 547/2009

Decided On: 21.12.2009

Mount Shivalik Breweries Ltd. and Ors. **Vs.** Gurmon Enterprises and Ors.

Hon'ble Judges/Coram:

Reva Khetrapal, J.

Counsels:

For Appellant/Petitioner/Plaintiff: Pravin Anand and Varun Menon, Advs.

For Respondents/Defendant: Amarjit Singh, Supreet Kaur, Navneet Momi and Dhruva Bhagat, Advs.

Case Note:

Civil - Suppression of material Facts - Civil Procedure Code, 1908 (C.P.C.) - Commissioner of Excise and Taxation agreed to grant excise license to Defendants for manufacturing beer using impugned trademark 'THUNDER NIGHT', despite Plaintiffs' objections - Hence, this Interim Application - Whether, Plaintiffs were guilty of suppression of facts that would disentitle them to discretionary relief of injunction - Held, it was settled legal position that where there was threat of sale which could cause confusion, quia timet action was maintainable - Further first word of word mark was generally most important and if Defendants were using similar prefix as that of Plaintiffs then it was case of infringement and passing off - Apparently Plaintiffs had registration for word/mark THUNDERBOLT bearing registration No. 416403, which was placed on record - Moreover Plaintiff's had informed Court that there was hearing before Excise authorities which was specifically recorded by Court in its Interim Order - Furthermore when Defendant No. 2 was granted permission by Excise Authorities for launch of THUNDER NIGHT, Plaintiffs moved another application, and Court after due consideration of subsequent events granted injunction in favour of Plaintiffs in that application - Thereafter Plaintiffs duly complied with provisions of Order XXXIX Rule 3 of C.P.C., as directed by Court and duly filed affidavit of compliance - Plaintiffs had also produced letter addressed to Excise Commissioner of Haryana as regards Defendant's label THUNDER NIGHT coloured copy of same was filed with Suit along with affidavit - Thus Court was not inclined to hold Plaintiffs guilty of suppression of facts that would disentitle them to discretionary relief of injunction -Interim Application disposed of.

Intellectual Property Rights - Grant of Permanent Injunction - Trademark Act, 1999 - Whether, Plaintiff was entitled for grant of permanent injunction against Defendant - Held, Defendants had slavishly copied Plaintiffs' trademark comprising THUNDERBOLT as well as label and trade dress which had become distinctive on account of extensive trade usage since year 1984 - Further Defendants adopted trademark THUNDER NIGHT for their beer

knowing that Plaintiffs had registered trademark for THUNDERBOLT and latter imitated overall trade dress of Plaintiff's THUNDERBOLT - Apparently party who was under threat of infringement or passing off of its trade name could not be left remediless or in lurch merely for reason that threats were not materialised causing damage or loss either in trade or reputation or goodwill - Moreover likelihood of confusion or deception arising from similarity of marks was same; both in infringement and passing off actions - Additionally normally injunction was followed in infringement action where it prima facie appeared that adoption of mark by Defendant was dishonest - Law did not permit any one to carry on his business in such way that would persuade customers or clients in believing that goods or services belonging to someone else were his or were associated therewith - Thus Plaintiffs were been able to make out prima facie case for continuance of interim injunction in their favour - Hence balance of convenience squarely lied in favour of Plaintiffs and against Defendants - Interim Application disposed of.

Ratio Decidendi

"Where there is threat of sale which can cause confusion, quia timet action is maintainable."

JUDGMENT

Reva Khetrapal, J.

IA Nos. 3833/2009 and 4446/2009 (both under Order XXXIX Rules 1 and 2 Code of Civil Procedure filed by the Plaintiffs) and IA No. 4995/2009 (under Order XXXIX Rule 4 Code of Civil Procedure filed by the Defendants)

1. By this order, it is proposed to decide the applications under Order XXXIX Rules 1 and 2 Code of Civil Procedure and Order XXXIX Rule 4 Code of Civil Procedure, being IA Nos. 3833/2009, 4446/2009 and 4995/2009 in a suit for permanent injunction restraining infringement of trademark, passing off, rendition of accounts, etc.

2. The facts relevant for the disposal of the aforesaid applications succinctly stated are as follows.

3. The Plaintiff No. 1 and the Plaintiff No. 2 are associated companies having a common management and promoters. The Plaintiffs are engaged in the business of brewing, marketing and selling beer under the trademark THUNDERBOLT amongst others. The Plaintiffs' mark THUNDERBOLT was originally adopted by the Plaintiff No. 1 in the year 1984, as a mark arbitrary in respect of its brewing business and beer. The Plaintiff No. 1 has a registration for the mark THUNDERBOLT per se under registration No. 416403 in Class 32 dated 28th 1984. The Plaintiff No. 1 also has a label registration for its mark THUNDERBOLT under No. 432907 in Class 32 dating back to 25.01.1985.

