

.* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Judgment pronounced on :March 21, 2014*

I.A. No.8856/2013 & I.A. No.13853/2013 in CS(OS) 1029/2013

MIND GYM LTD Plaintiff

Through Mr.Shantanu Sood, Adv. with
Mr.Vaibhav Vutts & Ms.Aamna
Hasan, Advs.

versus

MINDGYM KIDS LIBRARY PVT LTD Defendant

Through Mr.R.K.Aggarwal, Adv. with
Ms.Parul Singh, Adv.

CORAM:
HON'BLE MR.JUSTICE MANMOHAN SINGH

MANMOHAN SINGH, J.

1. The present suit has been filed by the plaintiff for permanent injunction restraining infringement of trade mark, passing off, unfair competition, delivery up, recovery of damages etc. against the defendant. Alongwith the suit, plaintiff also filed an application under Order 39 Rule 1 and 2 being I.A.No.8856/2013.

2. The suit alongwith said interim application was listed before court on 24th May, 2013. After hearing, detailed ex-parte order was passed against the defendant restraining it from infringing and/or passing off the plaintiff's rights by using the trade mark **MINDGYM** or any other mark deceptively or confusing similar to the plaintiff's mark **THE MIND GYM** either as part or

its corporate name or as a trade mark or as a domain name or in any other manner.

3. Upon service of interim order, the defendant filed its written statement and contested the prayer of interim order passed on 24th May, 2013. The defendant also filed an application under Order 39 Rule 4 for vacation of an ex-parte interim order being I.A. No.13803/2013. By this order, I propose to decide both pending applications.

4. **The case of the plaintiff**

- (i) The case of the plaintiff is that plaintiff i.e. Mind Gym Limited was incorporated in United Kingdom in the year 1999. It has been stated that the plaintiff is renowned internationally for its pioneering business that mainly focuses on education/training, personal and professional development, mind management, thought process training and development, psychological and behavioural analysis, motivation and the training and development of mind. It has been stated that the plaintiff has its principal offices in the United Kingdom and the United States of America, its operations, activities, fame and reputation extend to over 30 countries around the world, including India.
- (ii) The plaintiff's trade mark and trade name **MIND GYM** is a unique, coined term that is inherently distinctive and a well known designation of source for plaintiff's products and services. The plaintiff's use of **MIND GYM** for its specific products and services has been exclusive, extensive and continuous in India and around the

world. The plaintiff has acquired reputation and goodwill in India and around the world.

- (iii) Plaintiff has statutory protection in major jurisdictions around the world, including United Kingdom, European Union, Australia, New Zealand, Canada, China, Hong Kong, Mexico, Norway, Russia, South Africa, Switzerland and United States. The plaintiff has stated that it is a registered proprietor of **THE MIND GYM** under classes 16,25,28,35,41 and 42 in India as on 2nd August, 2004 bearing registration no. 1299900.
- (iv) It has been stated **MIND GYM** was conceptualised in 1999 and is the brainchild of Mr. Octavius Black, Mr. Sebastian Bailey and Prof. Guy Claxton. The plaintiff's first **MIND GYM** workshop was conducted on 1st September, 2000 at Deutsche Bank in London. The plaintiff's concept and workshops were an instant success with businesses and, by its tenth year, over 500,000 people had taken part in one of the plaintiff's **MIND GYM** workshops.
- (v) Plaintiff's programs under its well known trade name and trade mark **MIND GYM** have been running in 30 different countries including India with 400 of the world's most successful organizations such as Google, Accenture, Sony, Shell, Vodafone etc.
- (vi) As a result of excellent quality of its products and services sold under its trade name and trade mark **MIND GYM** over the decades, the plaintiff has come to enjoy a significant goodwill and reputation all around the world, including India. Plaintiff has received numerous awards such as gold award for the "Learning Company of the Year

2013” by Learning Awards UK, the gold award for “External learning Project of the Year 2012’ by Learning Awards UK, etc.

- (vii) The plaintiff has a huge sales turnover details of which are given in Para 11 of the plaint and the global sales turnover for the year 2012 is stated to be ₹1,00,40,906/-. The plaintiff has widely advertised in all forms of media and the details of the advertisement and publicity expenses have been given in Para 12 of the plaint and the said expenses for the year 2012-2013 have been stated to be ₹2,73,182.22/-.
- (viii) The plaintiff owns a number of websites, list of which has been given in Para 13 of the plaint. Some of them are www.themindgym.com registered on 7th February, 2000, themindgym.info registered on 17th September, 2001, themindgymbook.com registered on 27th August, 2008.
- (ix) The plaintiff’s use of its well-known trade name/trade mark **MIND GYM** since inception has been continuous, extensive and exclusive. Not only has the plaintiff acquired statutory rights therein in India and other countries but it has also acquired significant goodwill and reputation in the said trademark through its extensive use in a focused manner exemplifying their brand positioning.

5. **Case against the defendant as stated in the plaint:**

- (i) It is the case of the plaintiff that in the first week of August, 2012, the plaintiff’s representatives were alerted to the defendant’s apparent adoption and use of the name/mark **MIND GYM** when the highly similar website www.mindgym.in showed up on an internet search they were conducting. The said website prominently displayed the

mark **MIND GYM** beta (stylized) and claimed that **MIND GYM** had been conceptualized by Mr. Tarun Jain and Mrs. Richa Jain as an innovative kids library and exchange concept. The said concept worked through a membership program where members could exchange books, toys, CDs and other learning resources through a number of franchisee outlets around the country.

- (ii) The plaintiff through its counsel wrote to Mrs. Richa Jain, the registrant and owner of the impugned domain name mindgym.in, vide letter dated 13th August, 2012 informing her about plaintiff's activities and ownership of the mark **MIND GYM** and asking her to cease use of the trade mark **MIND GYM**, transfer the impugned domain name to the plaintiff and to avoid any other trade mark/domain name that could be considered confusingly similar.
- (iii) In its reply dated 4th October, 2012, the defendant claimed that while it had been incorporated in the year 2008, it had been in operation as a business entity since the year 2005. It was stated that the trademark **MINDGYM** had been coined by Mr. Tarun Jain and it was operating under the trademark in various locations across India including Bangalore, Ahmadabad, Pune, Mumbai, Delhi and was serving tens of thousands of children across India. The defendant denied to get into any compromise or settlement with the plaintiff.
- (iv) The defendant in its reply denied the similarity between the plaintiff's mark and its impugned mark. It stated that its domain name was entirely different from that of the plaintiff because the plaintiff's website was a ".com" website which implied exclusive commercial activities whereas the defendant's website was a ".in" website that

implied operation only in India and did not suggest exclusive commercial use.

- (v) The plaintiff thereafter conducted enquiries in the defendant's activities during months of December, 2012-January, 2013, which revealed that the defendant had commenced operating a playschool in Bangalore under the name **MINDGYM**. The defendant was in process of launching its operations all across India through franchisees and was presently making some structural changes to accommodate a large scale operation.
- (vi) The defendant had filed a trade mark application dated 3rd December, 2012 for **MIND GYM** bearing No. 2436300 in Class 42, the class that covers plaintiff's registration. The application bears a date of first use of 9th March, 2006, contrary to its earlier claim of first use since 2005, even though the defendant was only incorporated in 2008.

