

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

**CS (OS) No. 1812 of 2012**

Reserved on: December 19, 2013

Decision on: January 3, 2014

DABUR INDIA LTD. .... Plaintiff

Through: Mr. Hemant Singh, Ms. Mamta  
Rani and Mr. Manish Kumar,  
Advocates

versus

REAL DRINKS PVT. LTD. AND ANR. ....

Defendant No.1 through: Mr. Rajiv Nayar,  
Senior Advocate with Mr. Darpan Wadhwa,  
Mr. Nikhil Singhvi, V.P. Rana and Ms. Hetal  
Vora, Advocates.

**CORAM: JUSTICE S. MURALIDHAR**

**JUDGMENT**

**03.01.2014**

**IA No. 11394 of 2012 (Order XXXIX Rules 1 and 2 CPC by the Plaintiff)  
and IA No. 11656 of 2012 (Order XXXIX Rule 4 CPC by Defendant  
No.1)**

1. The background to these applications is that Dabur India Limited has filed the above suit to restrain Real Drinks Pvt. Ltd., Goa (Defendant No.1) and IndiaMART InterMESH Limited (Defendant No.2) from infringing the Plaintiff's registered trademark 'REAL' and from using 'REAL' or any other mark identical thereto or similar therewith as may be likely to cause confusion or deception amounting to passing off of Defendants' goods as those of the Plaintiff.

2. Defendant No.2 informed the Court at the hearing on 11<sup>th</sup> October 2012, that it was prepared to suffer a decree in terms of paras 27(i) and (ii) of the plaint. The Plaintiff then gave up the other reliefs against Defendant No.2. Consequently, by an order passed on that date, the suit was decreed against Defendant No.2. As a result, Defendant No.1 alone is contesting the present case.

3. The Plaintiff is stated to be the 4<sup>th</sup> largest fast-moving consumer goods company in India engaged in the business of manufacturing pharmaceutical, toiletries, Ayurvedic medicinal preparations, digestive tablets, fruit juices etc. since 1884. The Plaintiff's house mark 'DABUR' is claimed to be a trusted household name. It is stated that the Plaintiff spends more than Rs. 343 crore per annum on publicity and advertisements out of an annual turnover of approximately Rs. 2,800 crore. The Plaintiff's products are stated to be widely marketed both in India and abroad and are known for their high quality and hygienic standards that meet the changing needs and tastes of consumers.

4. It is stated that one of the premium brands of the Plaintiff is packaged juice which was launched in 1994 under the trademark 'REAL'. It is submitted that the juices are prepared from natural fruit pulp/juice concentrates mixed with water packed in "Freshness Seal Packs." It is submitted that the trademark 'REAL' is a suggestive mark having a remote suggestion that the juices have freshness of fresh fruits and is, therefore, not a descriptive trademark. It is stated that the trademark 'REAL', therefore, is entitled to protection as a suggestive and arbitrary mark. It is stated that, on account of

long and continuous use since 1994, extensive marketing and sale campaign, the fruit juice sold under the mark 'REAL' has acquired considerable goodwill and reputation amongst the members of trade and public at large and has acquired the status of a well-known brand which connotes the fruit juices originating from the Plaintiff exclusively. The sales figures of 'REAL' for the years 1997-2012 have been set out in para 7 of the plaint. It was Rs. 322 crores in 2010-2011 and Rs. 414 crores in 2011-12. The advertisement and promotional expenses, as stated in para 8, were Rs. 17.65 crores in 2010-2011 and Rs. 17.70 crores in 2011-2012.

5. The Plaintiff holds registration under the Trade Marks Act 1999 ('TM Act') for Real Pineapple Juice carton under registration No.712846 under Class-32. A copy of the registration Certificate No.712846 has been placed on record. The trademark for which registration has been granted is as under:



The Plaintiff states that it has also filed an application for the word mark 'REAL' under application No. 849164 in Class-32, which is pending.