4. The Plaintiff No. 2 was established with an intention to expand the brewing business of the Plaintiff No. 1 by a Deed of Assignment dated 01.01.1999 executed between the Plaintiff No. 1 in favour of the Plaintiff No. 2 with respect to the State of Rajasthan only. Accordingly, registration Nos. 416403 and 432907 were split and bifurcated. While registration Nos. 416403 and 432907 continue to exist in the name of the Plaintiff No. 1 with the specification of goods amended to read as "beer for sale all over India except the State of Rajasthan", the registration Nos. 41640(Sic) (SP-1) and 432907 (SP-1) were the split/bifurcated registrations which are in the name of the Plaintiff No. 2. The

said split registrations carry specification of goods as "beer for sale in the State of Rajasthan only". The Plaintiff No. 2 is additionally the proprietor of a series of THUNDER formative marks, being:

- (i) THUNDERBIRD label mark under reg. No. 666159 in Class 32 dated 18th May, 1995;
- (ii) THUNDER POINT under reg. No. 1260591 in Class 42 dated 12th January, 2004; and
- (iii) THUNDER POINT under reg. No. 1260593 under Class 42 dated 12th January, 2004.

5. The instant suit was instituted on the Plaintiffs gaining knowledge in the first week of March, 2009 of the Defendants' intention to launch beer under the mark THUNDER NIGHT. Immediately thereupon, the Plaintiff No. 1 addressed a legal notice on the 5th of March, 2009 through their counsel calling upon the Defendants not to introduce beer under the impugned mark THUNDER NIGHT. The Defendants did not respond to the said legal notice. On 9th March, 2009, the Plaintiffs, through their counsel, addressed a letter to the Commissioner of Excise and Taxation of Haryana located at Chandigarh objecting to the Defendants' application seeking approval for sale of beer under the mark THUNDER NIGHT. On receipt of the said notice, the Commissioner of Excise and Taxation of Haryana called upon the Plaintiffs to appear for a personal hearing on 16th of March, 2009. By his order dated 23.03.2009, however, the Commissioner of Excise and Taxation of Haryana at Chandigarh agreed to grant excise license to the Defendants for manufacturing beer using the impugned trademark 'THUNDER NIGHT', despite the Plaintiffs' objections.

6. The Plaintiffs submit that the mark THUNDER NIGHT proposed to be used by the Defendants is dangerously and confusingly similar with their registered mark THUNDERBOLT and that the Plaintiffs' mark THUNDERBOLT having acquired sufficient distinctiveness and reputation among the general consuming public, the use of any mark which is deceptively or confusingly similar would be associated by the consuming public to be emanating from the Plaintiffs' business or belonging to the Plaintiffs' line of products, thereby amounting to passing off of the Defendants' product as those of the Plaintiffs. Hence the present suit of the Plaintiffs, which is in the nature of a quia timet, is instituted in order to prevent the proposed launch of the Defendants' beer or any other product under the impugned mark THUNDER NIGHT, which would result in infringement of the Plaintiffs' registered trademark on the premise that the Defendants who are yet to launch their product under the impugned mark THUNDER NIGHT would not be put to harm or prejudice should an order of restraint be passed against them from using the Plaintiffs THUNDERBOLT trademark and its other THUNDER formative marks.

7. The learned Counsel for the Plaintiffs Mr. Pravin Anand has raised the following contentions at the Bar:

- (i) There is prima facie clear and unequivocal infringement of the Plaintiffs' trademark by the Defendant No. 2, who has printed its labels and even applied for and received approval for the use of the impugned mark from the relevant excise authorities with the sole purpose of launching its identical product under the deceptively similar mark 'THUNDER NIGHT.
- (ii) The present action being of a quia timet nature, before the Defendants have

released their products in the market or spent any sum of money on promotion, etc., the equities and the balance of convenience are in favour of the Plaintiffs at the present stage. More so, as the Plaintiffs have sales running into millions of rupees all over India, including Delhi and have expended huge sums of money in promoting and advertising the mark THUNDERBOLT. Any possible sale or advertising by the Defendants anywhere in India would affect the sales and dilute the valuable trademark of the Plaintiffs.

(iii) The law in the above context is clearly enunciated by this Court, that where there is a threat of sale which would cause confusion, a quia timet action is maintainable. [Mars Incorporated v. Kumar Krishna Mukherjee and Ors. 2003 (26) PTC 60 (Del.) and Pfizer Products Inc. v. Rajesh Chopra and Ors. MANU/DE/0708/2006 : 2006 (32) PTC 301 (Del.)].

