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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**+ **CS(COMM) 371/2019**

**PERNOD RICARD INDIA PRIVATE LIMITED** ..... Plaintiff  
Through: Mr. Hemant Singh, Ms. Mamta Rani Jha, Mr. Waseem Shuaib Ahmed, Mr. Abhijeet Rastogi and Ms. Isha Arora, Advs.

versus

**A B SUGARS LIMITED & ANR.** ..... Defendants  
Through: Ms. Rajeshwari H. and Ms. Swapnil Gaur, Advs. for Defendant No 2

**CORAM:**  
**HON'BLE MR. JUSTICE C. HARI SHANKAR**

% **JUDGMENT****31.10.2023**

**IA 9922/2019 (Order XXXIX Rules 1 and 2 CPC) and IA 11201/2019 (Order XXXIX Rule 4 CPC) in CS (COMM) 371/2019**

**The Issue**

1. The plaintiff manufactures and sells Indian Made Foreign Liquor (IMFL) under the registered trade marks “ROYAL STAG” and “ROYAL STAG BARREL SELECT”. These marks are invariably used, by the plaintiff on its label and its packing, in conjunction with



the picture of a crowned stag, which the plaintiff calls the Stag



device, and it is also registered as a trade mark in the plaintiff's favour. The defendants also manufacture IMFL, under the mark



“INDIAN STAG”. The defendant uses its own Stag device. Viewed side by side, the labels of the plaintiff and the defendant's look like this:



Plaintiff's label



Defendant's label

The plaintiff alleges, against the defendants, infringement and passing off.

2. Initially, while issuing summons in the present suit, this Court, on 25 July 2019, granted *ex parte ad interim* injunction, in IA 9922/2019 which was preferred by the plaintiff under Order XXXIX Rules 1 and 2, which continues till date. The defendant subsequently moved IA 11201/2019, under Order XXXIX Rule 4 of the CPC, seeking vacation of the injunction that was granted.

3. Accordingly, this judgment disposes both of IA 9922/2019 and IA 11201/2019.




## Facts

### The plaintiff's case

4. The plaintiff is the proprietor of the word mark “ROYAL STAG” in Class 33 for “wines, spirits and liqueurs” w.e.f. 10 July 1996, the word mark “ROYAL STAG BARREL SELECT” in Class 33 for “wines, spirits and liqueurs” w.e.f. 16 September 2011 and the



device mark (the Stag device) in Class 33 for “alcoholic beverages including points, whisky, spirits and liquors” w.e.f from 7 May 2015. Under the “ROYAL STAG” brand, the plaintiff brews and sells IMFL. It has been doing so since 1995. The Stag device features prominently on its labels and its pack. The plaintiff identifies, as the distinctive features of the plaintiff’s “ROYAL STAG” label, a thick swirling ribbon  (referred to, in the plaint, as “the Swirl Ribbon device”), on which the mark ROYAL STAG is prominently printed in

bold cream coloured lettering () ,with the  Stag device above the ribbon. These features are replicated on the outer carton of the pack, in which the bottle is sold.

5. The plaintiff claims that, by dint of continuous and extensive usage, the ROYAL STAG and ROYAL STAG BARREL SELECT marks and the Stag device have become source identifiers of the plaintiff, and are indelibly associated, in the mind of the consuming



public, with the plaintiff and the plaintiff alone. The World Consulting and Research Corporation, in collaboration with KPMG, are stated to have declared ROYAL STAG as India's most valuable liquor brand in 2017. The sales figures of liquor sold under the ROYAL STAG brand (₹ 2741 crores in 2016-2017) and the expenses incurred by the plaintiff in marketing its product (₹ 115.91 crores in 2016-2017), it is submitted, vouchsafe the plaintiff's goodwill and reputation.

6. The defendants are also brewing and selling IMFL, under the brand "INDIAN STAG". The defendant's label also has the picture of a stag, with the INDIAN STAG brand. INDIAN STAG is, however, entirely exported. No bottle is sold in India. Contending that the defendant's label, as also its INDIAN STAG mark *per se* is are deceptively similar to the plaintiff's ROYAL STAG mark and its label, the plaintiff alleges that the defendants have infringed the plaintiff's registered trade marks within the meaning of Section 29(2)<sup>1</sup> of the Trade Marks Act, 1999. Though the plaintiff has come across the defendant's INDIAN STAG product only in markets in the of United Arab Emirates (UAE), the plaintiff nonetheless pleads infringement in view of the inclusion, in Section 29(6)(c)<sup>2</sup>, of export as one of the

<sup>1</sup> (2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of –

- (a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or
- (b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or
- (c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

<sup>2</sup> (6) For the purposes of this section, a person uses a registered mark, if, in particular, he –

- (a) affixes it to goods or the packaging thereof;



infringing uses to which a registered trademark can be put, as well as Section 56<sup>3</sup> of the Trade Marks Act. The plaintiff asserts that the word “STAG”, and the Stag Device constitute the most prominent features of the plaintiff’s registered ROYAL STAG mark, as well as of its label, and that, in replicating these features in its label, as well as in the mark INDIAN STAG *per se*, the defendants have infringed the plaintiff’s registered trade marks. The purchasing public, it is contended, are bound to be confused at least into believing an association between the defendant’s INDIAN STAG and the plaintiff’s ROYAL STAG, and the adoption, by the defendants, of “STAG” as part of its mark is a deliberate attempt at creating such confusion. The plaintiff has also pleaded, though not in so many words, idea infringement, by contending that the defendants have borrowed the concept of a stag from the plaintiff’s mark, and the use of its own Stag device.

7. Predicated on these facts, the plaintiff desires an injunction, against the defendants, from using the marks INDIAN STAG, the Stag

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- (b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;
  - (c) imports or exports goods under the mark; or
  - (d) uses the registered trade mark on business papers or in advertising.

<sup>3</sup> 56. **Use of trade mark for export trade and use when form of trade connection changes.** –

- (1) The application in India of trade mark to goods to be exported from India or in relation to services for use outside India and any other act done in India in relation to goods to be so exported or services so rendered outside India which, if done in relation to goods to be sold or services provided or otherwise traded in within India would constitute use of trade mark therein, shall be deemed to constitute use of the trade mark in relation to those goods or services for any purpose for which such use is material under this Act or any other law.
- (2) The use of a registered trade mark in relation to goods or services between which and the person using the mark any form of connection in the course of trade subsists shall not be deemed to be likely to cause deception or confusion on the ground only that the mark has been or is used in relation to goods or services between which and the said person or a predecessor in title of that person a different form of connection in the course of trade subsisted or subsists.



device (the plaintiff's or its own) and, in general, the use of the word "Stag" *per se*, as part of its mark.

### The defendant's defence

8. "Stag", says the defendants on the other hand, is *publici juris* in the liquor industry. It is common to the liquor trade. The plaintiff cannot, therefore, claim a monopoly over the word "Stag", when used in the context of alcoholic beverages.

9. The defendants have also provided the rationale for "stag" being indelibly associated with whisky. According to the defendants, in olden times, hunting was a favoured sport of the landed and titled gentry, and, when setting out to hunt, whisky was often carried, to be consumed during the chase. Stags were among the animals which were the hunters' favourites and thus, according to the defendants, came to be born the association between stags and whisky. Both are an integral part of Scottish culture, and cannot be separated. Several distilleries, therefore, use "stag" as part of their mark, and also use Stag devices on their labels. Well-known whisky brands such as Dalmore and Glenfiddich, it is asserted, had been using the Stag device for over a century and a half. The defendants have cited the following examples of well-known whiskies is which use the Stag device on their labels:



S.No.	Brand	Image
1	THE DALMORE	
2	JAGERMEISTER	
3	THE ARRAN	
4	GLENFIDDICH	



5	IMPERIAL STAG	
6	STAG'S BREATH	
7	HIGHLAND STAG	
8	AULD STAG	





9	GLEN STAG	
10	RED STAG	

Thus, submit the defendants, the plaintiff's boast that "ROYAL STAG" is a coined and arbitrary appellation is a lot of hot water, with no alcoholic component. In fact, the plaintiff's Stag device is a mere copy of The Arran's Stag device. There is, therefore, no originality either in the use of "Stag" as part of its mark, or of the Stag device and, therefore, the plaintiff cannot claim monopoly over either. As the plaintiff has already disclaimed exclusivity over the "Royal" part of its "ROYAL STAG" mark while obtaining registration, and "Stag" is generic, *publici juris* and common to the trade, there is no substance in the plaintiff's case, either of infringement or passing off. In fact, the mark "Stag" per se cannot even be registered as a trade mark, as it is



descriptive of whiskies, and is, even otherwise, a word used in common parlance.

**10.** The defendants assert that, emboldened by the worldwide success of its SCOTTISH STAG brand, the defendants decided to brew an indigenous IMFL brand for whisky lovers, made from Indian grains. Thus came into being INDIAN STAG, which is being sold since 2016. INDIAN STAG, it is submitted, is made in a Special Economic Zone (SEZ), and is entirely exported. There is no indigenous sale of INDIAN STAG.

**11.** The defendants also plead acquiescence. It is submitted that both SCOTTISH STAG and INDIAN STAG have been sold since several years, through the same outlets, overseas and in the UAE, at which the plaintiff's ROYAL STAG is sold, and the plaintiff has allowed the sale to continue without demur. The plaintiff cannot, therefore, now seek to injunct defendants from using the mark INDIAN STAG.

**12.** The marks of the plaintiff and the defendants are, pleads the defendants, completely dissimilar. INDIAN STAG is neither structurally nor phonetically similar to ROYAL STAG. There is no visual similarity between the labels of the plaintiff and the defendants. The background of the plaintiff's label is white, the defendant's dark brown; the plaintiff shows a full-bodied stag looking upwards whereas the defendants show nearly a stag's head; there is no swirl device on the defendant's label, and the marks are also prominently different, the



plaintiff being ROYAL STAG and the defendants INDIAN STAG. While these differences are by themselves sufficient to defeat the case that the plaintiff seeks to set up, the defendant further contends that its product panders to a discerning class of consumer, and finds place on the shelves of high-end liquor stores in posh malls in the UAE and would not, therefore, be mistaken for the plaintiff's product.

**13.** Defendant 1 has independently pleaded that it is merely blending and bottling liquor for Defendant 2 and is not, therefore, independently using the impugned INDIAN STAG mark.

#### Plaintiff's plea in rejoinder

**14.** The plaintiff contends, in rejoinder, that the reliance, by the defendants, on the SCOTTISH STAG brand is completely misplaced. In the first place, there is, admittedly, no sale of SCOTTISH STAG whisky in India. Trademark rights are territorial, and the sale of SCOTTISH STAG outside India, or the reputation that the brand may command overseas is irrelevant to the aspect of infringement and passing off in India.

**15.** It is further submitted that, having claimed proprietary rights in the mark INDIAN STAG, the defendants cannot be heard to contend that "STAG" is *publici juris*. Mere reference to instances in which the word "Stag" figures in the names of various whiskies, or alcoholic beverages cannot indicate that "Stag" is *publici juris*. Moreover, in the examples cited, STAG is not used as a brand or as part of the



brand name. These whiskies are sold under other well-known brand names such as The Dalmore or Glenfiddich. Not a single instance of use of STAG in the name of any IMFL has been cited. The examples cited do not pertain to whiskies which are sold in India. Use of allegedly similar marks abroad is of no consequence. There is a distinction between IMFL and other whiskies, including Scotch whisky, sold in Scotland and abroad. The defendants have also not produced any material relating to the extent of use or say of the products cited, in which STAG forms part of the name of the brand, whether in India or abroad. No substantial use of the cited remarks in India has been shown by the defendants. These examples cannot, therefore, suffice to hold that “STAG”, as a part of the brand names, is either *publici juris* or common to the trade. Scotch whisky and IMFL, it is submitted, are completely dissimilar products, and the marks used in relation to Scotch whisky cannot be cited as a basis to contend that similar marks, used for IMFL, are common to the trade. Para 13 of the replication to the written statement of Defendant 2 avers that the defendant have failed to show as to “how whisky being manufactured and distilled in India and not being sold in Scotland or such other country (can) be related to Scottish whisky or have any reference to Scottish traditions.”

**16.** The justification adduced in the written statement, for the plea that STAG is *publici juris*, itself indicates why it cannot be accepted. Hunting, submits the defendants, is not a noble sport, as perceived in India. Nor is it a matter of pride. It is, in fact, prohibited. The justification cited for use of STAG as a part of the name of whiskies,



in Scotland, does not, therefore, apply here. In India, and for IMFL, therefore, STAG cannot be regarded as generic or *publici juris*. Even if it were to be assumed that there were others, in the market, using STAG as a part of their infringing marks, the plaintiff cannot be expected to sue every infringer.

**17.** Even otherwise, contends the plaintiff, SCOTTISH STAG is made, not by the defendants, but by Ian Macleod Distillers Ltd, UK (“IMUK” hereinafter), which is an independent corporate entity. There is no indication, on the defendants INDIAN STAG bottle, label or pack, that it is made under license from IMUK. The applications with the Trade Marks Registry, for registration of the mark INDIAN STAG, for whisky, in Class 33, were submitted by Defendant 2 on its own account, and not as representing IMUK or anyone else. The repeated assertions, in the written statement, that the defendants were manufacturing SCOTTISH STAG are, therefore, incorrect and misleading. In any event, IMUK is using the SCOTTISH STAG mark since 2011 and the defendants are using the INDIAN STAG mark since 2016, in each case much after the commencement of use, by the plaintiff, of its ROYAL STAG mark in 1995. Viewed any which way, therefore, the plaintiff has priority of user over the defendants.

**18.** The plaintiff reasserts that the common “STAG” element also renders the marks ROYAL STAG and INDIAN STAG phonetically and structurally similar. The replication points out, in this regard, that the grievance of the plaintiff is against the use, by the defendants, of the mark INDIAN STAG, and the Stag device, and not against the



trade dress of the defendants. The assertions, in the written statement, regarding the overall difference between the trade dress of the plaintiff's and the defendant's labels are, therefore, irrelevant. The plaintiff reasserts that the defendants have imitated the most distinctive features of the plaintiff's word marks as well as of its label, being the word "STAG" and the Stag device. Apropos the latter, the replication denies the allegation that the plaintiff has copied its Stag device from the device used by The Arran or by anyone else. The use of STAG, and the Stag device, in respect of IMFL, by the plaintiff, is reasserted as being arbitrary, and as not denoting the character of the product.

