THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment delivered on: 11.07.2008

+ IA No. 2399/2007 in CS (OS) 383/2007 (u/O 39 R 1 & 2 CPC),
IA No. 6301/2007 in CS (OS) 383/2007 (u/O 39 R 1 & 2 CPC) &
IA No. 8/2008 in CS (OS) 383/2007 (u/O 39 R 4 CPC)

BDA PRIVATE LIMITED ... Plaintiff

- versus –

PAUL P. JOHN & ANR. ...Defendants

AND

IA No. 5577/2002 in CS (OS) 1058/2002 (u/O 39 R 1 & 2 CPC) &
IA No. 13445/2006 in CS (OS) 1058/2002 (u/O 39 R 1 & 2 CPC)

BDA PRIVATE LIMITED ... Plaintiff

- versus –

JOHN DISTILLERIES LTD. & ANR. ...Defendants

Advocates who appeared in this case:

For the Plaintiffs : Mr Sudhir Chandra Aggarwala, Sr Advocate with Mr Mohit Lahoty and Mr Sanjay S. Chhabra

For the Defendant : Mr Arun Jaitley and Mr Sanjay Jain, Sr Advocates with Mr Sushant Singh, Mr Manav Kumar and Mr Sarfaraz

CORAM:-
HON'BLE MR JUSTICE BADAR DURREZ AHMED

1. Whether Reporters of local papers may be allowed to see the judgment ? YES

2. To be referred to the Reporter or not ? YES

3. Whether the judgment should be reported in Digest ? YES

BADAR DURREZ AHMED, J

1. These five applications are being disposed of by a common order. Three applications [two under Order 39 Rules 1 and 2 of the Code of Civil Procedure, 1908 (hereinafter referred to as the 'CPC') and one under

based on infringement of a registered trademark as also on passing off. Two applications, both under Order 39 Rules 1 and 2 CPC, have been filed in CS(OS) 1058/2002, which is a suit based on passing off action as well as for infringement of a copyright. Both the suits have been filed by the same plaintiff and in respect of the same trademark, i.e, 'OFFICER'S CHOICE'. The defendants' mark which is sought to be injuncted is 'ORIGINAL CHOICE'. Both the marks are used for the very same product, that is, whisky.

2. When the suit bearing No. CS(OS) 1058/2002 was filed, the plaintiff had not yet been granted a certificate of registration in respect of the mark 'OFFICER'S CHOICE' and, therefore, that suit was based purely on the plea of passing off. On 19.04.2007 registration was granted to the plaintiff in respect of the mark 'OFFICER'S CHOICE' in relation to whisky falling under Class 33 of the Fourth Schedule to the Trade Mark Rules, 2002. The registration, however, carried a disclaimer that the plaintiff would not have any exclusive right to the use of the word 'CHOICE'. Consequent upon the said grant of registration, the plaintiff instituted the second suit i.e CS(OS) 383/2007 incorporating the action of infringement of a registered trademark and seeking reliefs on the basis of such purported infringement on the part of the defendants by use of their mark 'ORIGINAL CHOICE'. According to the plaintiff, the defendants' mark 'ORIGINAL CHOICE' is deceptively similar to the plaintiff's registered mark

3. The defendants had also applied for registration of their trademark 'ORIGINAL CHOICE' which was also registered in the year 2007. The defendants, therefore, moved an application under Order 6 Rule 17 CPC being IA No. 9/2008 seeking amendment of the plaint to bring on record this development as also to take defences on the basis of the registration granted in their favour. The said application was allowed by an order dated 10.01.2008. In the amended written statement, the defendants contended that in view of the provisions of Section 28 (3) read with Section 30 (2) (e) of the Trademarks Act, 1999 (hereinafter referred to as the 'said Act'), the plaintiff's suit for relief of infringement of trademark would not be maintainable against the defendants. The plaintiff also filed an amended replication and challenged the validity of the defendants' registration of the trademark 'ORIGINAL CHOICE'. In this background, the plaintiff filed an application (IA No. 1610/2008 in CS(OS) 383/2007) under Section 124 of the said Act praying for an order that the suit be stayed pending final disposal of proceedings before the Intellectual Property Appellate Board (IPAB). That application (IA 1610/2008) was disposed of by a judgment of this Court dated 01.04.2008 wherein this Court took the view that substantial triable issues arise with regard to the challenge to the validity of the registration of the defendants' trademark. This Court was satisfied that the plea regarding the invalidity of the defendants' trademark was, *prima facie*, tenable on both counts — the alleged improper rejection of the plaintiff's notice of opposition and the alleged non-registerability of the