(iv) The Plaintiffs have established a clear case of passing off and that the Defendants are trying to cash in on the goodwill and reputation of the Plaintiffs' THUNDERBOLT and other THUNDER formative marks. The two marks are visually, conceptually and phonetically similar and as such a clear cause of action for passing off has been established by the Defendants. Further, all the five elements of passing off as laid down by the Supreme Court in Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd., 2001 PTC (21) 300 clearly exist in favour of the Plaintiffs in the present case, i.e. (1) a misrepresentation (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill of a trader by whom the action is brought or (in a quia timet action) will probably do so. (as per Lord Diplock in Erven Warnink BV v. J Townend and Sons 1979 (2) All ER 927).

(v) It is clear that the essential feature of the Plaintiffs' mark is 'THUNDER' and the Plaintiffs are the proprietors of a series of 'THUNDER' formative marks. Any use by the Defendants of any 'THUNDER' formative mark (Sic) for identical products, i.e. beer would lead to confusion in the mark (Sic) place. Even otherwise, it is well established that the first word of a word mark is generally the most important and if the Defendants are using a similar prefix as that of the Plaintiffs then it is a case of infringement and passing off [See Automatic Electric Limited v. R.K. Dhawan 1999 PTC (19) 81 (Del.) where "DIMMER DOT" and "DIMMER STAT" were held to be deceptively similar and also Fialho v. S.D. Simond and Co. Ltd. 54 RPC 193 where the marks "Marie Elizabeth" and "Maria Lisette" were held to be deceptively similar].

8. To counter the above contentions of the learned Counsel for the Plaintiffs, Mrs. Amarjit Singh, the learned Counsel on behalf of the Defendants urged the following grounds for dismissal of the applications of the Plaintiffs under Order XXXIX Rules 1 and 2 and for vacation of the interim order dated 1st April, 2009 granted by this Court:

(i) A bare reading of Section 29 of the Trade Marks Act, 1999 shows that "the said section is attracted only in a case where a person "uses in the course of trade" a mark which is identical with or deceptively similar to the registered trademark "in relation to goods or services in respect of which the trademark is registered" and "in such manner as to render the use of the mark likely to be taken as being used as a trademark". Nowhere in the plaint the Plaintiffs have

made any allegation that the mark THUNDER NIGHT is being used in the course of trade by the Defendants in relation to goods in such manner as to render the use of the mark likely to be taken as being used as a trademark of the Plaintiffs. The plaint, therefore, does not disclose the subsistence of any cause of action for infringement of trademark within the meaning of Section 29 of the Act and as such the plaint is liable to be rejected. Reliance is placed in this context on the judgment of the Supreme Court in the case of Kaviraj Pandit Durga Dutt Sharma v. Navratna Pharmaceutical Laboratories MANU/SC/0197/1964 : AIR 1965 SC 980 : PTC (Suppl) (2) 680 (SC), in which the following law has been laid down:

The use by the Defendant of the trade mark of the Plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement.

(ii) The registration of a trademark is not an evidence of use as per the law laid down by the Supreme Court in Corn Products Refining Co. v. Shangrila Food Products Ltd., MANU/SC/0115/1959 : 1960 (1) SCR 968 : PTC (Supp) (1) 13 (SC) at page 977. The Plaintiffs have not produced any excise license, excise gate passes or evidence reflecting the payment of excise duty for the manufacture or sale of beer under the trademark THUNDERBOLT for any period of time. The copies of invoices produced on record at the most would show prima facie use of the mark by the Plaintiff No. 1 primarily in the State of Punjab and sporadic sales in Delhi. The sales alleged by the Plaintiff No. 2 are primarily in the State of Rajasthan with some sales in Madhya Pradesh and West Bengal. There is, thus, no overlapping business activity of the Plaintiffs in the State of Haryana. The Defendant No. 2, on the other hand, is granted license for sale in the State of Haryana.

(iii) The suit for passing off is equally devoid of merit. None of the five elements of passing off highlighted by the Supreme Court in the Cadila Care exist in the present case.

(iv) The trademark 'THUNDER NIGHT' has no similarity, much less deceptive similarity, with the trademark 'THUNDERBOLT' and the use thereof is not likely to cause any confusion and/or deception in the normal course of trade, particularly keeping in view the nature of the goods and the class of purchasers and additionally due to the fact that goods like beer are only sold through authorised vendors who are licensed by the authorities concerned in each State. Thus, the trademark 'ORIGINAL CHOICE' was held to be not deceptively similar to the trademark 'OFFICERS CHOICE' by this Court in the matter of BDA Pvt. Ltd. v. Paul P. Johnson and Anr., 2008 (37) PTC 569 (Del.). Again, in White Horse Distilleries Ltd. v. Upper Doab Sugar Mills Ltd., PTC(Suppl) (2) 328 (Del.), the trademark 'FLYING HORSE' was held to be not similar to the trademark 'WHITE HORSE' and the trademark 'OFFICERS FAVOURITE' was held to be not deceptively similar to the trademark 'OFFICERS CHOICE' in BDA Breweries and Distilleries Ltd. v. Shree Durga Distillery, 2002 (25) PTC 704 (Karn.). Yet again, the trademark TIGER HILL (label) was not considered to be deceptively similar to the mark TIGER (label) by this Court in the matter of Asian Pacific Breweries Ltd. v. Superior Industries, MANU/DE/3042/2005 : 2006 (32) PTC 275 (Del.).