**19.** The defendants' assertion that the plaintiff's and the defendants' products have been sold, together, in various shops, is also denied. The plaintiff is, therefore, guilty neither of delay nor of acquiescence. As soon as the plaintiff came to know of the sale of the defendant's INDIAN STAG whisky in the UAE, the plaintiff instituted the present proceedings. Even otherwise, delay is not a mitigating factor against grant of injunction, where infringement is found to exist.

#### Plaintiff's pleas in written submissions

**20.** In its written submissions, the plaintiff has stressed on STAG being the essential in distinguishing feature of its mark ROYAL STAG, in view of the disclaimer entered by the Trade Marks Registry on "ROYAL" as lacking distinctiveness. The mark INDIAN STAG, it is submitted, is confusingly similar to the mark ROYAL STAG. On



the aspect of confusion and deception, the plaintiff has placed reliance on para 28 of *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceuticals Laboratories*<sup>4</sup>, para 7 of *Ruston Hornsby v. Zamindara Engineering Co.*<sup>5</sup>, paras 8 and 9 of *Amritdhara Pharmacy v. Satya Deo Gupta*<sup>6</sup>, para 7 of *Parle Products v. J.P. & Co.*<sup>7</sup>, paras 17 and 18 of *Corn Products Refining Co. v. Shangrila Food Products Ltd.*<sup>8</sup>, paras 19 to 21 of *Himalaya Drugs Co. v. S.B.L Ltd*<sup>9</sup>, paras 18 and 19 of *Amar Singh Chawal Wala v. Shree Vardhman Rice and Genl. Mills*<sup>10</sup>, paras 5 and 6 of *Kirorimal Kashiram Marketing & Agencies Pvt Ltd v. Shree Sita Chawal Udyog Mill Tolly Vill*<sup>11</sup>, paras 19 and 26 of *South India Beverages Pvt Ltd v. General Mills Marketing Inc*<sup>12</sup>, paras 23, 32 to 35 and 52 of *B.K. Engineering Company v. UBHI Enterprises*<sup>13</sup> and *William Grant & Sons v. McDowell & Co.*<sup>14</sup> .

21. Besides reiterating the assertions, in the replication, in response to the defendant's contention that "STAG" is *publici juris* and common to the trade, the written submissions further contend that the "common to trade" plea is not tenable unless there is evidence of substantial use which the plaintiff has permitted, amounting to abandonment. Apropos its response to the "common to the trade" argument of the defendants, the plaintiff places reliance on para 22 of

<sup>4</sup> AIR 1965 SC 980

<sup>5</sup> AIR 1970 SC 1649

<sup>6</sup> AIR 1963 SC 449

<sup>7</sup> AIR 1972 SC 1359

<sup>8</sup> AIR 1960 SC 142

<sup>9</sup> 2013 (53) PTC 1 (Del-DB)

<sup>10</sup> 2009 (40) PTC 417 (Del-DB)

<sup>11</sup> 2010 (44) PTC 293 (Del-DB)

<sup>12</sup> 2014 SCC OnLine Del 1953

<sup>13</sup> AIR 1985 Del 210

<sup>14</sup> 1994 FSR 690



*Pankaj Goel v. Dabur India Ltd*<sup>15</sup>, para 17 of *National Bell Co. v. Metal Goods Mfg. Co.*<sup>16</sup>, para 32 of *Novartis AG v. Crest Pharma Pvt. Ltd*<sup>17</sup> and para 15 of *Corn Products*.

22. In support of its contention that, the defendants, having claimed proprietary rights in the mark INDIAN STAG, cannot be heard to contend that STAG is generic, the plaintiff relies on para 16 of *Automatic Electric Ltd. v. R.K. Dhawan*<sup>18</sup>, *Procter & Gamble Manufacturing Co. Ltd. v. Anchor Health & Beauty Care Pvt. Ltd.*<sup>19</sup> and *Ishi Khosla v. Anil Aggarwal*<sup>20</sup>. On the territorial nature of trade marks, the plaintiff relies on para 33 of *Toyota Jidosha Kabushiki Kaisha v. Prius Auto Industries Ltd*<sup>21</sup> and para 14 of *Trans Tyres India Pvt Ltd v. Double Coin Holdings Ltd*<sup>22</sup>. In support of its contention that IMUK and Defendant 1 are independent legal entities and that the defendant cannot rely on use of SCOTTISH STAG by IMUK as a ground to claim trademark rights in India, the plaintiff relies on para 15 of *Indowind Energy Ltd. v. Wescare India Ltd.*<sup>23</sup>.

#### Defendant's Pleas in Written Submissions

23. ROYAL STAG, contends the defendants in its written submissions, is a composite mark. Of the two parts of the mark, the plaintiff has disclaimed ROYAL. STAG is common to the trade. No

<sup>15</sup> 2008 (38) PTC 49 (Del) (DB)

<sup>16</sup> AIR 1971 SC 898

<sup>17</sup> 2009 (41) PTC 57 (Del)

<sup>18</sup> 1999 (19) PTC 81

<sup>19</sup> 2014 (59) PTC 421 (Del) (DB)

<sup>20</sup> 2007 (34) PTC 370 (Del)

<sup>21</sup> (2018) 2 SCC 1

<sup>22</sup> 2012 (49) PTC 209 (Del) (DB)

<sup>23</sup> MANU/SC/0300/2010





part of the composite mark is, therefore, distinctive. It is contended that “the plaintiff is only entitled to a combination of ROYAL and STAG and not to each of these words in isolation”.

**24.** Considerable reliance has been placed by the defendants on the opposition, by Treasury Wine Americas Estates (“Treasury Wine” hereinafter), an American Company, to Application No 2958650, by the plaintiff, for registration of the mark STAG, on the ground of its own brand STAG’S LEAP. Defendants point out that the plaintiff, instead of contesting the opposition, approached Treasury Wine for disposing of the opposition on settlement. The plaintiff has, thereby, acknowledged the fact that it can claim no exclusive rights in the STAG part of its mark. Also, in view of the attempt to settle the matter with Treasury Wine, it is not open to the plaintiff to contend that the latter STAG part of the mark ROYAL STAG constitutes its dominant feature.

**25.** It is further contended, in the defendant’s written submissions, that “as per Section 17 of the Trade Marks Act, where mark consists of more than one part, no exclusivity is granted by registration of the phrase, unless each part of the mark is separately applied for”. Section 15 permits application for registering even a part of a mark. The rights in a trademark, conferred by registration, according to Section 28, are subject to Sections 15 and 17, which means that they are subject to the fact that the plaintiff has no exclusive rights in the STAG part of its mark. Even otherwise, applying the anti-dissection rule, the plaintiff cannot claim exclusivity in respect of the STAG part



of its mark. This is based on the principle that the average prudent buyer does not microscopically examine every part of the mark, and retains a commercial impression created by the whole mark. Seen as wholes, the marks INDIAN STAG and ROYAL STAG are different from each other. Apropos the plaintiff's contention that STAG constitutes the dominant part of its ROYAL STAG mark, the defendants further submits that there is no plea, by the plaintiff, of STAG being used as a standalone mark, and no product, where STAG is so used is cited. Besides, no independent evidence of reputation or goodwill of STAG, as a standalone mark, has been adduced by the plaintiff. All evidence of sales, advertisements, reputation and goodwill, as submitted with the plaint, is in respect of the mark ROYAL STAG, which is a composite mark. The claim of distinctiveness of the STAG part of the ROYAL STAG mark is, therefore, without any evidence.

**26.** Relying on *Novartis v. Adarsh Pharma*<sup>24</sup>, it is contended that IMUK and Defendant 1 constitute a single economic unit.

**27.** Inasmuch as, in the plaintiff's ROYAL STAG mark, "ROYAL" stands disclaimed, and "STAG" is by itself unregistered, the defendants contends that the present action is in essence one of passing off. In order for the plaintiff to succeed, therefore, it has to establish the existence of misrepresentation by the defendants, confusion/deception to the public and consequent damage to goodwill of the plaintiff and injury/damage suffered by the plaintiff. As the

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<sup>24</sup> 2004 (3) CTC 95



defendants does not sell its product under the impugned INDIAN STAG brand in India, no inference or assumption of injury and damage to goodwill can be drawn. Further, as held in *Kaviraj Pt Durga Dutt Sharma*, added matter, which can distinguish the defendant's goods from the plaintiffs, is sufficient to defeat any charge of passing off. As the labels of the plaintiff and defendants are different, and the Stag devices of the defendants are also different from the Stag device of the plaintiff, no case of passing off can be laid at the defendant's door.

28. The whisky brands cited by the defendants, even if manufactured and sold overseas, are well known in India. In support of this contention, the defendants have filed, along with its Note of Argument dated 15 March 2021, various documents, including books and articles dealing with whisky and its brands. It is also contended that many of these brands are available in duty free shops in India. Reliance is placed, in this regard, on paras 16 and 17 of *Alfred Dunhill Ltd v. Kartar Singh Makkar*<sup>25</sup>. Even otherwise, contends the defendant, relying on para 44 of *United Breweries Ltd v. Khodays Breweries Ltd Industries Ltd*<sup>26</sup>, para 82 of *Khoday Distilleries Ltd v. Scotch Whisky Association*<sup>27</sup>, para 40 of *Radico Khaitan Ltd v. Carlsberg India Pvt Ltd*<sup>28</sup> and para 31 of *Lowenbrau AG v. Jagpin Breweries Ltd*<sup>29</sup>, to contend that the brands named by the defendant are well known in India and had established cross-border reputation.

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<sup>25</sup> (1999) 19 PTC 294

<sup>26</sup> 2013 SCC OnLine Kar 2303

<sup>27</sup> (2008) 10 SCC 723

<sup>28</sup> Judgment dated 16 September 2011 in CS (OS) 1216/2011

<sup>29</sup> 157 (2009) DLT 791



The “trade”, in the alcohol business, it is reiterated, is global in nature. The words “common to the trade”, when dealing with alcohol, have, therefore, to be globally, and not nationally, interpreted and understood.

**29.** The defendants further submit that there is no pleading, in the plaint, to the effect that “STAG” is the dominant part of the mark “ROYAL STAG”. It is emphasised that “STAG” has admittedly never been used, by the plaintiff as a standalone mark, and is not separately registered. No monopoly, therefore, can be claimed by the plaintiff on STAG as part of a mark. In view of the fact that consumers are already exposed to a large number of whisky variants of the name of which “STAG” forms a part, “STAG” no longer remains unique, or an element which would create a lasting impression in the mind consumer. It is, therefore, if anything, a weak part of the overall mark ROYAL STAG.

**30.** The attempt of the plaintiff to differentiate Scotch whisky from IMFL is sought to be discredited by the defendants, on the premise that these products are sold through common outlets.

### **Rival Submissions at the Bar**

**31.** Mr. Hemant Singh argued for the plaintiff and Ms. Rajeshwari for the defendants.

### Submissions of Mr. Hemant Singh



**32.** Mr. Hemant Singh iterated the submissions already noted earlier in this judgment. Besides, he submits that, as the mark “ROYAL STAG” was registered with a disclaimer against claiming exclusivity regarding the “ROYAL” part of the mark, the latter “STAG” part became its prominent feature. The bottling, labelling and export, by the defendants, of its INDIAN STAG IMFL from India amounts to use of the INDIAN STAG mark by the defendants in India within the meaning of Section 56 of the Trade Marks Act. Mr. Singh submits that a comparison of the labels of the plaintiff and the defendants clearly make out a case of idea infringement.

**33.** “STAG” cannot be regarded as a generic mark for whisky, submits Mr. Hemant Singh. It has nothing to do with the character or quality of whisky and is clearly distinctive, *vis-à-vis* the goods in respect of which it is used. Mr. Hemant Singh reiterates the contention that SCOTTISH STAG, stated to be a mark of IMUK, is used for Scotch whisky, not for IMFL, and is not sold in India. Pointing out that defendants have produced 11 invoices of sale of SCOTTISH STAG of 2015-2016, an invoice of 2018, in Airport Duty Free shops, and a third after filing of the suit, Mr. Hemant Singh submits that the plaintiff’s ROYAL STAG IMFL is not sold in duty free shops. There is, in India, therefore, no common outlet at which SCOTTISH STAG, or INDIAN STAG, and ROYAL STAG are sold. Inasmuch as trademark rights are territorial in nature, Mr. Hemant Singh submits that the defendant cannot seek to derive any benefit from the sale of “SCOTTISH STAG” Scotch whisky outside India.



Moreover, SCOTTISH STAG is also not a brand of either of the defendants, but of IMUK.

**34.** The facts stated in the written statement, and the material cited by the defendants, submits Mr. Hemant Singh, do not make out any case of the mark “STAG” being common to the trade. For a plea that the plaintiff’s mark is common to the trade to succeed, the defendants would have to demonstrate common, or substantial, use of the mark in the trade. All the examples cited by the defendants related to alcoholic beverages manufactured in Germany or Scotland, and ordinarily unavailable for sale in India. Moreover, some of them related to Scotch, which is qualitatively different from IMFL. Thus, submits Mr. Hemant Singh, there is no substance in the defence that the defendants have sought to put up.

#### Submissions of Ms. Rajeshwari by way of reply

**35.** Ms. Rajeshwari submits that the *ad interim* order dated 25 July 2019, passed by this Court, falls into the same error into which the submissions of Mr. Hemant Singh have fallen, which is the presumption that “STAG” has no connection with liquor or whisky and is arbitrary when used in connection with such beverages. She submits that the material placed on record by the defendants, and the averments contained in the written statement, make it clear that the word “Stag” is intricately associated with alcohol and is, in fact, common to the alcohol trade. Inasmuch as IMUK, the parent



company of Defendant 2, incorporated over a century ago in Scotland, has been using “STAG” as part of its mark since then, Ms. Rajeshwari also invokes Section 12<sup>30</sup> of the Trade Marks Act to plead honest and concurrent user. She reiterates that IMUK and Defendant 2 are a single economic entity and relies, for this purpose, on para 13 of *Novartis AG. Indowind Energy*, she submits, dealt with an entirely distinguishable issue. The assertion, in the written statement of Defendant 2, to the effect that Defendant 2 is a subsidiary of IMUK, she submits, suffices at the *prima facie* level, for the purposes of adjudication of the present application is under Order XXXIX of the CPC. In view of the said assertion, the benefit of the products manufactured by IMUK would enure to Defendant 2.

