

MANU/DE/2904/2011

**Equivalent Citation:** 180(2011)DLT518, 180(2011)DLT518

**IN THE HIGH COURT OF DELHI**

I.A. No. 15434/2009 in CS(OS) 2250 of 2009

Decided On: 03.06.2011

Appellants: **Pepsico, Inc. and Ors.**  
**Vs.**

Respondent: **Pure Water Beverages and Ors.**

**Hon'ble Judges/Coram:**

Manmohan Singh, J.

**Counsel:**

For Appellant/Petitioner/Plaintiff: Pratibha M. Singh and Bitika Sharma, Advs.

For Respondents/Defendant: Vinay Navare, Keshav Ranjan and Manu Beri, Advs.

**Subject: Intellectual Property Rights**

**Acts/Rules/Orders:**

Trade Marks Act, 1999 - Section 3(1), Trade Marks Act, 1999 - Section 27(2), Trade Marks Act, 1999 - Section 28, Trade Marks Act, 1999 - Section 28(1), Trade Marks Act, 1999 - Section 28(3), Trade Marks Act, 1999 - Section 30(1), Trade Marks Act, 1999 - Section 31, Trade Marks Act, 1999 - Section 32, Trade Marks Act, 1999 - Section 33, Trade Marks Act, 1999 - Section 134; Code of Civil Procedure(CPC) - Section 20, Code of Civil Procedure(CPC) - Section 151, Code of Civil Procedure(CPC) - Section 200, Code of Civil Procedure(CPC) - Order 26 Rule 9, Code of Civil Procedure(CPC) - Order 39 Rule 1, Code of Civil Procedure(CPC) - Order 39 Rule 2, Code of Civil Procedure(CPC) - Order 39 Rule 7

**Cases Referred:**

Amritdhara Pharmacy v. Satyadeo Gupta MANU/SC/0256/1962 : AIR 1963 SC 449; Corn Products Refining Company v. Shangrila Food Products Ltd. MANU/SC/0115/1959 : AIR 1960 SC 142; K.R. Chinna Krishna Chettiar v. Shri Ambal and Company Madras and Anr. MANU/SC/0303/1969 : AIR 1970 SC 146; Ruston and Hornsby Ltd. v. The Zamindara Engineering Company MANU/SC/0304/1969 : AIR 1970 SC 1649; Anglo-Dutch Paint, Colour and Varnish Works Pvt. Ltd. v. India Trading House AIR 1977 Del; Vicco Laboratories v. Hindustan Rimmer Delhi MANU/DE/0013/1979 : AIR 1979 Delhi 114; Sodastream v. Thorn cascade Co Ltd. 1982 RPC 459; Rutledge Ltd. v. Specters Ltd. 1959 RPC 83; Hoffmann-La Roche and Company A.G. v. D.D.S.A Pharmaceuticals Limited in 1972 RPC; Dongre and Ors. v. Whirlpool Corporation and Anr. MANU/DE/0700/1995 : AIR 1995 Delhi 300; Century Traders v. Roshan Lal Duggar and Company MANU/DE/0153/1977 : 15 (1979) DLT 269 : 1978 Del 250; Consolidated Foods Corporation v. Brandon and Company; Gaw Kan Lye v. Saw Kyone Suing AIR 1939 Rang 343

**Case Note:**

**Intellectual Property Rights – Infringement - Sections 28 and 134 of Trade Marks Act, 1999 - Petition filed for permanent injunction restraining violation and infringement of rights in trade marks/logo/label, damages/rendition of accounts – Whether label/packaging used by Defendants were almost identical to that of Plaintiff's and this infringed right of Plaintiff's – Held, identical label/packaging were used by Defendants and no reason was assigned as to how Defendants designed packaging and from where they got it - Therefore, Plaintiffs had prime facie shown that packaging used by Defendants was slavish copy of Plaintiffs' packaging - Plaintiffs were established prior user of trade mark, hence, registration granted in favour of Defendants did not help case of Defendants - Appeal allowed**

**JUDGMENT**

**Manmohan Singh, J.**

1. The Plaintiffs have filed the present suit for permanent injunction restraining the violation and infringement of rights in the trade marks/logo/label "AQUAFINA", damages/rendition of accounts.