6. **The case of defendant in the written statement:**

- (i) The defendant disputed the territorial jurisdiction of this Court to entertain the present suit. It was stated that the defendant does not have any operational library in Delhi and the defendant's kid library is located at Indirapuram, Ghaziabad, UP. This Court accordingly does not have the territorial jurisdiction.
- (ii) It was averred that the registration of the trademark **THE MIND GYM** has been wrongly granted and is liable to be rectified immediately. The plaintiff moved a multi-class application for registration with user as "proposed to be used".

- (iii) The word **MINDGYM** means exercise of mind and is highly descriptive and laudatory term in relation to any service or product related to exercise of mind.
- (iv) It was stated that the defendant is the prior user of the word **MINDGYM** in India, hence the suit of the plaintiff is liable to be dismissed.
- (v) The plaintiff is guilty of acquiescence since the defendant has been in the field for over 8 years and created its own goodwill and reputation over all these years and the plaintiff approached this Court after such a long period.
- (vi) The plaintiff has not approached the Court with clean hands and suppressed material and relevant facts. The plaintiff was aware of the existence of the defendant and its activities since 2006, when the defendant got registered its domain name mindgym.in and the defendant's website was up and running from April/May, 2008 onwards and continues to be operative till date. This fact has not been disclosed by the plaintiff intentionally with the sole intention to somehow obtain ex parte injunction and mislead the Court.

7. **Reply of the plaintiff to the written statement**

- (i) It has been stated that the defendant in its reply dated 4th October, 2012 to the plaintiff's cease and desist letter dated 13th August, 2012 voluntarily disclosed and admitted that it was running operational libraries in many cities around India, including Delhi. Accordingly this Court has jurisdiction to entertain the present suit.
- (ii) Additionally, when the defendant registered its impugned domain name and website, it voluntarily submitted itself to the jurisdiction of

Delhi Courts as required by the domain Registrar under the Domain Registration Policies globally administered and governed by ICANN.

- (iii) The defendant's contrary to its own action of applying for registration of the trademark **MINDGYM** claiming it to be a coined word, now alleges that the term **MIND GYM** to be highly descriptive or laudatory.
- (iv) It was denied that the defendant is a prior user of the word **MINDGYM** in India since the defendant's use was much after the plaintiff's registration, which dates back to 2nd August, 2004.
- (v) It was also denied that the plaintiff is guilty of acquiescence and that it had knowledge about existence of the defendant since 2006. It was stated that registration of a domain name through a third party registrar does not amount to knowledge or awareness on the plaintiff's part.

8. Let me now consider the rival submissions of the parties. Various judgments have been referred by both the parties, the counsel for the defendant has particularly referred to Section 9 of the Trade Marks Act, 1999 (hereinafter referred to as "the Act") and has referred to certain foreign judgments in support of his submissions.

Generic Name

9. It is argued by the learned counsel for the defendant that the mark **MIND GYM** is highly descriptive because it gives indication about the exercise of mind. Thus it is not protectable. On the other hand the same has been denied by the plaintiff.

10. In order to understand the arguments of the defendant, one has to examine the definition of the "mark" and the "trademark" under Sections

2(1)(m) and 2(zb) of the Act 1999 together. In Section 2(1)(m), the meaning of the “mark” includes the name and word and/or any combination thereof. Similarly, as per Section 2(zb), the “trademark” means, if the same is used in relation to goods or services for the purposes of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark. In the present case, it is the admitted position that the essential feature of the mark **MIND GYM** is registered trademark in favour of the plaintiff.

(i) In the case of *Automatic Electric Limited v. R.K. Dhawan, 1999 (19) PTC 81 (Del)* the aspect of generic mark has been extensively discussed in para 12-16 of the order, the same reads as under:

“12. There is no dispute to the fact that the trade mark "DIMMERSTAT" of the plaintiff is registered in 'PART-A' as is evident from the registration certificate dated 14.2.1957 in class '9' for variable auto transformers. The said trade mark exists in the registration book from the year 1957. The sale invoices placed on record indicate that the plaintiff has been carrying on the business of manufacturing and marketing and selling variable voltage auto transformers of their manufacture and sale in the trade name "DIMMERSTAT", immediately after obtaining registration thereto.

13. Section 28(1) of the Trade and Merchandise Marks Act provides that the registration of a trade mark in Part-A or Part-B of the register 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 in respect of which the trade mark is registered. Section 29(1) provides that a registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or a registered user thereof uses in the course of a trade mark which is identical with or deceptively similar to the trade mark in relation to any goods in respect of which the trade mark is

registered.. Thus, the right of exclusive use of the registered trade mark which is conferred under Section 28(1) of the Trade and Merchandise Marks Act shall stand infringed by use of an identical or deceptively similar trade mark also.

14. The trade mark "DIMMER DOT" of the defendants is admittedly not a registered trade mark although the own documents of the defendants placed on record indicates that they are using the trade mark "DIMMER DOT" as a registered trade mark in advertisements, invoices and pamphlets. Such act on the part of the defendants of indicating that their product under the trade mark "DIMMER DOT" as registered amounts to commission of offence under Section 81 of the Act. No application has also been filed by the defendants before the Registrar for cancellation of the registration of the trade mark "DIMMERSTAT" adopted by the plaintiff and granted as far back as 1957. These two are very vital issues and speak volume against the defendants. Counsel for the defendants, however, tried to overcome the aforesaid shortcomings by submitting that the word "DIMMER" being a generic and descriptive word in the context of auto variable transformers, no trader could monopolise the use of the said word in relation to auto variable transformers. The aforesaid submission, therefore, is to be scrutinised in the context of the facts and circumstances of the case.

15. The trade mark "DIMMERSTAT" is registered without any disclaimer to the exclusive use of the word "DIMMER" which is part of the composite trade mark "DIMMERSTAT". The whole of the trade mark as registered including the word DIMMER is subject matter of monopolistic right of exclusive use conferred by the Statute upon the plaintiff under Section 28(1). The validity of the registration of "DIMMERSTAT" cannot be challenged by the defendants in a proceeding like this for the defendants have a remedy to file cancellation of the registration in an appropriate forum. But, the said remedy has not been resorted to by the defendants till date. The object or the good involved herein is a variable auto transformer.

The word "DIMMER" as is understood in the common parlance and as stated in dictionary is connected with an arrangement for regulating the supply of the electricity, but, the product here is not a DIMMER, but, a variable transformer. Auto transformers have several applications including voltage and current control in experimental and development work in laboratories and R&D departments testing and calibration of indicating instruments etc. Thus variable auto transformers cannot be strictly called a "DIMMER" and both are not interchangeable for auto transformer has many other functions. The decision of the Supreme Court in J.R. Kapoor (supra) is also thus distinguishable on facts, for in that case micro-chip technology was the base for both the products which is not the case of the goods in hand.

16. The defendants got their trade mark "DIMMER DOT" registered in Australia. The fact that the defendant itself has sought to claim trade proprietary right and monopoly in "DIMMER DOT", it does not lie in their mouth to say that the word "DIMMER" is a generic expression. User of the word "DIMMER" by others cannot be a defence available to the defendants, if it could be shown that the same is being used in violation of the statutory right of the plaintiff. In this connection, reference may be made to the decision of this Court in Prakash Roadline Ltd. Vs. Prakash Parcel Service (P) Ltd.; reported in 1992(2) Arbitration Law Reporter page 174. Reference may also be made to the decision in P.M. Diesels Ltd. Vs. S.M. Diesels; reported in 53 (1994) Delhi Law Times 742. It was held in those decision that if the plaintiff is a proprietor of the registered trade mark, the same gives to the proprietor of the registered trade mark the exclusive right to use the trade mark with relation to goods in respect of which the trade mark is registered under the provisions of Section 28 of the Trade and Merchandise Marks Act."