**36.** Ms. Rajeshwari also reiterates the contention that “ROYAL STAG” is a composite mark, and that it is not open to the plaintiff to dissect the mark and claim exclusivity over the “STAG” part thereof. Seen as whole marks, she submits that “ROYAL STAG” and “INDIAN STAG” are not similar. She has pressed, into service, Section 17 of the Trade Marks Act, as “STAG”, by itself, is not registered as a trademark by the plaintiff. She has drawn my attention to the assertions contained in a communication dated 28 February 2017 from the plaintiff to the Registrar of Trade Marks, to the effect that “the subject trademark is used as a part of the Applicant’s well reputed trade mark “ROYAL STAG” since the year 1995”. She

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<sup>30</sup> 12. **Registration in the case of honest concurrent use, etc.**— In the case of honest concurrent use or of other special circumstances which in the opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of the trade marks which are identical or similar (whether any such trade mark is already registered or not) in respect of the same or similar goods or services, subject to such conditions and limitations, if any, as the Registrar may think fit to impose.





submits that, for example, had the plaintiff's mark been "ROYAL ZEBRA", "ZEBRA" might possibly have been regarded as the dominant part of the mark. "STAG", in view of its time-honoured association with alcohol, is not entitled to that privilege. It is for this reason, well aware of the weakness of its claim of exclusivity in respect of "STAG", she submits, that the plaintiff has advisedly chosen to settle the matter with Treasury Wine, which sought to oppose the plaintiff's application for registration of "STAG" as a trade mark, citing, in opposition, its "STAG'S LEAP" mark. The decision to settle the matter with Treasury Wine, she submits, fatally indents the plaintiff's assertion that "STAG" is distinctive and amounts to an implicit admission that it is common to the trade, and that there were others who were using STAG as part of their mark. She submits that, where the trade is global, as in the case of alcohol, extensive user of the mark outside India is sufficient to justify a plea that the mark is common to the trade and relies, for this purpose, on paras 4, 22 and 27 of *Lowenbrau*. She has also referred, copiously, to various articles which extol the virtues of foreign liquor brands, in the names of which "STAG" figures. Of these, she submits that the publication "Brews and Spirits" is published in India. From that publication, she has cited the following passage:

"Whiskies from other parts of the world have been making steady inroads into the market in India. Given the sheer size of the Indian spirits market and our consumer base this should come as no surprise. The underlying consumer trends are in support."

Ms. Rajeshwari has also relied on a statement made by Kartik Mahendra, the Chief Marketing Officer of the plaintiff and published in well-known publications, to the effect that "Indians are seeing a





counter to the mainstream and showing an interest in alternative whisky categories”. She has drawn my attention to other brands, manufactured overseas, which use “STAG” as part of their mark, with the Stag device. She has also referred to invoices which indicate that the defendant’s SCOTTISH STAG whisky is sold in duty free shops. Sale in duty free shops, she submits, is part of the “trade”, so as to substantiate a “common to the trade” defence under Section 17. In fact, she submits that, since 2016, the plaintiff’s and defendant’s products were sold side-by-side in duty free shops. For the purpose of the submission that use of the mark abroad is also relevant, Ms. Rajeshwari has referred to para 44 of *United Breweries, Carlsberg India*, para 82 of *Khoday Distilleries*, para 21 to 23 of *Jolen Inc. v. Doctor & Co.*<sup>31</sup>, paras 26 and 37 of *Cadbury UK Ltd v. Lotte India Corpn. Ltd*<sup>32</sup>, para 15 and 16 of *Diageo North America Inc. v. Shiva Distilleries Ltd.*<sup>33</sup> and *Alfred Dunhill Ltd. v. Kartar Singh Makkar*<sup>34</sup>. The contention that the defendant is estopped from pleading that “STAG” is common to the trade is, she submits, without any basis, as the Defendant no 2 have applied for registration, not of “STAG”, but of “INDIAN STAG”. The defendant seeks registration only of the composite mark, and not of “STAG” which, she reiterates, is not registered as a mark, as it is common to the trade and lacking in distinctiveness.

**37.** Ms. Rajeshwari submits that consumers of the plaintiff’s and defendants’ products are discerning, and would easily be able to

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<sup>31</sup> ILR (2002) 1 Delhi 550

<sup>32</sup> 2014 SCC OnLine Del 367

<sup>33</sup> 143 (2007) DLT 321

<sup>34</sup> (1999) 19 PTC 294



distinguish between the brands. She also disputes Mr. Hemant Singh's submission that IMFL and Scotch Whisky cannot be compared, and submits that they are allied products. Seen as labels/device marks, she submits that the plaintiff's and defendants' marks are totally dissimilar.

**38.** Ms. Rajeshwari also submits that, having suppressed the opposition by Treasury Wines to its application for registration of the mark "STAG", and the fact that the use of the mark "STAG" is common to the liquor trade, the plaintiff has disentitled itself to any interim relief. She cites, in this regard, paras 32 to 38 of *Kishore Samrite v. State of U.P.*<sup>35</sup> and paras 32 to 38 of *Bhaskar Laxman Jadhav v. Karamveer Kakasaheb Wagh Education Society*<sup>36</sup>.

#### Mr. Hemant Singh's submissions in rejoinder

**39.** Mr. Hemant Singh submits that the defendant has not placed, on record, any substantial material to indicate continuous use of the mark "SCOTTISH STAG". Insofar as the foreign brands that the defendants have chosen to cite to demonstrate the use of "STAG" in the liquor industry are concerned, Mr. Hemant Singh submits that the defendants have only cited two US brands – GEORGE T. STAGG and RED STAG – which use "Stag" as part of their names. The Dalmore and Glendfiddich, he submits, only use the Stag device, without the word "Stag". In any event, he submits, as the defendants are Indian companies, manufacturing the infringing mark in India and exporting

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<sup>35</sup> (2013) 2 SCC 398

<sup>36</sup> (2013) 11 SCC 531



the product under the said mark, and as the plaintiff's and defendants' marks are both used for IMFL, there is a clear chance of an inference of association between the marks in the mind of the consumer. In the context of similarity, Mr. Hemant Singh has referred to para 30 of *Kaviraj Pt Durga Dutt Sharma* and paras 22 to 24 and 26 of *South India Beverages*. Referring to para 35 of *South India Beverages*, Mr. Hemant Singh submits that, even if "ROYAL" and "STAG" were to be treated as equally dominant parts of the "ROYAL STAG" mark, the plaintiff is nonetheless entitled to claim a monopoly over the "STAG" part of the mark. He submits that, as the defendant has itself appealed against the decision of the Trade Marks Registry to deny registration to the defendants "INDIAN STAG" mark, the defendants are estopped from contending that STAG is not distinctive.

40. Mr. Hemant Singh submits that, where the goods or services in respect of which the rival marks are used are identical, the degree of similarity between the marks, necessary to sustain a finding of infringement or passing off, is less, and relies, for the purpose, on para 39 of *South India Beverages*, paras 2, 4, 15 and 16 of *Automatic Electric*, paras 7, 8 and 22 of *Ishi Khosla*, para 10(xix) of *Procter & Gamble*, paras 22 and 23 of *Pankaj Goel* and para-15 of *Corn Products*. For the proposition that trademark rights are the territorial, Mr. Hemant Singh relies on *Toyota*. He points out that the defendants have not made out any case of the mark "STAG" being common to the alcoholic beverage trade in India. He also relies on paras 48 and 49 of *Himalaya Drugs Co.* Referring to the documents filed by the defendants, Mr. Hemant Singh points out that, in the entire "World



Whisky” book cited by Ms Rajeshwari, there is reference only to two brands of the name of which “Stag” forms a part, i.e. “George T. Stagg” and “Red Stag”, both of the US. Apart from this, two Scottish whiskies, which used the Stag device, were cited – The Dalmore and Glenfiddich. This, in sum, totalled the defendants’ evidence of global use of “Stag” in the context of whisky. Mr. Hemant Singh also sought to submit that, on the website of IMUK, there is no mention of “SCOTTISH STAG”. The photographs of duty-free shops, placed on record by the defendants, too, do not reflect any product bearing a brand either with the name “STAG” or the Stag device. The “World’s Best Whiskies” book, on which the defendants relies, refers only to Dalmore and Glenfiddich, which, too, only use the Stag device, and not the word “Stag” as part of any brand name. The book “Ambrosia”, too, did not reflect “Stag” being common to the trade, and referred only to the plaintiff’s “Royal Stag”. Insofar as the quote of Mr. Kartik Mahendra is concerned, Mr. Hemant Singh submits that the utterance was in the context of an article which documented the shift of taste from whisky to wine. There is no other evidence supporting the defendant’s contention that “Stag” is *publici juris* when used in the context of alcoholic beverages. The Chartered Accountant’s certificate file by the defendants reflects sales of the INDIAN STAG brand of only ₹ 10 lakhs in 3 years, whereas the plaintiff’s annual turnover is ₹ 1770 crores. To discredit the submission of Ms. Rajeshwari that “Stag” was common to the trade of alcoholic beverages, Mr. Hemant Singh relies on paras 4, 21, 24, 27 and 31 of **Lowenbrau AG**. On Section 56 of the Trade Marks Act, Mr.



Hemant Singh cites paras 51, 54 and 57 of the judgment of the High Court of Bombay in *Cadila Pharmaceuticals Ltd v. Sami Khatib*<sup>37</sup>.

**41.** Barring 11 invoices reflecting the sale of IMUK’s SCOTTISH STAG at duty free shops in Delhi during the period 2015-2016, Mr. Hemant Singh submits that no evidence of transborder reputation of the SCOTTISH STAG brand having spilled over into India was led by the defendant. The use, by the plaintiff, of its ROYAL STAG brand, in India, since 1995, is several times more. The submission that “Stag” is *publici juris* in the context of liquor is, therefore, without any evidence. Even in Dubai, the only evidence of co-existence of the defendant’s INDIAN STAG and the plaintiff’s ROYAL STAG was in the form of two invoices.

#### Concluding Submission by Ms Rajeshwari

**42.** Ms. Rajeshwari concluded her submissions by contending that, in the absence of any common market in India, it could not be said that any likelihood of confusion in the public existed as a consequence of the use, by the defendant, of the impugned INDIAN STAG mark for IMFL.

### **Analysis**

#### **I. Marks to be seen as wholes – The aspect of deceptive similarity**

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<sup>37</sup> 2011 (47) PTC 69 (Bom) (DB)



43. Section 17(1)<sup>38</sup> of the Trade Marks Act confers exclusivity, on the registered proprietor of a trade mark, to the use of the trade mark “taken as a whole”. Claim to exclusivity being the very *raison d’etre* of infringement, any allegation of infringement has also to be based on the asserted mark taken as a whole. Section 17(2)(a)<sup>39</sup> reiterates the principle, by stipulating that no exclusivity can be claimed in respect of any part of the mark for which no separate application for registration as a trademark has been made, and which is not so registered. In other words, in such a case, the proprietor of the whole registered trade mark would be entitled to claim exclusivity only in the trademark as a whole – which is, essentially, Section 17(1) viewed in reverse.

44. An inroad of sorts was made, in this statutory dispensation, by the judgment of the Division Bench of this Court in *South India Beverages*. The Court was, in that case, concerned with a challenge of infringement laid against South India Beverages Pvt Ltd (“SIB”, hereinafter) by General Mills Marketing (“GMM”, hereinafter). GMM was the proprietor of the registered trade mark ‘HAAGEN DAZS’, for processed food and ice cream, since 2007. SIB was also manufacturing ice creams and frozen desserts under the name ‘D’DAAZ’, since 2009. While reiterating the principle that the rival

<sup>38</sup> 17. Effect of registration of parts of a mark. –

(1) When a trade mark consists of several matters, its registration shall confer on the proprietor exclusive right to the use of the trade mark taken as a whole.

<sup>39</sup> (2) Notwithstanding anything contained in sub-section (1), when a trade mark –

(a) contains any part –

(i) which is not the subject of a separate application by the proprietor for registration as a trade mark; or

(ii) which is not separately registered by the proprietor as a trade mark; or

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the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trade mark so registered.



marks were to be considered in their entirety, the Court held that, in the case of a composite mark, it was permissible to accord more or less importance or dominance to a particular portion or element of the mark. The dominant part of a composite mark was referred to, by the Court, as the “dominant mark”. It was held that the “anti-dissection rule” did not “impose an absolute embargo upon the consideration of the constituent elements of a composite mark”, and that such consideration could “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, held the Court, the identification of the dominant mark did not conflict, in any manner, with the anti-dissection principle. Rather, these principles were complementary to each other. Reliance was placed, in this regard, on various foreign decisions. The Court also relied on the principle that arbitrarily chosen marks were entitled to greater protection, for which purpose it cited *Kirorimal Kashiram Marketing*. Interestingly, having thus enunciated the “dominant mark” principle, the Court proceeded to hold that no part of GMM’s mark HAAGEN-DAZS could be regarded as predominant, but that both parts, ‘HAAGEN’ and ‘DAZS’ were equally dominant.

**45.** That said, the question of whether the defendants’ INDIAN STAG mark, in the present case, is deceptively similar to the plaintiff’s ROYAL STAG mark, is easily answered by reference to at least five authoritative pronouncements, two by the Supreme Court and three by Division Benches of this Court.





46. Each of the rival marks, in the present case, is a composite mark consisting of two parts; in the plaintiff's case, 'ROYAL' and 'STAG' and, in the defendants', 'INDIAN' and 'STAG'. The second part of each of these marks is the same – 'STAG'. *Amritdhara Pharmacy* ('Amritdhara' and 'Lakshmandhara'), *Ruston & Hornsby* ('Ruston' and 'Rustam'), *Amar Singh Chawal Wala* ('Golden Quilla'/'Lal Quilla'/'Neel Quilla' and 'Hara Quilla'), *Kirorimal Kashiram Marketing* ('Double Deer' and 'Golden Deer') and *South India Beverages* ('Haagen Dazs' and 'D'Daaz') are all cases in which the common second part of the rival marks constituted the basis for the Court returning a finding of deceptive similarity and, resultantly, infringement.