the case was adjourned for a period of three months in order to enable the plaintiff to apply to the IPAB for rectification of the register in the prescribed manner. That matter is pending before the IPAB.

4. Counsel on both sides, referring to Section 124 (5) of the said Act, were agreed that the stay of the suit for the infringement of a trademark under Section 124 did not preclude the Court from making any interlocutory order (including any order granting an injunction, directing account to be kept, appointing a receiver or attaching any property) during the period of the stay of the suit. It is in this background that the plaintiff has pressed for an interim injunction whereas the defendants have stated that no injunction at all be granted to the plaintiff.

5. Before considering the arguments of the counsel for the parties on the question of grant /non-grant of an injunction, it will be necessary to refer to certain orders which had been passed in these matters by way of interim arrangements. By an order dated 17.08.2007 the two suits were directed to be consolidated and it was agreed by the parties that evidence would be recorded in CS(OS) No. 383/2007. By the same order issues were also framed. The suit was expedited, parties were directed to file affidavits by way of evidence and they were also directed that the witnesses to kept ready and available for cross-examination on the date fixed for final hearing, i.e., 12.12.2007. On 17.09.2007 an interim arrangement was arrived at with the idea that since the suits are to be finally heard within a

portion of the order dated 17.09.2007 indicating the interim arrangement is as under:-

> "The defendants have filed an affidavit setting out the sales in different States. Learned senior counsel for the plaintiff has given a consolidated chart to show the extent of the sales. There are one set of States in which the defendants are having sales for some time of varying quantities. These are States of Karnataka, Kerala, Pondicherry, Andhra Pradesh, Himchal Pradesh and Punjab. There are States like Goa, Chattisgarh, Chandigarh, Bihar, Rajasthan, Jharkhand, Maharashtra and Haryana where the sales are of recent origin.
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> Learned counsel for the defendants states that the distilleries of the defendants are located in Goa, Chattisgarh and Karnataka and according to him in the States where such distilleries are located, the defendants must have some sale. Learned senior counsel for the plaintiff, however, disputes the said position.
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> Be that as it may, since only a working arrangement for the next couple of months is to be worked out, it is agreed that for these States, the Defendants will not exceed the level of current sales to be made in a financial year in respect of the brand name in question.
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> It is made clear that in the suit, there is no concern with the sales of the defendants of other brands but only with the sales of ORIGINAL CHOICE. Since at present there are no sales in the other States by the defendants, such sales would not start till the disposal of the suit.
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> The applications stand disposed of in the aforesaid terms with the hope that the parties will abide by the schedule so that the suit can be finally heard on 12.12.2007.
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> The arrangement is without prejudice to the rights and contentions of the parties in the suit."

6. On 24.10.2007, because of certain letters written on behalf of the plaintiff, it had become necessary to clarify the interim arrangement made on 17.09.2007. By an order dated 24.10.2007, the following

> "In order to put the matter at rest, I deem it appropriate to further clarify that there is no interdict in respect of the sales to be made by the defendants in respect of the States of Karnataka, Kerala, Pondicherry, Andhra Pradesh, Himchal Pradesh and Punjab. In respect of States of Goa, Chattisgarh, Chandigarh, Bihar, Rajasthan, Jharkhand, Maharashtra and Haryana, the defendants are restricted to sales not to exceed the level of current sales made in a financial year (either last financial year or current financial year). In all other remaining States, the defendant will not commence sales.
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> In view of what has transpired, I also deem it appropriate to restrain the plaintiff from writing any further communications to any authorities dealing with sales of liquor except that the parties are free to bring to the notice of the authorities the Order passed today so that the authorities do not take any action contrary to the Order passed on 17.09.2007 read with the Order passed today.
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> The application stands disposed of."