2. Along with the Suit, the Plaintiffs filed two interim applications i.e. I.A. No. 15434/2009 (under Order 39 Rules 1 and 2, Code of Civil Procedure) and I.A. No. 15435/2009 (under Order 26 Rule 9 read with Order 39 Rule 7 and Section 151, Code of Civil Procedure).

3. The suit and the interim applications were listed for the first time before the Court on 30.11.2009 when the Court passed the interim order restraining the Defendants, their principal officers, agents, servants, assigns, etc. from manufacturing packaged drinking water under the trade mark/label AQUAFINE or any other mark or label which is deceptively or confusingly similar to the Plaintiffs' Trade Mark AQUAFINA.

4. Further in I.A. No. 15435/2009, the Court appointed Mr. Vipin Nair as a Local Commissioner and directed him to visit the premises of the Defendants to comply with the following directions:

1. If, on visiting the site, the local commissioner discovers any infringing products of the Defendants under the mark/label AQUAFINE or any other mark, which is identical or deceptively and confusingly similar to the Plaintiffs, mark AQUAFINA, he shall seize the same and make out an inventory.

2. Any moulds, dyes, packaging, labels, price list pamphlets, brochures, posters and bill books, etc. which carry the mark/label AQUAFINE, which is identical or deceptively and confusingly similar to the Plaintiffs' mark AQUAFINA, shall also be seized and taken into custody and an inventory for the same shall also be made.

5. The Local Commissioner visited the site of the Defendants and has inter alia made the following inventory:

PARTICULARS	QUANTITY
Bottle Jar	
20 litres capacity	
(a) Empty Jars	30
(b) Filled up Jars (with 'AQUAFINE' Mark)	2
Corrugated Cardboard Box (Empty Cartons) (with 'AQUAFINE' mark)	395
Carton with filled 500 ml. bottles (1x24) with 'AQUAFINE' mark	1
Boxes full of 'AQUAFINE' Labels (5000 labels in 1 box) (3 x 5,000-15,000)	3

#### CASE of THE PLAINTIFFS

6. (i) The Plaintiffs are the world renowned manufacturers and sellers of beverages under the trade marks PEPSI, MIRINDA, 7UP, MOUNTAIN DEW, etc. One of the leading businesses of the Plaintiffs is the manufacture and sale of packaged drinking water under the trade mark AQUAFINA.

(ii) The mark AQUAFINA is a unique word coined and adopted by the Plaintiffs and has been exclusively used by the Plaintiffs since 1994. The word AQUAFINA having No. obvious meaning is an invented word and is entitled to the highest degree of protection. This mark is completely distinctive of the Plaintiffs and their products. The AQUAFINA product was launched in India as early as 1999.

(iii) The Plaintiffs have applied to register the AQUAFINA trade mark, label and logo design in numerous countries. In India, the mark AQUAFINA, in the unique writing style and the font and label, is a registered trade mark of Plaintiffs. Details of the registration are as under?

REGN. No.	DATE	CLASS	MARK
774285	29.4.1997	32	AQUAFINA
1129381	28.8.2002	32	AQUAFINA Label Design (In Colour)

(iv) The AQUAFINA logo/label is registered in the United States Copyright Office under Registration No. VA-1-099-341. This registration is fully applicable, enforceable and protectable in India by virtue of India being a signatory to the Berne Convention and being a WTO country. A copy of the US copyright registration certificate is filed in the present proceedings and relied upon herein.

(v) Worldwide, AQUAFINA is the eighth largest beverage brand in the PepsiCo portfolio and has estimated Worldwide retail sales of 2.5 billion dollars (U.S.). Total Gross Revenue from sales of bottled AQUAFINA manufactured by the Plaintiffs for the cases sold to retail outlets are as follows?

YEAR	RAW MM CASES	VALUE (In Crores)
2002	4.7 MM	55.5
2003	7.2 MM	81.1
2004	7.6 MM	85.4
2005	10.6 MM	123.3

(vi) The trade mark AQUAFINA as well as the label AQUAFINA of the Plaintiffs have been regularly protected against any act of infringement and third party use as apparent from following orders?