47. In *Amritdhara Pharmacy*, the respondent Satya Deo Gupta ("Gupta" hereinafter) sought to register the trademark 'Lakshmandhara' in Class 5, for medicinal preparations. Amritdhara Pharmacy ("AP", hereinafter) opposed the application on the ground that 'Lakshmandhara' was deceptively similar to the mark 'Amritdhara' which already stood registered in favour of AP in Class 5, also for medical preparations. Among other arguments, Gupta contended that no deceptive similarity could be said to exist between the marks merely because of the common 'dhara' suffix. Besides, it was submitted that the packing and appearance of the products were distinct and different. The Division Bench of the High Court rejected AP's claim, holding that, as it had registered the entire mark "Amritdhara", it could claim monopoly only for the whole word, and not for its individual parts "Amrit" and "dhara". The Supreme Court





held, in appeal, that, where the comparison was between whole words, the test which would apply was that laid down by Parker, J., in *Pianotist Co. Application*<sup>40</sup> as follows:

“You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks”

The Supreme Court crystallized the definitive test to be applied thus:

“A trade mark is likely to deceive or cause confusion by the resemblance to another already on the Register if it is likely to do so in the course of its legitimate use in a market where the two marks are assumed to be in use by traders in that market.....For deceptive resemblance two important questions are: (1) who are the persons whom the resemblance must be likely to deceive or confuse, and (2) what rules of comparison are to be adopted in judging whether such resemblance exists. As to confusion, it is perhaps an appropriate description of the state of mind of a customer who, on seeing a mark thinks that it differs from the mark on goods which he has previously bought, but is doubtful whether that impression is not due to imperfect recollection.”

**48.** Having thus laid down the applicable tests, the Supreme Court proceeded to apply them. It reiterated, at the outset, the principle, earlier enunciated in *Corn Products*, that “the question has to be approached from the point of view of the mythical gentleman of average intelligence and imperfect recollection”. To such a gentleman, found the Supreme Court, “the overall structural and phonetic similarity of the two names “Amritdhara” and “Lakshmandhara” is .....likely to deceive or cause confusion”. In

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<sup>40</sup> (1906) 23 RPC 774



arriving at this finding, the Supreme Court emphasized that the overall similarity of the two composite words have to be taken into account. An unwary purchaser of average intelligence and imperfect recollection would not split the names into their component parts and consider the etymological meaning of each part or even the meaning of the words as wholes. “He would go more by overall structural and phonetic similarity and the nature of the medicine he has previously purchased, or has been told about, or about which he has otherwise learnt and which he wants to purchase”. The common “dhara” suffix was held not to be decisive of the matter, as the court had to consider the overall similarity of the composite words, keeping in mind the fact that they both applied to medicinal preparations of the same description. Though a critical comparison of the two names may disclose some point of difference, the Supreme Court reiterated that “an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two names having regard to the nature of the medicine he is looking for with a somewhat vague recollection that he had purchased a similar medicine on a previous occasion with a similar name”.

**49.** Thus the Supreme Court also enunciated, though not expressly, the principle that, in deciding the question of infringement, the Court was not required to compare the rivals side by side, but was to proceed from the point of view of a purchaser of average intelligence and imperfect recollection who had earlier seen the plaintiff’s mark, or purchased the product bearing the plaintiff’s mark, and who chanced upon the defendant’s mark at a later point of time.



50. This aspect, I may note, was carried forward, to some degree, by the judgment of the Division Bench of this Court in *Shree Nath Heritage Liquor Pvt. Ltd. v. Allied Blender & Distillers Pvt. Ltd.*<sup>41</sup>, in which the Division Bench of this Court expostulated, at some length, on the difference between “confusion” and “deception” apropos infringement. The Division Bench held that the test to be applied was one of initial interest confusion. If, at an initial glance at the defendant’s mark, or the product bearing the defendant’s mark, the consumer of average intelligence and imperfect recollection is placed in a state of wonderment as to whether the plaintiff’s mark, which had seen at an earlier point of time, was the same as, or associated with, the defendant’s mark, the requirement of “likelihood of confusion” within the meaning of Section 29 of the Trade Marks Act, was met. In *Amritdhara Pharmacy*, the Supreme Court clarified that the degree of confusion which would be necessary for infringement could not be fixed, and would depend on facts of each case. The judgment concluded, however, in para 12, that the overall similarity between the names “Amritdhara” and “Lakshmandhara”, in respect of the same description of goods, was likely to cause deception or confusion within the meaning of the Trade Marks Act.

51. With respect to the decision in *Ruston & Hornsby*, this Court has held, in its decision in *Zyduz Wellness Products Ltd. v. Cipla Health Ltd*<sup>42</sup>, thus:

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<sup>41</sup> 221 (2015) DLT 359

<sup>42</sup> 2023 SCC OnLine Del 3785



“123. Ruston & Hornsby Ltd. (“RHL”, hereinafter) was the proprietor of the trade mark “RUSTON” in respect of internal combustion engines, which it sold in India under the said mark. The respondent Zamindara Engineering Company (“ZEC”, hereinafter) was also manufacturing and selling internal combustion engines under the trade mark “Rustam”. RHL addressed a legal notice to ZEC calling upon it to desist from continuing to use the trade mark “RUSTAM” on its engines, claiming that the use of the said marks infringed the plaintiff’s registered trade mark “RUSTON”. ZEC, in reply, denied the allegations of infringement and pointed out, *inter alia*, that the mark used by the ZEC was “RUSTAM INDIA”. RHL instituted a suit against ZEC restraining ZEC from infringing the trade mark “RUSTON”. The suit was dismissed by the Additional District Judge *vide* judgment dated 3 January 1958 holding that there was no phonetic similarity between “RUSTON” and “RUSTAM”.

124. RHL carried the matter to the High Court of Allahabad. The High Court of Allahabad *vide* judgment dated 23 November 1965, reversed the decision of the learned ADJ and restrained ZEC from using the trade mark “RUSTAM”. However, so long as the mark of the defendant was used in conjunction with India, as “RUSTAM INDIA” the High Court held that no infringement could be said to exist, as RHL’s engines were manufactured in England and ZEC’s engines were manufactured in India. As such, the High Court permitted ZEC to use the mark “RUSTAM INDIA”. RHL appealed, thereagainst, to the Supreme Court.

125. The Supreme Court decided the issue thus:

*“3. The distinction between an infringement action and a passing off action is important. Apart from the question as to the nature of trade mark the issue in an infringement, action is quite different from the issue in a passing off action. In a passing off action the issue is as follows:*

*“Is the defendant selling goods so marked as to be designed or calculated to lead purchasers to believe that they are the plaintiff’s goods?”*

*But in an infringement action the issue is as follows:*

*“Is the defendant using a mark which is the same as or which is a colourable imitation of the plaintiff’s registered trade mark”*



4. *It very often happens that although the defendant is not using the trade mark of the plaintiff, the get up of the defendant's goods may be so much like the plaintiff's that a clear case of passing off would be proved. It is on the contrary conceivable that although the defendant may be using the plaintiff's mark the get up of the defendant's goods may be so different from the get up of the plaintiff's goods and the prices also may be so different that there would be no probability of deception of the public. Nevertheless, in an action on the trade mark, that is to say, in an infringement action, an injunction would issue as soon as it is proved that the: defendant is improperly using the plaintiff's mark.*

5. The action for infringement is a statutory right. It is dependent upon the validity of the registration and subject to other restrictions laid down in Sections. 30, 34 and 35 of the Act. On the other hand *the gist of a passing off action is that A is not entitled to represent his goods as the goods of B but it is not necessary for B to prove that A did this knowingly or with any intent to deceive. It is enough that the get-up of B's goods has become distinctive of them and that there is. a probability of confusion between them and the goods of A. No. case of actual deception nor any actual damage need be proved.* At common law the action was not maintainable unless there had been fraud on A's part. In equity, however, Lord Cottenham L.C. in **Millington v. Fox**<sup>43</sup> held that it was immaterial whether the defendant had been fraudulent or not in using the plaintiff's trade mark and granted an injunction accordingly. The common law courts, however, adhered to their view that fraud was necessary until the Judicature Acts, by fusing law and equity, gave the equitable rule the victory over the common law rule.

6. The two actions, however, are closely similar in some respects, As was observed by the Master of the Rolls in **Saville Perfumery Ltd. v. June Perfect Ltd.**<sup>44</sup>.

*"The Statute- law relating to infringement of trade marks is. based on the same fundamental idea as the law relating to passing-off. But it differs from that law in two particulars, namely (1) it is concerned only with one method of passing-off, namely, the use of a trade mark, and (2) the statutory protection is absolute in the sense that*

<sup>43</sup> 3 My & Cr 338

<sup>44</sup> 58 RPC 147 at 161



*once a mark is shown to offend, the user of it cannot escape by showing that by something outside the actual mark itself he has distinguished his goods from those of the registered proprietor. Accordingly, in considering the question of infringement the Courts have held, and it is now expressly provided by the Trade Marks Act, 1938, Section 4, that *infringement takes place not merely by exact imitation but by the use of a mark so nearly resembling the registered mark as to be likely to deceive.*"*

7. *In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the Court will not enquire whether the infringement is such as is likely to deceive or cause" confusion. But where the alleged infringement consists of using not the exact mark on the Register, but something similar to. it, the test of infringement is the same as in an action for passing off in other words, the test as to likelihood of confusion or deception arising from similarity of .marks is the same both in infringement and passing off actions.*

8. *In the present case the High Court has found that there is a deceptive resemblance between the word "RUSTON" and the 'word "RUSTAM" and therefore the use of the bare word "RUSTAM" constituted infringement of the plaintiff's trade mark "RUSTON". The respondent has not brought an appeal against the judgment of the High Court on this point and it is, therefore, not open to. him to challenge that finding. If the respondent's trade mark is deceptively similar to. that of the appellant the fact that the word 'INDIA' is added to the respondent's trade mark is of no consequence and the appellant is entitled to succeed in its action for infringement of its trade mark."*

(Emphasis supplied)

126. Resultantly, the Supreme Court reversed the decision of the High Court and permanently restrained ZEC from infringing RHL's trade mark "RUSTON", *inter alia*, by use of the mark "RUSTAM" or "RUSTAM INDIA".

127. The following principles emerge from the decision of the Supreme Court:





(i) There was a clear distinction between infringement and passing off. The question to be asked, in a passing off action was:

"Is the defendant selling goods so marked as to be designed or calculated to lead purchasers to believe that they are the plaintiff's goods ?".

As against this, the question to be asked in an infringement action was:

"Is the defendant using a mark which is the same as or which is a colourable imitation of the plaintiff's registered trade mark ?"

(ii) It was possible that passing off took place even if the rival marks were different, because of the similarity in the get up of the two marks. Equally, it was possible that the rival marks were the same but that the get up of the product was so different that no passing off could be alleged, as there was no possibility of deception to the public.

(iii) Even in such latter case, however, so long as the two marks were identical or deceptively similar to each other, infringement would exist and an injunction would follow.

(iv) Establishment of the intent of the defendant was not necessary for substantiating an allegation of passing off. It was enough for a plaintiff to show that

- (a) the get up of the plaintiff's goods were distinctive of the plaintiff and
- (b) there was a possibility of confusion between the goods of the plaintiff and the defendant if both the marks were permitted to be used.

(v) There was no need to prove actual confusion or actual damage.

(vi) Thus, two important distinctions between infringement and passing off were that

- (a) infringement was concerned only with one method of passing off, i.e. passing off by use of the trade mark of the plaintiff and
- (b) the statutory protection available under Section 29 of the Trade Marks Act in the case of infringement was absolute, and additional distinguishing material existing outside the



infringing mark could constitute no defence for the infringer.

(vii) In a case of infringement, if the rival marks were found to be identical, the court would not enquire further into the likelihood of deception or confusion. Where, however, the marks were not identical but only similar, the test to be applied for infringement and passing off was the same, i.e., the likelihood of deception or confusion arising from the similarity of the two marks.

(viii) Inasmuch as the mark “RUSTAM” was deceptively similar to “RUSTON”, the addition of the suffix “INDIA” in the former case would make no difference. ”

### *Amar Singh Chawal Wala*

52. The judgment in *Amar Singh Chawal Wala* adjudicated an appeal filed by Amar Singh Chawal Wala (“ASCW”), as the proprietor of the marks Golden Qilla, Lal Qilla Chapp, Lal Qilla and Neel Qilla with the device of a fort (Qilla) in respect of rice. ASCW sought a restraint against the respondent Vardhman Rice & Genl. Mills (“Vardhman” hereinafter) using the Qilla device or the trade mark HARA QILLA. Priority of use by ASCW, over Vardhman, was admitted. The learned Single Judge of this Court rejected ASCW’s prayers for interim injunction, reasoning thus:

“The device-used by the plaintiff along with **GOLDEN QILLA** is so materially different from the device used by the defendant along with Hara Qilla that there is no likelihood of the customer inclined to purchase Lal Qilla Rice being deceived into purchasing Hara Qilla rice. There is no visual or phonetic similarity between the defendant’s name and mark- and the plaintiff’s name and mark-either of the three Golden or Golden Qilla cannot be confused with Hara Qilla. So is the case with Lal Qilla and Neela Qilla..... It is not suggested, nor is it borne out from the record that the defendants have tried to present their device of Qilla in such a manner as look similar or deceptively similar with any of the





device adopted by plaintiff. It is not the case of the plaintiff that any of the defendants has at any time attempted at it passing off the defendants goods as those of the plaintiff”.

ASCW appealed to the Division Bench.

**53.** The Division Bench held that the essential feature of ASCW’s mark was the word QILLA, whether it was spelt as “Qilla” or “Killa” or written in a different style or colour combination. The phonetic similarity between the registered trade mark of the plaintiff and the HARA QILLA mark of the defendant would not stand eviscerated merely because the picture of the QILLA used by the defendant was different from that used by the plaintiff. The phonetic similarity between the two marks was held to be sufficient to confuse the consumer. The use, by Vardhman, of the device of a fort was also found to indicate the intent of Vardhman that the word “QILLA”, as used by it, was to be assigned its normal etymological meaning, of a fort. These factors, in conjunction with the fact that both marks were used for rice, were held to be sufficient to give rise to confusion in the mind of the consumer regarding identity or association between them.

**54.** The Division Bench, therefore, found that ASCW had made out a *prima facie* case for grant of injunction. The decision of the Single Judge was, therefore, reversed.