This arrangement has continued till date. The plaintiff presses for a full injunction and the defendants seek the vacation of even the interim arrangement.

7. In view of what has transpired, it is apparent that insofar as the question of infringement is concerned, that would be dependent on the decision of the IPAB. If it is held that the registration of the defendants' trademark 'ORIGINAL CHOICE' is valid then, in view of Section 28 (3) and Section 30 (2) (e) of the said Act, the plaintiff would not be entitled for any relief inasmuch as the defendants would have a complete defence. On the other hand, if the registration of the defendants' trademark 'ORIGINAL CHOICE' is held to be invalid by the IPAB, then the plaintiff would be entitled to seek the remedies for infringement of its registered mark

particular, the plaintiff would have to demonstrate that the defendants' mark 'ORIGINAL CHOICE' is deceptively similar to the plaintiff's mark 'OFFICER'S CHOICE'. However, these are issues which shall have to await the decision of the IPAB inasmuch as the key point is the validity of the registration of the defendants' mark 'ORIGINAL CHOICE'.

8. The question, therefore, that remains is of passing off. It has been contended on the part of the plaintiff that the mark 'OFFICER'S CHOICE' was adopted by its predecessor Cruickshank & Co. in 1988 and the same had been assigned to the plaintiff by Cruickshank & Co. on 26.02.1991. There is a controversy as to whether Cruickshank & Co. had made the assignment for all times to come or whether it was merely a temporary measure. The defendants pointed out that in fact there is a suit filed by Cruickshank & Co. being CS(OS) 1800/1993 which is pending before this Court in which Cruickshank & Co. has taken the plea that the assignment of the mark 'OFFICER'S CHOICE' in favour of the plaintiff was temporary and was to be re-assigned to them. It was also pointed out by the defendants that these facts have not been disclosed by the plaintiff in the two suits. However, apart from the question of assignment in favour of the plaintiff, it *prima facie* appears that the plaintiff has been using the mark 'ORIGINAL CHOICE' since 1991 in respect of the whisky manufactured and sold by it.

9. It was contended on behalf of the plaintiff that the getup and

whisky, is deceptively similar to that of the plaintiff's. It was contended that the colour scheme of white background with red lettering, the gold border on the label, the white caps with red lettering and the use of the initials 'OC' are all designed to pass off the defendants' product as that of the plaintiff's. It was also contended that the defendants had admitted that the mark 'ORIGINAL CHOICE' was deceptively similar to the plaintiff's mark 'OFFICER'S CHOICE' in their opposition filed to the application for registration by the plaintiff.

10. The learned counsel appearing for the plaintiff drew the Court's attention to the affidavits by way of evidence as also the cross-examination which had been recorded in the suit. In my view, it would not be necessary to examine the evidence on record with the detail that the learned counsel for the plaintiff wanted this Court to do. This is because, at this stage, only a *prima facie* view has to be taken and a detailed examination ought to be left for the final hearing of the suit. The sum and substance of the submissions made by the learned counsel for the plaintiff was that the plaintiff had adopted the mark 'OFFICER'S CHOICE' prior in time to the defendants' adoption of the mark 'ORIGINAL CHOICE'. It was stated that while the mark 'OFFICER'S CHOICE' was in vogue since 1988, the mark 'ORIGINAL CHOICE' was adopted by the defendants only in 1995-96. It was also contended that the plaintiff as well as its mark had an established reputation and that the defendants had admitted that the marks were