6. Defendant No.1, a company based in Goa, is stated to be engaged in the manufacture and marketing of fruit flavoured drinks, soft drinks, aerated

drinks and packaged drinking water. Defendant No.1 is stated to have adopted 'REAL' as trademark and is selling aerated drinks and fruit flavoured drinks under the trademark 'REAL'. The information regarding the product of Defendant No.1 is stated to be available on the website of Defendant No.2, which is India's online B2B (business to business) marketplace. The Plaintiff states that it is not aware of the *inter se* business relations between the two Defendants.

7. The Plaintiff alleges that the conduct of Defendant No.1 in adopting the mark 'REAL' for its product is dishonest, and with the intention of taking advantage of the goodwill and reputation of the Plaintiff's trademark, which has become a household name. It is stated that since the rival marks are identical, the use by Defendant No.1 of the mark 'REAL' is bound to cause deception and confusion in the market and also constitute infringement of the Plaintiff's trademark. It is stated that there is continuous deception on account of both the products being sold under the identical trademark 'REAL'. Both the products are beverages, i.e., fruit juice and flavoured fruit drinks; both goods are sold from the same shops and trading channels and are purchased and consumed by all strata of society. It is stated that there will be confusion as to the source and origin of the goods and that the adoption by Defendant No.1 of the impugned trademark constitutes misrepresentation and misappropriation of the Plaintiff's registered trademark as well as its goodwill and reputation amounting to passing off.

8. The Plaintiff, upon search with the Trademark Registry, found that Defendant No.1 has secured registration in favour of the trademark 'REAL

MANIK' in Class 32 under registration No. 2053267 dated 15<sup>th</sup> November 2010, on fact which had escaped the Plaintiff's attention. It is stated that Defendant No.1 has falsely claimed user since 17<sup>th</sup> September 1974 while applying for registration of the mark of the Plaintiff and the Plaintiff is taking steps to get it cancelled. There are stated to be other applications of Defendant No.1 for the trademark 'REAL' in Class-32 for fruit juices and fruit flavoured drinks and other beverages, which are pending and the Plaintiff reserves its right to oppose those applications.

9. It is stated that, in the second week of May 2012, the Plaintiff came to know about the adoption and use of the impugned mark 'REAL' by the Defendants through its sales officers who found infringing goods available in the markets at "Delhi-Haryana border in a very small shop/kiosk selling water and other packaged drinks at roadside." It is stated that the representatives of the Plaintiff purchased the bottles and a sample of said infringing product was produced, but no invoice was issued despite request.

10. A copy of the certificate of registration of trademark in respect of 'REAL MANIK' in favour of Defendant No.1 under trademark registration No. 2053267 dated 15<sup>th</sup> November 2010 in Class-32 [beverages non-alcoholic, mineral water beverages, preparations for making mineral water, nectars fruit non-alcoholic, non-alcoholic fruit extracts, soda water, syrups for beverages, water] has been placed on record. The Defendant has also placed on record the trademark registration certificate No.1720653 dated 12<sup>th</sup> August 2008 for the label 'CAFE REAL' in Class-42 [providing of food and drink, cafes, cafeterias, cocktails etc.] It also holds the certificate registration No. 1720652

dated 12<sup>th</sup> August 2008 for the label 'REAL'S' in Class 33 [Distilling and bottling of alcoholic beverages, alcoholic extracts, alcoholic essences etc.]. Defendant No.1 also runs a cafe, which is part of the Real group of companies headquartered in Goa. Defendant No.1 states that under Section 28(3) of the TM Act, it is not open to the Plaintiff to sue Defendant No.1 for infringement as it also holds a registration for the mark 'REAL MANIK' and the label 'REAL.' It is further submitted that the present suit cannot be maintained as a suit for infringement under Section 134(1) of the TM Act, since it is not open to the Plaintiff to seek protection of the word 'REAL' alone, although it forms part of the composite label for which it holds a registration. It is submitted that Defendant No.1 is, in fact, the prior user of the mark 'REAL' in the State of Goa since 1976 and is not carrying on business at Delhi. Therefore, no action for passing off can lie against Defendant No.1 since its products are not available in Delhi.