S. No.	Suit No. and Title	Impugned Mark/label	Favorable Order	Current Status of the Suit
1.	Suit No. 33/02- PepsiCo Inc. v. Vijay Kumar	AQUAFINA	Ex parte interim injunction dated 7.1.2002	Settled and decreed
2.	Suit No. 748/2006 - Pepsico India Limited v. Siri Springs and Anr.	AQUANINE	Ex parte interim injunction dated 4.5.2006	Settled and decreed
3.	Suit No. 941/2007 - Pepsico Inc.	AQUAFINE	Ex parte interim injunction dated 22.5.2007	Settled and decreed
	v. Rajendra Gilda and Anr.			
4.	Suit No. 940/ 2007 - Pepsico Inc. v. Annamar Aqua Products	AQUA' SAFINE	Ex parte interim injunction dated 22.5.2007	Settled and decreed
5.	Suit No. 2078/2007 - Pepsico Inc. v. Sagar Food & Beverages and Ors.	AQUASAGAR	Ex parte interim injunction granted	Settled and decreed

(vii) The Defendants are engaged in the sale of packaged drinking water under the trade mark AQUAFINE. The Defendants are using the trade mark AQUAFINE on their bottles which is deceptively similar to the Plaintiffs trade mark AQUAFINA. The Defendants are also using the same getup and colour combination on their label containing blue and white colour and they are using such trade mark in 1 ltr. / 20 ltr. bottles with the mala fide intention to infringe the Plaintiffs trade mark in order to make undue gains as the said use is illegal and unlawful and it is the dishonest attempt on the part of the Defendants to misuse the reputation of the Plaintiffs. trade mark AQUAFINA.

(viii) The Defendants have applied for registration of the trade mark AQUAFINE before the Registrar of Trade Marks bearing application No. 1202695 in Class 32. The Defendants have made the application in the same class wherein the Plaintiffs. mark is registered i.e. Class 32 and that too for identical goods and the same was advertised in the Trade Marks Journal wherein the Defendants claim themselves to be the user since 1992 which is incorrect and false and they have got the registration only which proves that the user claim of the Defendants was absolutely false in the trade mark office.

(ix) Since the Plaintiffs. are carrying business within the jurisdiction of this Court, therefore, the Plaintiff has invoked the territorial jurisdiction under Section 134 of the Trade Marks Act, 1999.

7. Packaging used by the parties is reproduced hereunder for comparison:

(Aquafina Sketch Missing)	(Aquafina Sketch Missing)
Plaintiff	Defendant's

#### CASE of THE DEFENANTS

8. (a) The Defendants are carrying on their business within the state of Goa and in a few adjoining districts of Karnataka hence the present suit has been filed without the jurisdiction.

(b) The Defendants have been using the mark AQUAFINE since the year 1992. Earlier the said mark AQUAFINE was being used by Aquafine Industries which was later on taken over by the Defendants. The mark was duly registered in February, 2008 and at that time No. opposition was filed by the Plaintiffs. The Plaintiffs have filed the present suit suppressing the aforementioned facts.

(c) There is No. similarity in the mark AQUAFINE either visually or phonetically with the trader mark of the Plaintiffs.

(d) The Defendant's label AQUAFINE is not similar to the label of the Plaintiffs.

9. As far as the first objection about the territorial jurisdiction raised by the Defendants is concerned, the Plaintiffs have invoked the jurisdiction of the Court by making the statement that the Plaintiffs' mark/label AQUAFINA is a registered trade mark. The Plaintiffs substantially conduct their business both directly and through their bottlers in Delhi. Therefore, under Section 134 of the Trade Marks Act, 1999 this Court has the territorial jurisdiction. It is alleged by the Plaintiffs that the Defendants have applied for the registration of the trade mark which was published in the Trade Marks Journal and the same is available in Delhi and there is a threat from the Defendants of launch of their products in Delhi, therefore, this Court has the jurisdiction to try and entertain the present suit.

10. The Trade Marks Act, 1999 is a special Act and Section 134 of this Act provides an additional forum to initiate the action for infringement of trade mark in addition to the provision of Section 20 of the Code of Civil Procedure in order to invoke the territorial jurisdiction. Section 134(2) mandates that in an action for infringement of trade mark, if at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

11. In the present case, the specific statement has been made by the Plaintiffs that the Plaintiffs have their offices in Delhi and secondly the Plaintiffs actively conduct their business both directly and through their bottlers in Delhi. The Defendants on the other hand have not specifically denied the statement of the Plaintiffs made in para 31 of the plaint. Therefore, in view of the averments made in the plaint, I am of the confirmed opinion that the Court at this stage can assume jurisdiction and can proceed with the matter. However, the said question has to be re-examined at the time of framing of issues and after trial. The objection is, therefore, rejected as the question of jurisdiction is a mixed question of law and facts.