in which the plaintiff and the defendants sold their whisky were also similar. It was, therefore, contended that there was every chance of consumers being deceived into purchasing the defendants' goods thinking that they were purchasing the plaintiff's goods. He submitted that the probability of deception is even higher because the goods are the same, the same trade channels are being used, the products are also in the same price range and, therefore, they attract the same set of consumers. It was also contended by the learned counsel for the plaintiff that the adoption of the mark 'ORIGINAL CHOICE' by the defendants was dishonest inasmuch as throughout the evidence on record, no plausible explanation has been given as to why the said mark was chosen. The only answer given by DW1 was that the word 'choice' is a common word and since the defendants' brand was original, the mark 'ORIGINAL CHOICE' was selected. He also submitted that the use of the letters 'OC', which was an abbreviation for the plaintiff's mark 'OFFICER'S CHOICE', was also dishonest and intended to deceive the consumers. The learned counsel submitted that with regard to IMFL brands, it is a common practice that they are known in their abbreviated versions. For example, Imperial Blue is known as IB, Bagpiper as BP, Director Special as DSP and similarly the 'OFFICER'S CHOICE' is known as OC or OCW. The fact that the defendants have used the letters 'OC' on their label means that the defendants are seeking to pass off their goods as those of the plaintiff. Several documents including menu cards and price lists of various hotels, restaurants and bars were referred to by the

11. In response, it was contended on behalf of the learned counsel for the defendants that the plaintiff is not entitled to any injunction, what to speak of interim injunction. For seeking an equitable remedy, the plaintiff must come to Court with full disclosure and without any delay. After reading paragraphs 12, 22, 23 and 24 of the plaint in CS(OS) 1058/2002, the learned counsel for the defendants submitted that the plaintiff has not disclosed the date or even the year when the plaintiff came to know of the defendants' mark 'ORIGINAL CHOICE' or its use of the letters 'OC'. Even the cause of action paragraph in that suit indicates that it arose in May, 2002. The learned counsel for the defendants indicated that in the second suit, i.e, CS(OS) No. 383/2007 the plaintiff has acknowledged that it was aware of the defendants' use of the mark 'ORIGINAL CHOICE' since 1995. The learned counsel submitted that the very fact that in the first suit which was based purely on passing off and where delay and acquiescence are of material significance, the plaintiff did not disclose the date on which it became aware of the defendants' mark 'ORIGINAL CHOICE'. These in itself disentitle the plaintiff to any injunction. The defendants have been submitting their labels for excise approval since 1996 and this was within the knowledge of the plaintiff. Yet the plaintiff did not file any suit or take any action in respect of the purported passing off on the part of the defendants till 2002. There is, therefore, also a substantial delay on the part of the plaintiff in approaching this Court.

the defendants' mark 'ORIGINAL CHOICE' in 1995-96. Yet, it permitted the defendants to expand their business under the said mark. The defendants' business under the said mark has expanded to such an extent that the sales of 'ORIGINAL CHOICE' whisky far exceed the sales of the plaintiff's 'OFFICER'S CHOICE'. In such circumstances, it was contended, the plaintiff would not be entitled to any interim injunction.

13. As regards the alleged similarity between the marks and the labels employed by the plaintiff and the defendants, the learned counsel appearing on behalf of the defendants submitted that the marks as well as the labels were different and distinct. He submitted that the word 'CHOICE' could not be appropriated by the plaintiff. This is apparent even from the disclaimer in respect of the registration granted to the plaintiff. Consequently, while comparing the marks, the comparison would have to be restricted to the words 'OFFICER'S' and 'ORIGINAL'. Apart from the fact that both these words began with the letter 'O', there is no similarity, visual or phonetic, in the two words.

14. It was also contended that the arguments made by the learned counsel for the plaintiff with regard to the letters 'OC' are also not well founded. A reference was made to Exhibit DW1/50 which is the original label of the defendants' product approved by the Excise Commissioner, Bangalore on 19.02.1996. The said label clearly indicates the letters 'OC'

whisky. Thereafter, reference was made to Exhibit DW1/51 which indicates the labels of the plaintiff's 'OFFICER'S CHOICE' Prestige whisky as approved by the Commissioner of Prohibition & Excise, Hyderabad, Andhra Pradesh on 02.04.2002. The said labels do not bear the letters 'OC'. It is only in respect of the subsequent approved labels, as indicated in Exhibit DW1/51 at page 422 that the letters 'OC' appear in a stylized fashion on a gold-upon-gold embossing above the plaintiff's mark 'OFFICER'S CHOICE'. With regard to the menus of various hotels, restaurants and bars indicating 'OC', the learned counsel for the defendants submitted that this is not determinative of whether it refers to the plaintiff's brand 'OFFICER'S CHOICE' or the defendants' brand 'ORIGINAL CHOICE' and that no invoices indicating sales under the abbreviated mark of 'OC' have been placed on record.

