



2025:DHC:282



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

+ CS(COMM) 602/2018

IMS LEARNING RESOURCES PRIVATE LIMITEDPlaintiff

Through: Mr. Vaibhav Vutts, Ms. Aamna
Hasan, Ms. Anupriya Shyam, Ms.
Aarya Deshmukh, Advocates
(M:9971576500)

versus

YOUNG ACHIEVERSDefendant

Through: Ms. Niddhi Akhouri, Advocate
(M:8882620960)**CORAM:****HON'BLE MS. JUSTICE MINI PUSHKARNA****JUDGMENT****20.01.2025**

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MINI PUSHKARNA, J:**Introduction:**

1. The present suit has been filed for permanent injunction seeking to restrain the defendant from using the words "IMS" or any other mark, name logo, monogram or label that is identical with and/ or deceptively similar to the trademark "IMS" of the plaintiff.

2. The present suit was instituted in the year 2011 bearing no. CS(OS) 2316/2011 and was re-numbered as commercial suit bearing no. CS(COMM) 602/2018 vide order dated 08th February, 2018, passed by this Court.

3. The plaintiff and defendant entered into agreements in 2007 and 2010, allowing the defendant to use the "IMS" trademark and proprietary materials for a center in Meerut, Uttar Pradesh. By mutual consent, the center was closed on 01st February, 2011, and the defendant signed an Exit Paper



(Agreement), agreeing to cease any use of the “IMS” trademark from that date onwards.

4. The plaintiff is aggrieved by the user of the IMS trademark by the defendant despite the said Exit Paper, which the plaintiff claims, is the intellectual property of the plaintiff and defendant has been illegally infringing the rights of the plaintiff in the said mark.

Facts of the case

5. The facts, as canvassed by the plaintiff, are as follows:

5.1 The plaintiff, i.e., IMS Learning Resources Pvt. Ltd., popularly known as IMS, was established in 1977 by late Prof. Nagesh Raghunath Rane and his wife, Mrs. Leela Rane. On 20th September, 1999, the plaintiff was incorporated with Mrs. Leena N. Rane as its promoter and director. Subsequently, the entire business of IMS, along with its goodwill and the trademark “IMS”, was transferred to the plaintiff by Mrs. Rane vide Agreement dated 01st November, 1999.

5.2 The plaintiff’s trademark “IMS”, derived from “Institute of Management Studies,” has been in use since 1977 in relation to educational courses, materials, and products and is a leading provider of coaching for management entrance exams, particularly, the Common Admissions Test (CAT) and other MBA-related tests like MH-CET and SNAP.

5.3 The plaintiff’s copyrighted courseware, study materials, and test series are integral to its business operations, contributing to the success of over 40,000 students annually at prestigious institutes in India and abroad. Further, the plaintiff operates through over 100 centers across India, including 40 directly owned centers and others run by business partners and franchises under mutually agreed terms.



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5.4 The plaintiff holds trademark registrations for “IMS” and its variants across multiple Classes, including, Classes 9, 16, 35, and 41.

5.5 In addition to statutory rights, the plaintiff has established common law rights in the IMS mark, as its goodwill is exclusively associated with the plaintiff’s business. Any unauthorized use by third parties jeopardizes this goodwill and reputation.

5.6 The plaintiff and defendant entered into a Service Provider Agreement dated 01st April, 2007, followed by a Business Partnership Agreement dated 01st April, 2010. Under these agreements, the plaintiff permitted the defendant to use its trademark "IMS" for operating a center in Meerut, Uttar Pradesh, and provided proprietary training formats, materials, and know-how. However, by mutual consent, the IMS Meerut center was closed, effective from 01st February, 2011. On the same date, the defendant signed an Exit Paper agreeing to cease using the "IMS" trademark in any manner.

5.7 The plaintiff sent a letter dated 18th March, 2011 to the defendant stating that obligations under the said Exit Paper dated 01st February, 2011 remained unfulfilled, followed by a legal notice dated 12th April, 2011 demanding compliance with the Exit Paper. However, the defendant did not respond.

5.8 Moreover, the defendant published a full-page advertisement on 30th March, 2011 in *Hindustan-Chak De*, claiming a new image for “IMS” under the defendant’s leadership and using phrases like “Old IMS is now more vibrant” and “IMS Young Achievers Learning Centre.” The advertisement also featured a modified version of the plaintiff’s IMS logo.

5.9 Aggrieved by the same, the plaintiff issued another legal notice dated 20th April, 2011 demanding removal of IMS materials and a public apology



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in the Hindustan Times by the defendant. Further, the plaintiff addressed an Email dated 21st April, 2011 to Everonn Education Ltd. and Enabilon Learning Pvt. Ltd. (Test Funda), that the defendant is showing an association with them, to which Enabilon's General Manager confirmed, vide Email dated 24th April, 2011, that the defendant's actions were without their consent.

5.10 Further, the defendant vide Email dated 27th April, 2011, communicated to the plaintiff's hundred business partners that it had signed the Exit Paper and was no longer associated with the plaintiff, and was now operating under the name "IMS Young Achievers".

5.11 The defendant acknowledged the plaintiff's ownership of the IMS trademark but claimed to have rebranded by removing IMS logos, introducing a new syllabus, and reducing fees. It admitted enrolling 150 students at reduced fees, leading to profits ₹22,50,000 /- and causing damages of ₹31,50,000/- to the plaintiff.

5.12 The defendant further sought to disrupt the plaintiff's business by inviting its partners to join the new brand "IMS Young Achievers" and offering 85:15 sharing ratio.

5.13 Hence, the present suit has been filed.

Submissions on behalf of the plaintiff:

6. On behalf of the plaintiff, the following submissions have been made:

6.1 The defendant has no independent rights in the mark 'IMS' and has acknowledged awareness of the plaintiff's trademarks since 1993. The defendant operated under the name "Young Achievers" from 1998 to 2007 without using any trademark until entering into the license agreement with the plaintiff, after which it began using "IMS Young Achievers". The



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defendant's reputation was built solely on the strength of the plaintiff's trademark.

6.2 The defendant admitted to signing the Exit Paper dated 01st February, 2011, agreeing to cease using the mark "IMS", as recorded in court orders dated 16th April, 2012, 10th July, 2012, and 22nd August, 2013. Despite this, the defendant continued using "IMS" to capitalize on the plaintiff's goodwill, claiming it was necessary to maintain its image with students and parents. The defendant's continued use of "IMS Young Achievers" post license termination, clearly seeks to mislead the public into believing an ongoing affiliation with the plaintiff.

6.3 The actions of the defendant clearly demonstrate trademark infringement, and passing off, leading to dilution of the plaintiff's brand reputation, and wrongful interference in the plaintiff's business, causing substantial financial and reputational harm to the plaintiff.

6.4 The *malafide* and dishonest intention of the defendant is evident from the fact that the defendant has also misused trademark of third parties such as TEST FUNDA and EVERONN. The use of the trademark IMS by the defendant is fraught with *malafide* and dishonest intention to ride upon the reputation and goodwill of the plaintiff.

6.5 The defendant cannot under any circumstances claim ownership in the mark IMS of the plaintiff and the conduct of the defendant evidences commercial dishonesty.

6.6 The infringing use of the mark IMS by the defendant is already causing and is likely to cause incalculable losses to the plaintiff. The plaintiff is suffering and likely to suffer tremendous losses and damages to its reputation and goodwill.



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Submissions on behalf of the defendant:

7. On behalf of the defendant, it is submitted as follows:

7.1 The defendant had entered into a contractual arrangement with the plaintiff in the year 2007 for the purpose of providing a national player for the students in Meerut. The defendant was very popular otherwise in the city of Meerut, much prior to the said agreement with the plaintiff.

7.2 When the defendant expressed his disagreement on revenue sharing reduction terms, the plaintiff unilaterally terminated the agreement dated 01st April, 2010 on 01st February, 2011, which was to conclude on 31st March, 2013, leaving the enrolled students' future in dark. The defendant, in order to fulfil the professional commitments made to the students, completed the session.

7.3 The plaintiff has no exclusive rights over the word "IMS" or the term "Institute of Management Studies", as the said words are commonly used by educational institutions, and hence, incapable of distinguishing the plaintiff's products/services from any other. The plaintiff's trademark registrations pertain to composite marks with specific designs, hence, the plaintiff has no exclusive rights to the mark 'IMS' or 'Institute of Management Studies', particularly, in view of Section 17 of the Trade Marks Act, 1999.

7.4 Post signing the Exit Paper dated 01st February, 2011, the defendant adopted a distinct device mark, "IMS Young Achievers", comprising unique elements such as colours, numerals, and slogans, which sufficiently differentiate it from the plaintiff's trademark. Therefore, the impugned mark of the defendant is neither identical nor similar.

7.5 The mark 'IMS' is an acronym, which is derived from descriptive words 'Institute of Management Studies', which is commonly used by



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various educational institutions. Therefore, the same cannot be monopolized by the plaintiff. The said mark is widely used by various educational institutions, including, IMS Ghaziabad, IMS Noida, and IMS Dehradun, as evidenced by *Exhibit DW7*. The plaintiff has failed to establish any secondary meaning or exclusive association of the acronym with its services. Further, the defendant's logo, "IMS Young Achievers", is distinct and does not create confusion, as the target consumers, i.e., students, are educated and capable of distinguishing between the parties.

7.6 The plaintiff had no prior presence or goodwill in Meerut before the Business Partnership Agreement/ Franchise Agreement dated 01st April, 2010 and has provided no evidence of damage caused by the defendant's use of the impugned mark. The defendant has built its reputation through years of independent efforts and the plaintiff in fact benefited financially from the Meerut operations, during the agreement. Additionally, the termination of the agreement via Exit Paper imposed an unfair burden on the defendant to continue servicing students without support from the plaintiff.

7.7 The plaintiff's claims of passing off are baseless as the defendant's services were localized to Meerut, where, the plaintiff had no significant reputation or presence.

7.8 Nobody can claim exclusive right to use any word, abbreviation or acronym, which has become *publici juris* and which is used descriptively. The plaintiff's mark 'IMS' *per se* is a common acronym and does not possess a word mark registration or use of any such word mark 'IMS'.