#### USER CLAIMED BY THE DEFENDANTS

12. The Defendants have not placed any material on record to establish the continuous user by the Defendants and their predecessor. No. document has been brought on record by the Defendants in respect of M/s. Aquafine Industries disclosing the details of incorporation/inception. The details of its members/partners/promoters are also not available on record. No. sale figures/assessment order/order forms have been placed by the Defendants in order to establish that M/s. Aquafine Industries was carrying on the business or using the trade mark AQUAFINE in relation to the packaged drinking water. It is also not clear as to when the entity was formed or whether it has been doing any business or not. M/s. Aquafine Industries is also not a party in the present suit. No. details have been disclosed by the Defendants by way of affidavit/documents or pleading. There is also No. document to show the assignment of the trade mark AQUAFINE by M/s. Aquafine Industries in the name of the Defendant No. 1 firm as alleged by the Defendants. The Defendants have also not filed even a single document of their own firm as alleged showing the user of the mark since 1992 nor they have placed any public advertisement of the Defendants which could have attributed knowledge on the part of the Plaintiff to file the present suit at an earlier point of time. The Defendants have filed very few documents which No. doubt give indication that few certificates have been issued by the Senior Scientific Assistant of the Directorate of Health Services, Environmental and Pollution Control Wing, Panaji, Goa for the year 1992, 1994 to 1999 in the name of M/s. Aquafine Industries. The Defendants have also filed the certificate of analysis issued by the ITALAB dated 31.8.2001 as well as the copy of the letter dated 23.10.2001 in the name M/s. Aquafine Industries. Copy of the statement of one of the partners of the Defendants recorded before the Chief Metropolitan Magistrate under Section 200, Code of Criminal Procedure, notice dated 18.1.2001 issued by the Assistant Commissioner of Commercial Taxes and few invoices for the year 2000 to 2001 have also been filed. There is No. continuity at all about the user of the trademark AQUAFINE even after filing of cogent and clear documents.

13. After having gone through the said documents, it is crystal clear that the statement of Defendants that they have been using the mark in question regularly since 1992 is wrong. In fact there is hardly any document available on record to show any continuity of the user and in the absence thereof the Court at this stage cannot accept the submissions of the Defendants about the user claim. In order to prove the concurrent user, heavy burden lies on the party who is claiming the user. It is a settled law that the evidence must be clear, cogent and specific. In the present case the evidence adduced by the Defendants about the duration, are discrepant versions as to when the Defendants commenced using the trade mark in question.

14. Therefore, the benefit of user cannot be granted to the Defendants. The contention of the Defendants can be re-examined only after the trial in the matter.

15. As regards the second contention of the Defendants that the trade mark AQUAFINA and AQUAFINE are visually and phonetically different. The said contention of the Defendant is totally false and frivolous. If we compare the labels as well as the two trade marks AQUAFINA and AQUAFINE, it is on the face of it clear that both the trade marks are almost identical.

16. The following are the cases in the trade marks where the marks have been compared as a whole and the Courts have come to the conclusion that rival marks are almost identically/deceptively similar:

(a) Amritdhara Pharmacy v. Satyadeo Gupta MANU/SC/0256/1962 : AIR 1963 SC 449 wherein trade marks 'Amritdhara' and 'Lakshmandhara' were held to be deceptively similar.

(b) Corn Products Refining Company v. Shangrila Food Products Ltd. MANU/SC/0115/1959 : AIR 1960 SC 142 wherein trade marks 'Glucovita' and 'Gluvita' were held to be deceptively similar.

(c) K.R. Chinna Krishna Chettiar v. Shri Ambal and Company, Madras and Anr. MANU/SC/0303/1969 : AIR 1970 SC 146 wherein the trade marks Sri Ambal and Sri Andal were held to be deceptively similar.

(d) Ruston & Hornsby Ltd. v. The Zamindara Engineering Company MANU/SC/0304/1969 : AIR 1970 SC 1649 wherein the trade marks Ruston and Rustam were held to be deceptively similar.

In view of the settled law, there is No. force in the submission of the learned Counsel for the Defendants that the two trade marks are different and the same is rejected.