15. It was further submitted on the part of the defendants that the comparison of the two marks, labels and the bottles do not give the impression that the defendants' mark, label and bottle is deceptively similar to that of the plaintiff's. Consequently, there is no question of the grant of any injunction based on passing off action. The learned counsel for the defendants placed reliance on several decisions:-

(1) ***Chandra Bhan Dembla v. Bharat Sewing Machines:*** ***AIR 1982 Delhi 230*** for the proposition that non-disclosure of material facts would be fatal to the prayer for interim injunction.

(2) ***B. L. & Co. v. Pfizer Products Inc.:93 (2001) DLT 346 (DB)***

wherein the observation of the Supreme Court in ***Wander Ltd. & Anr. v. Antox India (P) Ltd: 1990 Suppl (1) SCC 727*** to the following effect was noted:-

> "Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The court, at this stage, acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated:
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> "... is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favor at the trial. The need for such protection must be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated. The court must weigh one need against another and determine where the 'balance of convenience' lies."

The Division Bench further held that:-

> "The interlocutory remedy is intended to preserve in *status quo*, the rights of parties which may appear on a *prima facie* case. The Court, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendants has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet commence his enterprise, are attracted."

The Division Bench also held in the facts of the case before it, that delay alone was sufficient to deny the plaintiff an *ex parte* injunction in the following words:-

> "We find merit in the submission of the learned counsel for the appellant that the respondents rather waited for the appellant to incur promotional and other expenses on trials etc. launching of the product and thereafter they chose to file the present suit perhaps with a view to stem the growing sales and market of the appellant's product. The factor of delay alone should have been sufficient to deny the respondents an ex parte restraint. The learned Single Judge erred in not noticing this aspect of the matter and passed an order of ex parte restraint which was likely to cause irreparable injury to the appellants."

(3) ***Balsara Hygiene Products Ltd. v. M/s Aksaar Enterprises:*** ***1997 PTC (17) 266*** where a Single Judge of the Bombay High Court refused to grant injunction solely on the ground of delay. The Court held:-

> "7. From the arguments advanced on behalf of the plaintiffs and the defendants and the various authorities cited, which I do not wish to refer to at this stage, it is apparent that so far as the defendants are concerned, the defendants have been using this name "ODOFIL" since 1983-84. Assuming for the sake of argument that the plaintiffs came to know of this product being circulated in the market for sale in 1992, even then except for giving a notice, the plaintiffs did not care to adopt any proceedings, far as the plaintiffs are concerned, at this ad-interim stage, it is not open for the plaintiffs to contend that the defendants should be restrained by an order of injunction as there has been a gross delay on the part of the plaintiffs in taking out the proceedings before the Court. By of this delay, the plaintiffs have allowed the defendants to expend money over a considerable period of time in building up their business. At this stage, it is not open for the plaintiffs to seek injunction restraining the defendants from

(4) ***Sh.Gopal Engineering & Chemical Works v. POMX Laboratory: AIR 1992 (Del.) 302***, where a learned Single Judge of this Court observed that delay in bringing a proceeding in a passing off action is an important consideration in an interlocutory application.