7.9 The composite marks are to be compared as a whole, unless individual parts are thereof registered separately. The mark of the defendant is capable of indicating its own independent source of identity. Therefore,



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there is no question of any likelihood of confusion or actual confusion from the use of the defendant's trademark. Defendant's consumers are well educated and qualified enough to understand the origin of source of the special courses that are offered to the management students under the defendant's trademark.

7.10 The services of 'coaching classes' are local in nature. The plaintiff has failed to prove that the plaintiff had acquired immense reputation/goodwill in the territory where the defendant exists, as the plaintiff has no existence in Meerut.

7.11 In view of the plaintiff having failed to pass any of the tests laid down for 'infringement' and passing off, the suit of the plaintiff is liable to be dismissed.

8. I have heard the learned counsels for the parties and have perused the record.

Proceedings before the Court:

9. This Court vide order dated 19th September, 2011 granted an *ex-parte ad interim* order in favour of the plaintiff and against the defendant restraining the defendant from using the mark IMS of the plaintiff. Further, the said order was made absolute vide order dated 23rd May, 2012.

10. This Court had also appointed a Local Commissioner vide order dated 19th September, 2011, to inspect and collect evidence of infringing acts at the defendant's premises. However, the defendant refused to allow the Local Commissioner to inspect the premises, take an inventory or pictures. The defendant also refused to produce the books of accounts for inspection by the Local Commissioner.



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11. The defendant had filed an application, being *I.A. No. 818/2012* under Section 8 of the Arbitration and Conciliation Act, 1996. However, the said application was dismissed vide order dated 16th April, 2012, thereby, holding that the Exit Paper (Agreement) dated 01st February, 2011 between the parties superseded any previous contracts between the parties and the arbitration clause fell within the previous contracts.

12. The said order dated 16th April, 2012 was challenged by the defendant. By judgment dated 10th July, 2012 passed in *FAO(OS) 290/2012*, the Division Bench of this Court dismissed the appeal of the defendant. The said judgment of the Division Bench was upheld by the Supreme Court vide judgment dated 22nd August, 2013, in *Civil Appeal No. 6997/2013*.

13. This Court notes that despite the injunction order, the defendant continued to use the trademark IMS and also filed a trademark application for registration of the trademark IMS, bearing no. 2220757 dated 17th October, 2011. Thus, vide order dated 07th March, 2013, directions were passed by this Court, in the following manner:

“I.A. No. 14021/2012 (u/o 39 RI & 2 CPC)

Today learned counsel for the defendant submitted that after defendant had been served with the notice of the order passed by this Court in the present matter, the defendant had stopped using the trademark of which plaintiff claims to be a registered owner. When counsel for the plaintiff pointed out that despite the stay order the defendant has gone ahead with the filing of an application before the trademark authorities for getting the same trademark registered and that also is an act of gross disobedience of the order of this Court.

While not disputing the fact that defendant has applied for registration of the trademark in question after receipt of the stay order of this Court, counsel for the defendant volunteered to withdraw that application and to take necessary appropriate steps in future depending upon the fate of the defence already taken by the defendant in the suit at appropriate stage. It is also submitted that once that



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application before the trademark authorities is withdrawn and this Court is informed of that fact then this Court may take up the matter for further consideration and appropriate orders.

Let the defendant withdraw its application before the trademark authorities as volunteered on its behalf by its counsel today. Further consideration of this application is adjourned for 08th April, 2013 on which date the proprietor of the defendant firm shall appear in person along with the proof of withdrawal of its application for registration of the trademark in question.”

14. Subsequently, the said trademark application was withdrawn by the defendant, as noted in the order dated 08th April, 2013, which is reproduced as under:

“I.A. No. 14021/2012 (u/o 39 R 1 & 2 CPC)

In compliance of the order dated 7th March, 2013, counsel for the defendant today informs the defendant has withdrawn the application which it had submitted to the trade mark authorities for registration of trade mark in question.

Re-notify on 9th October, 2013.”

15. It is further to be noted that since the defendant was found to be prosecuting its trademark application despite its undertaking, the plaintiff filed I.A. No. 3265/2017 under Order 39 Rule 2A Code of Civil Procedure, 1908 (“CPC”). The said application was disposed of vide order dated 11th May, 2017 on the statement of the defendant that the prosecution was being carried out by the Attorneys on record, without its instructions.

16. Ten issues have been framed in the present suit vide order dated 09th October, 2013, as follows:

“xxx xxx xxx

(i) *Whether the Plaintiff is the proprietor of the trade mark ‘IMS’? OPP*

(ii) *Whether the Defendant is infringing the Plaintiff’s registered trade mark IMS? OPP*



(iii) Whether the Defendant is passing off the Plaintiff's trade mark IMS? OPP

(iv) Whether the Defendant is diluting and tarnishing Plaintiff's well known trade mark IMS? OPP

(v) Whether the Defendant is infringing the Plaintiff's copy right in the study and course material? OPP

(vi) Whether the Plaintiff is entitled to permanent injunction against the Defendant? OPP

(vii) Whether the Plaintiff is entitled to rendition of accounts of profits? OPP

(viii) Whether the Plaintiff is entitled to delivery up of impugned material? OPP

(ix) Whether the Plaintiff is entitled to damages? OPP

(x) Relief

xxx xxx xxx”

17. Both the parties filed their evidence in support of their affidavit. The cross examination of PW-1 was carried out on 16th February, 2016, 10th February, 2017 and 30th May, 2017. Cross examination of PW-1 was completed on 30th May, 2017.

18. The Cross Examination of DW-1 was conducted on 23rd October, 2019, 01st February, 2023 and 06th April, 2023.

Issue-Wise Findings and Analysis:

Issue No. i: Whether the plaintiff is the proprietor of the trademark 'IMS'?

19. As per the documents and evidence on record, the plaintiff is a leading player in management entrance test coaching, with a specific focus on Common Admission Test (“CAT”) and mainstream MBA tests and other state/ university level MBA entrance tests. The plaintiff also offers study material and training for Common Law Admissions Tests, international admissions consulting, GMAT, GRE, TOEFL, IELTS, SAT and many others.



20. The plaintiff's business is conducted through over 100 IMS centers across the country, out of which 40 centers are owned by the plaintiff and rest are owned by business partners. All the centers carry the name IMS prominently.

21. The plaintiff adopted the trademark IMS in 1977 in relation to education related courses, materials and products. The mark IMS has been obtained from the first letters of the words 'Institute of Management Studies'. The trademark IMS of the plaintiff forms the dominant and prominent portion of its trade name.

22. The plaintiff holds registrations for the mark IMS and IMS variants in numerous classes, including, in Classes 9, 16, 35 and 41, the details of which, are tabulated as under:

TRADE MARK	REG.NO.	CLASS	DATE OF REGN	STATUS
	1435210	35	23.03.2006	Registered
<i>Goods: Import and export, marketing and distributions</i>				
Institute of Management Studies – IMS	822490	16	09.10.1998	Registered
<i>Goods: Paper and paper articles, teaching and instructional materials stationery, advertisement materials, brochures and printer matter.</i>				
	1435184	09	23.03.2006	Registered
<i>Goods: Scientific, natural, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking, (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines, data processing equipment and computers; fire-extinguishing apparatus.</i>				



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IMS Learning Resources Pvt. Ltd.	1421967	41	16.02.2006	Registered
<i>Goods: Education; providing of training; entertainment; theaters; sporting and cultural activities.</i>				

23. The plaintiff has filed documents and evidence pertaining to its registrations, and propriety of the mark IMS, in its favour, that have been exhibited and marked, and proved during the course of evidence. The said documents are as follows:

- i. Business Transfer Agreement dated 1st November, 1999 - Mark B.
- ii. Profile of the plaintiff and internet extract from the website of plaintiff along with prospectuses from the year 1991 to 2001 – *Exhibit PW1/9*.
- iii. Internet Extract from the website of plaintiff and a list of partners from Advance Edge 2003 – 2004 - *Exhibit PW1/10*.
- iv. Copy of 17th December, 2003 issue of Brand Equity (Economic Times) containing a survey of India's Most Trusted Brands 2003, featuring plaintiff – *Exhibit PW1/11*.
- v. Copy of registration certificate of establishment under the Bombay Shops and Establishments Act, 1948 indicating receipt for the shop rent payment from the year 1979 – Mark C.
- vi. Original Legal Proceeding Certificates for the registration under Trademark no. 822490, 1421967 and 1432184 – *Exhibit PW1/13*.
- vii. Trademark Registration Certificates for the mark IMS in various Classes – Mark D.

24. Accordingly, the issue is decided in favour of the plaintiff and against the defendant, holding that the plaintiff is the proprietor of the trademark 'IMS'.



Issue No. ii- Whether the Defendant is infringing the plaintiff's registered trademark IMS?

Issue No. iii – Whether the Defendant is passing off the plaintiff's trademark IMS?

Issue No. iv – Whether the Defendant is diluting and tarnishing plaintiff's well-known trademark IMS?