- (ii) In the case of *Evergreen Sweet House Vs. Ever Green and Ors.*, 2008 (38) PTC 325 (Del), it was observed as under:

“14. Marks are often classified in categories of generally increasing distinctiveness; they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful. The last three categories are entitled to trademark protection because they are inherently distinctive and can serve to identify a particular source of a product. Generic marks, in contrast, refer to the genus of which the particular product is a species, and are usually unregistrable as trademarks and therefore, unprotectable. Marks that describe a product, the second category do not inherently identify a particular source, and hence cannot be protected unless they acquire distinctiveness through secondary meaning. Such secondary meaning is achieved when, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself.

15. A mark, is said to be deceptively similar to another (Section 2(1)(h), Trademarks Act, 1999) if it so nearly resembles that other mark as to be likely to deceive or cause confusion. Section 29(1) deals with a situation where the defendant uses a mark, which is identical or deceptively similar to that of the plaintiff, in respect of the same goods or services, and in such manner that it is likely that such use is taken as being an use as a trademark. This amounts to infringement. To fall within Section 29(1), the defendant's use of the mark must be so that it is likely that the public assumes that the said mark is used as a trademark. Section 29(2) deals with three situations; one where the defendant's mark is identical to that of the plaintiff and in respect of similar goods. Two, where the marks are similar and in respect of goods which are identical or similar. Three, the marks as well as the goods are identical. Infringement does not take place if only one of the three ingredients are satisfied; the plaintiff has to prove that use by the defendant is likely to cause confusion on the part of the public or is likely to have an association with the registered mark.”

(iii) It has been rightly observed in the case of *Hindustan Embroidery Mills Pvt. Ltd. Vs. K. Ravindra and Co.*, 1974 (76) BOM LR 146 that “*It is not the practice to consider the validity of the registration of a trade mark on a Motion for interlocutory injunction taken out by the person who has got the mark registered in his name. While a mark remains on the register (even wrongly), it is not desirable that others should imitate it.*”

(iv) In the case of *The Registrar of Trade Marks vs. Ashok Chandra Rakhit Ltd.*, (1955) 2 SCR 252, a trade-mark containing the word 'Shree' was first registered and there-after the registered owner was required to disclaim the word 'Shree', it was observed that “*In view of the finding the present case the respondent company could well be left, as it was in fact left, to protect its rights by other proceedings, e.g., passing off actions or prosecutions which, by reason of the proviso, were open to be taken by it, if the necessary facts to support such proceedings which were not before the Registrar could be satisfactorily established.*”

11. In the present case, it is admitted by the defendant that **MIND GYM** is a coined mark and even the defendant itself has applied for registration of the trademark **MINDGYM**. At this stage, I am of the considered view that once the defendant has sought the registration on the basis of distinctive mark, he is stopped from raising the validity of the same trade mark in an infringement action. Two contrary pleas are raised by the defendant, who now cannot be allowed to take the benefit of the same if any action is taken by the registered proprietor.

12. In view of the above, the plea raised by the defendant at this interim stage cannot be accepted as admittedly the same mark is registered in favour of the plaintiff.

Goodwill and reputation in India by the plaintiff in an action for passing off

13. Infringement of a registered trademark is caused by the use of the mark which is identical or nearly resembling to that of registered trademark in respect of the same, similar or different goods in terms of provisions of the Act. In that sense, the remedy of infringement is statutorily conferred upon the registered proprietor. On the other hand, passing off action is an action in common law which is essentially the protection of goodwill and reputation which the person has created by virtue of carrying out of business activities under a particular name and style or under a brand name for that matter and the said action is an action in deceit which is to prevent any misrepresentation caused amongst public. The said misrepresentation may be in the form of innocent representation or deliberate representation which is immaterial in the case of passing off.

14. The fundamental difference that passing off is an action which essentially protects goodwill and not the unregistered trademark has been explained in the case of *Star Industrial Co. Ltd. v. Yap Kwee Kor [1976] Fleet Street Patent Law Reports 256* decided by Privy Council comprising Lord Diplock in his speech wherein it has been observed that passing off is an action which is to preserve the goodwill of a person and not aimed at to protect an unregistered trademark. In the words of Lord Diplock, it has been observed as under:-

“Whatever doubts there may have previously been as to the legal nature of the rights which were entitled to protection by an action for “passing off” in courts of law or equity, these were laid to rest more than 60 years ago by the speech of Lord Parker of the Waddington in A.G. Spalding & Bros. v. A.W. Gamage Ltd. (1915) 32 R.P.C. 273 (“the Gamage Case”) with which the other members of the House of Lords agreed. A passing off action is a remedy for the invasion of a right of property not in the mark, name or get up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person’s goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and divisible; if the business is carried on in several countries a separate goodwill attaches to it in each. So when the business is carried abandoned in one country in which it is acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries. Once the Hong Kong Company had abandoned that part of its former business that consisted in manufacturing toothbrushes for export to and sale in Singapore it ceased to have any proprietary rights in Singapore which was entitled to protection in any action for passing-off brought in the courts of that country.”

15. From the reading of the said observation of Lord Diplock’s speech, it is clear that the gist of passing action is goodwill and reputation which is sought to be protected and thereby misrepresentation is prevented in the course of trade. It is altogether different matter that misrepresentation may include the use of mark in the course of trade and ultimate effect of passing off action in most of the cases is protection of the trademark anyway, but the heart and soul of the passing off action has always been protection of goodwill and reputation aimed at to prevent misrepresentation.

16. The plaintiff has filed the following documents in order to show goodwill of the mark **MIND GYM**. The details are referred as under:

- (i) Legal proceedings certificate obtained from the Registrar of Trade Marks certifying the entries related to the plaintiff's registration No. 1299900 for THE MIND GYM in classes 16, 25, 28, 35, 41 & 42.
- (ii) Representative list of worldwide trade mark registrations owned by plaintiff for the mark **MIND GYM** along with copies of extracts of some such registrations in Australia, Canada, CTM, Hong Kong, New Zealand, UK & USA.
- (iii) Ownership details of plaintiff's website obtained from www.whois.com.
- (iv) Printouts of some archived versions of plaintiff's website located at www.themindgym.com from the years 2000, 2002, 2004 & 2006.
- (v) Printouts of some pages from the current version of plaintiff's websites located at www.themindgym.com and www.parentgym.com.
- (vi) Representative copies of plaintiff's email new letter MIND MATTERS sent by plaintiff to over 20000 corporate addresses around the world.
- (vii) Printout of reports generated from Google Analytics reflecting the countrywide and Indian statewide traffic to plaintiff's website at www.themindgym.com from 2007-2013.

- (viii) Representative city wise list of MIND GYM sessions conducted in India by the plaintiff since the year 2006.
- (ix) Copies of representative invoices from the year 2001 issued by the plaintiff.
- (x) Copy of Annual Report of the plaintiff for the year ending 31st March 2006.
- (xi) Copy of Annual Report of the plaintiff for the year ending 31st March 2012.