***Kirorimal Kashiram Marketing***



**55.** In *Kirorimal Kashiram Marketing* (“Kirorimal” hereinafter), Kirorimal, who produced and sold rice under the registered trade mark “Double Deer”, sought an injunction against the respondent Shree Sita Chawal Udyog Mill (“SSCUM” hereinafter) using the mark “Golden Deer” also in respect of rice. The Single Judge rejected the application for interim injunction on the following reasoning:

“4. A perusal of the documents filed by the plaintiff would show that the trademark of the plaintiff consists of a figure of two deers facing each other with a flag in between. The figures and flag are enclosed in a white colour semi circle. The base of the packing is yellow and prominent colour of the trademark is red with cooked/uncooked rice shown on the pack. The trademark being used by the defendant is one single deer enclosed in a standing oval shape ring. There is peripheral rim in the ring which is having holes at regular intervals. On both sides of the ring are spikelets. The word “Golden deer” is written on the top. Neither the artistic design nor the words nor the colour combination has anything common with the design of the plaintiff’s trademark. The figure of deer is also altogether different from that of the plaintiff. While the two deers in the plaintiff’s trademark are males with antlers, the deer of defendant is a female only having ears and no antlers. The deers in the plaintiff’s trademark are running deers with both front feet bent and rear feet stretched in running condition, the deer in the defendant’s trademark is a standing deer with one front feet a little raised and bent. The contention of the plaintiff that the defendant’s trademark is deceptively similar to that of the plaintiff is on the face of it a false and wrong contention. Neither the trademark of the plaintiff was being infringed by defendant. The plaintiff has no prima facie case to contend that the defendant was passing off the goods as that of the plaintiff. There is no similarity between the label of plaintiff and that of the defendant. The learned counsel for plaintiff vehemently argued that the defendant had no right to use the word „golden deer“ since the plaintiff was using the word „double deer“. He submitted that the rice may be purchased by the illiterate persons and they purchase the same only looking at the figure of deer and they would not go into the nicety of the fact whether there were two deers or one deer and, therefore, use of the word “deer” by the defendant amounted to infringement of the plaintiff’s trademark.

5. The test to be applied as if the defendant was passing off his goods as those of the plaintiff. It is not the case of the plaintiff that goods of the plaintiff were known by the name of “deer” or by



the mark deer alone. It is the plaintiff's own case that its goods are known by mark of "double deer" and two stags with antlers were shown on the mark facing each other, across a flag. The goods bearing the mark of two deers with antlers cannot be confused by the goods having mark of one deer, which is altogether different from that mark of plaintiff. The devise used by the plaintiff along with double deer is materially different from one used by the defendant along with golden deer. There is no likelihood or customers confusing one deer with two deers and golden deer with double deers, even if the customer is illiterate. There is no similarity between the defendant's label and that of plaintiff's name. Neither there is visual similarity between defendant's name and the plaintiff's name. Any customer of plaintiff's rice would certainly ask for double deer and would not ask for golden deer. Even an illiterate person who can see if there are two deers on the label or there is only one deer on the label. It is not the case of the plaintiff that defendant has tried to present its device in such a manner so as to look similar or deceptively similar with the devise of the plaintiff. Neither the plaintiff has placed on record any material to show that the defendant has attempted to pass off its goods as those of the plaintiff's. Even the areas of business of plaintiff and defendant are different."

**56.** The Division Bench, in appeal, disapproved, at the very outset, the manner in which the learned Single Judge had proceeded. The Division Bench held that "the overriding aspect....is that deer is a prominent part of the trade mark of the appellant". Once such a prominent part of Kirorimal's trade mark had been copied, a finding of deceptive similarity was bound to follow especially when both marks were used for the same product. "Deer" it was noted, was an arbitrary mark when used in respect of rice, as a deer has no connection or correlation with rice. Such an arbitrary mark was found to be entitled to a very high degree of protection, especially as it was registered, and the use of the "Double Deer" mark, by Kirorimal, was anterior in point of time to the mark "Golden Deer" by SSCUM. The Division Bench held that copying of a prominent part of a mark was



impermissible and relied, for this purpose, on the decision of an earlier Division Bench of this Court in *Goenka Institute of Education and Research v. Anjani Kumar Goenka*<sup>45</sup>. In this regard, the Division Bench also relied on the observation of the Supreme Court in *Kavirat Pandit Durga Dutt Sharma* that “if the essential features of a trade mark of the plaintiff have been adopted by the defendant, the fact that the get up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the Plaintiff”. Thus, copying of the essential features of the plaintiff’s mark by the defendant was found, *ipso facto*, to result in infringement. The Court also found that the issue in controversy mirrored the dispute which had earlier come up before this Court in *Amar Singh Chawal Wala*, the similarity between the two cases being thus noted:

“8. The aforesaid ratio of the Division Bench in the case of *Amar Singh Chawal Wala* (supra) squarely applies to the facts of the present case because the expression “Deer” is arbitrarily adopted with respect to the product rice and “deer” is a prominent part of the trademark “Double Deer” of the appellant, similar to the prominent word mark Qilla in the case of *Amar Singh Chawal Wala* (supra). The respondent has also failed to give any satisfactory explanation as to why it adopted the expression “Deer” when there already existed a registered trademark “Double Deer” of the appellant.”

57. Holding, therefore, that the mark “Golden Deer” was deceptively similar to the mark “Double Deer” the Division Bench

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<sup>45</sup> AIR 2009 Del 139



reversed the decision of the Single Judge and granted injunction. A plea of delay, which was raised by SSCUM was also negated, holding that delay would be relevant only if it resulted in acquiescence.

**58.** On this aspect of the matter, the last decision that needs to be noted is *South India Beverages* with which I have already dealt earlier in this judgment. In that case, on the ground of phonetic similarity result as a use, by the appellant SIB, of the suffix “DAAZS”, in its mark “D-DAAZS” *vis-à-vis* GMM’s mark “HAAGEN-DAZS”, confusion was likely to result, injunction was granted by the Division Bench.

**59.** When one applies these decisions to the facts of the present case, it is apparent that the mark INDIAN STAG has to be held to be deceptively similar to the mark ROYAL STAG. Though a faint submission was sought to be raised, by the defendant, to the effect that STAG is descriptive of the product in respect of which it is used and is, therefore, not eligible for registration, it is obvious that the submission is meritless. A stag is an animal. Though liquor, consumed in excess, may evoke animalistic tendencies in the imbiber, the word STAG cannot, in any manner of speaking, be regarded as descriptive of alcoholic beverages. Once that is so, applying the reasoning contained in the afore-noted decisions, the marks INDIAN ROYAL STAG and INDIAN STAG, have necessarily to be regarded as deceptively similar. Both are used for IMFL. The defendant has not been able to cite a single other mark, used for IMFL, which contains



the word STAG or even uses the Stag device. The use of the Stag device, by the defendant, would exacerbate the confusion. No doubt, visually the plaintiff's stag may not look like the defendant's. That, however, cannot make a difference, applying the principle laid down in ***Kirorimal Kashiram Marketing***. In that case, too, the Single Judge of this Court had held that the two deer, in the plaintiff's and defendant's labels were completely different from each other. A detailed description of the differences between the two deer was also provided by the Single Judge. The Division Bench of this Court, however, held that these differences were inconsequential so long as both were deer. *De hors* the sheer coincidence that ***Kirorimal Kashiram Marketing*** was concerned with deer and we are concerned with stags, the principle squarely applies. Similarly, the fact that the depiction of the fort by Vardhman was different from the manner in which ASCW depicted the fort was also found to be inconsequential by the Division Bench of this court in ***Amar Singh Chawal Wala***. The fact was that both emblems depicted a fort and, by use of the word QILLA, which was the Urdu equivalent of fort, Vardhman was found to be specifically drawing attention to the fort motif. These findings apply, *mutatis mutandis*, and on all fours, to the facts in this case. The defendants have also used a Stag device. The second half of the defendants' mark is also STAG. The use of STAG by the defendants renders the INDIAN STAG mark phonetically and structurally similar to the mark ROYAL STAG.

**60.** Insofar as infringement is concerned, additional added features make no difference. The case has to be decided on a mark to mark



comparison. The moment the essential features of the plaintiff's marks are replicated by the defendant, infringement has necessarily to be found to have taken place. In view of the pictorial depiction of a stag, the "STAG" part of the plaintiff's mark has necessarily to be held to be its essential and dominating feature. The use, by the defendant, of the word STAG along with the pictorial depiction of a stag, clearly indicates imitation, by the defendant, of the essential features of the plaintiff's mark.

**61.** Applying the law laid down in a long line of decisions starting from *Kaviraj Pt Durga Dutt Sharma*, once the essential features of the plaintiff's mark are replicated in the defendant's mark, infringement, within the meaning of Section 24(2)(b) of the Trade Marks Act, has necessarily to be found to have taken place. All criteria envisaged by the provision are met. The marks are similar; they are used for the same product, and, owing to these factors, there is a likelihood of confusion, or at the least association, in the mind of a consumer of average intelligence and imperfect recollection.

**62.** *Prima facie*, therefore, on a plain comparison between the plaintiff's and the defendants' marks, the defendant has necessarily to be found to have infringed the plaintiff's mark.

## II. The plea of disclaimer

**63.** One of the pleas that the defendant has chosen to advance is that, as the plaintiff has disclaimed exclusivity for the "ROYAL" part





of its mark, and as “STAG” is *publici juris* and, even otherwise, cannot be subject matter of an independent claim to exclusivity in view of Section 17(1) and Section 17(2)(a) of the Trade Marks Act, no case for infringement can lie at all. The case would, therefore, be only one of passing off. Proceeding from this premise, the defendant has gone on to contend that the existence of added matter, and the visual dissimilarity between the plaintiff’s and defendants’ labels, is sufficient to defeat any claim of passing off. Resultantly, the contention is that the plaintiff cannot succeed either in its claim of infringement or in its claim of passing off. Ergo, the suit merits dismissal.

**64.** The entire argument proceeds from a fundamental misconception regarding the nature of a disclaimer. It is surprising that this submission is advanced before this Court in case after case, despite the law in this regard having been settled by various judicial decisions.

**65.** The purpose of a disclaimer was explained, in para 8 of *Registrar of Trademarks v. Ashok Chandra Rakhit Ltd*<sup>46</sup>, as “to define the rights of proprietor under the registration so as to minimize, even if it cannot wholly eliminate the possibility of extravagant and unauthorised claims being made on the score of registration of the trade marks”. *Thereafter, in para 14 of the decision, the Supreme Court noted the principle that “where a distinctive label is registered as a whole, such registration cannot possibly give any exclusive*

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<sup>46</sup> AIR 1955 SC 558





*statutory right to the proprietor of the trade mark to the use of particular word or name contained therein, apart from the mark as a whole.* This is, in effect, an iteration of what was later termed, in ***South India Beverages***, as the anti-dissection rule, which finds statutory place in Section 17 of the Trade Marks Act.

**66.** Thus, even while noting the intent of inserting of a disclaimer as restricting the owner of the mark to make any exaggerated claim of infringement, the Supreme Court has nonetheless observed that, while examining the aspect of infringement, the marks are to be considered as wholes.

**67.** This Court has expressed the same view in the following paragraphs from its decision in ***Zyduz Wellness Products Ltd***:

“180. Effect of disclaimer of suffixes “C” and “D” by the plaintiff.

181. Mr. Sibal sought to contend that, as the plaintiff has disclaimed exclusivity over the suffixes “C” and “D”, while obtaining registrations of the trade marks “GLUCON-C” and “GLUCON-D, the aspect of infringement would have to be examined only by comparing the prefixes “Glucon” with “Gluco”, omitting from consideration the disclaimed suffixes “C” and “D”.

182. I do not agree. The disclaimer, by plaintiff, of the suffixes “C” and “D”, only means that the plaintiff cannot plead infringement against a defendant solely on the ground that the defendant’s mark also uses the suffixes “C” and “D”. The suffixes “C” and “D”, therefore, cannot be a basis to claim exclusivity, so as to allege infringement by the mark of another person. The disclaimer of exclusivity in respect of the suffixes “C” and “D” does not, however, mean that, while comparing the marks of the plaintiff and the defendant, the said suffixes would be left out of consideration. It is well settled that the marks have to be compared as a whole. While comparing the mark as a whole, the suffixes “C” and “D”, though disclaimed, have also to be taken into



consideration. The court cannot, therefore, restrict its examination to assessing similarity between “Glucon” and “Gluco” as Mr. Sibal would seek to urge. The comparison has necessarily to be between “Glucon-C” and “Glucon-D” on the one hand and “Gluco C” and “Gluco D” on the other.

183. This plea of Mr. Sibal, therefore, stands rejected.”

68. It is necessary, at this point, to advert to a judgment of Division Bench of this Court in *Bawa Masala Co. v. Guljari Lal Lajpat Rai*<sup>47</sup> (though not cited by either side), specifically to para 16-A of the said decision, which reads thus:

“16-A. In *Registrar of Trademarks v. Ashok Chandra Rakhit Ltd*<sup>48</sup>, the Supreme Court was concerned with an appeal from the judgment and order of the Calcutta High Court reversing the decision of the Registrar of Trademarks whereby the Registrar had rectified the registrar by inserting a disclaimer in respect of a particular registered trademark. This decision was relied upon by Mr. Anoop Singh to contend that despite the disclaimer in his case he is still entitled to claim the device of chef as forming part of his registered trademark and the device of chef used by the respondent is an infringement of the appellant’s proprietary rights. The argument cannot be accepted. Indeed, as was observed by the Supreme Court in this decision the real purpose of requiring a disclaimer, and for the matter of that the giving of a disclaimer, is to define the rights of the proprietor under the registration so as to minimize, even if it cannot wholly eliminate, the possibility of extravagant and unauthorized claims being made on the score of registration of the trademarks. In other words, disclaimer is only for the purposes of the Act and if infringement is claimed, the disclaimer will have to be looked into. It may not affect the rights of the proprietor in passing off action but where infringement of the registration is claimed *the disclaimer part of the mark has to be ignored.*”

(Emphasis supplied)

69. Read in isolation, para 16-A of *Bawa Masala Co.* may seem to support an argument that, while comparing the plaintiff’s and

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<sup>47</sup> 11 (1975) DLT 270(DB)

<sup>48</sup> AIR 1955 SC 558



defendant's marks for ascertaining whether infringement has taken place, the Court can ignore the disclaimed part of the plaintiff's mark. In my opinion, however, that finding has to be understood in the backdrop of the controversy before the Division Bench, and the contentions advanced before it, in the context of which the observation was returned. Each of the rival marks, before the Division Bench, in that court had the picture of a chef. The contention of the plaintiff was that, despite a disclaimer in respect of the figure of a chef having been entered while granting registration to his mark, he could nonetheless plead infringement, by the defendant, on the ground that the defendant had also included, in its mark, the picture of a chef. The plaintiff was, therefore, seeking to base its allegation of infringement by claiming exclusivity in respect of the disclaimed figure of the chef in its mark. The Division Bench held that this was not permissible and that once the figure of the chef had been disclaimed while granting registration to the plaintiff, that disclaimed part of the plaintiff's mark *could not constitute the basis to allege infringement*. There can be no cavil with this proposition. Once part of a mark is disclaimed while obtaining registration, no plea of infringement can be predicated on that part of the mark, which stands disclaimed. In other words, the plaintiff, who has disclaimed part of its mark, cannot claim that the defendant has infringed the plaintiff's mark because it has copied the disclaimed part. The disclaimed part, in other words, cannot constitute the basis to allege infringement. It was thus that the Division Bench in *Bawa Masala Co.* held that, as the figure of the chef constituted the disclaimed part of the plaintiff's



mark, the defendant's mark could not be held to be infringing merely because it replicated the figure of the chef.