25. The plaintiff and defendant entered into a Service Provider Agreement dated 01st April, 2007. Subsequently, the plaintiff and defendant entered into a Business Partnership Agreement dated 01st April, 2010, wherein, the plaintiff permitted the defendant to use its trademark IMS for running a center in the District Meerut, Uttar Pradesh, and provided the defendant with its training formats, materials and know-how. Under the Agreement dated 01st April, 2010, the defendant had no authority to create or assume the mark IMS. The defendant was required to maintain secrecy and confidentiality in the information received. The defendant also acknowledged the rights of the plaintiff in the mark IMS. The relevant clauses of the said Agreement are reproduced, as under:

“xxx xxx xxx

6. RELATIONSHIP OF IMS AND BUSINESS PARTNER:

xxx xxx xxx

2. **The Business Partner has no authority to create or assume in IMS's name or on behalf of IMS, any obligation, express or implied, except as specifically provided herein: All employees hired by or working for the Business Partner shall always be the employees of the Business Partner in the Business Partner shall always be deemed to be responsible for all obligations, statutory, contractual or otherwise, towards his employees to the exclusion of IMS.**

xxx xxx xxx

7. BUSINESS PARTNER'S OBLIGATION:

xxx xxx xxx



5. Confidentiality/IPR: The Business Partner undertakes to preserve the secrecy and confidentiality of all information that he may receive during the course of rendering service and shall always protect IMS's Intellectual Property Rights (IPR) in the databases, materials, books, etc.

xxx xxx xxx

13. NON COMPETE CLAUSE:

The Business Partner avers that (As applicable):

1. *No Director, Shareholder, employee, contractual service provider or their family members:*
2. *No partner, employee, contractual service provider or their family members:*
3. *Neither he, his employees or contractual service provider, nor their family members are directly or indirectly interested in any business or not for profit activity in direct competition with that of IMS and The Business Partner agrees and undertakes to ensure that neither he nor his family members shall be involved in or be concerned with any such business or not for profit activity in direct competition with that of IMS at any time during the currency of this agreement and for a further period of six months thereafter.*

xxx xxx xxx

18. TRADE MARKS & INTELLECTUAL PROPERTY RIGHTS:

1. **Notwithstanding anything contained herein, the Business Partner accepts and acknowledges that IMS is the exclusive owner of all rights in the Trade Names, all registered Trade Marks and unregistered trademarks which are associated with its Products and/or Service. For the duration of this agreement, IMS grants a non-exclusive, non-transferable, non-assignable, limited-term, royalty-free licence to the business partner to use its Trade Marks for the sole purposes of discharging its obligations-as-contemplated under this agreement.** *The business partner shall always remain obligated to notify IMS of any infringement of the Trade Marks or intellectual property rights of which it becomes aware, and to provide IMS all reasonable assistance that may be required to enforce IMS's Intellectual Property Rights.*
2. *The Business Partner states that any and all changes, improvements, modifications, enhancements and derivative works to the materials or books belonging to IMS suggested by them are hereby*



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assigned by the Business Partner to IMS and IMS will exclusively own all rights, title, and interest,

2. Additional Services: IMS may require The Business Partner to render additional services from time to time and in that event, the remuneration or fees for the same shall be as may be mutually agreed upon by the parties.

3. Transfer In Students: In the case of a Student enrolled at any other Learning centre, who has shifted his residence into the Territory and is desirous of joining the same or similar Course at the Learning centre, IMS may subject to the availability of seats at the Learning centre and in consultation with The Business Partner admit him to such Course. IMS shall pay fees on a pro rata basis to The Business Partner in respect of all such “transfer in” students at the same rates applicable to a regular student at the learning centre.

4. Transfer out Students: In the case of a Student enrolled at the Learning centre, who has shifted his residence to another Territory and is desirous of joining the same or similar Course at that Learning centre, IMS may subject to the availability of seats at the Learning centre and in consultation with The Business Partner admit him to such Course. IMS shall deduct the fees paid or payable to The Business Partner on a pro rata basis in respect of all such “transfer out” students at the same rates applicable to a regular student at the learning centre.

5. Authority: Both parties confirm that they have the power to enter into this Agreement and where applicable, the sanction of their respective governing body has been obtained in this regard.

6. Severance: In the event that any provision of this Agreement becomes illegal by virtue of any fresh legislation or is declared by any judicial authority to be void, voidable, illegal or otherwise unenforceable, such provision shall be deemed to have been modified to the extent required to render the agreement legal and valid in the eyes of the law, or if not feasible, shall be deemed to have been deleted and the remaining provisions of this Agreement shall full force and effect

7. Entire Agreement: This Agreement, including all Schedules/Annexure hereto constitutes the entire Agreement between the parties with respect to the matters contained herein and supersedes all prior agreements and understandings between the parties. Neither party shall make reference to any other communication, email, conversation, deed or writing in determining the rights and obligations of a party under this agreement.



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8. Advertising & Publicity: IMS may formulate and carry out advertisement and publicity campaigns for marketing its products and services or otherwise and may require The Business Partner to participate in such initiatives as part of his obligations. Any sums expended by the Business Partner with the prior written approval of IMS shall be reimbursed to him. All media, text, design, layout of any advertisement, publicity material, poster, brochure, leaflets, press release, etc. shall be provided by IMS.

9. Waiver: Any forbearance or waiver on the part of IMS to enforce its rights under this agreement shall never be deemed to act as a waiver of any such rights in respect of any future act(s) by The Business Partner:

10. Notices: Unless otherwise advised in writing by a contracting party to the other, all notices shall be delivered in writing by Courier or Registered Post A.D. to the other party at the following addresses:

xxx xxx xxx”

(Emphasis Supplied)

26. With effect from 01st February, 2011, IMS, Meerut being run by the defendant, was closed by mutual consent of plaintiff and the defendant. The defendant signed an Exit Paper dated 01st February, 2011, wherein, he agreed not to use the mark IMS in any form with effect from 01st February, 2011. The Exit Paper dated 01st February, 2011, i.e., *Exhibit P-2 (PW-1/2)*, is reproduced as under:



EXIT PAPER

Date: 1st Feb 2011

With reference to your mail/letter dated 1st Feb 2011 on closing the center. From the aforesaid date with mutual consent we have agreed on the following:

1. Enrolled students

All enrolled students of IMS with you will be serviced by you with respect to their Classes, Workshops and conduct of test series, GD/PI and any other servicing required as per the Product manual.

2. Premises

IMS will reserve the first right of utilization to occupy the premises. In an eventuality of IMS exercising the right to use the premises, then IMS will reimburse the monthly rent for the corresponding months before changing the rental agreement on to IMS name.

3. Marketing

From the above-mentioned date you are not eligible to do any marketing and promotional activities in the name of IMS.

4. Brand

From the above-mentioned date you are not eligible to use IMS brand in any form.

5. Monthly Claims

The partner abides to deposit all the course fees collected for any of IMS programs till now as per the deposit policy of IMS. All monthly claims will be settled till 31st Jan 2011 and the claims would be released after the date of termination of the partner agreement.



6. Security Deposit

The security deposit amount will be refunded back to you after the completion of servicing of all enrolled IMS students. In case of any due on partner to the company (unsettled fees, loan or advance for centre activities etc.), same amount will be deducted from the security deposit.

7. Non Compete Clause

The partner has averred that neither he, nor his family members are directly or indirectly interested in any business in direct competition with that of IMS and the partner agrees and undertakes to ensure that neither he nor his family members shall be involved in or connected to any business in direct competition with that of IMS at any time during the currency of this agreement and for a further period of six months thereafter.

8. Full and Final settlement

I/We accept all the above-mentioned points and confirm that upon receipt of the sum stated hereinafter in full and final settlement of all my/our claims, neither me/we nor any person claiming by or through me/us shall have any further claims against IMS whatsoever

Any violation of points 1, 3, 4, 5 & 7 from the partner's end will attract Legal course of action and penalties from IMS ranging from forfeiture of the security deposit & pending claims.

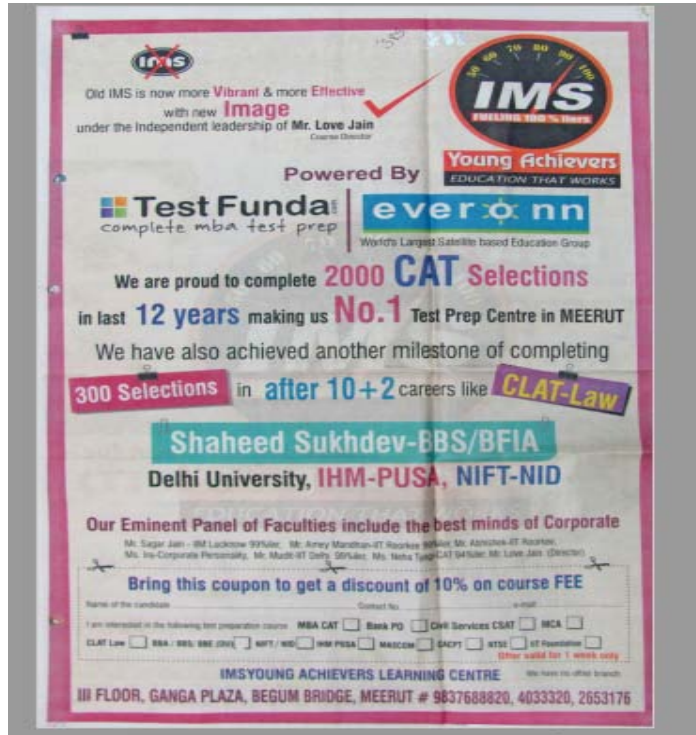
I hereby accept above terms and condition:

27. Since the defendant continued to use the mark IMS, the present suit came to be filed.

28. Subsequent to the signing of the Exit Paper, the defendant started using the mark of the plaintiff by adding suffix, as 'IMS YOUNG ACHIEVERS LEARNING CENTER'. The defendant got a full page advertisement published in a newspaper on 30th March, 2011, *Exhibit PW-1/4*, which is reproduced as under:



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29. Perusal of the aforesaid advertisement, shows that the defendant claimed that the trademark IMS now has a new image and runs under the defendant's independent leadership. The defendant used the terminology that 'Old IMS is now more vibrant & more effective with new image under the independent leadership of Mr. Love Jain'. The defendant crossed the IMS logo of the plaintiff and used IMS in a different logo. Further, the defendant also used the plaintiff's trademark IMS on bottom of the advertisement stating, 'IMS YOUNG ACHIEVERS LEARNING CENTER'.

30. It is also to be noted that the defendant sent an Email dated 27th April, 2011, *Exhibit PW-1/29*, to almost 100 business partners of the plaintiff, admitting that he is no longer associated with the plaintiff and is using the trademark IMS of the plaintiff in a new form. The said Email dated 27th April, 2011, *Exhibit PW-1/29*, is reproduced hereunder:



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guwahati@imsindia.com ; Patna <mailto:patna@imsindia.com> ; IMS Jamshedpur <mailto:jamshepur@imsindia.com> ; Dhanbad <mailto:dhanbad@imsindia.com> ; IMS Ranchi <mailto:ranchi@imsindia.com> ; silliguri <mailto:silliguri@imsindia.com> ; Midnapur <mailto:Midnapur@imsindia.com> ; Durgapur <mailto:durgapur@imsindia.com>
Sent: Wednesday, April 27, 2011 6:38 PM
Subject: IMS Philosophy Exposed in Reality!! Urgent !! Come declare Independence before you are ditched!!