17. The gist of passing off action has been explained by Lord Diplock in yet another judgment of *Erven Warnink v. J. Townend & Sons (Hull) Ltd.* [1980] RPC 31 wherein Lord Diplock has laid down five essential elements which are necessary to be proven as jurisdictional facts for the purposes of establishing the tort of passing off. The said five ingredients are as under:-

- (1) A misrepresentation
- (2) Made by a trader in the course of trade
- (3) To his prospective customers
- (4) Which is calculated to injure the business or goodwill of another trader and
- (5) Which causes actual damage to a business or goodwill of trader by whom the action is brought?

18. One of the essential ingredients is goodwill. The classic case of passing off as it existed since its genesis always insist the existence of goodwill of a merchant in order to give him a locally enforceable right to sue for passing off. This has been explained by Kerly's in his book called

Law of Trade Marks and Trade Names (Fourteenth Edition) (South Asian Edition 2007), wherein the concept of goodwill has always been categorized as local in character and the learned author observed thus:-

“since an essential ingredient of passing off is damage (or prospective damage) to goodwill, he (the Plaintiff) must show that he had, at the date when the Defendants started up, in this country not merely a reputation but a goodwill capable of being damaged. Goodwill, however, is local; it is situated where the business is. Thus a foreign claimant may have a reputation in this country-from travellers or periodicals of international circulation or, increasingly, from exposure on the Internet-yet still fail in an action for passing off because he has here no business and so no goodwill. Such cases have been not uncommon in recent years, and have caused considerable difficulty. Where there is a substantial reputation here, our courts will often accept minimal evidence that a business exists here, but there has to be some”.

19. This concept of goodwill and the insistence of localized business has been traditional concept of passing off which sometimes is called as classic case of passing off. However, this concept of passing off has undergone changes due to advent of technology and modernization. For the said reason the tendency to insist localized goodwill has been transformed into proving reputation of a global character. All this would mean that courts entertaining the case of passing off can discount the localized existence of goodwill and the business in the territory specific if the substantial nature of reputation has been proved which has some kind of nexus in the territory where the protection is sought and the said concept in the modern language is called trans-border reputation whereas the goodwill is always local in character, the concept of reputation is dynamic and is all encompassing. The reputation of a person can transcend boundaries by virtue of its advertisement in the

newspapers, media circulation, expatriate reputation due to cultural akin ness and all other relevant factors which connect one countries business with that of another. This has been aptly explained by the Division Bench of Delhi High Court in the case of **N.R.Dongre v. Whirlpool Corporation**, AIR 1995 Delhi 300 wherein the S. Jagannath Rao, J. speaking for the Bench has approved the concept of trans-border reputation in the following words:-

“(25) Thus a product and its trade name transcend the physical boundaries of a geographical region and acquire a trans border or overseas or extraterritorial reputation not only through import of goods but also by its advertisement. The knowledge and the awareness of the goods of a foreign trade and its trade mark can be available at a place where goods are not being marketed and consequently not being used. The manner in which or the source from which the knowledge has been acquired is immaterial”.

20. The said judgment of **Whirlpool** (supra) has been approved by the Hon’ble Supreme Court of India in the case of **N.R. Dongre and Ors. vs Whirlpool Corpn. and Anr.**, 1996 (2) ARB.LR 488 SC wherein J.S. Verma, J. speaking for the Bench again reiterated the exposition of law laid down by the Division Bench of Delhi High Court. This exposition of 1996 in the case of **Whirlpool** (supra) has been further revisited by the courts in India more importantly in the case of **Allergan Inc. v. Milment Oftho Industries**, 1999 PTC (19) (DB) 160 wherein Ruma Pal, J. has carefully analyzed the interplay between the goodwill and reputation in a case of passing off action and has laid down that the courts in India have followed the third approach which is a middle path wherein strict insistence of localized business is not necessary. However, reputation which is sought to be protected has to be

substantial one having global character. The observation made by Hon'ble Judge is as under:-

“13. Reputation is the connection that the public makes between a particular product or service and a particular source which may or may not be known. Some Courts have held that reputation which is built up on the basis of trade within the country is entitled to protection from passing off. Others Court have made some concession to the communication explosion and held that if the plaintiff has a reputation in another country, his right to the mark will be protected if it is coupled with some actual or proposed business activity within the country (See Alain Beniardin et Cie v. Pavilion Properties, (1967) RFC 581; Amway Corporation. v. Eurway Int. Ltd. (1974) RFC 82."Still other Courts have held that with the increase in international commerce, mass media communications and the frequency of the foreign travel, political and geographic boundaries do not stem the exchange of ideas and instant information. Local business is not an essential ingredient of a passing off action. However, the reputation must be well established or a known one See : Panhard et Levassor v. Panhard Motor Co. Ltd., (1901) 18 RPC 405; Sheraton Corpn. v. Sheraton Motels, (1964) RPC 202; Orkin Exterminating Co. Tnd. v. Pest Co. of Canada (1985) 5 Canadian Patent Reporter 433; Vitamins L. D.'s Application for Trademark, 1956 (1) RPC 1. The decisions which reflect the first and second view have so held for reasons which are partly historic, partly geographic and partly because reputation was equated with goodwill. Goodwill has been defined as the benefit derived from reputation. It is not the reputation required to found a passing off action. The law of passing off is not trammelled by definitions of goodwill developed in the field of revenue law [per Hockhart J., Conagra Inc. v. McCain Foods (Aust) P. Ltd., 1993 (23) IPR 193 231]. It is an asset of a business assessable in terms of money and transferable (See IRC v. Muller, (1901) AC 217, Trego v. Hunt (1896) AC 7; ITC v. B.C. Srinivas Shetty. In my

opinion reputation framing the basis of a passing off action need not be so localised. Whatever the compulsion for the Courts taking the first or second view in other countries, as far as this country is concerned, Courts in India prescribe to the third view and have held that a plaintiff with a reputation which is established internationally can sue to protect it in this country even if it does not have any business activity here. In other words reputation of a product may precede its introduction and may exist without trade in such product in the country. See N.R. Dongre v. Whirlpool Corporation, (DB); J. N. Nichols (Vimto) Ltd. v. Rose & Thistle, 1994 PTC 83 (DB); Calvin Klein Inc. v. International Apparels, (1995) FSR 515 : 1995 IPLR 83; Conagra Inc. v. McCain Foods (Supra) at p. 133.”

21. The said judgment passed in the case of **Milment** (supra) passed by Division Bench of Kolkata High Court has been further approved by Hon’ble Supreme Court of India in the case of **Milment Oftho Industries v. Allergan Inc.**, (2004) 12 SCC 624 presided by S.N. Variava, J. wherein the Supreme court has laid down that :

“It must also be remembered that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a worldwide reputation. Thus, if a mark in respect of a drug is associated with the Respondents worldwide it would lead to an anomalous situation if an identical mark in respect of a similar drug is allowed to be sold in India. However one note of caution must be expressed. Multinational corporations, who have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian Company by not permitting it to sell a product in India, if the Indian Company has genuinely adopted the mark and developed the product and is first in the market. Thus the ultimate test should be who is first in the market”.