(v) The word THUNDER constituting the prefix of the marks 'THUNDERBOLT'

and 'THUNDER NIGHT' is descriptive and generic and is a common dictionary word. The Plaintiffs are, therefore, not entitled to claim any exclusive right of the same by virtue of the provisions of Section 34 of the Act. The word THUNDER has been defined in the Oxford English Dictionary to mean inter alia "a loud rumbling or crashing noise heard after a lightning flash" while the word THUNDERBOLT has been defined as a "a flash of lightning with a crash of thunder at the same time". The registration No. 432907 is in respect of label mark and is subject to disclaimer and conditions attached thereto to the exclusion of all descriptive matter. The word THUNDERBOLT and the representation of the lightening flash are descriptive and have been disclaimed. The Plaintiffs have suppressed the disclaimer attached to the registration No. 432907 in the plaint deliberately and with a view to mislead this Court. In any event, the use of the word THUNDER in conjunction with other suffixes is common to the trade. Thus, the mark THUNDER BIRD and THUNDER POINT co-exist in the market along with THUNDERBOLT and the said marks THUNDER BIRD and THUNDER POINT are not registered in the name of the same proprietor. Further, there are other registrations for THUNDER' formative words, e.g. THUNDER CLUB, THUNDER KNIGHT and THUNDER COOL.

(vi) The label marks of the Plaintiffs and the Defendant No. 2 are completely different in their get-up, lay out, and colour combination and there is sufficient added matter on the label of the Defendant No. 2 to distinguish its goods from that of the Plaintiffs. In any case, the Plaintiffs did not produce the comparative labels of THUNDERBOLT and THUNDER NIGHT on record for comparison to determine the allegation of passing off.

(vii) The Plaintiff No. 2 has no locus standi to maintain any action for infringement of trademark No. 416403 (SP-1) and 432907 (SP-1) as the right of the Plaintiff No. 2, if any, in the said registered trademarks is restricted to the State of Rajasthan on account of the territorial conditions attached thereto under Section 28 of the Act.

(viii) Even otherwise, the Plaintiff No. 2 has no cause of action to sue for infringement of trademark on the basis of the Deed of Assignment purported to be executed on 1st January, 1999, the said assignment being illegal and contrary to the statutory provisions of the Act, viz. the provisions of Sections 40 and 41 of the Trade Marks Act, 1999.

(ix) The Plaintiffs have suppressed the following material facts from this Court and approached this Court with unclean hands and, therefore, disentitled themselves to the discretionary relief of injunction:

(a) The Plaintiffs have suppressed the disclaimer attached to registration No. 432907 in the plaint.

(b) The Plaintiffs suppressed the fact of the hearing before the Excise Commissioner on 23rd March, 2009 and that excise license was granted in favour of the Defendants.

(c) The Plaintiffs deliberately did not serve the Defendants with the summons directed to be issued by this Court by order dated 23.03.2009.

(d) The Plaintiffs were not entitled to file two applications for the same relief, the reliefs claimed in IA No. 3833/2009 and IA No. 4446/2009 being identical.

(e) The Plaintiffs did not serve the Defendants with a copy of IA No. 4446/2009 on 31st March, 2009.

(f) The Plaintiffs did not produce copy of the Defendants' representation dated 09.03.2009 made before the Excise Commissioner for the perusal of this Court.

(g) The Plaintiffs did not produce a copy of their own complaint before the Excise Commissioner in which the Defendants' label was the subject matter.

(h) The Plaintiffs did not produce the Defendants' label for the perusal of this Court.

9. Rejoining to the aforesaid allegations pertaining to suppression of material facts, Mr. Pravin Anand denied that the Plaintiffs had suppressed the disclaimer attached to registration No. 432907 and asserted that the original certificate had been filed by the Plaintiffs with the list of documents dated 17.03.2009. A perusal of the same shows that the word THUNDERBOLT had not been disclaimed and in fact the Plaintiffs have a registration for the word/mark THUNDERBOLT bearing registration No. 416403, which has been placed on record. Mr. Anand further submitted that the averment of the Defendants that the Plaintiffs had suppressed the fact of hearing before the Excise Commissioner slated for 23rd March, 2009 was false as the Plaintiffs' counsel had in fact informed the Court that there was a hearing before the Excise authorities later that day and this fact has been specifically recorded by the Court in its order dated 01.04.2009. Since no permission had been granted till then to the Defendant No. 2 by the excise authorities, the Court vide its order dated 23.03.2009 decided that an ex parte injunction was not called for. This is borne out by the orders dated 23.03.2009 and 01.04.2009, which read as follows:

22.03.2009

Present: Mr. Praveen Anand with Mr. M.S. Bharath, Mr. Varun Menon for the Plaintiffs

IA No. 3834/2009 (exemption) in CS (OS) No. 547/2009

Exemption as prayed for is granted subject to all just exceptions.