Hi

I am Love Jain, Owner, IMS Young Achievers Meerut having recently left IMS Learning Resources Pvt. Ltd., Meerut Franchisee would like to share some experiences relating to immediate success after leaving franchisee which though had happened to me unilaterally at the hands of IMS.

Why I am sharing these experiences is because this is how anyone of us can be dealt with and post such experience success can be ensured with few necessary steps:

1. It happened like on 01st Feb, 2011 I was called to discuss market strategies for Meerut in Delhi CP Branch and upon reaching Mr. Devesh told me that as a policy matter we are asking all our partners to sign an EXIT letter which is nothing but similar to an understanding in the agreements. This person took my signatures on the document wrongfully with bad intentions which I am sharing with you all in an attachment. These people on a secret note without my information called up at Meerut centre and requested for VNC on our ES system that anyway was provided to them by staff like a routine but within seconds they erased ES and the motive was later disclosed to me that out of market conditions and consolidation they have closed Meerut franchisee. I didn't receive any reasons for the termination of agreement.
2. It would have come for anyone as a matter of survival and so was for me. I never removed even while running IMS centre my own 12 years brand "Young Achievers" that always kept reflecting on IMS website Meerut centre location. Now I took just one step by adding my own created logo reflecting "IMS Young Achievers" backed by a full page advertisement declaring Independence from older brand IMS. As expected IMS released a notice in some newspaper saying "We don't have any branch in Meerut" and claiming that advertisement released by us is misleading while contrasting the message in notice with self praise about brand IMS.
3. IMS is sending us legal notices related to our new brand which appear to be aimless and will be dealt in any court of law. My Lawyers are ready to take the battle further in Court of Justice.
4. The security amount has not been refunded and this can be dealt strongly in any court of law. Infact we all have legal rights and at times one must not feel to get away from legal options also especially in these circumstances.

Now coming to post- IMS experiences.

1. First thing I did after knowing the decision of IMS to close franchisee is that I rebranded on the very next day my centre as "IMS Young Achievers" after removing all signboards with IMS logo.
2. The very next day I called upon a meeting of all my students and asked them about introducing new and better syllabus for CAT training other than IMS. Keeping in view our passion about student servicing all students understood us well and decided to stay with us and on the other hand we reduced the fee to a lower level Rs.15000/-instead of Rs.21000/- that brought us huge cheers with more than 150 enrolments in last 2 months only.
3. We introduced Test Funda study material to all our students that proved much better than what IMS is offering and also available at a reduced price absorbing only 20% of student fee inclusive of all test series.
4. Student walk-in never reduced but only increased as study material and servicing improved considerably with better value for money.



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I call upon all of you interested to join us as an umbrella brand of "IMS Young Achievers" at a sharing ratio of 85:15 with no strings attached. We will provide complete knowhow about the study material and online test series better than any other brand.

Friends! You may face the same some day or the other at the hands of these companies who work purely on Win-lose relationship and claim to have great philosophies. I even invite you for understanding the proposal and please don't take this mail as a grudge mail but accept it as a reality. These days if you look once again on the agreements you have signed they are completely one-sided in their own favour and will surely put you in difficult stage or will make you kneel down during the times you aspire independence! The sharing ratio 60:40 is simply unworkable and we all know how we manage! So wake up, plan and decide a better independent secure future. I have no intentions to work against brand IMS but definitely to create our own space with better ideas and success depends upon changes which sometimes we neglect out of fear or being secure and satisfied with unworkable conditions.

In this type of coaching it is your individual commitment that will matter the most and nothing like brands of IMS, CL or Time etc.. Infact there are more successful coaching centres who work distinctively with their own ideologies. Instead of working for someone else and part away from our hard-earned income, let's create wealth by having a reality check of our objectives. Our success depends not on products but on servicing. Companies like IMS, CL works on products and we are service providers so lets not get exploited by way of creating wealth for others but we must create our own wealth to be really successful...

Kindly don't reply back on these issues if you may differ as it is just an opinion and it will definitely help you plan your future in the event of an eventuality that some of us are unable to predict as of now...

Regards

Love Jain

31. In the aforesaid Email dated 27th April, 2011, Exhibit *PW-1/29*, the defendant has categorically stated that it is using the brand IMS as a trademark, while also acknowledging that IMS is a brand of the plaintiff. The defendant states in the said letter that it is using the name "IMS YOUNG ACHIEVERS" after having recently left IMS LEARNING RESOURCES PVT. LTD., MEERUT FRANCHISEE. The defendant has also admitted that it signed the Exit Paper dated 01st February, 2011.

32. Upon reading the aforesaid Email, written by the defendant it is evident that the defendant created its "own logo reflecting 'IMS Young Achievers' backed by a full paged advertisement declaring independence by older brand IMS". The defendant also admitted, "I rebranded on the very next day my centre as 'IMS Young Achievers' after removing all sign boards with IMS Logo".

33. In the said *Exhibit PW-1/29*, the defendant admits to reducing the fees to ₹15,000/- from ₹21,000/- and has had 150 enrolments in the last two months. The defendant also attempted to break the relationship of plaintiff's



business partners by stating, “I call upon all the business partners of the plaintiff’s to join the defendant under its umbrella brand IMS Young Achievers at a sharing ratio of 85:15 with no strings attached”.

34. This Court had appointed a Local Commissioner, who conducted the commission on 28th September, 2011. The relevant portions of the Local Commissioner Report dated 26th November, 2011, has been reproduced as under:

“xxx xxx xxx

6. Upon arrival the undersigned noticed a sign-board of the Defendant displayed outside the complex wherein the mark 'IMS' was displayed at two places. The size of the Board and the mark was such that it was clearly visible and distinguishable from any other board around. The undersigned took pictures of the said sign-board and the same are annexed hereto and marked as Annexure 'B'.

7. Thereafter, the undersigned along with the aforementioned persons and the clerk of the Counsel for the Plaintiff, Mr. Mahender went to the Third Floor of Ganga Plaza Complex, where the office of the Defendant was situated. The undersigned noticed the mark 'IMS' was again displayed at 5 places. The undersigned again took pictures of the impugned mark displayed at the entry of the subject premises and the same are annexed hereto and marked as Annexure 'C'.

8. Thereupon, the undersigned proceeded inside the office of the Defendant wherein one Mr. Love Jain was present. The office of the Defendant comprised of two rooms. The outer room had three cubicles/work stations with computers and printers, a book shelf wherein a number of course material, reference books and papers containing the mark 'IMS' were displayed in the open. There were various posters displayed on the walls of the said room, which also displayed the impugned mark. Further, there was a notice board which displayed old newspaper cuttings wherein new stickers of the impugned mark were pasted on. The second room was set up like a classroom wherein the impugned mark was displayed as well.

9. The undersigned served a copy of the order passed by this Hon'ble Court on Mr. Love Jain and informed him that the undersigned has been directed to carry out inspection of the said premises of the



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defendant, seize the infringing material and hand it back on Superdari after making the inventory. He was also upraised that the undersigned is also directed to sign the books of accounts of the Defendant.

10. Mr. Love Jain after reading the order of the Hon'ble Court refused to allow the undersigned to inspect the premises or make an inventory or take pictures of his premises. He further also refused to produce the books of accounts for the inspection.

xxx xxx xxx”

(Emphasis Supplied)

35. Perusal of the Local Commissioner's Report dated 26th November, 2011, shows that a sign board of the defendant was displayed outside the complex, where the office/center of the defendant was situated, and, the mark IMS was displayed at two places. Further, the mark IMS was displayed at five places at the entry of the premises of the defendant. It is noted that the mark IMS, along with a bookshelf with a number of course material, reference books, papers containing the mark IMS, were also displayed in the open. There were various posters displayed on the walls of the office room, which also displayed the impugned mark. There were notice boards which displayed old newspaper cuttings, wherein, new stickers of the impugned mark were pasted, and the impugned mark was also displayed in the classroom.

36. This Court notes that despite the injunction order dated 19th September, 2011, which was made absolute on 23rd May, 2012, the defendant continued the use of the mark IMS for nearly one year after the injunction order. Not only did the defendant continue using the mark, it also filed a trademark application dated 17th October, 2011 (*Exhibit PW-1/5*), for the mark "IMS Young Achievers". It was only when the plaintiff filed an application under Order XXXIX Rule 2A CPC, bearing number *I.A. No.*



14021/2012, for contempt of the orders dated 19th September, 2011 and 23rd May, 2012, that the defendant volunteered to withdraw its trademark application and accordingly withdrew the same.

37. Perusal of the cross-examination of the defendant shows that the defendant was running its institute in Meerut since the year 1998, by the name of “Young Achievers”. Further, the defendant has admitted that he was aware of the plaintiff, having heard about the plaintiff as a student since his graduation in 1993. The relevant portion of the cross-examination of DW-1, Mr. Love Jain dated 23rd October, 2019, is reproduced as under:

“xxx xxx xxx

Q When was the defendant established?

A It was established in 1998 in Meerut.

Q What business are you involved since 1998?

A I am involved in training & counseling students.

Q What was the name of your establishment in 1998?

A Young Achievers

xxx xxx xxx

Q Since when are you aware of plaintiff IMS Learning Resources Pvt Ltd?

A I heard it as a student since my graduation in 1993.

xxx xxx xxx”

(Emphasis Supplied)

38. Thus, from the aforesaid cross-examination of the defendant, it is established that the defendant has been aware of the plaintiff’s trademark IMS since at least since 1993.

39. The cross-examination of the defendant as DW-1 also brings to the fore that the defendant has been calling its establishment as “IMS Young



Achievers Meerut” since 2007. Further, the defendant has admitted that people recognise the institute of the defendant as IMS. The defendant has further admitted that he does not claim any rights in the trademark IMS. The relevant extracts from the cross-examination of DW-1 dated 23rd October, 2019, is reproduced as under:

“xxx xxx xxx

Q Since 2007 what you have been calling your establishment?

