

## Disney Enterprises Inc and Another Vs Harakchand Keniya and Others

**Court:** Delhi High Court

**Date of Decision:** Oct. 24, 2011

**Hon'ble Judges:** Manmohan Singh, J

**Bench:** Single Bench

**Advocate:** Pravin Anand, with Mr. Bhagwati Prasad, for the Appellant;

**Final Decision:** Disposed Off

### Judgement

Manmohan Singh, J.

The plaintiffs have filed the above-mentioned suit on 12.07.2007 for permanent injunction restraining infringement of trademark, passing off, damages, rendition of accounts and delivery up the infringing material etc.

2. The plaintiff No. 1, namely Disney Enterprises, Inc. is a Corporation organized and existing under the laws of the State of Delaware in the

United States of America with its principal place of business at 500 South Buena Vista Street, Burbank, California 91521-6840, USA.

3. The plaintiff No. 2, a subsidiary of plaintiff No.1, is a company incorporated under the Indian Companies Act. The registered office of plaintiff

No.2 is at 4/F, Peninsula Tower-1, Ganapatrao Kadam Marg, Lower Parel, Mumbai 400013.

4. The plaintiff No.1 and/or its subsidiary and affiliated companies are engaged in a variety of businesses, including the operation of theme parks

around the world, producing and distributing motion pictures and television programs, producing and selling clothing, books, records and other

merchandise, and providing entertainment services.

5. The plaintiff's business is the merchandising and licensing of distinctive elements associated with its motion pictures and television programs,

including, the world-famous fanciful characters Mickey Mouse, Minnie Mouse, Donald Duck, Daisy Duck, Goofy, Pluto and Winnie the Pooh, as

well as characters from ""DISNEY trademark"" animated motion pictures, including, ""Snow White and the Seven Dwarfs,"" ""Pinocchio,"" ""The Lion

King,"" ""Aladdin,"" ""Beauty and the Beast,"" ""The Little Mermaid,"" ""Pocahontas,"" ""Hunchback of Notre Dame,"" ""Hercules,"" ""Mulan,"" and ""Toy

Story"", the images of which serve as trademarks and also constitute copyrighted artwork.

6. The Annual Reports of the plaintiff No.1 for the years 1997, 2002, 2003, 2004 and 2005 are filed in the present proceedings. The Annual

Reports for the years 1998, 1999, 2000, 2001, 2006, 2007, 2008 and 2009 along with the Annual Reports for the years 1997, 2002, 2003,

2004 and 2005 have also been filed.

7. The plaintiff No.1 through its subsidiaries and affiliated companies have acquired worldwide reputation in the production and marketing of, inter

alia, animated and live action motion pictures, theme parks, publications, merchandise, artwork and other goods and services featuring the plaintiffs

name and Disney Characters.

8. The plaintiff No.1 has established a formidable position in the studio entertainment sector and in the theme parks and resorts, media networks

and consumer products arenas as well.

9. The plaintiff's main business has been the creation and commercial exploitation of Disney Characters in its animated motion pictures, television

programs, theme parks, books, art work and a variety of merchandise. Various cartoon films originating from the Plaintiff featuring various Disney

characters have been regularly shown on various television channels in the world including in India for decades and have been watched by millions

of viewers in their homes.

10. The characters generally appeared in cinematographic films, stationery products, apparel, toys, books and video games, to name a few. On

account of their high degree of reputation and vast popularity, they have at various points of time been licensed to many of business entities around

the world to be used on a large variety of goods.

11. It is stated by the plaintiffs that their characters Mickey Mouse, Minnie Mouse, Donald Duck, Daisy Duck, Goofy and Winnie the Pooh are

perhaps some of the most universally known and loved cartoon characters in the world.

12. The children and adults alike have been entertained by Mickey Mouse, Minnie Mouse, Donald Duck, Daisy Duck, Goofy and Winnie the

Pooh, who have appeared in more than hundreds of animated motion pictures and cartoons, as well as in Disney's theme parks, television shows,

video cassettes, compact disks, toys, comics, books, art work, and in various other media.