It was further observed on the facts of the case as under:

“(9) In the present case, the marks are the same. They are in respect of pharmaceutical products. The mere fact that the Respondents have not been using the mark in India would be irrelevant if they were first in the world market. The Division bench had relied upon material which prima facie shows that the Respondents product was advertised before the Appellants entered the field. On the basis of that material the Division Bench has concluded that the Respondents were first to adopt the mark. If that be so then no fault can be found with the conclusion drawn by the Division Bench.”

22. The overall effect of the said judgment was pretty clear that the courts in India have started recognizing the global character of the brand names and have started giving them protection merely on the basis of global nature of reputation without insisting any localized business which was significant departure from the classic trinity laid down by Lord Diplock in the case of *Erven Warnink* (Supra). The position of law uptill *Milment* has been followed that the courts in India by placing reliance on the said decision have proceeded to grant interim orders to the multi-nationals having their brands which are of global character and prevented the misuse of the said brands by protecting trans-border reputation subject to fulfilling of essential characteristics necessary to prove trans-border reputation. The decision in the case of *Milment* was also rendered in the year 2004 when the impact of internet, e-commerce, social media was yet to be seen and realized.

23. Recently, on 24th January, 2014, this Court has rendered a decision in the case of *Cadbury UK Limited & Anr vs. Lotted India Corporation Ltd.*, reported in 2014 (57) PTC 422 (Delhi) wherein the decision of law relating to trans-border reputation has been further strengthened and has been taken to another level wherein the court has not merely relied upon the decision of

Milment (Supra) and *Whirlpool* (Supra) but has also extended the principle of trans-border reputation by observing that the existence of a merchant on web pages which are of foreign origin and social media are sufficient to show the trans-border nature of reputation without having any activity in India at the relevant time. Though it is very broad extension of the concept of trans-border reputation, but it is a question of fact in each case as to how the internet documents are sufficient to show the global character of the trademark and the reputation attached to the same. The impact of the said decision which has been given very recently is yet to be seen and analyzed by the other courts in India in the upcoming times. Effectively, the concept of trans-border reputation and goodwill is interesting in academic sense. However, due to advent of internet media, international travel, the insistence on the localized business as well as trans-border reputation is nowadays more or less dealt with in a kind of presumptive approach rather than by actual establishment of the same. As the international businesses grow and proximity between the markets would increase, over the time this concept will become weaker and on one good day world will be treated as one market.

24. In para 33 of the said decision, Dr. S. Murlidhar, J. has summarized the following principles:

“Legal principles summarized

33. The position, therefore, that emerges from the above case law is:

(a) The concept of goodwill is derived from reputation but the reputation need not be necessarily a local reputation. It can

even be a spill over in India of the international reputation enjoyed by the Plaintiff's mark.

(b) It is not necessary for the Plaintiff to actually show the presence of or sale of its products in India as long as it is able to establish that it enjoys a spill over reputation in India. In other words, the reputation of a product may precede its introduction and may exist without trade of the product in the country.

(c) The proof of reputation can be in the form of advertisements in the media and general awareness which in the modern day context would include advertisements or display on the internet and social media. The reputation must be shown to exist at the time the Defendant enters the market.

(d) A mechanical incantation of reputation is not sufficient. There must be some material that the product is known to the Indian consumer. The material will be scrutinised by the Court from many relevant perspectives including the class of consumers likely to buy the product (See the decision dated 15th March 2010 of this Court in CS (OS) 626 of 2006 Roca Sanitario S.A. v. Naresh Kumar Gupta).

(e) Although in the internationalisation of trade there could be a possible confusion with the domestic trader bona fide adopting business names similar to names legitimately used elsewhere, a dishonest adoption or use of a mark similar to one having a reputation in the market, with a view to causing deception or confusion in the mind of the average consumer, may invite an injunction. including the class of consumers likely to buy the product (See the decision dated 15th March 2010 of this Court in CS (OS) 626 of 2006 Roca Sanitario S.A. v. Naresh Kumar Gupta).

(e) Although in the internationalisation of trade there could be a possible confusion with the domestic trader bona fide adopting business names similar to names legitimately used elsewhere, a dishonest adoption or use of a mark similar to one having a reputation in the market, with a view to causing

deception or confusion in the mind of the average consumer, may invite an injunction.”

25. In the present case, there is prima facie evidence available on record to show that the plaintiff has a user of the mark **MIND GYM** which has acquired goodwill and reputation in various countries of the world including India. Thus, there is no force in the submission of the defendant that plaintiff has no use in India.

26. The test of confusion and deception in order to prove the case of passing off has been very well discussed in the case of *Laxmikant V. Patel vs. Chetanbhai Shah And Another*, a judgment delivered by the Supreme Court, reported in (2002) 3 SCC 65, wherein the Apex Court while considering a plea of passing off and grant of ad interim injunction held in no uncertain terms that a person may sell his goods or deliver his services under a trading name or style which, with the passage of time, may acquire a reputation or goodwill and may become a property to be protected by the Courts. It was held that a competitor initiating sale of goods or services in the same name or by imitating that name causes injury to the business of one who has the property in that name. It was held that honesty and fair play are and ought to be the basic policy in the world of business and when a person adopts or intends to adopt a name which already belongs to someone else, it results in confusion, has the propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury. It was held that the principles which apply to trade mark are applicable to trade name also.

Relevant para 10 of the aforesaid judgment reads as under:-

“The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that his goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.”

In this case, the Apex Court further observed that:

“Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently.”

27. In another case of passing off, a Division Bench of this Court in the case of ***B.K.Engineering Co. vs. Ubhi Enterprises and Anr.***, reported in 1985 PTC 1, in para-57 inter alia it is held that trading must not only be honest but must not even unintentionally be unfair.

Thus, it appears to the Court that the plaintiff has made a strong case of passing off in its favour. In case the defendant is allowed to use the similar name, it would amount to passing off his business and services as that of the plaintiff. No justification has been given by the defendant to use similar name. It appears that the defendant was aware about the name, goodwill and reputation of the plaintiff's name **MIND GYM** at the time of its adoption. Thus, such user by the defendant is tainted and dishonest.

Infringement

28. It is settled law that in order to prove the case for infringement of trade mark, the plaintiff has to show that the essential features of the

registered trade mark which has been adopted by the defendant has been taken out from the plaintiff's registration. Only the marks are to be compared by the Court and in case the registration is granted in favour of the plaintiff, he acquires valuable right by reason of the said registration.

29. In the present case, two trademarks and trade names of the parties are identical. It is not denied by the defendant that the plaintiff has obtained the registrations in various countries of the world including India. The said registrations are valid on the date of action. None of the registration is challenged by any party in India or abroad.

30. The law relating to infringement of a registered trademark has been envisaged under Section 29 of the Act and exclusive rights granted by virtue of registration under Section 28 which reads as under:-

“29. Infringement of registered trademarks –

(1) 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 is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(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.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) 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-

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(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;

(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.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising-

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.”

“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.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those person as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.”

31. By mere reading of these provisions, it is clear that a registered trademark is infringed by a person who not being a registered proprietor, uses in the course of trade a mark which is identical or deceptively similar in relation to the goods or services which are identical or similar to that in respect of which the trademark is registered without the permission of the trademark owner.