A We have been calling as IMS Young Achievers, Meerut, though people recognize it as IMS.

xxx xxx xxx

Q Do you claim rights in trademark IMS?

A No.

xxx xxx xxx”

(Emphasis Supplied)

40. During the course of his cross-examination, DW-1 also admitted that the advertisement, Exhibit PW-1/4, meant that defendant was an independent centre and did not have any further relationship with IMS. The defendant admitted that the advertisement was published as a message to stop confusion in the mind of students and parents of Meerut. The cross-examination of DW-1 dated 23rd October, 2019 in this regard, is reproduced as under:

“xxx xxx xxx

Q At pg385 of plaintiff’s document there is advertisement. What is meant by this Advertisement?

A This advertisement meant that we are an independent centre and do not have further relationship with IMS and specifically we went into running our own operations with the help of content partners like Test Funda and Everon. This was important as a message to stop confusion in mind of students & parents of Meerut only. This advertisement was limited to 5000 copies distributed with Hindustan Times.



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xxx xxx xxx”

(Emphasis Supplied)

41. The defendant also admitted that he was aware that the plaintiff was using the trademark IMS, before the plaintiff started using the same for his centre. The relevant extract from cross-examination of DW-1 dated 01st February, 2023, is reproduced as under:

“xxx xxx xxx

Question : Are you aware that the plaintiff was using the plaintiffs Trade Mark IMS before to your use of the mark IMS ?

Answer : I was aware that the plaintiff is using the Trade Mark IMS. (Volt. I have used it in a different context as I have used “IMS Young Achievers” as Trade Mark and not “IMS” and the same “IMS” mark has been used by lot of other people in the industry.)

xxx xxx xxx”

(Emphasis Supplied)

42. The defendant also admitted during the course of his cross-examination that the defendant was licensed to use the trademark IMS by the plaintiff during the term of the agreement. The relevant extract from the cross-examination of DW-1 dated 01st February, 2023, is reproduced as under:

“xxx xxx xxx

Question : I put it to you that you were licensed to use the Trade Mark IMS by the plaintiff during the term of the agreement?

Answer : Yes, it is correct. (Volt. the initial agreement was from 2007 to 2009, where the terms and conditions were changed in year 2010 at the time of renewal of agreement and that agreement was abruptly terminated by the plaintiff.)

xxx xxx xxx”

(Emphasis Supplied)



43. The defendant further admits that his clients recognise his business and his identity is better known by the name of “IMS Young Achievers”. The cross-examination of *DW-1* to this effect dated 06th April, 2023, is reproduced as under:

“xxx xxx xxx

Question : Do your clients recognize your business as “Young Achievers”?

Answer : My clients recognize me by my personal name Love Jain and as I had given up Young Achievers to IMS when I took the franchisee so my identity is better known by the name of “IMS Young Achievers”.

xxx xxx xxx”

(Emphasis Supplied)

44. Perusal of the cross-examination of the defendant, i.e., *DW-1*, clearly establishes that the defendant has acknowledged that the mark IMS belongs to the plaintiff and that the defendant was aware of the mark of the plaintiff since his student days, *at least* since 1993. It is clear that the defendant initially started using the mark IMS, as the defendant was licensed to use the said mark by the plaintiff in terms of the agreements between the plaintiff and the defendant. Therefore, use of the mark IMS by the defendant after termination of the agreement by the plaintiff, can neither be considered as honest nor *bonafide*.

45. The Exit Paper dated 01st February, 2011 (*Exhibit PW-1/2*) signed by the defendant stands established, wherein, the defendant admitted that from the date of signing the Exit Paper, the defendant was not eligible to use the IMS brand in any form. In the Exit Paper, *Exhibit PW-1/2*, the defendant agreed to stop using the mark IMS for its business.



46. The Division Bench of this Court in the case of *Morgardshammar India Limited & Others Versus Morgardshammar AB, 2012 SCC OnLine Del 4945*, while holding that once licence is revoked, any use by the licensee of the trademarks and trade name, would amount to infringement, has held as follows:

“xxx xxx xxx

40. *It is well settled law that once the licence is revoked, any use by the licensee of the trademarks and trade name would amount to infringement of the trade mark and the rights of the proprietor and on revocation, the licensee is restrained from using the trade mark and trade name belonging to the proprietor.* We refer the following decisions on this aspect:—

(a) *In Fedders North American v. Show Line*, reported in 2006 (32) PTC 573 (DEL), it has been held that after termination of the agreement dated 21st May, 1956, plaintiff had given right to defendant No. 18 to use the trade mark “Fedders” for a period of five years, by virtue of the agreement dated 11th October, 1963. It was held that after this period came to an end in the year 1968, use of trade mark “Fedders” by defendant No. 18 from 1968 onwards was not in line with the rights available to the plaintiff as a registered proprietor of trademark “Fedders”. *In Velcro Industries B.V. v. Velcro India Ltd.*, reported in 1993 (1) Arb.LR 465, the facts involved were, more or less, similar to the present case. In the said case, Velcro Industries (plaintiff) had entered into collaboration agreement with the Indian Directors and pursuant thereof Velcro India Ltd. (Defendant) came in existence. Defendant was granted trademark license vide a License Agreement which was renewed and subsequently, defendant was permitted to use the word “Velcro” as part of its trade name. Renewed agreement also expired on 30th September, 1986, thereafter plaintiff called upon defendant to stop using the mark of the plaintiff which was not complied with. Accordingly, plaintiff approached the Bombay High Court wherein defendant was restrained from using the mark “Velcro” as their trade name in India. *It was held that after the license expired, defendants had no right to use the same as that of their corporate name/trade name.*

(b) *In Rob Mathys India Pvt. Ltd. v. Synthes Ag Chur*, reported in 1997 (17) PTC 669 (DB), this Court echoed the view expressed by the Supreme Court in *Power Control Appliances v. Sumeet Machines Pvt. Ltd.*, reported in 1994 (2) SC 17 to the effect that *it is a settled*



principle of law relating to trademarks that there can be only one mark, one source and one proprietor. A trademark cannot have two origins. It was held that after termination of the collaboration agreement between the parties to that litigation, the appellant therein, not the owner of the trademark, could not use the word “Synthes” or the trademark “AO/ASIF” after revocation of the collaboration agreement.

(c) *The Division Bench in the case of J.K. Jain v. Ziff Davies, reported in 2000 PTC 244 (DB) held that an **ex licensee, having taken the benefit of an agreement with the licensor is estopped from resisting an application for an injunction by the licensor after termination of the agreement between the parties.***

(d) *In Baker Hughes Limited v. Hiroo Khushalani, reported in 1998 PTC (18) 580, this Court held as under:—*

*“Permission to use the mark granted in terms of a collaboration agreement which stipulated that the joint venture company shall be entitled to use the name of collaborator company till the share holding does not fall below 40% - **Use of mark after the share in equity fell below 40% - Improper - Interim injunction granted.**”*

xxx xxx xxx”

(Emphasis Supplied)

47. It is an admitted position that the defendant started calling itself IMS only after getting the licence from the plaintiff. The defendant has acknowledged that after 2007, people recognised the defendant as IMS. It is also an admitted position that in the year 2010, defendant’s licence was renewed by the plaintiff. Thus, it is clear that after the termination of his licence, the defendant adopted the mark “IMS Young Achievers” solely to free ride upon the goodwill and reputation of the plaintiff.

48. From the documents and evidence on record, it is established that the business partnership between the plaintiff and defendant was terminated by virtue of the Exit Paper dated 01st February, 2011. In terms of the Exit Paper, the defendant was required to cease the use of the mark “IMS”. Instead, the defendant issued an advertisement in the newspaper calling the defendant



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institute as “IMS Young Achievers”. The defendant in doing so adopted the plaintiff’s mark in its entirety, thereby, misleading the students into believing that it continues to have association/affiliation with the plaintiff, even after termination of the franchisee.

49. Further, the advertisement, i.e., *Exhibit PW-1/4*, issued by the defendant also mentions Everon and Test Funda as partners of the defendant, whereas, they had absolutely no business relationship with the defendant. This is established from the Emails dated 21st April, 2011 written by the plaintiff to Everonn Education Ltd. and Enabilon Learning Pvt. Ltd. (Test Funda) being *Exhibit PW-1/27*, informing them of the defendant’s advertisement and their replies, and *Exhibit PW-1/28*, confirming that they do not have any business relationship with the defendant.

50. The documents and evidence on record also establish that IMS is the brand of the plaintiff and that the defendant is not permitted to use the brand IMS without permission from the plaintiff. It is the admitted position by the defendant that it was the licensee of the plaintiff and was permitted to use the plaintiff’s mark IMS under the terms of the license entered into with the plaintiff from 2007 to 2010 (*Exhibit D1 and D2*). The defendant had no independent right in the mark IMS.

51. It is evident that the defendant started calling itself “IMS Young Achievers Learning Centre”, which is very similar to the trading name of the plaintiff i.e., “IMS Learning Resources Pvt. Ltd.” Clearly, even after the licence granted to the defendant to use the mark IMS terminated, the defendant continued using the same. The defendant issued a newspaper publication, *Exhibit PW-1/4*, claiming that the trademark IMS now has a new image and runs under the defendant’s independent leadership. The



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plaintiff used the terminology “Old IMS is now more vibrant & more effective with new image under the leadership of Mr. Love Jain”. The defendant in the said newspaper publication, *Exhibit PW-1/4*, also used plaintiff’s trademark IMS on bottom of the advertisement, stating “IMS Young Achievers Learning Centre”.

52. Thus, it is apparent that even after the licence granted to the defendant to use the mark IMS was terminated, the defendant continued using the same. The wording of the newspaper advertisement makes it clear that the defendant was trying to create association with the plaintiff’s mark IMS and take undue advantage of the goodwill and reputation of the plaintiff’s mark.

53. Further, on 27th April, 2011, the defendant sent an email, *Exhibit PW-1/29*, to the business partners of the plaintiff, admitting that he is no longer associated with the plaintiff and is using the trademark IMS of the plaintiff in a new form.

54. As noted in the order dated 07th March, 2013, the defendant admitted that the trademark application for the mark IMS was filed by the defendant subsequent to the injunction orders passed by this Court and volunteered to withdraw the trademark application bearing no. 2220757 for the mark “IMS Young Achievers”.