CS (OS) No. 547/2009 and IA No. 3833/2009 (under Order 39 Rule 1 and 2 Code of Civil Procedure)

The Plaintiff has filed this suit against the Defendants restraining infringement of Plaintiffs trade mark, passing off, rendition of accounts, damages and delivery up etc. in relation of its registered trade mark 'THUNDERBOLT'.

The Defendants intend to manufacture and market the same product, i.e. Beer under the trade name 'THUNDER NIGHT' and are stated to have applied for excise license before the Excise Commissioner, Haryana. Mr. Praveen Anand, learned Counsel appearing on behalf of the Plaintiff says that the Plaintiff has put up its opposition against grant of excise license to the Defendants before the Excise authorities. The product has not yet been launched by the Defendants in any part of the country as they have not been granted excise license so far. Hence, ex-parte order at this stage is not called for. However, liberty is granted to the Plaintiff to make an application in case excise license is granted by the Excise authorities to the Defendants for launching their product

under the trade name 'THUNDER NIGHT' and in case any such application is moved, the shall be considered as per law.

Issue summons of the suit and notice of the injunction application to the Defendants on filing of process fee and registered AD covers returnable before the Court on 12.05.2009.

Order dated 01.04.2009 reads as under:

Present: Mr. Pravin Anand, Mr. M.S. Bharath and Mr. Varun Menon for the Plaintiff

IA No. 4446/2009 (under Order 39 Rule 1 and 2 Code of Civil Procedure) in CS (OS) No. 547/2009

The Plaintiff has filed this application pursuant to liberty granted to them vide order passed by this Court on 23.03.2009 permitting it to move an application for interim injunction in the event excise license is granted to the Defendants by the excise authorities for manufacturing beer and related products under the trade name 'THUNDER NIGHT'.

On the last date interim injunction as prayed for was not granted because it was stated by the Plaintiffs counsel at Bar that the application of the Defendant for grant of excise license was pending on that day before the excise authorities which was being opposed by the Plaintiff.

Now in para 21 of the instant application the Plaintiff has stated that on 23.03.2009, the Commissioner of Excise and Taxation of Haryana at Chandigarh has agreed to grant excise license to the Defendants for manufacturing beer using the impugned trade mark 'THUNDER NIGHT' despite Plaintiffs objections. This plea taken by the Plaintiff in 21 of the application is supported by the affidavit of the Marketing Manager of the Plaintiff.

The Plaintiff is the registered proprietor of trade mark 'THUNDERBOLT'. The Defendants are dealing in the same line of business and intend to manufacture and market beer under the trade name 'THUNDER NIGHT' for which excise license is stated to has been granted to them. The mark 'THUNDERBOLT' is registered in favour of the Plaintiffs and the mark 'THUNDER NIGHT' intended to be used by the Defendants prima facie appears to be deceptively similar and is likely to create confusion in the minds of end user of the product.

I, therefore, restrain the Defendants from manufacturing and marketing beer under the trade name THUNDER NIGHT' till next date of hearing.

Compliance of Order 39 Rule 3 Code of Civil Procedure be made.

Notice of this application be issued to the Defendants on filing of PF/RC returnable on date already fixed, i.e. 12.05.2009.

10. As regards the contention of the Defendants that the Plaintiffs had not served the Defendants with the summons issued by order dated 23.03.2009, the learned Counsel for the Plaintiffs submitted that the necessary steps had been taken and the process fee was filed vide diary No. 53436 dated 25.03.2009. Mr. Anand also submitted that the averment of the Defendants' counsel that the Plaintiffs were not entitled to file two applications for the same relief was misleading, for, while declining the prayer for the

grant of ex parte interim injunction to the Plaintiffs in IA No. 3833/2009 on 23.03.2009 the Plaintiffs had been granted liberty by the Court to make an application in case an excise license was granted by the Excise authorities to the Defendants for launching their product under the trade name 'THUNDER NIGHT'. Accordingly, when the Defendant No. 2 was granted permission by the excise authorities for the launch of THUNDER NIGHT, the Plaintiffs moved another application, being IA No. 4446/2009, and the Court after due consideration of subsequent events granted an injunction in favour of the Plaintiffs in the said application. The Plaintiffs thereupon duly complied with the provisions of Order XXXIX Rule 3 of the Code of Civil Procedure as directed by the Court in its order dated 01.04.2009 and duly filed affidavit of compliance. Thus, the averment of the Defendants that the Plaintiffs had not served the Defendants with a copy of IA No. 4446/2009 was also false to the knowledge of the Defendants.