**70.** That does not, however, mean that the marks are not to be compared as wholes. If such an interpretation were to be extended to para 16-A of *Bawa Masala Co.*, the judgment would be rendered *per incuriam* para 14 of the decision in *Ashok Chander Rakhit*, which underscores the principle that infringement has to be assessed by comparing the marks as whole marks. It would also render it contrary to a host of decisions which have reiterated the same principle.

**71.** An analogy in the present case, with the situation which arose in *Bawa Masala Co.* would be if, for example, the defendant's marks were "ROYAL EAGLE", and the plaintiff's were to allege infringement on the ground that the defendant had copied the ROYAL part of its mark. The plaintiff would, in that case, not be entitled to do so because the ROYAL part of its mark was disclaimed. The ROYAL part of the plaintiff's mark could not, therefore, constitute a basis to allege infringement.

**72.** That, however, is not what the plaintiff seeks to do in the present case. The common part of the plaintiff's and the defendants' mark, which constitutes a principal ground for alleging infringement, is "STAG". The STAG part of the plaintiff's mark has not been disclaimed. There is, therefore, no embargo on the plaintiff claiming exclusivity in respect of the STAG part of its mark. Inasmuch as the plaintiff is not claiming exclusivity in respect of its ROYAL part of its



mark, the disclaimer of the ROYAL part of the plaintiff's mark can make no difference to the aspect of the infringement. The plaintiff's and defendants' marks are not deceptively similar because the replication of the ROYAL part of the plaintiff's mark by the defendant – as was the case in *Bawa Masala Co.* They are deceptively similar because the STAG part of the plaintiff's mark has been replicated by the defendant and, therefore, when the two marks are seen as whole marks, especially in conjunction with the stag motif, and the fact that both the marks are used for IMFL, there is a clear possibility of likelihood of confusion.

**73.** The disclaimer entered in respect of ROYAL part of the plaintiff's mark, while granting registration to the plaintiff's ROYAL STAG mark cannot, therefore, make any difference.

### III. Section 17 of the Trade Marks Act

**74.** This position, in fact, also flows from Section 17 of the Trade Marks Act. Section 17(1) and 17(2)(a) disentitle the proprietor of a registered trade mark from claiming exclusivity in respect of part of a mark, which is not registered as a separate mark. The claim to exclusivity has, therefore, to be necessary predicated on the whole registered mark.

**75.** If Section 17 were to be applied to the facts of the present case, the plaintiff cannot claim exclusivity either in respect of the ROYAL or in respect of the STAG part of its mark, as neither part is separately



registered as a trade mark and, additionally, the ROYAL part of the plaintiff's mark stands disclaimed. Nothing, however, prevents the plaintiff from predicating its case of infringement on deceptive similarity between ROYAL STAG and INDIAN STAG seen as whole marks. On that, I have already expressed my *prima facie* view that such similarity exists.

#### IV. Likelihood of confusion

**76.** The existence of deceptive similarity between the plaintiff and the defendant's mark is not, however, conclusive on the issue of infringement. Section 29(2)(b) of the Trade Marks Act requires three ingredients to be cumulatively satisfied, before infringement can be said to exist – firstly, the mark of the plaintiff and the defendant must be similar; secondly, the mark must be used in respect of similar or identical goods or services, and, thirdly, as a result of the similarity of the marks, and the similarity/identity of the goods or services in respect of which the marks are used, there must exist a likelihood of confusion in the public or a likelihood or *association between the marks*.

**77.** What constitutes “association” for the purposes of Section 29(2)(b) is not defined in the provision. Section 2(3)<sup>49</sup> does define “association” but between goods and services. It cannot, therefore, be

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<sup>49</sup> (3) For the purposes of this Act, goods and services as associated with each other if it is likely that those goods might be sold or otherwise traded in and those services might be provided by the same business and so with descriptions of goods and descriptions of services.



of assistance in understanding the concept of “association” for the purposes of Section 29(2).

**78.** In the context of the Madras Hindu Religious and Charitable Endowment Act 1951, the Supreme Court in *Commissioner, Madras Hindu Religious and Charitable Endowment v. Narayana Ayyangar*<sup>50</sup> has defined “associated” as being “connected with”.

**79.** There is no reason why the word “association” used in Section 29(2)(b) should not be given its normal etymological meaning. As normally understood, “association” would imply a connection between the two marks. One may identify the sentiment expressed by the word “association” as depicted by the query “have I seen something like this before?”.

**80.** One of the contentions which was advanced by the defendant was that imbibers of the plaintiff’s and the defendant’s products are discerning. They would, therefore, be able to distinguish between INDIAN STAG and ROYAL STAG. There is, therefore, no likelihood of confusion. This precise argument was raised, and categorically rejected by a Division Bench of this Court in *Baker Hughes Ltd. v. Hiroo Khushalani*<sup>51</sup>, from which the following passages are instructive:

“54. I have given my anxious consideration to the submissions of the learned Counsel for the defendants on this aspect of the matter. There can be an informed class of purchasers who have a degree of knowledge and a sense of discrimination more

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<sup>50</sup> AIR 1965 SC 1916

<sup>51</sup> 1998 SCC OnLine Del 481





substantial than that of an ordinary purchaser, but the mere fact that the customers are sophisticated, knowledgeable and discriminating does not rule out the element of confusion if the trade marks/trade names/corporate names of two companies are identical or if the similarity between them is profound. In several cases it has been held that initial confusion is likely to arise even amongst sophisticated and knowledgeable purchasers under a mistaken belief that the two companies using the same corporate name, trading name or style are inter-related. It is the awakened consumers who are more aware of the modern business trends such as trade mark licensing, mergers, franchising, etc. It is this class of buyers who are likely to think that there is some sort of association between the products of two different companies when they come across common or similar trade names or corporate names or trading styles used by them. The sophistication of a buyer is no guarantee against likely confusion. In some cases, however, it is also possible that such a purchaser after having been misled into an initial interest in a product manufactured by an imitator discovers his folly, but this initial interest being based on confusion and deception can give rise to a cause of action for the tort of passing off as the purchaser has been made to think that there is some connection or nexus between the products and business of two disparate companies. This view finds support from various decisions gathered in.12 of the Filing Instructions 1988, Fall Cumulative Supplement from Callmann 'Unfair Competition, Trademarks and Monopolies'. This section reads as under:

“But even apart from the doctrine of greater care, if the manner of purchasing becomes routine, the possibility of confusion can arise notwithstanding the expertise of the purchasers (*Layne-Western Co. Vs. Fry*<sup>52</sup>, The mere fact that all the customers are discriminating technicians does not by itself insure against confusion; being skilled in the relevant art does not necessarily preclude confusion if the similarity between the marks is great (*Wincharger Corpn. Vs. Rinco, Inc*<sup>53</sup>., "The words 'sophisticated' and 'knowledgeable' are not talismans which, when invoked, act magically to dissipate a likelihood of confusion. It must also be shown how the purchasers react to trademarks, how observant and discriminating they are in practice, or that the decision to purchase involves such careful consideration over such a long period of time that even subtle differences are likely to result in a recognition that different marks are

<sup>52</sup> 174 F Supp 621 (CCPA 1960)

<sup>53</sup> 297 F2d 261 (CCPA 1962)



involved before an irrevocable decision is made"  
*(Refreshment Mach., Inc. Vs. Reed Industries*<sup>54</sup>

In some cases it has been held that a different type of confusion, referred to as "initial confusion," is likely to arise even among sophisticated purchasers. As one Court has said: "by intentionally copying the trade mark of another more established company, one company attempts to attract potential customers based on the reputation and name built up by the first user, the older company. The danger here is not that the sophisticated purchaser [in the oil trading market] will actually purchase from Pegasus Petroleum believing that he has purchased from Mobil [Oil Co.]; the danger is that the purchaser will be misled into an initial interest in Pegasus Petroleum based on a mistaken belief as to the two companies' inter relationships [*Mobil Oil Corp. Vs. Pegasus Petroleum Corp*<sup>55</sup>."

It has also been suggested that sophisticated consumers, being more aware of such modern business trends as trademark licensing and conglomerate mergers, are more rather than less likely to suspect some association between disparate companies or products when they see what appears to be one company's mark on another's product [*Lois Sportswear, USA, Inc. Vs. Levi Straus & Co*<sup>56</sup>.

55. In *John Hayter's case (supra)* the Court failed to notice the principle that even the informed, sophisticated and knowledgeable customers suffer from initial confusion where the corporate names, trade names or trade marks of two different companies are the same or similar to each other. Therefore, the view expressed in the case does not commend to me and compels me to respectfully depart from the same.

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64. Neither the receipt of ISO 9002 Certification by the second defendant nor the plea that the types of items being manufactured by the second defendant are not being manufactured by the first plaintiff can dissipate the likelihood of confusion. Since the second defendant undoubtedly had a strong relationship with 'Baker' in the past, that knowledge of the buyers can affect their judgment and competence leading to varying degrees of confusion - initial,

<sup>54</sup> 196 USPQ 840 (TTAB 1977)

<sup>55</sup> 229 USPQ 890

<sup>56</sup> 230 USPQ 831, 837 (CA2, 1986)



partial or total. Even a discerning consumer could fall prey to confusion. A situation cannot be legitimised where a company which extends its technical know-how to another company is made to lose its corporate name to the company to which technical know-how is extended. A licensee permitted to use the trade name of the licensor on its goods cannot claim to continue the use of the same even after the cancellation of its licence by the licensor. In the event of a contrary view the international trade and commerce will receive a set back and will undermine the faith of the trading community in the country where such acts are condoned.”

(Emphasis supplied)

**81.** This decision was cited, with approval, by the Supreme Court in *Ramdev Food Products (P) Ltd v. Arvindbhai Rambhai Patel*<sup>57</sup>.

**82.** There are several distinguishing factors in the present case, which are determinative on the aspect of likelihood of confusion. In the first place, the plaintiff’s and defendants’ products are both IMFL. Secondly, there is no example, brought to my notice, of any other brand of IMFL which uses STAG as part of its name. Thirdly, both the labels use the motif of a stag. Fourthly, both the marks cater to the same consumer segment, which is quite distinct from the consumer segment which consumes Scotch whisky.

**83.** Plainly expressed, if a consumer of average intelligence and imperfect recollection, who has a taste for the proverbial good life, imbibes the plaintiff’s ROYAL STAG whisky and, sometime later, comes across the defendants’ INDIAN STAG whisky, there is every likelihood of his believing that the two marks are associated. The matter may have been different if there were a plenitude of marks of

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<sup>57</sup> (2006) 8 SCC 726



“STAG” marks used for IMFL. There are, as a matter of fact, just two – the plaintiff’s and the defendants’.

**84.** The market place is not, therefore, crowded. It is occupied by just two solitary brands. These brands being ROYAL STAG and INDIAN STAG, and reflecting the figure of a stag in each case, the possibility of likelihood of an association between the two marks, in the minds of a consumer of average intelligence and imperfect recollection, cannot be ruled out.

**85.** Positive proof of confusion is not needed, to return a finding of infringement. The following passages from *Shree Nath Heritage* are instructive on the aspect of likelihood of confusion:

“4. It would be profitable to quickly summarize the general principles applicable in trademark cases, and we could do no better than distillate them from McCarthy on Trademarks and Unfair Competition, Ed. IV:

- i. Likelihood of confusion (i.e. confusion is probable and not simply possible) is the standard for both trademark infringement and passing off.
- ii. Priority of use needs to be considered.
- iii. To establish trademark infringement and/or passing off in most cases (we discuss one statutory exception where confusion is presumed by court below) it needs to be shown that an appreciable number of buyers and not the majority of buyers are likely to be confused. Even 1% of India's population will be an appreciable number of buyers.
- iv. Likelihood of confusion may be proved in many ways, such as:
  - Through survey evidence;
  - By showing actual confusion;
  - Through arguments based on a clear inference arising from a comparison of the marks in



question and the context in which the marks are used;

- Under Section 29 of the Trademarks Act, 1999, confusion is presumed if the marks are identical and are used for identical goods/services.

5. Confusion can be of the following categories:

- Point of sale confusion-this refers to confusion that takes place at the time of purchase.
- Post sale confusion - this includes confusion of those other than the purchaser.
- Initial interest confusion - this refers to confusion that may be caused initially, i.e. prior to purchase, but at the time of purchase of the alleged infringer/tortfeasor's product or using its service, the consumer is not confused.
- Reverse confusion - this occurs when consumers purchase the goods or use services of the senior user thinking them to originate from the junior user.

6. When a person knows that the mark in question does not originate from the senior user but the senior user is called to mind, then it's a step before confusion. If on the other hand, the consumer is in a state of wonderment if there's a connection, this is confusion. Further, if this consumer then purchases the junior users product, this is then deception.”

**86.** What, therefore, has to be seen is whether, applying these tests – principally the “initial interest” test, which is now accepted as the focal test to assess likelihood of confusion – a consumer of average intelligence and imperfect recollection, who has come across the plaintiff’s mark at one point of time and chances on the defendants’ mark later – and does not see them side by side – is likely to be in a state of wonderment as to whether he has seen the same mark, or an associated mark, earlier. If, proverbial hand on proverbial chin, he is



even inclined to reflect on the point, that suffices to constitute infringement.

**87.** There is also an independent concept of idea infringement, and Mr. Hemant Singh has correctly invoked it. A stag has nothing to do with alcoholic beverages. The somewhat extreme connection that Ms. Rajeshwari sought to draw between the “noble” sport of hunting – killing of innocent animals for pleasure is, happily, not regarded as noble at least in this country – and whisky, to justify use of the STAG as an emblem for whisky brand, is too facile to merit judicial acceptance. Even if it were, in our country, which respects animals and frowns on their extermination merely for the sake of momentary pleasure, judicial recognition can never, on that score, be extended to treating the stag or any other animal as associated with liquor or alcoholic beverages.

**88.** To return to the discussion, as a distinct motif of a stag, in conjunction with the mark INDIAN STAG which replicates the latter STAG part of the plaintiff’s ROYAL STAG mark, is used for IMFL, there is clear likelihood of confusion between the two marks, in the mind of the unwary consumer of average intelligence and imperfect recollection.