55. In his cross-examination dated 01st February, 2023, the defendant has stated that to safeguard its image in front of its students and parents, he started using the mark “IMS Young Achievers”, after the termination of the licence agreement dated 01st April, 2010, as it included his identity of previous time, i.e., from 2007-2010, when defendant ran its business as a franchisee of the plaintiff, and presently. Therefore, this admission by the



defendant makes it abundantly clear that the only reason that he continued to use IMS, was to show an association and affiliation with the plaintiff.

56. Further, the defendant during his cross-examination dated 06th April, 2023, admits that his identity is better known as “IMS Young Achievers”. He has further admitted that he does not claim any rights in “Young Achievers” and that the same is not his trademark. Therefore, clearly, IMS remains the dominant part of the mark of the defendant i.e. “IMS Young Achievers”. An ordinary consumer of average intelligence and recollection is bound to associate the defendant’s mark with the plaintiff. This is more so, given the previous association of the plaintiff and defendant, the students and parents in Meerut are aware of the business relationship between the plaintiff and defendant.

57. A pictorial comparison of the trademark of the plaintiff and the defendant is reproduced as under:

Plaintiff’s mark



Defendant’s mark



58. The aforesaid comparison shows that the defendant has subsumed the mark IMS of the plaintiff completely in his mark, by adding suffix to the mark of the plaintiff. Clearly, IMS remains the dominant part of the mark of the defendant, “IMS Young Achievers”. The defendant is using the mark “IMS Young Achievers”, which is deceptively similar to the mark IMS of



the plaintiff. As laid down in a catena of judgments, the present issue has to be approached from the point of view of a man of average intelligence and imperfect recollection. Considering the overall similarity between the two names in respect of the same description of goods/services, the same is likely to cause deception or confusion.

59. Thus, expounding upon with the issue as to when a trademark is likely to deceive or cause confusion, the Supreme Court in the case of *Amritdhara Pharmacy Versus Satya Deo Gupta, 1962 SCC OnLine SC 13*, has held as follows:

“xxx xxx xxx

6. It will be noticed that the words used in the sections and relevant for our purpose are “likely to deceive or cause confusion”. The Act does not lay down any criteria for determining what is likely to deceive or cause confusion. Therefore, every case must depend on its own particular facts, and the value of authorities lies not so much in the actual decision as in the tests applied for determining what is likely to deceive or cause confusion. On an application to register, the Registrar or an opponent may object that the trade mark is not registrable by reason of clause (a) of Section 8, or sub-section (I) of Section 10, as in this case. In such a case the onus is on the applicant to satisfy the Registrar that the trade mark applied for is not likely to deceive or cause confusion. In cases in which the tribunal considers that there is doubt as to whether deception is likely, the application should be refused. **A trade mark is likely to deceive or cause confusion by its resemblance to another already on the Register if it is likely to do so in the course of its legitimate use in a market where the two marks are assumed to be in use by traders in that market.** In considering the matter, all the circumstances of the case must be considered. As was observed by Parker, J., in *Pianotist Co Application [(1906) 23 RPC 774]* which was also a case of the comparison of two words.

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



as a trade mark for the goods of the respective owners of the marks.” (p. 777)

For deceptive resemblance two important questions are : (1) who are the persons whom the resemblance must be likely to deceive or confuse, and (2) what rules of comparison are to be adopted in judging whether such resemblance exists. As to confusion, it is perhaps an appropriate description of the state of mind of a customer who, on seeing a mark thinks that it differs from the mark on goods which he has previously bought, but is doubtful whether that impression is not due to imperfect recollection. (See Kerly on Trade Marks, 8th Edition, p. 400.)

xxx xxx xxx”

(Emphasis Supplied)

60. The defendant is using the mark IMS in course of trade, which is identical with the registered trademark IMS of the plaintiff. The defendant’s manner of usage of the mark IMS, will be perceived as though the usage is by the plaintiff. The same is bound to create association and affiliation with the plaintiff in the minds of the consumers.

61. Holding that the question whether the two marks are likely to give rise to confusion or not is a question of first impression, the Supreme Court in the case of ***Corn Products Refining Co. Versus Shangrila Food Products Ltd., 1959 SCC OnLine SC 11***, has held as follows:

“xxx xxx xxx

18. We think that the view taken by Desai, J., is right. **It is well known that the question whether the two marks are likely to give rise to confusion or not is a question of first impression. It is for the court to decide that question.** English cases proceeding on the English way of pronouncing an English word by Englishmen, which it may be stated is not always the same, may not be of much assistance in our country in deciding questions of phonetic similarity. It cannot be overlooked that the word is an English word which to the mass of the Indian people is a foreign word. **It is well recognised that in deciding a question of similarity between two marks, the marks have to be considered as a whole.** So considered, we are inclined to agree with Desai, J., that the marks with which this case is concerned are similar. Apart from the syllable “co” in the appellant’s mark, the two



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marks are identical. That syllable is not in our opinion such as would enable the buyers in our country to distinguish the one mark from the other.

xxx xxx xxx”

(Emphasis Supplied)

62. In the present case, it is evident that the mark IMS is the essential and prominent feature of the defendant’s trademark “IMS Young Achievers”. Thus, considering that the essential feature of the defendant’s mark is IMS, which is also the registered trademark of the plaintiff, it is established beyond doubt that this is a clear case of infringement of the plaintiff’s trademark IMS. It is settled law that in cases of infringement, if the essential features of the trademark of the plaintiff have been adopted by the defendant, the fact that the defendant shows marked differences in the get up, packaging and writing or marks on the goods or packets, the same would be immaterial. Thus, the Supreme Court in the case of ***Kaviraj Pandit Durga Dutt Sharma Versus Navratna Pharmaceutical Laboratories, 1964 SCC OnLine SC 14***, has held as follows:

“xxx xxx xxx

28. The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark and in equating the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right under Section 21 in respect of a registered trade mark and also of a passing off by the use of the same mark. The finding in favour of the appellant to which the learned counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in the colour and other features and their general get-up together with the circumstance that the name and address of the manufactory of the appellant was prominently displayed on his



packets and these features were all set out for negating the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy for the event of the use by another of that mark or a colourable imitation thereof. While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods" (Vide Section 21 of the Act). The use by the defendant of the trade mark of the plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. **In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial;** whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.

xxx xxx xxx"

(Emphasis Supplied)

63. It is to be seen that plaintiff's registered mark IMS is the prominent and conspicuous part of the defendant's trademark "IMS Young Achievers".



The services provided under the impugned mark and the plaintiff's mark, are identical. The trading channels are also identical. Thus, the use of the impugned mark by the defendant constitutes infringement and passing off.

64. While laying down the test for determining infringement in trademark matters, the Division Bench of this Court in the case of *Pankaj Goel Versus Dabur India Ltd*, 2008 SCC OnLine Del 1744, has held as follows:

“xxx xxx xxx

*18. The Supreme Court in the case of Amritdhara Pharmacy referred to hereinabove, held the mark AMRITDHARA to be deceptively similar to the mark LAXMANDHARA. **The Apex Court in the said Judgment further stipulated that the issue was to be examined by applying the test of an unwary purchaser having average intelligence and imperfect recollection. The Supreme Court in the said case held that even though a critical comparison of the two names may disclose some points of differences, yet an unwary purchaser of average intelligence and imperfect recollection would be deceived by the overall similarity of the two products.***

*19. **We find in the present case the Appellant's and Respondent/Plaintiff's mark are not only similar but their products are identical and are purchased by the same class of customers and the said goods are sold through the same trading channel. In our view the trinity of factors makes for a case for confusion and consequently for passing off. Appellant's subsequent adoption of a similar mark seems prima facie dishonest and no amount of user can cure it. In case the injunction as granted by this Court is not continued, the use of the same mark by the Appellant is likely to deceive the public at large.***

*20. In B.K. Engineering Complaint v. U.B.H.I. Enterprises (Registered), AIR 1985 Del 210 : (1986) 5 PTC 1 (Del) (DB), a Division Bench of this Court has held that **trading must not only be honest but must not even unintentionally be unfair.** In Laxmikant V. Patel v. Chetan Bhat Shah, (2002) 24 PTC 1 (SC), the Apex Court has held that where there is probability even in business, an injunction will be granted even though the defendants adopted the name innocently.*

xxx xxx xxx”

(Emphasis Supplied)



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65. The defendant is using the trademark IMS as a part of its trading name “IMS Young Achievers Learning Centre”, in relation to identical services, i.e., educational and coaching services. Thus, any use of a registered trademark as a part of a trading name, would constitute infringement.

66. Further, the defendant has advertised in newspaper, *Exhibit PW-1/4*, and admitted in its cross-examination that the advertisement has run in 5000 copies of the newspaper. Thus, it is apparent that the defendant has taken unfair advantage contrary to honest practices, of the goodwill and reputation of the trademark IMS. Moreover, the conduct of the defendant by denigrating the trademark IMS by crossing out the brand in the newspaper, shows that such an action is detrimental to the distinctive character and against the reputation of the trademark IMS. Thus, the same constitutes infringement, within the meaning of Section 29(8) of the Trade Marks Act, 1999.

67. The contention of the defendant that the plaintiff did not have any presence in Meerut prior to agreement with the defendant in order to justify his use of the impugned mark, cannot be accepted. The adoption of the impugned mark by the defendant is neither honest nor *bonafide*. It stands established that the defendant adopted the impugned mark only after termination of the license agreement by the plaintiff. Besides, the defendant has already admitted to the proprietary rights of the plaintiff in the mark IMS during his cross-examination. Moreover, the defendant’s conduct, apart from being dishonest, amounts to unfair trade practices, since the defendant continued the use of the impugned mark despite the injunction order dated 19th September, 2011 passed by this Court. Further, the defendant filed



trademark application bearing no. 2220757 for registration of the impugned mark after the injunction was granted by this Court against the defendant.