17. The third contention of the Defendants that the packaging used by the Defendants is not similar is also without any merit as the question raised by the Defendants have been decided by the various Courts at many occasions. Some of the cases are referred as under:

(a) In Anglo-Dutch Paint, Colour and Varnish Works Pvt. Ltd. v. India Trading House MANU/DE/0158/1976 : AIR 1977 Delhi 41, the Plaintiff claimed the relief on the basis of get up, layout and arrangement of violet and grey and colour combination of the Plaintiff's container. It was alleged that the Defendant has very recently adopted identical container in respect of white paints as mentioned in Paras 3 and 4 of the judgment. In Para 9 of the said judgment, it is observed as under--"Having noticed the principles which have to be borne in mind, the application thereof is not difficult in the present case. It is true that there is a phonetic difference between the numerals "1001" and "9001" but taking into account the entire get up the combination of colours, it will be noted that the essential features of Plaintiff's containers have been absolutely copied. The entire scheme of the containers is also the same. There is a common large circle with the same colour scheme and with the same background. There is the same description of Superior White on top and Zinc paint on the bottom in the circle. Again, the White circle with grey lettering is identically super-imposed on violet background. The only difference is that instead of white parallelogram shapes on top and base borders there are white triangles and on the white parallelograms instead of numeral '1001' in grey lettering, the numeral on the Defendants container is '9001' but the overall effect is just the same. The commodity is such that it is likely to be purchased by customers from a 11 strata of society including the petty 'kapkhandars' and contractors."

(b) In the case of Vicco Laboratories v. Hindustan Rimmer, Delhi MANU/DE/0013/1979 : AIR 1979 Delhi 114, the case of the Plaintiff before Court as per Para 9 was that the Plaintiffs have been marketing the cream in a collapsible tube of 3 different sizes which has the distinctive getup, etc. The collapsible tube has red background with floral design in yellow colour under the trade mark 'Vicco Turmeric 'Vanishing Cream' in the carton as well as tube in yellow strip in the bottom. The case against the Defendant was that they have been marketing the vanishing cream in the carton and tube which are a colourable imitation of the Plaintiffs carton and tube under the trade mark 'Cosmo'. This Court granted the injunction against the Defendant and held at para 13 as under?

The Plaintiffs claim passing off by the Defendants of their product as and for the product of the Plaintiffs on the basis of copy of the distinctive get up and colour scheme of the collapsible tubes and the cartons by them. The Defendants are not entitled to represent their goods as being the goods of the Plaintiffs. The two marks "Vicco" and "Cosmo" used by the Plaintiffs and Defendants respectively are No. doubt different and the mark "Cosmo" by itself is not likely to deceive but the entire get up and the colour scheme of the tube and the carton adopted by the Plaintiffs and the Defendants are identical in every detail and are likely to confuse and deceive the customer easily. The get up and the colour scheme of the Plaintiff, adopted in every detail by the Defendants for their tube and carton cannot be said to have been adopted by the Defendants unintentionally.

(c) In the case of Sodastream v. Thorn cascade Co Ltd. 1982 RPC 459, the Plaintiffs were marketing the gas cylinders of grey colour under their trade mark 'Sodastream' and the Defendants having also been marketing their black colour cylinders under their own trade mark' Thorn Cascade., the proposals of the Defendants to refill the grey colour gas cylinders of the Plaintiff, even with their own trade mark amounts to passing off as the grey colour cylinder is distinctive of the Plaintiffs in respect of which the reputation accrued in favour of the Plaintiffs.

(d) In the case of *Tavener Rutledge Ltd. v. Specters Ltd.* 1959 RPC 83 at Page 88, it was observed as under:

It seems to me that one has to take into consideration people who have what is called imperfect recollection, as was pointed out in the case of *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 RPC 147 at 174.5 and one has to allow for cases where the person who has not got the two tins side by side perhaps does not remember the Plaintiff's name accurately, or does not know that there are two different traders in the same line of business, or many others for that matter, and takes a casual glance at the tin and imagines that it is the kind of fruit drops that he wants, not entirely casually, but looking at it in the ordinary way that such a customer would go into a shop and see a pile of tins or something of that sort. Afterwards of course raise objection, but it seems to me that it is a case of confusion if customers are induced to buy by a recollection of the general get up of the Plaintiffs, tin so that they purchase a tin of the Defendants, sweets by mistake and I am bound to say that I have come to the conclusion that such confusion is not only possible but is likely.