Principle of infringement and grant of injunction

32. The following are the judgments are relevant to be referred to for the purpose of grant of relief in the cases of infringement of the trade marks:

i. *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories* AIR 1965 SC 980, it was held in Para 28 that:

“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 s. 21 in respect of a registered trade mark and also of a passing off by the use of the same make. 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 their 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 in the event of the use by another of that mark or a colourable limitation 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 s. 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 limitation 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 use of the defendant's mark is likely to deceive, but were 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 limitation, 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 make 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”

ii. *In the case of **American Home Products v. Mac Laboratories** AIR 1986 SC 137 in Para 36 it was held as under:*

“When a person gets his trade mark registered, he acquires valuable rights by reason of such registration. Registration of his trade mark give him the exclusive right to the use of the trade mark in connection with the goods in respect of which it is registered and if there is any invasion of this right by any other person using a mark which is the same or deceptively similar to his trade mark, he can protect his trade mark by an action for infringement in which he can obtain injunction....”

iii. *In the case of National Bell Co. v. Metal Goods Mfg. Co. AIR 1971 SC 898 at page 903 it was held as under:*

“On registration of a trade mark the registered proprietor gets under Section 28 the exclusive right to the use of such trade marks in relation to the goods in respect of which the trade mark is registered and to obtain relief in respect of any infringement of such trade mark.”

iv. *M/s Avis International Ltd. vs. M/s Avi Footwear Industries and another*, reported in AIR 1991 Delhi 22, the relevant paras of which read as under:

“14. At this stage of the case, we have no affidavit against another affidavit, and in view of the statutory provisions of Ss. 28 and 31 of the Trade and Merchandise Marks Act, it would be appropriate to rely upon contentions of the plaintiffs.

15. It is apparent that the word AEVI is not a commonly used word. The word is not in a dictionary. Its adoption by the defendants, therefore, needed to be explained, which the defendants have not explained in the pleadings before the Court.

16. Phonetically the word AVIS, which is registered mark for footwear, and the word AEVI'S have to be pronounced identically. The business name of the defendants is known as AVI Footwear Industries. Prima facie, if it was the intention of the defendants by affixing the label AEVI'S on the footwear made by them was to indicate that the footwear carrying that label is made by the AVI Footwear Industries, then the mark they would have adopted would have been AVI, but that they have not done. They have tried to bring their mark/ label as close as possible phonetically to the registered mark AVIS.

17. In my view, the statutory monopoly which has been conferred upon the plaintiffs in connection with use of the mark AVIS for any other consideration in relation to grant or non-grant of an injunction, especially when the matter is at

an interlocutory state, and is yet to be tried, and it cannot be foreseen as to whether the defendants who seek rectification of the plaintiffs mark, on account of nonuser]would be able to prove their case. The statutory registration establishes prima facie case in favour of the plaintiffs.

18. *In this view of the matter, I think that the balance of convenience would be in favOuoR of the plaintiffs, to ensure that by concurrent user, during the period of the trial, no other rights come into existence. In my view, it is very convenient, if the defendants are so minded, to adopt any other label that establishes a connection in the course of trade with respect to the footwear manufactured by them.”*

In view of the above said facts and circumstances, it is held that two marks and trade names **MIND GYM** visually, phonetically and structurally are identical as well as deceptively similar. The use of the same trade mark and corporate name by the defendant amounts to infringement of trade mark of the plaintiff. In case the defendant is allowed to use the same trade mark and trade name, there would be confusion and deception.

Trade Name

33. The defendant's contention has no force that since the name was registered under the Companies Act and under various provisions the defendant is entitled to use the name of the company, therefore, this Court should not pass the injunction order in view of settled law laid down by various High Courts in India. It is not denied by the defendant that the mark **MIND GYM** is used by the plaintiff as dominant and essential part of its corporate name. Few judgments in this regard are as under:-

1. In **K.G. Khosla Compressors Ltd. vs. Khosla Extraktion Ltd.**, reported in AIR 1986 Delhi 181, D.P. Wadhwa, J., of this Court restrained the use of the KHOSLA as part of the corporate name of the defendant despite the fact that the fields of activity

of both parties were entirely different (compressors v extraction business).

2. In *Montari Overseas Ltd. vs. Montari Industries Ltd.*, reported in 1996 PTC (16) 142, a Division Bench of this Court restrained the defendant from using Montari as part of its corporate name. The Court held that remedies under Section 22 of the Companies Act and common law of passing off operate in different fields. The Court relied upon the decision of *K.G. Khosla Compressors Ltd. vs. Khosla Extraktion Ltd.* (supra). The areas of operation of the two concerns were also different.
 3. In *Kirloskar Diesel Recon P. Ltd. vs. Kirloskar Proprietary Ltd.*, reported in 1997 PTC (17) 469, S.M. Jhunjhunwala held that under the Trade & Merchandise Marks Act, 1958 the term 'trade mark' in Section 105(c) would include the trade name also. The Court accordingly restrained the defendant from using KIRLOSKAR as part of its corporate name in an action for passing off and infringement. This decision was cited with approval by the Supreme Court in *Mahendra & Mahendra Paper Mills Ltd. vs. Mahindra & Mahindra Ltd.*
34. Section 20 of the Companies Act, 1956 reads as under:
- “20. Companies not to be registered with undesirable names.—(1) No company shall be registered by a name which, in the opinion of the Central Government, is undesirable.
- (2) Without prejudice to the generality of the foregoing power, a name which is identical with, or too resembles,
- (i) the name by which a company in existence has been previously registered; or
- (ii) a registered trade mark, or a trade mark which is subject of an application for registration, of any other person under the Trade Marks Act, 1999, may be deemed to be undesirable by the Central Government within the meaning of sub-section (1).

(3) The Central Government may, before deeming a name as undesirable under clause (ii) of sub-section (2), consult the Registrar of Trade Marks.”

Sub-section (2) (ii) of the said provision was incorporated with effect from 15th September, 2003 when the Act also came into operation from the said date. The said provision mandates that the companies not to be registered if a name is identical with or too nearly resembles the name which has been previously registered or a registered trade mark or a trade mark which is a subject of an application for registration under the Act.

Different field of activities

35. It has been argued on behalf of the defendant that the activities carried out by the defendant under the mark **MIND GYM** are very distinct and different from the plaintiff's activities. The defendant's **MINDGYM** library service caters to only kids, while as the plaintiff's services are offered to highly qualified and educated adult professionals. The said contention is denied on behalf of the plaintiff and it has been stated that use of the said mark would cause confusion.

36. In the case of *Essel Packaging Ltd. v. Essel Tea Exports Ltd.*, 1999 PTC (19) 521, the High Court of Bombay after considering *Kirloskar Diesel Recon Pvt. Ltd. vs. Kirlosker Proprietary Ltd.* and *Bajaj Electricals Pvt. Ltd. vs. Metals and Allied Projects*, held, that common field of activity is not conclusive for deciding whether there can be passing off action, although at one point of time the said test was treated as conclusive. It was held that with the passage of time the law of requirement of common field of activity in a passing off action has undergone a radical change and as such there was

no requirement for a common field of activity to found a claim on passing off action, because the real question in each of such cases is, whether there is, as a result of mis-representation, a real likelihood of confusion or deception of the public and consequent damage to the plaintiff is likely to be caused and if that is taken to be the test then the focus is shifted from the external objective test of making comparison of activities of the parties, to the state of mind of public, in deciding whether it will be confused. Applying these principles the injunction in favour of the plaintiff was granted.