11. On 1<sup>st</sup> June 2012, an interim order was passed by the Court, restraining both Defendants 1 and 2 from manufacturing, selling, offering for sale, advertising, directly or indirectly, dealing in beverages under the impugned trademark 'REAL' or any other mark that is identical with and/or deceptively similar with the trade mark 'REAL' of the Plaintiff, amounting to infringement of the Plaintiff's trademark as well as passing off. Thereafter Defendant No. 1 filed IA No. 11656 of 2012 under Order XXXIX Rule 4 CPC seeking vacation of the aforementioned stay order. By the order dated 26<sup>th</sup> July 2012, the Defendant was given the liberty to use its registered trademark 'REAL MANIK'. Subject to the said modification, the interim order dated 1<sup>st</sup> June 2012 was maintained.

12. Aggrieved by the orders dated 1<sup>st</sup> June 2012 and 26<sup>th</sup> July 2012, the Defendant filed an appeal, being FAO (OS) No. 419 of 2012. The said appeal was disposed of by the Division Bench ('DB') by order dated 3<sup>rd</sup> September 2012, the relevant portion of which reads as under:

“The ad interim ex parte order granted on 01.06.2012 by the learned Single Judge in favour of the respondents/plaintiffs stands varied by the order dated 26.07.2012 inasmuch as the appellant has been permitted to use the registered trademark 'REAL MANIK'.

Learned senior counsel for the appellant initially made a grievance of the deferment of the hearing on 26.07.2012, but we find that the reason for the deferment is the failure of the appellant to file the written statement. Not only that, it appears that the written statement has been filed even beyond 30 days and, thus, has still not been brought on record. It is stated that it is accompanied by an application for condonation of delay but the delay is yet to be condoned and no notice has been issued on the application, which is still not listed. The question of hearing would arise only after the written statement is brought on record for which the appellant itself must take the blame.

Faced with the aforesaid position, learned counsel for the appellant states that at least qua the soda being manufactured by the appellant, the trademark 'REAL' should be permitted to be used especially as the appellant has sales only in Goa.

Learned counsel for the respondent fairly states that without prejudice to his rights and contentions in the interim application and the suit, the respondent has no objection to the sale of the soda under the trademark 'REAL' with the logo as under:



with sales being confined to Goa. The aforesaid statement is taken on record.

This arrangement is an interim one and is no reflection on the merits of the case.”

13. The arguments of Mr. Hemant Singh, learned counsel for the Plaintiff and Mr. Rajiv Nayar, learned Senior counsel for Defendant No.1, have been heard.

14. As far as objection to the maintainability of the suit under Section 134(1) of the TM Act is concerned, it is not in dispute that the Plaintiff does have an office in Delhi and its products are widely available in Delhi. The Plaintiff holds a registration for the label ‘REAL’ of which the prominent feature is the word ‘REAL’. In terms of the law explained in *Ramdev Food Products Pvt. Ltd. v. Arvindbhai Rambhai Patel AIR 2006 SC 3304* the Plaintiff is not precluded from claiming protection for the word ‘REAL’ which is a prominent feature of the label mark ‘REAL’, which is a composite one combining several elements. There is no limitation on the use of the word ‘REAL’ in the certificate of registration issued by the Trade Marks Registry in favour of the Plaintiff. The present suit for infringement is therefore maintainable as such under Section 134(1) of the TM Act. Therefore, the challenge of Defendant No.1 to the jurisdiction of the Court to entertain the suit as one for infringement is hereby negated.