68. Underscoring that honesty and fair play ought to be the basic qualities in the world of business and that adoption of a mark which already belongs to someone else, has the propensity of diverting the customers and clients of someone else to oneself, thereby resulting in injury, the Supreme Court in the case of *Laxmikant V. Patel Versus Chetanbhai Shah and Another*, 2001 SCC OnLine SC 1416, has held as follows:

“xxx xxx xxx

8. *It is common in trade and business for a trader or a businessman to adopt a name and/or mark under which he would carry on his trade or business. According to Kerly (Law of Trade Marks and Trade Names, 12th Edn., para 16.49), the name under which a business trades will almost always be a trade mark (or if the business provides services, a service mark, or both). Independently of questions of trade or service mark, however, the name of a business (a trading business or any other) will normally have attached to it a goodwill that the courts will protect. An action for passing-off will then lie wherever the defendant company's name, or its intended name, is calculated to deceive, and so to divert business from the plaintiff, or to occasion a confusion between the two businesses. If this is not made out there is no case. The ground is not to be limited to the date of the proceedings; the court will have regard to the way in which the business may be carried on in the future, and to its not being carried on precisely as carried on at the date of the proceedings. Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently.*

xxx xxx xxx

10. *A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. 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 the 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.

xxx xxx xxx ”

(Emphasis Supplied)

69. This Court notes that the use of the impugned mark IMS by the defendant would be contrary to the reputation and goodwill enjoyed by the plaintiff and such use would in all likelihood cause confusion and deception. Thus, holding that an action of passing off lies if defendant represents his business as being that of or connected with that of the plaintiff, a Division Bench of this Court in the case of *B.K. Engineering Co. Versus UBHI Enterprises (Regd.) and Anr., 1984 SCC OnLine Del 288*, has held as follows:

“xxx xxx xxx

34. “B.K.” is the manufacturer’s mark of the plaintiffs. This is seen by the public. In a “common field of activity” it is likely to deceive prospective purchaser if the defendants are allowed to market their product under the mark “B.K.-81”. There is likelihood of diversion of trade from the plaintiffs to the defendants. This is an injury against which an injunction is directed in the action of passing off. The plaintiffs can well complain that their goodwill suffers from an “injurious association” with the defendants’ goods. In *Harrods Ltd. v. R. Harrod Ltd., (1924) 41 RPC 74 (22)* the public thought that the great, departmental store had stopped to money lending. An action of passing off lies if one trader represents his business as being that of or connected with that of, the plaintiff, as is



the case here. There is a false suggestion by one competing trader in the same line of business that his business is connected with that of the other. This, I apprehend, would damage the reputation and thus the goodwill of the plaintiffs' business.

xxx xxx xxx”

(Emphasis Supplied)

70. By way of documentary evidence and evidence adduced at the time of examination and cross-examination conducted in the present proceedings, the plaintiff has established its goodwill, reputation in the mark IMS. The infringement, passing off, dilution and tarnishment of its mark, by the defendant, also stand established. Further, the business relations and use of the mark IMS by the defendant pursuant to obtaining license from the plaintiff also stand established. The evidence on record firmly establishes the long usage of the mark in question by the plaintiff continuously, uninterruptedly and openly. The various documents pertaining to the same have been produced by way of evidence, that have been marked and exhibited and duly proved during the course of evidence, as follows:

- i. Business Partner Agreement between plaintiff and defendant dated 01st April, 2010 – *Exhibit P-1* and *Exhibit DW-1/1*.
- ii. Service Provider Agreement dated 01st April, 2007 - *Exhibit DW-1/2*
- iii. Exit Paper executed by the defendant terminating the Business Partnership Agreement with plaintiff effective 01st February, 2011 – *Exhibit P-2*.
- iv. Letter from plaintiff to defendant dated 18th March, 2011 – *Exhibit P-3*.
- v. Original Newspaper Advertisement of the defendant's infringing IMS logo in Hindustan (Hindi Edition) dated 02nd April, 2011 – *Exhibit P-4*.
- vi. Copy of 17th December, 2003 issue of Brand Equity (Economic



Times) containing survey of India's Most Trusted Brands 2003 featuring plaintiff – *Exhibit PW1/11*.

vii. Extracts from the website of the plaintiff where the students of plaintiff have made it to some of the most prestigious institute in the world – *Exhibit PW1/15*

viii. Letter from Institute of Chartered Accountants to plaintiff in July, 2009 for conducting orientation and educational courses – Mark E.

ix. Letter from Ministry of Minority Affairs to plaintiff approving plaintiff's CSR Initiative on 16th July, 2009 – Mark F.

x. Front Page of 'Advance Edge 2003-04', the original 'B- School Billboard, 2006', The 'MBA Career Guide – 2005' and 'MBA Career Guide – 2006 – *Exhibit PW1/18*.

xi. Report of the Chartered Accountant indicating the details of marketing and sales figures of plaintiff from the year 1999 – 2000 – Mark G

xii. Newspapers dating back to the year 1998 evidencing the unmatched success of IMS for last ten years – Mark I.

71. Considering the established prior use by the plaintiff, the deceptive similarity between the plaintiff's mark and the defendant's mark, and the use by the defendant on the basis of license from the plaintiff, it is held that the defendant's use of the mark 'IMS' amounts to infringement, passing off, diluting and tarnishing the plaintiff's registered trademark 'IMS'.

72. Consequently, issue nos. ii, iii and iv, are answered in favour of the plaintiff and against the defendant.

Issue No. vi – Whether the Plaintiff is entitled to permanent injunction against the Defendant?

73. The defendant has contended that its mark is different from that of the



plaintiff. Further, the mark IMS is generic and that third parties are using the said mark. These contentions are totally misplaced. Once the defendant has acknowledged the rights of the plaintiff in the mark IMS after signing the license agreement, it does not lie in the mouth of the defendant to state that IMS is a generic expression, when the defendant itself has applied for the registration of trademark “IMS Young Achievers”. (*See: Automatic Electric Limited Versus R.K. Dhawan and Another, 1999 SCC OnLine Del 27, Para 16*). Moreover, defendant has acknowledged the right of the plaintiff in the mark IMS in the license agreement dated 01st April, 2007, *Exhibit DW-1/2*, 01st April, 2010, *Exhibit DW-1/1*, and Exit Paper dated 01st February, 2011, *Exhibit P-2/PW-1/2*, including, during the course of cross-examination.

74. It is evident that defendant’s right to use the mark IMS flows from the license agreements with the plaintiff. Therefore, any usage of the mark IMS by the defendant after termination of license agreement is unauthorised. The plaintiff, has by placing cogent material on record, established its prior and exclusive rights in the mark IMS, along with goodwill and reputation associated with the plaintiff’s mark by virtue of extensive usage. To show that the plaintiff’s mark IMS is generic and common to the trade, the defendant is relying upon the search results from the Trade Marks Registry containing the mark IMS (*Exhibit DW-1/7*). However, the same does not in any way establish that the mark IMS is common to trade, as the extent of use of such marks cannot be determined.

75. Further, the defendant has relied upon certain internet extracts (*Exhibit DW-1/7*), wherein, third parties are using the mark IMS. However, such extracts are inconclusive about the nature and extent of usage of the



mark IMS by these third parties. Neither do the extracts have any date, nor do they show any period of user by these parties.

76. In the absence of any evidence as to the user of the marks with the common element, no finding can be given as to the mark IMS being common to the trade. Thus, in the case of *Corn Products Refining Co. (Supra)*, the Supreme Court has held as follows:

“xxx xxx xxx

16. The series of marks containing the common element or elements therefore only assist the applicant when those marks are in extensive use in the market. The onus of proving such user is of course on the applicant, who wants to rely on those marks. Now in the present case the applicant, the respondent before us, led no evidence as to the user of marks with the common element. What had happened was that the Deputy Registrar looked into his register and found there a large number of marks which had either ‘Gluko’ or ‘Vita’ as prefix or suffix in it. Now of course the presence of a mark in the register does not prove its user at all. It is possible that the mark may have been registered but not used. It is not permissible to draw any inference as to their user from the presence of the marks on the register. If any authority on this question is considered necessary, reference may be made to Kerly p. 507 and Willesden Varnish Co. Ltd. v. Young & Marten Ltd. [39 RPC 285 p 289] It also appears that the appellant itself stated in one of the affidavits used on its behalf that there were biscuits in the market bearing the marks ‘Glucose Biscuits’, ‘Gluko biscuits’ and ‘Gluko Lactine biscuits’. But these marks do not help the respondent in the present case. They are ordinary dictionary words in which no one has any right. They are really not marks with a common element or elements. We, therefore, think that the learned appellate Judges were in error in deciding in favour of the respondent basing themselves on the series marks, having ‘Gluko’ or ‘Vita’ as a prefix or a suffix.

xxx xxx xxx”

(Emphasis Supplied)

77. Likewise, in the case of *Pankaj Goel (Supra)*, the Division Bench of this Court has held that to establish the plea of common use, the use by other persons should be shown to be substantial. Thus, it has been held as follows:



“xxx xxx xxx

21. As far as the Appellant's argument that the word MOLA is common to the trade and that variants of MOLA are available in the market, we find that the Appellant has not been able to prima facie prove that the said 'infringers' had significant business turnover or they posed a threat to Plaintiff's distinctiveness. In fact, we are of the view that the Respondent/Plaintiff is not expected to sue all small type infringers who may not be affecting Respondent/Plaintiff business. The Supreme Court in National Bell v. Metal Goods, (1970) 3 SCC 665 : AIR 1971 SC 898 has held that a proprietor of a trademark need not take action against infringement which do not cause prejudice to its distinctiveness. In Express Bottlers Services Pvt. Ltd. v. Pepsi Inc., (1989) 7 PTC 14 it has been held as under:—

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

xxx xxx xxx”

(Emphasis Supplied)

78. The defendant's adoption and use of the impugned mark, is tainted at inception. Admittedly, the nature of services and class of consumers which the parties target is also the same, through which the likelihood of confusion is bound to accrue. Thus, it is evident that the defendant seeks to bank on the reputation and goodwill of the plaintiff. Simultaneously, the defendant is causing an injurious association with the trademark of the plaintiff. In



trademark law, it is a well recognized principle that even brief marks containing letters are entitled to protection, provided they are arbitrary in composition and uniquely identified with a single source.