37. Even in case of **Corn Products Refining Co. v. Shangrila Food Products Ltd.**, 1960 SC 142 it has been held as under:

“.....There is no reason why the test of trade connection between different goods should not apply where the competing marks closely resemble each other just as much as it applies, as held in the "Black Magic" and "Panda" cases, where the competing marks were identical. Whether by applying these tests in a particular case the conclusion that there is likelihood of deception or confusion should be arrived at would depend on all the facts of the case.”

38. It appears from the entire gamut of the matter that the business activities of both the parties are overlapping. Therefore, in case the defendant is allowed to use the mark **MIND GYM**, the same would amount to confusion and deception.

Prior user claimed by the defendant

39. Admittedly the defendant's company was incorporated in 2008 however, it is alleged by the defendant that he has been using the mark **MIND GYM** since 2005, thus the defendant is the prior user of the said

trademark. The plaintiff on the other hand has denied in the replication that the defendant is a prior user of the word **MINDGYM** in India since the defendant was incorporated in 2008, much after the plaintiff's registration, which dates back to 2nd August, 2004. Thus the contention of the defendant that it is the prior user of the mark **MIND GYM** in my considered view is without any force.

Territorial Jurisdiction

40. In the present case, the plaintiff has invoked the jurisdiction of this Court in Para 41 of the plaint which reads as under:

“41. That the Hon'ble Court has the territorial jurisdiction to try and entertain the present suit as the cause of action to file the present sui has arisen at Delhi as the Defendant admittedly has an operational library in Delhi and within the territorial jurisdiction of this Hon'ble Court and therefore this Hon'ble undisputedly has jurisdiction by virtue of Section 20 of the CPC. Further the Hon'ble Court has jurisdiction by virtue of Section 134(2) of the Trade Marks Act, 1999 as the Plaintiff voluntarily carries on business in Delhi under its trade name/trade mark MIND GYM within the territorial jurisdiction of the Hon'ble Court.”

41. In *Exphar SA v. Eupharma Laboratories Ltd.*, (2004) 3 SCC 688, the Supreme Court has held that when an objection to jurisdiction is raised, the Court can proceed on the basis that the facts as pleaded by the initiator of the impugned proceedings are correct.

42. It is the admitted position that the defendant in its reply dated 4th October, 2012 to the plaintiff's cease and desist letter itself admitted and disclosed that it and disclosed that it was running its operations in many cities around India including Delhi.

43. In view of the settled law, prima facie this Court finds that this Court has got the territorial jurisdiction even as per admission made by the defendant. However, issue of jurisdiction has to be decided after framing of issues when the matter is taken for final disposal of the suit. The said issue is thus kept open.

Common to the Trade

44. The case of the defendant in the written statement is that the mark **MIND GYM** is common to the trade and there are many companies who have been using the mark **MIND GYM** as part of their corporate names or the firm names even prior to the user claimed by the plaintiff. Certain documents have been referred by the counsel for the defendant in order to show that the said name was advertised and applied for registration prior to the use claimed by the plaintiff but no actual user of the parties have been placed on record. No cogent evidence has been produced by the defendant in order to show third party user.

45. The following cases are relevant in this regard:

(i) In the case of **Jagan Nath Prem Nath Vs. Bhartiya Dhoop Karyalaya**, AIR 1975 Delhi 149, it was observed as under:

“12. There is another significant fact relevant for purposes of the present appeal. The respondent is admittedly a manufacturer of 'agarbatis'. By trade marks Nos. 180044 and 157462 he got the same registered in respect of these goods. Under the former trade mark he got the name of 'RAJKAMAL' per se registered in respect 'dhoopagarbatis' and 'havan samagaris' etc., for the territories mentioned in the certificate. By the latter registration he got the device mark registered. In none of these trade marks, numerals 555 appear. These numerals have now been added by the

respondents to his registered trade mark. This prima facie lends support to the claim of the appellant that he has done so deliberately as these numerals have come to be associated in the mind of the public with a particular quality of 'agarbati' made by the manufacturer of trade marks with these numerals.

13. The learned single Judge felt disinclined to continue the injunction mainly because he found that two other manufacturers, whose names we have set out earlier in this order, had already been selling 'agarbatis' manufactured by them under their registered trade mark containing the numerals 555. To our mind, at the present stage, this alone, without anything more, does not furnish a sufficient ground to discharge the injunction because of the provisions in sub-section (3) of Section 28 of the Act. Sub-section (3) of this Section provides that where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not be deemed to have been acquired by any one of those persons but regarding the right of such registered proprietors against third parties, it says that:

".....each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor".

14. The result, Therefore, in law is that even though the appellant may not be in a position to enforce any right against the other two registered holders of the trade mark using the numerals of 555 but against every third person (including the respondent) who is not a registered holder of the trade mark, he is entitled to enforce all his rights as registered holder of the trade mark. In our view, Therefore, as the respondent itself has applied for rectification of the appellant's trade mark in respect of the numerals '555' and has specifically pleaded therein that the appellant's goods

are not known in the market by these numerals (vide para 3 of the application referred to above) there was a prima fade case for the appellant for the confirmation of the injunction till such time as the respondent is able to prove his contention before the Registrar.

15. Shri P. C. Khanna, learned counsel for the respondent argued that where a distinct label is registered as a whole such a registratio ndoes not confer any exclusive statutory right on the proprietor to use any particular word or name contained therein, apart from the mark as a whole. Reliance in support of this proposition was placed on the observations in the Registrar of Trade Marks v. Ashok Chandra Rakhit Lid. (1955) 2 S-C-R. These observations in the cited case were made in the context of exercise of powers conferred on the Registrar by Section 13 of the Trade Marks Act, 1940. This aspect is not at all relevant for the present controversy because the plaintiff can succeed in an action for 'infringement' if he proves that an essential particular of his trade mark has been copied: See Taw Manufacturer Coy. Ltd. v. Notek Engineering Coy. Ltd. and another'. (1951) 68 RPC 271(2).”

- (ii) In the case of **Century Traders Vs. Roshan Lal Duggar Co.**, AIR 1978 Delhi 250 the learned Single Judge on the material placed before him came to the conclusion that the plaintiff would not be entitled to the discretionary relief of injunction inasmuch as the words "RAJARANI" were common to the trade; there had been cases where applications for registration of the words "RAJARANI" had been declined by the trade mark registry, and it appeared that both the parties therein were guilty of piracy in adopting a mark which was well known earlier. However, in appeal the Division Bench of this Court observed as under:

“(14) Thus, the law is pretty well-settled that in order to succeed at this stage the appellant had to establish user of the aforesaid mark prior in point of time than the impugned user by the respondents. The registration of the said mark or similar mark prior in point of time to user by the appellant is irrelevant in an action passing off and the mere presence of the mark in the register maintained by the trade mark registry did not prove its user by the persons in whose names the mark was registered and was irrelevant for the purposes of deciding the application for interim injunction unless evidence had been led or was available of user of the registered trade marks. In our opinion, these clear rules of law were not kept in view by the learned Single Judge and led him to commit an error.