11. As regards the contention of the Defendants' counsel that the Plaintiffs had not produced copy of the Defendants' representation dated 09.03.2009 made before the Excise Commissioner, the learned Counsel for the Plaintiffs submitted that absolutely no representation or search report dated 09.03.2009 was ever handed over to the representatives of the Plaintiffs at any time. Hence the question of filing the same before the Court did not arise. Adverting to the remaining two contentions of the Defendants' counsel that the Plaintiffs had not produced a copy of their own complaint before the Excise Commissioner and had not placed on record the label of the Defendants for the perusal of the Court, Mr. Anand submitted that the Plaintiffs had in fact filed their legal notice dated 05.03.2009 sent to the Defendants which shows that the same was copied to the Deputy Excise and Taxation Commissioner of Faridabad and the Excise Commissioner of Haryana. Further, the Plaintiffs had also produced the letter dated 09.03.2009 addressed to the Excise Commissioner of Haryana. As regards the Defendants' label THUNDER NIGHT, a coloured copy of the same was filed with the suit along with the affidavit of Mr. B.D. Bali as Annexure-A and was perused by the Court at the time of grant of interim relief.

12. Having heard the learned Counsel for the parties and perused the documents referred to by them, this Court is not inclined to hold the Plaintiffs guilty of suppression of such facts as would disentitle them to the discretionary relief of injunction at the threshold. The learned Counsel for the Plaintiffs has satisfactorily explained that the Plaintiffs neither suppressed nor concealed any relevant fact from this Court. Accordingly, it is proposed to immediately advert to the merits of the applications of the parties in the light of the law laid down by the Supreme Court and by this Court.

13. It is not in dispute that the Plaintiffs' trademark THUNDERBOLT was originally adopted by the Plaintiff No. 1 in the year 1984 as a mark arbitrary respect of its brewing business and beer. The Plaintiff No. 1 has a registration for THUNDERBOLT word per se under registration No. 416403 in Class 32 dated 28th January, 1984. The Plaintiff No. 1 also has label registration for its mark THUNDERBOLT under No. 432907 in Class 32 dated 25.01.1985. The Plaintiff No. 2 is the proprietor of registration No. 416403 (SP-1) and 432907 (SP-1) which are split/bifurcated registrations as per a Deed of Assignment dated 01.01.1999 duly entered into with the Plaintiff No. 1. The Plaintiff No. 2 is also additionally the proprietor of a series of THUNDER formative marks, being THUNDERBIRD label mark under Reg. No. 666159 in Class 32 dated 18th May, 1995, THUNDER POINT under Reg. No. 1260591 in Class 42 dated 12th January, 2004 and THUNDER POINT under Reg. No. 1260593 under Class 42 dated 12th January, 2004.

14. The Plaintiffs are selling their products all over India as is evident from the various invoices filed by them along with their list of documents dated 17.03.2009 and are

especially strong in the States of Haryana, Punjab, Delhi, Rajasthan, U.P. and various other States across India. Large volumes of sales of its products under the trademark THUNDERBOLT in Haryana have been proved by the Plaintiffs on record, inasmuch as the Plaintiffs have mentioned their sales figures for Haryana in the affidavit of Mr. R.K.C. Datta dated 15.07.2009, i.e. 1998975 number of cases in the year 2008-09. Additionally, the Plaintiffs have filed documents dated 21.07.2009 containing various invoices for Haryana (at pages 10 to 39) and the Chartered Accountant's Certificate evidencing sales in Haryana (page-128). Thus, the contention of the Defendants that the Plaintiffs have produced no evidence or relevant documentation to show the sales of their products within the territory of Haryana has no merit. Apart from the invoices, the Plaintiffs have filed copies of the Excise pass, depot licence, party-wise despatch details and label approvals for their THUNDERBOLT trademark for various years in the State of Haryana (pages 40 to 147 of their list of documents dated 21.07.2009). There is thus no manner of doubt that the Plaintiffs are well entrenched for the sale of beer in the State of Haryana, apart from other States.

15. There is also no merit in the contention of the Defendant No. 2 that there are a number of parties using the various THUNDER marks for identical products in the market place. The Defendants have not been able to furnish a single instance of any party using any THUNDER formative mark in the market place for beer or any other alcoholic beverage. As far as non-alcoholic beverages are concerned, the Plaintiffs have already filed oppositions against certain parties such as in the case of THUNDER COOL.