15. As regards the prayer for passing off, the Plaintiff would have to show that the products of Defendant No. 1 are, in fact, available in Delhi. The pleadings in the plaint in this regard are vague at best. In the plaint, the

*CS (OS) No. 1812 of 2012* *Page 8 of 14*



Plaintiff states that the infringing goods of Defendant No.1 with the mark 'REAL' were found at "the Delhi-Haryana border". It is not clear whether the goods were found on the Delhi side of the border. It is only in the replication that the Plaintiff has tried to explain that Defendant No.1's products were found in the Delhi side of the border. The plea that Section 20 (b) CPC enables the Court to grant leave to the Plaintiff to sue Defendant No.1 overlooks the fact that the said provision envisages more than one Defendant, whereas, in the present case, Defendant No.2 has already suffered a decree and has gone out of the picture. Therefore, the question of the Court granting leave to the Plaintiff to sue Defendant No.1 for passing off does not arise. Consequently, this Court is unable to accept the contention of learned counsel for the Plaintiff that the present suit is maintainable as one for passing off.

16. Returning to the question of infringement of the Plaintiff's registered mark, it is clear that Defendant No.1 has no presence outside the State of Goa and it has been using the mark 'REAL MANIK' or 'REAL SODA' in relation to aerated drinks and fruit flavoured drinks. The arrangement put in place by the DB sufficiently protects the interests of Defendant No.1. Learned counsel for the Plaintiff stated that the Plaintiff would have no objection if, till the disposal of the suit, Defendant No.1 is permitted to use its subsisting registered marks 'REAL MANIK' and 'REAL CAFÉ' [device] on fruit juices, beverages and soda within the territory of Goa and not outside it. In other words, the Plaintiff was agreeable that the order passed by the DB could continue during the pendency of the suit. However, Mr. Rajiv Nayar, learned Senior counsel for Defendant No.1, on instructions, stated that although in comparison with the Plaintiff, Defendant No.1 was a small

player, it would not like to confine its activities only to the State of Goa. He further submitted that the Plaintiff cannot seek to monopolise the word 'REAL' to the exclusion of all others particularly since 'REAL' is a generic word and lacks distinctiveness.

17. As regards the latter submission, it is not open to Defendant No.1, after having itself applied for and obtained registration of the mark 'REAL MANIK', to contend that 'REAL' is a generic word that lacks distinctiveness. It is also brought to the notice of this Court that Defendant No.1 has sued the Plaintiff for passing off in the State of Goa, thus acknowledging the distinctiveness of the mark and that the use of the said mark is bound to cause confusion in the mind of the average consumer. The question that remains, therefore, is whether an action for infringement is made out by the Plaintiff, *prima facie*.

18. The question that arises next is whether Section 28(3) of the TM Act bars the Plaintiff from suing Defendant No.1 for infringement, since both are the registered proprietors of identical marks. In the first place, it must be noted that under Section 28 read with Section 31 of the TM Act, the protection to a mark is conditional upon its validity. Further, Section 124 applies to a situation where the Plaintiff may not have challenged the validity of the registration of the rival mark at the time of filing the suit, but does so subsequently. In the instant case, the Plaintiff has applied for rectification of the mark of Defendant No.1 and the proceedings arising therefrom is pending before the Intellectual Property Appellate Board (IPAB). Therefore, it is possible for the Plaintiff to contend that the question whether Section 28 (3)

of the TM Act precludes the Plaintiff from seeking to restrain Defendant No.1 from infringing its mark will have to await the decision of the IPAB on the Plaintiff's challenge to the validity of the registration in favour of Defendant No.1. That stage is yet to be reached. Therefore, the fact that Defendant No.1 is a registered proprietor of an identical mark in the same class cannot preclude the Plaintiff from seeking to restrain Defendant No.1 from using the mark 'REAL.'

19. The other factor is that although Defendant No.1 holds a registration for the marks 'REAL MANIK' and 'REAL SODA' (with the words 'REAL CAFE' written below it), it uses only 'REAL' for its fruit beverages. Therefore, it is not using the whole mark for which it has registration, but only a part of it. Also, Defendant No.1 has recently changed the writing style of the word 'REAL' on the label of its products thus bringing it closer to the Plaintiff's manner of writing 'REAL'. The defence under Section 28 (3) of the TM Act would be available only if Defendant No.1 was using the entire mark for which it holds registration and not only a part of it.