(15) It has been urged on behalf of the respondents that inasmuch as the appellant had failed to show exclusive user, no prima facie case had been made out by it for issue of an interim injunction. The gist of the law relating to a passing off action was said to be as enunciated in T. Oertli AG. v. E. J. Bowman (London), Ltd., Page, W. & Cov. (Turmix Sales) Ltd., H.G.H. Farnsworth S. S. Parness and F. A. Marlow, 1957 R.P.C. 388 and T. Oertli A.G. v. E. J. Bowman (London) Ltd. and others, 1959 R.P.C.15”

46. Law of *publici juris* has been discussed in various cases and the Courts have given their respective findings to the effect that a party who has taken the defence of *publici juris* has to prove his case. The same has been dealt with by this Court and Calcutta High Court in the following cases:

- a) ***Rolex Sa vs. Alex Jewellery Pvt. Ltd. and Ors.***, 2009 (41) PTC 284 (Del).

“22. The next aspect to be considered is the effect/impact, if any, of a large number of other persons using the word ROLEX as claimed by the defendant. At this stage, this plea will be examined believing the same to be true. In my view, the same would be immaterial. Firstly, nothing has been

shown that any of the said users has any significant presence. Secondly, it is now well settled in Honda (supra) in turn relying upon Indian Shaving Products Ltd Vs Gift Pack that merely because the plaintiff who is otherwise found entitled to the interim injunction is shown to have not taken any step against other infringers is no ground to deny relief to the plaintiff. It cannot also be said that the plaintiff's trademark has lost its distinctiveness for the said reason. The reply affidavit of the plaintiff lists the orders of the Trade Mark Registry from 1964 to 2000, where plaintiff's mark has been protected inter alia for reason of having great reputation. It also shows that the plaintiff has been enforcing its rights. Though the list filed by defendant No.1 in this regard is long but a perusal thereof shows a number of applicants to have abandoned or withdrawn their applications. This is a vast country. Mere long list of applicants/registrants of mark, without any extensive use of the mark, cannot dent the distinctive character or repute of the mark.”

- b) In ***Express Bottlers Services Pvt. Ltd. vs. Pepsi Inc. and Ors.***, 1989 (9) PTC 14 it has been held as under.

“50.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...”

47. In the present case, the defendant has not been able to produce any cogent and clear evidence before this Court to establish that the third parties have been using the mark **MIND GYM** in India prior to the user claimed by the plaintiff. Thus at this stage, no benefit can be given. Even some printed material is placed on record to show that the mark **MIND GYM** was available in many parts of the world. However, it has not come on record as to whether those parties are still using the mark in question and prior to the use of the plaintiff.

Delay and acquiescence

48. The case of the defendant is that the defendant had been incorporated in the year 2008. No cogent evidence has been filed with regard to the additional plea that it had been in operation as a business entity since the year 2005. However, it has come on record that the defendant has been at least using the mark since 2008. As per the plaintiff, it came to know about the activities of the defendant in August, 2012 and thereafter a notice was served on the defendant on 13th August, 2012 and an offer was given for settlement for not using the name **MINDGYM**. But the defendant did not agree and the suit was filed in 2013. Such use by the defendant after serving notice was considered to be a use on its own peril and risk.

49. It has been held in many cases that such statutory right cannot be lost merely on the question of principles of delay, laches or acquiescence. It was also held that in general mere delay after knowledge of infringement does not deprive the registered proprietor of a trade mark of his statutory rights or

of the appropriate remedy for the enforcement of those rights so long as the said delay is not an inordinate delay. The ratio of the aforesaid decisions are squarely applicable to the facts of the present case. Thus, injunction cannot be refused under these circumstances.

50. The issue of delay and acquiescence has been considered by Courts in various matters. Some of them are referred to as under:

- a) In the case of ***Midas Hygiene Industries Pvt. Ltd. vs. Sudhir Bhatia and Others***, 2004 (Vol.28) PTC 121, relevant para-5 of the said judgment is 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.”

- b) In the case of ***Swarn Singh vs. Usha Industries (India) and Anr.***, AIR 1986 Delhi Page No.343 (DB) it was held as under :

“There is then the question of delay. Learned counsel for the respondents had urged that the delay is fatal to the grant of an injunction. We are not so satisfied. A delay in the matter of seeking an injunction may be a ground for refusing an injunction in certain circumstances. In the present case, we are dealing with a statutory right based on the provisions of the trade and Merchandise Marks Act, 1958. An exclusive right is granted by the registration to the holder of a registered trade mark. We do not think statutory rights can be lost by delay. The effect of a registered mark is so clearly defined in the statute as to be not capable of being misunderstood. Even if there is some delay, the exclusive right cannot be lost. The registered mark cannot be reduced to a nullity.....”

- c) In the case of ***Hindustan Pencils Pvt. Ltd. Vs. M/s India Stationery Products Co.***, AIR 1990 DELHI 19 it was held as under :

“..... It was observed by Romer, J. in the matter of an application brought by J.R. Parkinson and Co. Ltd., (1946) 63 RPC 171 at page 181 that “in my judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently”. It was further noted by the learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history.”

- d) In the case of ***M/s. Bengal Waterproof Lim. Vs. M/s. Bombay Waterproof Manufacturing Co.***, AIR 1997 SC 1398 it was held as under :

“20.....It is now well settled that an action for passing off is a common law remedy being an action in substance of deceit under the Law of Torts. Wherever and whenever fresh deceitful act is committed the person deceived would naturally have a fresh cause of action in his favour. Thus every time when a person passes off his goods as those of another he commits the act of such deceit. Similarly whenever and wherever a person commits breach of a registered trade mark of another he commits a recurring act of breach or infringement of such trade mark giving a recurring and fresh cause of action at each time of such infringement to the party aggrieved. It is difficult to agree how in such a case when in historical past earlier suit was disposed of as technically not maintainable in absence of proper relief, for all times to come in future defendant of such a suit should be armed with a license to go on committing fresh acts of infringement and passing off with

impunity without being subjected to any legal action against such future acts.”

51. No other arguments are addressed by the defendant’s counsel.

52. Considering the overall facts and circumstances of the case, it is established on record that the plaintiff is the registered owner of the trademark **MIND GYM**, thus the plaintiff has made out a prima facie case in its favour. The balance of convenience also lies in favour of the plaintiff and against the defendant who has failed to give any justification by using the same trademark and trade name. In case, the interim order already granted would not continue, the plaintiff will suffer irreparable loss and injury in its goodwill and reputation. The defendant, its servants, agents and all other persons acting on their behalf are restrained from using the trademark **MIND GYM** either as a part of its corporate name or as a trade mark or in any other manner whatsoever amounting to infringement the trademark of the plaintiff and/or passing off its goods and services as that of the plaintiff’s. However, in view of the nature of the facts and circumstances of the case, the defendant is at liberty to use the name **MINDGYMNASTICS** as a trademark and trade name as one word, subject to the condition that they will not extend its business other than its existing business of library service which caters to kids only but not as domain name, in order to avoid confusion and deception.

53. The application is accordingly allowed and disposed of. The defendant’s application under Section 39 Rule 4 read with Section 151 CPC being I.A. No.13853/2013 is dismissed. The findings given in these applications are tentative and shall have no bearing when the suit is decided on merit after recording the evidence of the parties.

54. No costs.

CS(OS) No.1029/2013

55. Parties shall file list of witnesses within 4 weeks from today. The plaintiff shall produce evidence by way of affidavit within 8 weeks.

56. List the matter before the Joint Registrar on 7th July, 2014.

**(MANMOHAN SINGH)
JUDGE**

MARCH 21, 2014