(e) In another case reported in 1972 RPC 1, *Hoffmann-La Roche & Company A.G. v. D.D.S.A. Pharmaceuticals Limited*, the Plaintiffs manufactured and marketed chlordiazepoxide in distinctive black and green capsules bearing the word "Roche" on each capsule, the Defendants also marked and advertised the drug chlordiazepoxide in black and green 10 mg capsules which were identical to those of the Plaintiffs except that they bore the letters "DDSA" instead of the Plaintiffs, name. The Plaintiffs were granted interlocutory injunction to restrain the Defendants from passing off capsules of the patented drug as the goods of the Plaintiffs. It was held that marketing of the capsules by the Defendants in almost identical form to those of the Plaintiffs was calculated to cause damage to the Plaintiffs. It was further held that there was a likelihood of confusion as both the capsules contained the same drug. The public were not concerned with the identity of the manufacturing of the capsules as long as the capsules contained the same substance and had the same effect.

18. The Local Commissioner appointed in the matter has filed his report dated 10.12.2009 which shows that the label/packaging used by the Defendants are almost identical to that of the Plaintiffs. The Defendants on the other hand have not been able to assign any reason as to how they designed the packaging and from where they got it. The conduct of the Defendants rather shows that design of packaging prepared by the Defendants has been copied by placing the packaging of the Plaintiffs. Therefore, the Plaintiffs have prime facie shown that the packaging used by the Defendants is slavish copy of the Plaintiffs' packaging.

19. The next contention of the Defendants is that the trade mark is registered. Mere registration is not enough to prove the use of the trade mark. It is the admitted position that the application for registration of the trade mark AQUAFINE was filed by the Defendants after the registration of the trade mark was already granted in favour of the Plaintiffs. The registration relied upon by the Defendants gives No. advantage to the Defendants because the present case is also a suit for passing off and as per documents placed by the Plaintiffs. It has been established that the Plaintiff is the prior user of the trade mark AQUAFINA which has been protected by the Courts from time-to-time. It is a coined trade mark of the Plaintiffs. It has goodwill and reputation not only in India but in other parts of the world as well. It has also been well advertised in modern media. As per record, the Plaintiffs have been able to establish the prior user of the trade mark, hence, the registration granted in favour of the Defendants does not help the case of the Defendants in view of the settled law on point decided in the case of *AM?. Dongre and Ors. v. Whirlpool Corporation and Anr.* MANU/DE/0700/1995 : AIR 1995 Delhi 300. The following are the paras wherein the similar point has been discussed:

(30) We now proceed to consider the question as to whether the Respondents can maintain an action for passing off against the Appellants who are the registered proprietors of the trade mark "WHIRLPOOL" in India. Learned Counsel for the Appellants submitted that the Appellants have an exclusive right to use the trade mark "WHIRLPOOL" under Section 28(1) of the Act as they are the registered proprietors of the same. In order to appreciate the submission of the learned Counsel, it will be necessary to set out Section 28(1) of the Act. This section reads as under:

28(1). Subject to the other provisions of this Act, 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 and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(31) According to Section 28(1) of the Act, registration of a trade mark gives to the registered

proprietor thereof exclusive right to use the same in relation to the goods in respect of which it has been registered. But from the opening words of Section 28(1) namely, 'subject to other provisions' it is clear that the right conferred on a trader is not an indefeasible right as the same is expressly made subject to other provisions of the Act. This is further, made clear by Section 27(2) of the Act, which 'provides that nothing in this Act shall be deemed to affect the right of action against any person for passing off the goods as goods of another person or the remedies in respect thereof. Thus it is manifest that Section 28 of the Act and all other provisions come within the overriding sway of Section 27(2) of the Act. Similarly Section 33 of the Act also saves vested rights of a prior user. It lays down that nothing in the Act shall entitle a registered proprietor of a trade mark to interfere with the use of the trade mark by a prior user of the same. Thus the right created by Section 28(1) of the Act in favor of a registered proprietor of a trade mark is not an absolute right and is subservient to other provisions of the Act namely Sections 27(2), 33, etc. Neither Section 28 nor any other provision of the Act bars an action for passing off by an anterior user of a trade mark against a registered user of the same. In other words registration of a trade mark does not provide a defense to the proceedings for passing off as under Section 27(2) of the Act a prior user of a trade mark can maintain an action for passing off against any subsequent user of an identical trade mark including a registered user thereof. Again this right is not affected by Section 31 of the Act, under which the only presumption that follows from registration of a mark is its prima facie evidentiary value about its validity and nothing more. This presumption is not an unrepeatable one & can be displaced. Besides Section 31 is not immune to the over-riding effect of Section 27(2). Placing reliance on Section 28(3) of the Act the learned Counsel for the Appellant contended that when two registered proprietors of identical or near similar trade marks cannot be deemed to have acquired exclusive right to the use of any of those trade marks against each other, how can an unregistered user of the trade mark maintain an action for passing off against a registered user of the same mark and seek an injunction restraining him from using it. This argument of the learned Counsel seems to stem from a misconception about the real purpose and intent of Section 28(3). Actually Section 28(3) protects registered proprietor of a trade mark from an infringement action by another registered proprietor of an identical or near similar trade mark. In this regard it will also be necessary to extract Section 28(3) and Section 3(1)(d) which carries the intent of Section 28(3). These Sections read as under:

28(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 persons 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.

30(1)(d). Notwithstanding anything contained in this 'Act' the following acts do not constitute an infringement or the 'right to the use of a registered trade mark...the use of a registered trade mark, being, one of two or more trade marks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under this Act.

(32) A reading of Section 28(3) with Section 30(1)(d) shows that the proprietor of a registered trade mark cannot file an infringement action against a proprietor of an identical or a similar trade mark. While Sections 28(3) and 30(1)(d) on the one hand deal with the rights of registered proprietors of identical trade marks and bar action of infringement against each other, Section 27(2) on the other hand deals with the passing off action. The rights of action under Section 27(2) are not affected by Section 28(3) and Section 30(1)(d). Therefore, registration of a trade mark under the Act would be irrelevant in an action for passing off. Registration of a trade mark in fact does not confer any new right on the proprietor thereof than what already existed at common law without registration of the mark. The right of goodwill & reputation in a trade mark was recognised at common law even before it was subject of statutory law. Prior to codification of trade mark law there was no provision in India for registration of a trade mark. The right in a trade mark was acquired only by use thereof. This right has not been affected by the Act and is preserved and recognised by Sections 27(2) and 33.

(33) The law of 'passing off' as it has developed, permits an action against a registered proprietor of a trade mark for its mendacious use for inducing and misleading the consumers into thinking that his goods are the goods of or are connected with the goods of a prior user of the trade mark. It seems to us that in so far as this Court is concerned, this position cannot be disputed in view of the judgment of the Division Bench in *Century Traders v. Roshan Lal Duggar & Company* MANU/DE/0153/1977 : 15 (1979) DLT 269 : 1978 Del 250, where, while construing Sections 27(2) and 106 of the Act, it was held as follows:

FROM a reading of the above Sections it is clear that registration of mark in the

trade mark registry would be irrelevant in an action for passing off. 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 for 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.

(34) Again in *Consolidated Foods Corporation v. Brandon & Company*, similar view finds expression. In this regard it was held as follows:

...To summarise, therefore, a trader acquires a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and the extent of his trade. The trader who adopts such a mark is entitled to protection directly the article having assumed a vendible character is launched upon the market. As between two competitors who are each desirous of adopting such a mark, 'it is, to use familiar language, entirely a question of who gets there first.' (*Gaw Kan Lye v. Saw Kyone Suing* AIR 1939 Rang 343 (FB)). Registration under the statute does not confer any new right to the mark claimed or any greater right than what already existed at common law and at equity without registration. It does however, facilitate a remedy which may be enforced and obtained throughout the State and it established the record of facts a fleeting the right to the mark. Registration itself does not create a trade mark. The trade mark exists independently of the registration which merely affords further protection under the statute. Common law rights are left wholly unaffected. Priority in adoption and use of a trade mark is superior to priority in registration. The above said decision referred has been upheld by the Supreme Court which held that the suit for passing off on the basis of prior user against the registered proprietor is maintainable.

20. Thus, it is a clear case of *res ipsa loquitur* (where the things speak for themselves). In case one examines the two marks of the parties and the packing material used by the Defendants, the conclusion is very simple that the same is stolen property and stolen property can not become rightful property in any manner.

21. In view of the abovesaid facts, No. case is made out by the Defendants for vacation of the interim order. The *ex parte* ad interim injunction granted on 30.11.2009 is confirmed.

22. The present application is accordingly disposed of.

23. List the matter before Joint Registrar on 22.9.2011 for admission/denial of the documents.