(5) ***The Gillette Co. v. A. K. Stationery: 2001 PTC 513 (Del)*** wherein a learned Single Judge of this Court observed:-

> "As regards the delay in institution of the suit and its effect for the purpose of grant of ex parte restraint, the settled legal position is that while the delay in institution of a suit for an action for passing off may not be fatal, it is one of the important and relevant considerations before granting an ex parte/interlocutory injunction. Reference in this regard is invited to the 'THE LAW OF PASSING-OFF' by Christopher Wadlow. Learned Author while dealing with the motions of interlocutory relevance has observed as under:-
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> > "Delay in applying for interlocutory relief is a very serious matter. As a rule of thumb, delay of up to about a month or perhaps six weeks, generally has no adverse effect on an inter parties application and delay of up to twice that period need not be fatal if it can be explained and the plaintiff's case is otherwise strong. On the ex parte application even delay of a few days can be critical. Unjustified delay of more than a few plaintiff's counsel, even though delay of this order has no effect on the plaintiff's rights at trial. Unlike many of the issues which can arise on motion, the existence of delay does not normally admit or much argument. Delay, if present, is therefore a short, safe and simple basis for refusing relief. This means that applications for interlocutory injunctions in which there is significant delay are unlikely even to get as far as a hearing, and those that do are quite likely to be refused without going into

(6) ***The Fairdeal Corporation (Pvt.) Ltd. v. Vijay Pharmaceuticals: 1985 PTC 80.*** In this case, the Court observed that the establishment of a *prima facie* case was not sufficient for the grant of temporary injunction. The Court observed as under:-

> "*8.* In this view of the matter I am of the opinion that the temporary injunction granted by me should be vacated. It is not that once a Court finds that the plaintiff has a prima facie case, the temporary injunction should be granted. The plaintiff, in this case, was aware of the use of the alleged offending mark by the defendant as far back in February, 1981. It kept quite all these years. Once it has come to the court, it cannot get temporary injunction just as a matter of course to the detriment of the defendant. By its conduct the plaintiff led the defendant to believe that defendant could market its product in the sachet, which now plaintiff claims, offends its registered mark. Balance of convenience appears to be in favour of the defendant as it is continuously selling its product in sachet like Annexure 'X' since 1980. Then, there is the question of the conduct of the plaintiff in making averments in the plaint as well as in the application, which are obviously false."

(7) ***Amritdhara Pharmacy v. Satya Deo Gupta: AIR 1963 SC 449.*** This decision was relied upon for the purposes of explaining the concept behind acquiescence and as to how it may defeat an action of passing off. The Supreme Court quoted a passage from Halsbury's Laws of England with approval, as under:-

> "We now go the second question, that of acquiescence. Here again we are in agreement with the Registrar of Trade Marks, who in a paragraph of his order quoted earlier in this judgment has summarised the facts and circumstances on which the plea of acquiescence was based. The matter has been put thus in Halsbury's Laws of England, Vol. 32 (second edition) pages 659-657, paragraph 966.

> under a trade name or mark to which he has rights, he may lose his right to complain, and may even be debarred from himself using such name or work. But even long user by another, if fraudulent, does not affect the plaintiff's right to a final injunction; on the other hand prompt warning or action before the defendant has built up any goodwill may materially assist the plaintiff's case".

The learned counsel for the defendants also placed reliance on:- ***S. P. Chengalvaraya Naidu v. Jagannath: AIR 1994 SC 853; Ram Chandra Singh v. Savitri Devi: 2003 (8) SCALE 505*** for the proposition that fraud vitiates everything and ***State of A. P. v. T. S. Rao: 2005 (6) SCC 149.*** These decisions were placed before this Court in the background of the question of non-disclosure on the part of the plaintiff regarding its date of knowledge of use of the impugned trademark 'ORIGINAL CHOICE' by the defendants.

16. It is apparent that the plaintiff when it filed the earlier suit for passing off [CS(OS) 1058/2002] did not, in so many words, disclose as to when it became aware of the defendants' trademark 'ORIGINAL CHOICE'. That suit was filed in the year 2002. It was based entirely on the allegation of passing off. It is well settled that delay and acquiescence are major considerations in any action for passing off. It was, therefore, incumbent upon the plaintiff to have disclosed as to when it became aware of the defendants' use of the trademark 'ORIGINAL CHOICE'. Had it disclosed, as it subsequently did in the second suit [CS(OS) 383/2007], that it was aware of the defendants' trademark 'ORIGINAL CHOICE' in 1995/ 1996

injunction on the ground of passing off. But the plaintiff was required to disclose the said fact because it was seeking an injunction, an equitable remedy, from the Court and it was incumbent upon the plaintiff to have placed all the facts which were material before the Court. The Courts are always ready to provide relief to plaintiffs who approach the Court in a forthright manner for redressal of their genuine grievances. Courts have always frowned upon plaintiffs who have instituted actions without disclosing the full facts. I am of the view that the plaintiff ought to have disclosed the fact that it was aware of the defendants' activities and, in particular, of its use of the trademark 'ORIGINAL CHOICE' in respect of whisky from the very inception, that is, from 1995-1996. Not having done so, the plaintiff would not be entitled to any interim injunction.