20. The invoices produced by Defendant No.1 in support of prior use of the mark 'REAL' pertain to sales, predominantly of Soda, within Goa. As pointed out by the Plaintiff, compared to the All-India sales figures of the Plaintiff's REAL juices, the sales of REAL SODA by Defendant No.1 in Goa is not substantial. Secondly, the invoices *prima facie* show that Defendant No.1 is supplying soda mainly to restaurants, and that too in bulk. Some of the invoices pertain to return of empty soda bottles. In any event, there is no evidence or *prima facie* use of the mark 'REAL' by Defendant No.1 outside

Goa. The advertisements by Defendant No. 1 of its products do not by themselves show an all India presence. In the circumstances, the Plaintiff would *prima facie* be entitled to seek to restrain Defendant No. 1 from using 'REAL' outside of Goa. The decisions in *Pioneer Nuts and Bolts Pvt. Ltd. v. Goodwill Enterprises, 2009 (41) (Del) (DB) PTC 362*, *Precious Jewels v. Varun Gems 2013 (53) PTC 233 (Del) (DB)* and *Kores (India) Limited v. Whale Stationery Products Ltd. 2008 (36) PTC 463* support the case of the Plaintiff in this regard.

21. The invoices and other material produced by the Plaintiff show *prima facie* that it has been extensively marketing its 'REAL' juices throughout India for several years. The volume of sales is considerably higher than the products of Defendant No.1 in the State of Goa. The Plaintiff has been *prima facie* able to show that its products sold under the REAL label enjoy reputation and goodwill.

22. The marks being identical, the Court is of the view that permitting Defendant No.1 to use the mark 'REAL' at this stage outside Goa will adversely impact the distinctiveness, reputation and goodwill enjoyed and will dilute the mark 'REAL' registered in favour of the Plaintiff. In terms of Section 29(2) read with Section 29(3) of the TM Act, identical marks in relation to cognate and allied goods, and in this case, similar goods, viz., Soda, aerated drinks and fruit juices of Defendant No.1 and fruit juices of the Plaintiff, are bound to cause confusion in the mind of a consumer of average intelligence. The manner of writing 'REAL' by Defendant No.1 brings it closer to the Plaintiff's mark. It is clearly different from the style in which

“REAL’ is written in the marks REAL MANIK and REAL SODA for which Defendant No.1 holds a registration. There is no satisfactory explanation as to why it chose to do so. In the circumstances, there is *prima facie* merit in the contention of the Plaintiff that the adoption of the aforementioned manner of writing ‘REAL’ by Defendant No.1 cannot be said to be honest.

23. In its written statement, Defendant No.1 has repeatedly stressed that it has “only sold its product in the State of Goa and has never marketed or distributed its products in Delhi or Haryana as wrongly alleged by the Plaintiff.” If that is the case, the balance of convenience is in favour of the Plaintiff to restrict the sale of the product by Defendant No.1 of its mark ‘REAL’ only to the State of Goa. It is use alone that can give rise to goodwill. Unless extensive use is shown, it is not possible for Defendant No.1 to contend that it has built goodwill and reputation all over the country.

24. Consequently, the Court directs that, independent of the concession of the Plaintiff, the interim arrangement put in place by the DB by its order dated 3<sup>rd</sup> September 2012 in FAO (OS) No. 419 of 2012 shall continue during the pendency of the suit.

25. It is clarified that the present order does not constitute a final opinion on the merits of the respective cases of the parties, which will be finally adjudicated upon after the trial.

26. IA No. 11394 of 2012 by the Plaintiff is disposed of in the above terms

and IA No. 11656 of 2012 by Defendant No.1 is dismissed, but, in the circumstances, with no order as to costs.

**S. MURALIDHAR, J.**

**JANUARY 3, 2014**

tp