#### V. Relevance of Section 56 in this context

**89.** Much has been sought to be made by the defendants, of the fact that its product is entirely exported. Ms. Rajeshwari has sought to



contend that, as there is no common market of the plaintiff's and defendants' products in India, there is no likelihood of confusion between the two. On facts, there can be no dispute about the fact that the defendants' products are entirely exported and that, therefore, within India, there is, in physical fact, no common market between the plaintiff's and the defendants' products. This argument, however, is not available to the defendants in view of Section 56 (1) of the Trade Marks Act, on which Mr. Hemant Singh has correctly relied.

**90.** Section 56 contains a deeming fiction. It deems application, in India, of a trade mark to goods which are to be exported, to be deemed to constitute use of the said mark in respect of the goods, for any purpose for which such use is material under the Trade Marks Act, as if the mark was being applied to goods which were to be traded within India.

**91.** There is no dispute about the fact that the application of the INDIAN STAG mark on the defendants' IMFL takes place within India. By virtue of the deeming fiction engrafted in Section 56(1), such application would be deemed to constitute use, within India, of the said mark, as if the goods on which the mark was being affixed were traded in India.

**92.** It is a well settled principle of interpretation of deeming fictions that, where the statute deems a particular state of affairs to exist, though it actually does not, the court has also to deem, as existing, all consequences which would follow if that imaginary state of affairs





were to be treated as real. The best expression of the true nature of a deeming fiction is, perhaps, to be found in the words of Cave, J., in **R. v. Norfolk County Count**<sup>58</sup> that “when a thing is to be ‘deemed’ as something else, it is to be treated as that something else *with the attendant consequences*, but it is not that something else”, quoted, with approval, by the Supreme Court in **Sudha Rani Garg v. Jagdish Kumar**<sup>59</sup>.

**93.** The use of the rival marks in India is undoubtedly relevant for the purposes of Section 29(2)(b) of the Trade Marks Act. “Likelihood of confusion”, within the meaning of the said provision, would, therefore, have to be examined by deeming the goods, on which the defendants affixes its INDIAN STAG mark, to be traded within India, extrapolating the deeming fiction engrafted by Section 56 to its logical end. One has to examine the likelihood of confusion on the deeming premise that a consumer of average intelligence and imperfect recollection comes across, within India, the marks of the plaintiff and the defendants, even if, in actual fact, he does not.

**94.** Thus, the fact that the defendants’ INDIAN STAG IMFL is entirely exported cannot make a difference to the aspect of infringement.

VI. Re. “STAG” being *publici juris* and common to the trade

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<sup>58</sup> 60 LJQB 380

<sup>59</sup> AIR 2004 SC 5120



95. *Publici juris* literally translates to “of public right” or “belonging to the public”. A mark which is *publici juris* and which, therefore, is legitimately available to the public for enjoyment and exploitation, cannot be monopolised by a private individual. The *publici juris* principle is actually conceptually circular in nature. Registration, and registration alone, confers the right to monopolise a trademark and to proceed against those who use it, or something deceptively similar to it, without authority. Every mark which is neither registered nor deceptively similar to a registered mark is, therefore, *publici juris*. Equally, a mark which is not entitled to registration under Section 9 or Section 11 of the Trade Marks Act is, *ipso facto publici juris*.

96. The *publici juris* doctrine cannot, therefore, be invoked *in vacuo*. A defendant who claims that the plaintiff’s registered mark is *publici juris* has, on him, therefore, the onus to demonstrate why it is so.

97. Where the mark is registered, it is entitled to statutory presumption of validity under Section 31(1)<sup>60</sup> of the Trade Marks Act. At a *prima facie* stage, this presumption is not easy to dislodge. There must exist overwhelming material indicative of the fact that the plaintiff’s mark was *ex facie* not registerable at all. Of course, if such material is forthcoming, the Court cannot shut its eyes to it, as, though validity of the registration of the plaintiff’s mark is not a statutory

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<sup>60</sup> 31. **Registration to be prima facie evidence of validity.** –

(1) In all legal proceedings relating to a trade mark registered under this Act (including applications under Section 57), the original registration of the trade mark and of all subsequent assignments and transmissions of the trade mark shall be *prima facie* evidence of the validity thereof.



prerequisite for a finding of infringement to be returned under Section 29, it is only a valid trademark registration which is entitled to any remedy against infringement under Section 28(1)<sup>61</sup>.

**98.** A trademark, the registration of which does not suffer from any of the handicaps envisaged by Section 9 or Section 11 of the Trade Marks Act cannot, therefore, be regarded as *publici juris*, and, at a *prima facie* stage at least, its validity would be entitled to be presumed, in view of Section 31(1).

**99.** The defendants do not seek to contend that the ROYAL STAG mark, which the plaintiff is asserting in the present case, is *publici juris*. The *publici juris* character is being attributed only to the latter “STAG” part of the plaintiff’s mark. In view of the fact that the defendants’ INDIAN STAG mark, as used for IMFL, is deceptively similar to the plaintiff’s ROYAL STAG mark, the issue of whether the latter STAG part of the plaintiff’s mark is, or is not, *publici juris*, ceases to be of relevance.

**100.** Even so, I may observe that there is really no convincing argument, advanced by the defendants, to support the assertion that the mark STAG is *publici juris*. All that is contended, in this regard, is that “stag”, being the name of an animal, is a word used in common parlance and is not, therefore, entitled to registration. Again, this issue

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<sup>61</sup> 28. **Rights conferred by registration.** –

(1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.



is not of any significance, as the plaintiff does not hold any registration for the mark STAG *per se*, and is not asserting, even in the present plaint, the mark STAG. The plaintiff asserts ROYAL STAG.

**101.** That said, there is no embargo, in the Trade Marks Act, to the registration of the name of an animal as a trade mark. What is proscribed, by Section 9(1)(a) and 9(1)(b)<sup>62</sup> is registration of marks which, under the former provision, “are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person”; and, under the latter, “consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service”. The word “STAG”, when used *vis-à-vis* whisky, obviously does not fall within any of the prohibitions envisaged by Section 9(1)(b), as “STAG” does not designate, in trade, the kind, quality, quantity, purpose, values, geographical origin, type of production or the other characteristic of whisky. Nor, in my opinion, can it fall within the proscription envisaged by Section 9(1)(a), as “STAG”,

<sup>62</sup> 9. **Absolute grounds for refusal of registration.** –

- (1) The trade marks –
- (a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;
  - (b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service;
  - (c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade,

shall not be registered:

Provided that a trade mark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trade mark.



when used for whisky, cannot be said to be lacking in distinctiveness, for the simple reason that one does not associate, normally, whisky with a stag or, for that matter, any other animal. The only other IMFL which uses “STAG” in its name being the defendants’ product, it cannot be said that “STAG”, when used as part of the name of the plaintiff’s IMFL, is incapable of distinguishing the product from the products of others. One cannot compare, for this purpose, “STAG”, as used by the plaintiff, with “STAG” as part of the names of Scotch or other whiskies manufactured and sold abroad, as such whiskies are capable of being distinguished from the plaintiff’s product even by the simple reason of theirs being foreign whiskies, and the plaintiff’s product being IMFL. Expressed otherwise, IMFL cannot be said to be indistinguishable from foreign whiskies. The fact that they may be sold together, or that both may be whiskies *per se*, nonetheless does not do away with the simple distinction of IMFL being IMFL and foreign whiskies being foreign whiskies. The following words, from the judgment of the Supreme Court in *Khoday Distilleries*, underscore this factual position:

“82. But then we are concerned with the class of buyer who is supposed to know the value of money, the quality and content of Scotch whisky. They are supposed to be aware of the difference of the process of manufacture, the place of manufacture and its origin.”

Once it is accepted that IMFL can be distinguished from foreign whiskies, “ROYAL STAG”, as the name used exclusively for IMFL, becomes *ipso facto* distinguishable from foreign whiskies which may be using “STAG” as part of their names.



102. This distinction does not, however, impact the aspect of infringement, as the plaintiff's ROYAL STAG and the defendants' INDIAN STAG are both used for IMFL. Neither is Scotch.

103. "STAG" is not, therefore, ineligible for registration as a trade mark. It is not, therefore, *publici juris*.

104. The defendants have also sought to contend that "STAG" is common to the whisky trade. As I have already found the defendants' mark INDIAN STAG to be deceptively similar to the plaintiff's ROYAL STAG mark, when used for IMFL, and I do not intend, by this order, to injunct the defendants, altogether, from using STAG as part of its mark for IMFL, it is not necessary for me to examine, in detail, the defendants' submission that STAG is common to the liquor trade. I may just note, however, that the plea that a mark is common to the trade cannot be demonstrated, even *prima facie*, by merely referring to various marks which may be similar or even identical. The law in this regard stands settled by the following passage from the judgment of the Division Bench of this Court in ***Pankaj Goel***:

"22. As far as the Appellant's argument that the word MOLA is common to the trade and that variants of MOLA are available in the market, we find that the Appellant has not been able to prima facie prove that the said 'infringers' had significant business turnover or they posed a threat to Plaintiff's distinctiveness. In fact, we are of the view that the Respondent/Plaintiff is not expected to sue all small type infringers who may not be affecting Respondent/Plaintiff business. The Supreme Court in ***National Bell*** reported in ***AIR 1971 SC 898*** has held that a proprietor of a trademark need not take action against infringement which do not cause prejudice to its distinctiveness. In ***Express Bottlers Services***



*Pvt. Ltd. vs. Pepsi Inc. & others*<sup>63</sup> reported in *1989 (7) PTC 14* it has been held as under: -

....To establish the plea of common use, the use by other persons should be shown to be substantial. In the present case, there is no evidence regarding the extent of the trade carried on by the alleged infringers or their respective position in the trade. If the proprietor of the mark is expected to pursue each and every insignificant infringer to save his mark, the business will come to a standstill. Because there may be occasion when the malicious persons, just to harass the proprietor may use his mark by way of pinpricks.... The mere use of the name is irrelevant because a registered proprietor is not expected to go on filing suits or proceedings against infringers who are of no consequence.... Mere delay in taking action against the infringers is not sufficient to hold that the registered proprietor has lost the mark intentionally unless it is positively proved that delay was due to intentional abandonment of the right over the registered mark. This Court is inclined to accept the submissions of the respondent No. 1 on this point....The respondent No. 1 did not lose its mark by not proceeding against insignificant infringers...

In fact, in *Dr. Reddy Laboratories vs. Reddy Paharmaceuticals*<sup>64</sup> reported in *2004 (29) PTC 435* a Single Judge of this Court has held as under: -

..., the owners of trade marks or copy rights are not expected to run after every infringer and thereby remain involved in litigation at the cost of their business time. If the impugned infringement is too trivial or insignificant and is not capable of harming their business interests, they may overlook and ignore petty violations till they assume alarming proportions. If a road side Dhaba puts up a board of "Taj Hotel", the owners of Taj Group are not expected to swing into action and raise objections forthwith. They can wait till the time the user of their name starts harming their business interest and starts misleading and confusing their customers."

(Emphasis supplied)

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<sup>63</sup> 1989 (7) PTC 14

<sup>64</sup> 2004 (29) PTC 435





**105.** Having said that, it is not possible to accept Mr. Hemant Singh's contention, either, that the defendants are estopped from pleading that "STAG" is common to the whisky trade, having itself applied for registration of the mark "INDIAN STAG". As Ms. Rajeshwari correctly points out, the application of Defendant 2 is not for registration of "STAG" *per se*, but for registration of the mark "INDIAN STAG". For the same precise reason, however, Ms. Rajeshwari's contention that STAG is common to the whisky trade is also of no consequence, as the plaintiff's mark, which is asserted in the plaint, is not "STAG", but "ROYAL STAG".

**106.** The plaintiff's claim is not, therefore, defeated by reason of "STAG" being either *publici juris* or common to the whisky trade.

## VII. Infringement of the Stag device

**107.** On a device mark-to-device mark basis, it is difficult to accept



Mr. Hemant Singh's contention that the defendants' device



infringes the plaintiff's device. Plainly, there is no visual similarity between the two stags. The registration, in favour of the plaintiff, of a device mark representing a stag, cannot confer a monopoly, on the plaintiff, of any and every stag device. The competing marks being device marks, with no textual component, a



visual comparison has necessarily to guide any decision on infringement. On a visual comparison, the two stags cannot be said to be alike, or even similar.

**108.** I am not, therefore, convinced that the defendants have



infringed the device mark of the plaintiff, though the use, by the defendants, of a stag device may exacerbate the confusion, of likelihood of association, which may arise when seen in conjunction with the similarity of the ROYAL STAG and INDIAN STAG marks, with no other STAG mark, used for IMFL, apparently being in existence.

**109.** Similarly, on a device-to-device comparison, I am unable to



agree with Ms. Rajeshwari that the plaintiff's device was copied from any earlier stag device. The written statement filed by the defendants suggests that the plaintiff's stag device was a copy of the stag device adopted by The Arran. I cannot agree. The Arran's stag



device was . Though both stags are standing, it would be trading the imagination to hold that the plaintiff's stag device is a copy of The Arran's. Even if it were, for that matter, it would hardly make a difference, as I have already held the defendants' stag device not to be infringing the plaintiff's.



### VIII. Re. Use of SCOTTISH STAG by IMUK

**110.** The written statements filed by the defendants repeatedly assert that Defendant 2 had originally conceived the SCOTTISH STAG mark for its Scotch whisky and, on finding the product to be a success worldwide, conceived INDIAN STAG as a whisky brewed from Indian grains. Longevity of user of SCOTTISH STAG has, therefore, been additionally pleaded as a ground to oppose the prayer for grant of injunction.

**111.** At the outset, I may note that it is not the defendants' case that the mark SCOTTISH STAG, as used by IMUK, is of greater vintage and the plaintiff's ROYAL STAG. The defendants plead use of SCOTTISH STAG since 2011, whereas, undisputedly, the use of the plaintiff's ROYAL STAG mark dates back to 1995. Even on this ground, the plea of use, by IMUK, of SCOTTISH STAG, cannot constitute a basis to deny an injunction.

**112.** It is relevant to note, in this context, that, in *Midas Hygiene Industries (P) Ltd v. Sudhir Bhatia*<sup>65</sup>, the Supreme Court has, on the aspect of delay, as an inhibiting factor to grant of injunction in trademark infringement cases, observed as under:

“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 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.”

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<sup>65</sup> (2004) 3 SCC 90



(Emphasis supplied)

**113.** In the present case, the defendants have not placed, on record, any positive material to indicate that, despite being aware of the use, by it, of the SCOTTISH STAG mark, the plaintiff kept quiet. All that is averred, to that end, is that SCOTTISH STAG could be found on the shelves of the same shops and outlets, in Dubai, where the plaintiff's ROYAL STAG was found. That, by itself, cannot constitute evidence of knowledge, by the plaintiff, of the use of the mark SCOTTISH STAG.