79. The evidence on record makes it apparent that plaintiff's mark IMS has become popular in the field of education over the last four decades. Many students of the plaintiff have cleared most difficult competitive tests held in India, over the years. The plaintiff has been awarded numerous accolades and awards and has been ranked high in the education sector many times.

80. By virtue of continuous use of the mark IMS since 1977, extensive sales, marketing expenses running into crores, and high success rates in competitive exams, the mark IMS has attained high reputation and goodwill all over India. In addition to the aforesaid, on account of the plaintiff's association with high quality of education and services, the trademark IMS has attained a secondary meaning and significance among the relevant class of public, in this case, students.

81. Accordingly, in view of the aforesaid detailed discussion, issue no. vi is decided in favour of the plaintiff and against the defendant.

Issue no. vii – Whether the plaintiff is entitled to rendition of accounts of profits?

82. The plaintiff has not pressed this issue. Therefore, issue no. vii is decided, as not pressed.

Issue no. v – Whether the defendant is infringing the plaintiff's copyright in the study and course material?



Issue no. viii – Whether the plaintiff is entitled to delivery up of impugned material?

83. This Court had appointed a Local Commissioner, who conducted its commission on 28th September, 2011. In its report, the Local Commissioner stated that the mark IMS along with a book shelf with a number of course material, reference books, papers containing the mark IMS were displayed in the open.

84. Though during the course of his cross-examination dated 10th February, 2017, the plaintiff witness, *PW1* admitted that there was no clause for return of the study material by the defendant in the Exit Paper, *PW1/2*, this Court is of the view that once the infringement and passing off is established against the defendant, there is no cause of action in favour of the defendant to retain the study material of the plaintiff.

85. After the termination of the said license agreement, the defendant was not entitled to either use the mark of the plaintiff or its study material.

86. Accordingly, issue no. viii is decided in favour of the plaintiff and against the defendant.

87. However, it has not been established that the defendant has been using the course material of the plaintiff for imparting education in its center after termination of the license.

88. Accordingly, issue no. v is decided against the plaintiff and in favour of the defendant.

Issue no. ix: Whether the plaintiff is entitled to damages ?

89. It has been established that the defendant has infringed the registered trademark, i.e., IMS of the plaintiff. It is an admitted position that the defendant was the licensee of the plaintiff and was permitted to use the



plaintiff's mark IMS, under the terms of the license entered into with the plaintiff from 2007 – 2010.

90. It is an admitted position that the defendant was aware of the plaintiff and its trademarks since the year 1993. The defendant commenced its business in the year in 1998 in Meerut under the name 'Young Achievers' and started using the mark IMS only under license of the plaintiff.

91. It is noted that the conduct of the defendant throughout the proceedings has been dishonest and vexatious. The defendant is guilty of infringing the mark of the plaintiff and has continued to use the plaintiff's mark even after expiry of the licence agreement. The defendant continued with its infringing activities even after the interim order dated 19th September, 2011 was passed by this Court.

92. In the Email dated 2^{7th} April, 2011, *Exhibit PW-1/29*, written by the defendant to all the plaintiff's business partners, the defendant has categorically stated that it is using IMS as its mark, while also acknowledging that IMS is a brand of the plaintiff. The defendant has admitted to reducing the fees from ₹21,000/- to ₹15,000/- in the said letter, and that he had 150 enrolments in the last two months. The plaintiff has submitted that the defendant has made a profit of at least ₹22,50,000/- by reducing the fees to ₹15,000/- and thereby leading to overall damage of ₹31,50,000/-, (if calculated with 150 students enrolled at ₹21,000/-).

93. As submitted by the plaintiff, as per the defendant itself, it had enrolled 150 students in two months, i.e., from 01st February, 2011 to 27th April, 2011. As per the plaintiff, it is reasonable to estimate that the defendant continued to enrol at least 10-20 students every month from 27th April, 2011 to July, 2012, i.e., the date of contempt application. As per the



estimate of the plaintiff, the defendant enrolled about 160-320 more students @ ₹15,000/- per student. Thus, as per the case put forward by the plaintiff, the defendant made profits of about ₹ 24 Lacs to ₹ 48 Lacs.

94. The table of calculation showing the revenue made by the defendant and loss to the plaintiff, as given by the plaintiff, is as follows:

“xxx xxx xxx

84. Based upon the above calculation, therefore, the estimated revenue made by the Defendant is at least Rs. 46,50,000/- to 70,50,000/- based upon the below calculation:

	Amount Gained by the defendant
150 enrolments in 2 months (Feb-April 2011) @ Rs. 15,000/- per student	Rs. 22,50,000
160-320 enrollments from May 2011- July 2012) @ Rs. 15,000/- per student	Rs. 24,00,000 to Rs. 48,00,000/-
Total from Feb 2011 to July 2012	Rs. 46,50,000/- to 70,50,000/-

85. Likewise, the loss to the Plaintiff due to violating use of the trademark IMS and lowering of the fees from Rs. 21,000/- to Rs. 15,000/- is calculated as below:

	Loss to the Plaintiff
150 enrolments in 2 months (Feb-April 2011) @ Rs. 21,000/- per student	Rs. 31,50,000
160-320 enrolments from May 2011- July 2012) @ Rs. 21,000/- per student	Rs. 33,60,000/- to Rs. 67,20,000/-
Total Feb 2011 to July 2012	Rs. 65,10,000/- to 98,70,000/-

xxx xxx xxx”



95. It is to be noted that during the course of the defendant's cross-examination, as to the number of students enrolled, the reply of the defendant was evasive. Further, the defendant has deposed that he started with two students in the year 1998, and till 2007, he must have taught around 500 to 1000 students approximately. The relevant extract from the cross examination of DW-1, dated 01st February, 2023, is reproduced as under:

"xxx xxx xxx"

Question: *Do you know the meaning of the word "impugned"?*

Answer: *Impugned means that something is questionable.*

Question: *How many students are you enrolling as of right now?*

Answer: *I do not want to tell as these figure are confidential.*

Question: *How many students have you enrolled from 1998 to 2007?*

Answer: *I started with two students in the year 1998 and till 2007*

I must have taught around 500 to 1000 students approximately.

Question: *How many students have you enrolled from 2007 to 2011?*

Answer: *I cannot provide this data as the data for this period is already available with plaintiff.*

Question: *How many students have you enrolled from 2011 to 2013?*

Answer: *I do not have exact number. The number was very less due to abrupt closure of the centre.*

Question: *I put it to you that you are deliberately and with malicious intent not disclosing the number of students enrolled during the term of the license agreement and after the termination of license agreement as you have made significant profits by riding on the goodwill and reputation of the plaintiffs Trade Mark IMS?*

Answer: *It is incorrect.*



xxx xxx xxx”

(Emphasis Supplied)

96. To the questions as to whether the defendant maintained any books of accounts and fee receipts of the students that have been enrolled, the answer of the defendant was in the negative. The extracts from the cross-examination of DW-1 dated 06th April, 2023, is reproduced as under:

“xxx xxx xxx

Question: Do you keep books of accounts?

Answer: No, I do not keep any books of accounts.

Question: How do you maintain your accounts?

Answer: It is a simple calculation of revenue and expenses that can be seen through my income tax returns.

Question: Do you maintain fee receipts of the students that have been enrolled?

Answer: No, I do not keep any fee receipts as we are a very small enterprise.

Question: Do you maintain the record of the students enrolled?

Answer: No, we do not keep any records.

Question: I put it to you that it is false that fee receipts and records of students is not maintained?

Answer: It is incorrect in current context. (Volt. In the past we used to maintain).

Question: How do you then enrol students if you do not issue receipts or maintain any records?

Answer: There is a verbal commitment and people trust us.

Question: Do you have an enrolment form?

Answer: Currently we do not have any enrolment form. We use to have it in the past.

Question: I put it to you that the above statements that there is no records maintained or enrolment form is false?

Answer: It is incorrect in current context. (Volt. In the past we used to maintain).

Question: Do you charge fees from your students?

Answer: Yes.

Question: What is the fees that you are charging?



Answer: For different courses the fees is different and it is confidential.

xxx xxx xxx”

(Emphasis Supplied)

97. Thus, it is manifest that the defendant has not been forthcoming in answering the questions relating to the number of students enrolled and the fees being charged by the defendant.

98. This Court in the case of *Koninlijke Philips N.V. and Anr. Versus Amazestore and Ors., 2019 SCC OnLine Del 8198* has held that degree of misconduct by defendant in a civil suit is often determinative of the nature of relief to be granted by a court to the plaintiff. Degree of *malafide* conduct has a direct impact on the quantum and nature of damages that could be awarded. Thus, it has been held as follows:

“xxx xxx xxx

30. This Court is of the opinion that the degree of misconduct by Defendants in a civil suit is often determinative of the nature of relief to be granted by a Court to the Plaintiffs. The law is well-settled that the degree of mala fide conduct has a direct impact on the quantum and nature of damages that could be awarded in addition to a claim for actual / compensatory damages.

xxx xxx xxx”

(Emphasis Supplied)

99. Thus, considering the facts and circumstances of the present case and evidence on record, issue no. ‘ix’ is decided in favour of the plaintiff. The plaintiff is held entitled to damages. The plaintiff is also held entitled to costs. The present suit has been pending since the year 2011 and the plaintiff has been forced to incur substantial costs in pursuing the present suit for the last so many years. Accordingly, this Court awards an amount of ₹ 30 Lacs (Rupees Thirty Lacs) towards costs and damages payable by the defendant



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to the plaintiff. The same shall be paid by the defendant within a period of four months from the date of the judgment.

Issue no. x: Relief

100. In view of the aforesaid discussion, a decree for permanent injunction is issued in favour of the plaintiff and against the defendant, restraining the defendant, their partners or proprietors, officers, servants, agents, their assignees in business, dealers, and others, associated with them, from using the mark 'IMS' or any other mark, name, logo, monogram or label, that is identical with or deceptively similar to the trademark 'IMS' of the plaintiff.

101. Decree sheet be drawn up.

102. The present suit, along with the pending applications, is accordingly, disposed of.

**(MINI PUSHKARNA)
JUDGE**

JANUARY 20, 2025

Kr/c