16. The Defendant No. 2 has also falsely and dishonestly claimed that the Defendants' THUNDER NIGHT labels were not produced before this Court. The record shows that the Plaintiffs had filed the Defendants' THUNDER NIGHT labels along with the suit vide the affidavit of Mr. B.D. Bali as Annexure-A. The Plaintiffs had also filed their own label THUNDERBOLT at page-1 of their list of documents dated 17.03.2009 along with their various registrations, brochures, pamphlets, etc. showing the mark and label of THUNDERBOLT. This Court in order to place matters beyond the pale of controversy had also called upon the parties to produce their respective beer bottles for ready comparison of the labels affixed.

17. On visual examination of the respective products of the parties, this Court is of the prima facie view that the Defendants have slavishly copied the Plaintiffs' trademark comprising THUNDERBOLT as well as the label and trade dress which have become distinctive on account of extensive trade usage since the year 1984, the former by adopting the trademark THUNDER NIGHT for their beer knowing fully well that the Plaintiffs have a registered trademark for THUNDERBOLT and the latter by imitating the overall trade dress of the Plaintiffs' THUNDERBOLT, such as the shape and design of the bottle and the colour combination of blue and silver of the label.

18. This Court also does not find any merit in the contention of the Defendants' counsel that the plaint does not disclose the subsistence of any cause of action for infringement of trademark by the Defendants within the meaning of Section 29 of the Act, the provisions of which according to the Defendants' counsel are attracted only in a case where a person "uses in the course of trade" a mark which is identical with or deceptively similar to the registered trademark of the Plaintiffs, and the further submission that the use by the Defendants of the trademark of the Plaintiffs is a sine qua non in a case of an action for infringement. It cannot be lost sight of that the present action is in the nature of a quia timet action. Quia Timet is actually a Latin word which means "because he fears or apprehends". In legal terminology it has been defined in Osborne's Concise Law Dictionary (London: Sweet and; Maxwell, 8th edn.

1993, Bone and Rutherford) as an action by which a person may obtain an injunction to prevent or restrain some threatened act being done which, if done, would cause him substantial damage, and for which money would be no adequate or sufficient remedy.

19. As held in *Mars Incorporated (supra)*, a party who is under a threat of infringement or passing off of its trade name cannot be left remediless or in lurch merely for the reason that the said threats have not yet materialised causing damage or loss either in trade or reputation or goodwill. To hold otherwise would leave the door open for hoarding and usurpation of well-known trademarks leading to damage, dilution or dwindling down of the strength of the infringed trademark, which may have acquired an enviable reputation and goodwill. Even otherwise, it is not difficult to fathom why an intending trader should choose to pick up a name or mark which has already become famous and well-known. The obvious intention must be presumed to be to cash on and exploit the goodwill and hard earned reputation of the said trademark. There also appears to be no reason as to why the owner of a well established trademark whose trademark is sought to be infringed should be deprived of the remedy of forestalling the adoption of its name, thereby nipping the evil in the bud, by way of a quia timet action.

20. The test for determining the grant of injunctive relief in a quia timet action needless to state, would be the same as in any other action for infringement or passing off not being a quia timet action.

21. In *Ruston and Hornsby Ltd. v. The Zamindara Engg. Co.*, MANU/SC/0269/1968 : AIR 1970 SC 1619 : PTC (Suppl) (1) 175 (SC), the Supreme Court held that the test as to the; likelihood of confusion or deception arising from similarity of marks is the same; both in infringement and passing off actions.

22. In *Corn Products v. Shangrila Food Products*, MANU/SC/0115/1959 : AIR 1960 SC 142 : PTC (Suppl) (1) 13 (SC), the Supreme Court observed:

The question whether the two marks are likely to give rise to confusion or not is a question of first impression. It is for the Court to decide that question. It is well recognised that in deciding a question of similarity between two marks, the marks have to be considered as a whole.

Further, it is held in the said ruling as follows:

Again in deciding the question of similarity between the two marks, we have to approach it from the point of view of a man of average intelligence and of imperfect recollection. To such a man the overall structural and phonetic similarity and the similarity of the idea in the two marks is reasonably likely to cause a confusion between them.

23. In *Parle Products (P) Ltd. v. J.P. and Co., Mysore*, MANU/SC/0412/1972 : AIR 1972 SC 1359 : PTC (Suppl) (1) 346 (SC), the Supreme Court held that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two marks are to be considered and they should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. Further, the Supreme Court held that it would be enough if the impugned mark bears such an overall similarity to the registered mark as would f be likely to mislead a person usually dealing with one to accept the other if offered to him.

24. The tests to determine passing off, as laid down in *Erven Warnink (supra)*, have

been clearly recapitulated by the Supreme Court with approval in the Cadila case (supra), as follows:

- (1) A misrepresentation,
- (2) made by a trader in the course of trade,
- (3) to prospective customers of his or ultimate consumers of goods or services supplied by him,
- (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence), and
- (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.