**114.** Even if it did, for that matter, it would make no difference, as the plaintiff is not assailing the SCOTTISH STAG mark of IMUK, or seeking an injunction against the use thereof. That apart, SCOTTISH STAG is, admittedly, a mark, not of either of the defendants, but of IMUK.

**115.** The argument of IMUK and Defendant 2 constituting a “single economic unit” cannot result in SCOTTISH STAG transmuted into a mark of Defendant 2. IMUK and Defendant 2 are separate corporate entities, independently incorporated. As Mr. Hemant Singh correctly submits, the interrelationship between IMUK and Defendant 2, if any, has not affected the trademark rights of Defendant 2. Nor, on the basis of such interrelationship, can Defendant 2 maintain any successful defence against the charge of infringement leveled by the plaintiff. The application for registration of the INDIAN STAG mark has been made, not by IMUK or even at his instance, but



independently by Defendant 2. There is no reflection, on the INDIAN STAG bottle or pack, of its having been manufactured under license from IMUK. No such plea, either, has been advanced by the defendants.

**116.** Besides, there is no evidence of the use, worth its name, of SCOTTISH STAG, within India. As Mr. Hemant Singh correctly submits, trade mark rights are territorial. The only evidence produced by the defendants, of use of SCOTTISH STAG, within India, is in the form of 13 invoices of duty-free outlets, of which 11 pertains to 2015-2016 and one pertains to June 2018 and another is dated 29 January 2020. There is nothing, whatsoever, to indicate usage of the mark SCOTTISH STAG, within India, from 1995 to 2015, during which period mammoth sales of the plaintiff's product, both in India and outside, had already taken place.

**117.** On the territoriality aspect, the reliance, by Mr. Hemant Singh, on the decisions in *Toyota* and *Trans Tyres*, is well placed. Of the two decisions, *Trans Tyres* appears to be more apt, as it postulates the law, regarding the territoriality of trademark rights, as a proposition of law, thus, in para 14:

“14. Trademark, as we all know is territorial in nature. Thus, under the Territoriality Doctrine, a trademark is recognized as having a separate existence in each sovereign territory in which it is registered or legally recognized as a mark. The Universality Doctrine, which posits that a mark signifies the same source wherever the mark is used in the world has been rejected by Courts all over the world. Thus, the registered proprietor of a trademark would be entitled to the protections conferred by law and exclusivity vested within the territorial limits as conferred by a Municipal Law. *Prior use of a trademark in a dominion would ipso*



*facto not entitle its owner to claim exclusive trademark rights in another dominion.”*

(Emphasis supplied)

The Supreme Court, in *Toyota*, reinforced the applicability of the territoriality doctrine in the case of trademark rights, albeit in the backdrop of a passing off action, by observing thus, in para 33:

“33. The overwhelming judicial and academic opinion all over the globe, therefore, seems to be in favour of the territoriality principle. We do not see why the same should not apply to this country.”

**118.** The principle that trademark rights are territorial would also apply to the SCOTTISH STAG mark which the defendants seek to assert. The extent of user of the SCOTTISH STAG mark, by IMUK, outside the territory of India, cannot dilute the effect of infringement of the plaintiff’s ROYAL STAG mark by the use, by the defendants, of the INDIAN STAG mark, as the use, in both cases, is in India. The territorial rights to protect its registered trade mark from infringement, which Section 28(1) of the Trade Marks Act guarantees to the plaintiff cannot, therefore, be defeated by the use, howsoever extensive, of the mark SCOTTISH STAG by IMUK – even assuming it to be interconnected with Defendant 2 – outside the territory of India.

**119.** The defendant had sought to contend that the liquor trade was global in nature and that, therefore, the “territory” would be the entire world. In support of this contention, the defendant cited para 44 of *United Breweries*, para 82 of *Khoday Distilleries*, para 40 of *Radico Khaitan* and para 31 of *Lowenbrau AG*.



120. Of these four decisions, *Lowenbrau AG* alone, rendered by a learned Single Judge of this Court, might superficially seem to support the contention advanced by the defendant. The passages, from these decisions, on which the defendant places reliance, read thus:

Para 82 of *Khoday Distilleries* (by the Supreme Court):

“82. But then we are concerned with the class of buyer who is supposed to know the value of money, the quality and content of Scotch whisky. They are supposed to be aware of the difference of the process of manufacture, the place of manufacture and its origin. Respondent 3, the learned Single Judge as also the Division Bench of the High Court, therefore, failed to notice the distinction, which is real and otherwise borne out from the precedents operating in the field. (See Kerly's Law of Trade Marks and Trade Names, 13th Edn., p. 600.)”

Para 40 of *Radico Khaitan* (by a learned Single Judge of this Court):

“40. I find substance in contention of the learned counsel for the defendant that the numeral mark 8 is prima facie of non distinctive character. This is due to following reasons:

- That the aforementioned analysis done by the defendants itself shows that major players or competitor like Bacardi, Signature and others etc. *nationally and internationally* use the numeral 8 on their label. Thus, it does not remain the case of mere formal entries on the register but also is backed by the substantive user of the other parties which negatives the claims of exclusivity.
- There are authorities on the subject stating that there are some numerals like 8.5 or atleast 8 which are requirement of the trade which denotes the strength. The said aspect further clarifies that there is some nexus of the numeral 8 in respect of alcohol drinks.
- The plaintiffs are not registered for 8 per se and rather the registration is of 8PM in Part B of the register. The mark on part B was considered to be weak trade mark and rather prima facie descriptive one. The exclusivity in





the said mark can be defeated by showing the evidence of non distinctiveness. In the present case, the same thing has been shown.

- Overall by reading section 30 of the Act and testing the numeral 8 on the principles of the same (which I have already dealt with above on honest practices of trade), the use of the numeral in these circumstances by a tradesman when there are such overwhelming user by other parties as stated above coupled with the nexus of numeral in the trade, it can be safely said that use of the numeral 8 by any other person including defendant in respect of alcohol or beers cannot be said to be dishonest and would be protected by section 30 of the Act.

(Emphasis supplied)

Para 31 of *Lowenbrau AG*

“31. The above facts also reveal that the balance of convenience does not justify grant of interim injunction. The defendant No. 1-company was incorporated in 1999 and the defendant No. 2 has been marketing their products since 2003-2004. In the first year the sales were more than 9000 cases, which increased to more than 68000 cases in 2004-2005. In 2005-2006 its sales came down to more than 9000 cases again to go up nearly 34000 cases in 2006-2007. The plaintiffs filed the present suit in October 2007, after the defendants had already set up their factory and started marketing their products. The plaintiffs are yet to start production in India and their turnover in India is not disclosed. The defendants have pleaded acquiesce and estoppel along with delay. Both the parties are Germans and have been marketing their products worldwide using the mark/word ‘LOWENBRAU’ without objection from the other. The balance of convenience does not therefore support the Plaintiffs’ claim for grant of injunction. If both the parties can sell beer all over the world with the common mark/word ‘LOWENBRAU’ but can be distinguished from each other, there is no reason/cause why they cannot concurrently sell beer in India using the same mark/word ‘LOWENBRAU’. There are other distinguishing features in their marks and labels to separate them. There are no special grounds or reasons why a consumer of beer in India will not be able to distinguish between the two beers and will be deceived. Plea of passing off cannot be sustained.”

Para 44 of *United Breweries* (by a learned Single Judge of the High Court of Karnataka):



“44. In the instant case the product being sold by both the plaintiff and defendant is beer. Plaintiff is selling its product under the trade name of “Kalyani Black Label” and defendant is selling its product under the name of “Hercules Black Label”. The words “Black Label” is common to both plaintiff and defendant. These words are generic in nature and it is used across the world by various manufacturers of liquor and neither of the parties can claim any exclusive right to use of these words. The very label produced by the plaintiff along with Exhibit P-1 would indicate that the product is for sale in the State of West Bengal Only. Even Exhibit P-15 confronted to PW-1 in the cross examination would also indicate that said product is restricted for sale in State of West Bengal only. The disclaimer made by the Trade Marks authority for the words “Label” and “Masterbrew” would clearly indicate that plaintiff cannot have any right over these words i.e., “Black Label” and as such plaintiff cannot seek an action for passing off by the defendants for sale of its product by use of the words “Hercules Black Label”. As already observed herein above the words “Black Label” is used by manufacturers of liquor all over the world and therefore in a given case if it becomes apparent, that plaintiff's own conduct is tainted and plaintiff itself is prima facie an imitator of another person's design or words, then courts would be loath in granting an equitable relief. The factors which can be taken note of in on action for passing off, burden lies heavily on the plaintiff and he has to establish;

- (i) Similarity of the marks.
- (ii) Similarity of the goods.
- (iii) The relationship between the parties channels of trade.
- (iv) Relationship between the parties advertising.
- (v) Class of consumers.
- (vi) Evidence of confusion and defendant's intention to deceive.”

It is plain that these decisions do not lay down, as a principle of law, that user, by the defendant, of the impugned mark, or of any similar mark, outside the territory of India, with no substantial user within Indian territory, can be cited as a defence against infringement. In any event, in the wake of the decisions in *Toyota* and *Trans Tyres*, the



applicability of the territoriality principle is no longer open to question, and there is no justification for jettisoning the principle when one is dealing with alcoholic beverages. The words “the trade”, as employed in Section 17(2)(b) have necessarily to mean the trade in India. To my mind, it would create an extremely paradoxical situation if one were to extend the meaning of the words “the trade”, as used in the phrase “common to the trade”, to trade worldwide. No doubt, if, as in the cases cited by the defendant, the trade in the goods covered by the impugned mark also has a substantial Indian competent, apart from its global element, the Court would be entitled to take both into consideration while examining whether the mark is common to the trade. That, however, is not the case here.

## IX. Acquiescence

**121.** Section 33(1)<sup>66</sup> of the Trade Marks Act specifically provides for the effect of acquiescence on a plea of infringement. It envisages the divesting of all rights either to seek a declaration that a later trademark, which is alleged to be infringing, has been wrongly registered, or to injunct the use of such trademark, where the proprietor of the earlier trademark has, despite knowledge of the later trademark, acquiesced to its use continuously for five years. Once a

<sup>66</sup> 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.



particular exigency, and its sequelae, are specifically provided for by statute, that provision would prevail. It is only, therefore, where the conditions of Section 33 are strictly satisfied that acquiescence can be pleaded by the defendant as a defence to injunction, even where infringement is found to exist. The onus to establish existence of the conditions envisaged by Section 33 would, however, be on the defendant.

**122.** In the present case, beyond a bald plea that the defendants' INDIAN STAG and the plaintiff's ROYAL STAG were sold together at various outlets in Dubai, there is no substantial evidence to indicate awareness, by the plaintiff, of the use, by the defendants, of the impugned INDIAN STAG mark, much less of acquiescence to such use for a continuous period of five years or more. The conditions of Section 33 are not satisfied. Ergo, the plea of acquiescence has necessarily to fail.

#### X. Opposition by Treasury Wines

**123.** Regarding this contention of the defendants, it only needs to be noted that the opposition, by Treasury Wines, was to the application of the plaintiff for registration of the "STAG" mark. Inasmuch as the mark which the plaintiff is asserting in the present case is "ROYAL STAG", Treasury Wines' opposition to the application of the plaintiff for registration of the mark STAG is really of no relevance. Nor can the plaintiff be regarded as disentitled to interim relief for not having mentioned the fact, in the plaint.



## XI. Passing Off

124. While, therefore, a *prima facie* case of infringement, by the use of the INDIAN STAG marked by the defendants, of the plaintiff's ROYAL STAG mark, for IMFL, is made out, warranting interim injunction as sought, no case of passing off can, in my opinion, be said to exist, *prima facie*. The following passage from judgment of the Supreme Court in *Kaviraj Pt. Durga Dutt Sharma* authoritatively delineates the distinct boundaries of infringement and passing off actions:

“28. The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark and in equating the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right under Section 21 in respect of a registered trade mark and also of a passing off by the use of the same mark. The finding in favour of the appellant to which the learned counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in the colour and other features and their general get-up together with the circumstance that the name and address of the manufactory of the appellant was prominently displayed on his packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy for the event of the use by another of that mark or a colourable imitation thereof. While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for



infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods" (Vide Section 21 of the Act). 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. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

(Emphasis supplied)

**125.** The standard of proof, to sustain a charge of passing off is, therefore, higher than that which is required to sustain a charge of infringement. Added matter on the label, which may visually distinguish it from the mark of the plaintiff, the circumstances in which the products are sold, the genre of consumers who purchase the product, and a host of other circumstances, which could reduce the chance of the consumer mistaking the defendant's product for that of the plaintiff, would all militate against any finding of passing off.



**126.** Though *mens rea* need not be shown to exist for a plea of passing off to succeed, nonetheless, passing off is, classically, a tort of deceit. The character and complexion of passing off is not far removed from its normal etymological connotation. A defendant can be found guilty of passing off if the facts indicate that the defendant is passing off its goods, or services, as those of the plaintiff. Where infringement can be legitimately pleaded even on the sole ground that the defendant has used a mark which is confusingly or deceptively similar to the plaintiff's registered trade mark, and the establishment of the fact of such use would, *ipso facto*, justify a finding of infringement, the defendant can be found to have passed off its goods or services as those of the plaintiff's only if, keeping in mind all attendant facts and circumstances, including visual appearance of the two marks, and the manner in which they are used, the Court is able to arrive at a positive finding that the public might mistake the defendant's goods for the plaintiff's.

**127.** In the facts of the present case, given the difference in the visual appearance of the defendants' and plaintiff's labels, and the fact that the defendants' product is entirely exported, any finding of passing off would require the Court to be satisfied that, in foreign markets, consumers might mistake the defendants' goods for the plaintiffs. I am unable to arrive even at the *prima facie* finding in that regard on the basis of the material on record. At the very least, this issue would require leading of evidence and trial.





**128.** I do not find, therefore, *prima facie*, that a case of passing off is made out against the defendant and in favour of the plaintiff.

### **Conclusion**

**129.** In view of the above discussion, the plaintiff is entitled to confirmation of the *ad interim* order dated 25 July 2019.

**130.** Accordingly, the *ad interim* order dated 25 July 2019 stands confirmed, pending disposal of the suit.

**131.** IA 9922/2019 is, therefore, allowed, and IA 11201/2019 is dismissed.

**C.HARI SHANKAR, J**

**OCTOBER 31, 2023**

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