17. Apart from the question of non-disclosure of material facts, the question of delay also would be an insurmountable hurdle for the plaintiff for the purposes of the grant of an interim injunction. It has already been indicated that the entire consideration, at this stage, is based upon the passing off action, leaving aside the question of infringement which is to be determined only after the IPAB renders its decision on the issue raised under Section 124 of the said Act. It is an accepted proposition that delay and acquiescence would be material considerations for the grant of an interlocutory order. The plaintiff knew about the defendants in 1995-1996. Yet, the plaintiff took no action in respect of the alleged passing off

filed in that year, i.e., 2002. It was sought to be contended on behalf of the plaintiff that initially the defendants were restricted to the State of Karnataka and that did not hurt the plaintiff much. It is only in the year 2002 when the defendants extended the tentacles of their business beyond the territories of Karnataka that the plaintiff got its cause of action for instituting the suit for passing off. At this *prima facie* stage, I am not impressed with this argument. As noted above, the plaintiff was aware of the defendant's mark 'ORIGINAL CHOICE' and that its sales were growing day by day. In fact, as of now, the sales of 'ORIGINAL CHOICE' exceed those of 'OFFICER'S CHOICE'. The plaintiff was thus, all this while, sitting back and allowing the defendants to grow and this was not for a period of a few months or a year or a couple of years but for seven full years from 1995-1996 to 2002. In this period the defendants grew substantially and established their mark 'ORIGINAL CHOICE'. The delay in approaching this Court would, therefore, come in the way of the plaintiff for the purposes of an interim injunction.

18. In any event, since the case has to be considered from the standpoint of passing off, it would do well to remember the five elements of the modern tort of passing off as set down by Lord Diplock in ***Erven Warnink BV v. J. Townend & Sons:*** (***1979) 2 All ER 927***, which has the approval of our Supreme Court as noted in ***Cadila Heath Care Limited v. Cadila Pharmaceuticals Limited: 2001 V SCC 73.*** The five elements

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

Taking a *prima facie* view, I am unable to arrive at the conclusion that the defendants have made any misrepresentation in the course of trade to prospective customers much less that such alleged misrepresentation is calculated to injure the business or goodwill of the plaintiff which has caused actual damage to the business or goodwill of the plaintiff. In order to back an allegation of passing off, it must be demonstrated by the plaintiff that the defendant has attempted to pass off its goods as those of the plaintiff through misrepresentation. Without commenting on the question as to whether the mark 'ORIGINAL CHOICE' is deceptively similar to the mark 'OFFICER'S CHOICE', as that is a question which will be gone into by the Court after the IPAB decision, a look at the label and bottle of the plaintiff on the one hand and the defendants on the other, does not give the impression that the defendants' bottle and label could be passed off as the plaintiff's bottle and label. It is not the minute details which have to be seen but the overall impression that is gained by looking at the two products. Taking a *prima facie* view in the matter, it does not appear to me as if the defendants' label and bottle could be passed off as that of the plaintiff's. Consequently, the very first element of misrepresentation, which is essential

19. For all these reasons, the plaintiff is not entitled to any interim injunction. The interim arrangement, as per order dated 17.09.2007, as clarified by the order dated 24.10.2007, shall cease to operate. It is, however, directed that the defendants shall keep proper accounts of their sales of 'ORIGINAL CHOICE' whisky and make the same available to the Court as and when directed. These applications stand disposed of. There shall be no order as to costs.

BADAR DURREZ AHMED
(JUDGE)

July 11, 2008
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