25. In the aforesaid case, the Supreme Court held that the decisions in the last four decades have clearly laid down that what has to be seen in the case of a passing off action is the similarity between the competing marks and to determine whether there is likelihood of deception or causing confusion as held in the cases of National Sewing Thread Co. Ltd., Chidambaram v. James Chadwick and Bros. Ltd., MANU/SC/0063/1953 : AIR 1953 SC 357 : PTC (Suppl) (1) 475 (SC), Corn Products Refining Co. v. Shangrila Food Products Limited, MANU/SC/0115/1959 : AIR 1960 SC 142 : PTC (Suppl) (1) 11 (SC), Amritdhara Pharmacy v. Satya Deo, MANU/SC/0256/1962 : AIR 1963 SC 449 : T (Suppl) (2) 1 (SC), Durga Dutt Sharma v. N.P. Laboratories, MANU/SC/0197/1964 : AIR 1965 SC 980 : PTC (Suppl) (2) 680 (SC), F. Hoffmann-La Roche and Co. Ltd. v. Geoffrey Manner and Co. Pvt. Ltd., (1964) 2 SCC 716 and that the similarities rather than the dissimilarities have to be taken note of including visual and phonetic similarities. The marks must be compared as wholes and the broad and essential features of the competing marks observed. Dissenting with the judgment of the House of Lords in the Schweppes case (1905) 22 RPC 601 rendered by Lord Halsbury that if a person is so careless that he does not look and does not treat the label fairly but takes the bottle without sufficient consideration and without reading what is written very plainly indeed up the face of the label, you cannot say he is deceived, the Supreme Court observed that the products will be purchased by both villagers and townfolk, literate as well as illiterate and, therefore, the question has to be approached from the point of view of a man of average intelligence and imperfect recollection.

26. In the Aquamatic case (Harry Reynolds v. Laffeaty's Ltd., 1958 RPC 387), the test of commonness of the idea between the two marks was applied in deciding the question of similarity between the two, which was approved by the Supreme Court in Corn Products (supra).

27. Applying all the aforesaid tests in the instant case, I have no hesitation in holding that the use and adoption of the word THUNDER NIGHT by the Defendants in relation to beer will infringe upon the proprietary rights of the Plaintiffs in their trademark THUNDERBOLT. The prefix THUNDER is common. The product is the same, viz., beer and though the word THUNDER may be generic in nature and a common dictionary word, when applied in relation to beer is likely to create the impression that the effect and impact of the beer would be like thunder, i.e., loud and clear. This first impression is likely to be compounded by the fact that the labels of the Defendants and the Plaintiffs products are both in silver grey and blue combination and the shape of both the bottles is also similar. No doubt the name of the manufacturer is stated and the words "FOR SALE IN PUNJAB ONLY" appear on the Plaintiffs' label while the words "FO

SALE IN HARYANA ONLY" appear on the Defendants' label, but the general impression created thereby is misleading and confusing.

28. In *Midas Hygiene Industries P. Ltd. and Anr. v. Sudhir Bhatia*, MANU/SC/0186/2004 : 2004 (28) PTC 121 (SC), the Supreme Court has held that normally an injunction must follow in an infringement action where it prima facie appears that the adoption of the mark by the Defendant was dishonest.

29. The decision in *Laxmikant V. Patel v. Chetanbhai Shah and Anr.*, MANU/SC/0763/2001 : AIR 2002 SC 275 : 2002 (24) PTC 1 (SC), may also be referred to, where it is held:

10. A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that the goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.

30. For the aforesaid reasons, it is held that the Plaintiffs have been able to make out a prima facie case for the continuance of the interim injunction in their favour. As regards the balance of convenience, it is reiterated at the risk of repetition that the Plaintiffs have prima facie proved that they are well established in the trade ever since the year 1984 when they started trading under the mark THUNDERBOLT, which was also registered in favour of the Plaintiff No. 1 in the same year. The Defendants, on the other hand, are still standing at the threshold, intending to launch their beer. The reason why they thought of the mark THUNDER NIGHT is not far to seek. The goodwill and reputation earned by the Plaintiffs in the beer trade was an obvious factor. The balance of convenience thus squarely lies in favour of the Plaintiffs and against the Defendants.

31. In view of the aforesaid, this Court is satisfied that the Plaintiffs have made out a case for continuance of the ad interim injunction during the pendency of the suit. Accordingly, the interim order dated 01.04.2009 passed in IA No. 4446/2009 is made absolute. IA Nos. 3833/2009, 4446/2009 and 4995/2009 stand disposed of accordingly.

32. By way of caution, it is clarified that all findings arrived at in this order are tentative in nature and will have no effect on the final decision of the case after the parties have marshalled their respective evidence and the same has been assessed by the Court.

33. List the case for further proceedings before the Roster Bench on 18.01.2010.

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