13. It is also stated that the plaintiffs own all rights, title and interest in and to, and holds the exclusive rights to market and sell merchandise,

including stationary, party hats, decoration material, clothing, toys and services in connection with the images of the Disney Characters.

14. The plaintiff's claim both common law trademark rights to the Disney Devise Marks, as well as trademark registrations for certain Disney

Device Marks in more than 58 countries the world over. The list of countries in which the Plaintiffs trademarks are registered is filed in the present

proceedings.

15. The plaintiffs also own all rights, title and interest in and to, and holds the exclusive rights to market and sell services and merchandise in

conjunction with the Plaintiffs famous Disney trademark and family of Disney trademarks and service marks, including ""Mickey Mouse,"" ""Winnie

the Pooh,"" ""Disney"", Disney.com, Walt Disney World, and Disneyland.

16. The plaintiffs have utilized many of the Disney Word Marks in conjunction with the sale of a wide variety of products and services, for well

over fifty years. The plaintiffs hold number of registrations with the United States Patent and Trademark Office for marks, which consist of or

include the word mark Disney.

17. The plaintiffs are also the registered proprietors of both, a variety of word marks and device marks in India. The photocopies of Certificates

for use in Legal Proceedings of the Disney Characters have been filed in the present proceedings. As per plaintiffs, the aforesaid trademarks are

valid and subsisting and are, therefore, in full legal force conferring on the Plaintiff the full right to their exclusive use and to restrain use of any

identical or deceptively similar marks by unauthorized persons.

18. The plaintiffs submit that Disney Trademarks when used in respect of clothing, stationary, party decoration material, retail and hotel services,

books, records and tapes, entertainment services, resort services, toys and travel services, signify to the purchaser that the product or service

comes from the plaintiffs and is of the highest quality. The plaintiffs also provide a product or service or licenses others to do so and ensures at all

times that the products and/ services bearing its Disney Trademarks are of the highest standards. A list of the plaintiff's licensees in India indicating

the kind of products/ service they deal in, has been filed and they are engaged in the manufacturing and selling of various products bearing the

Disney trade mark and/or the Disney characters.

19. The plaintiffs have alleged that they spent enormous amounts of money and effort promoting its goods and services through the use of the

Disney Characters in motion pictures, theme parks, television, video cassettes, print, artwork and various other media. The plaintiffs alleged that

they have advertised the Disney Characters over the years, and various advertisements bearing Disney Characters have been published in various

newspapers, magazines and internet etc.

20. Further, it is stated by the plaintiffs that Disney Characters are widely recognized symbols of the quality and high standards of the plaintiff's

goods and services alone and the plaintiffs have built up goodwill of incalculable value in the said characters. So much so that a reputed authority

on brands i.e. World's Greatest Brands"" published by Interbrand states that plaintiff No.1 virtually reinvented the business of character

merchandizing.

21. Thus, according to the plaintiffs, the word and devise marks Mickey Mouse, Minnie Mouse, Donald Duck, Daisy Duck, Goofy and Winnie

the Pooh, inter alia, when used in relation to goods or services because of the reputation and goodwill attached to them, and they have the

exclusive right to use or authorize the use of the name and physical depiction of the Disney Characters under the trademark and unfair competition

laws.

22. The plaintiff No.1 has set up a joint venture company, plaintiff No.2, in India under a merchandising programme for licensing its fictional

characters to various business entities for commercial and promotional purposes.

23. The plaintiff's case against the defendants is that in the month of September, 2006, the plaintiff's market representative came across party hats

and other party decoration items bearing unauthorized reproductions of the plaintiff's popular characters Mickey Mouse, Donald Duck, Winnie the

Pooh, Disney Princesses like Cinderella, Snow white, Beauty from the Beauty and the Beast being sold at the premises of defendant No.3. The

market representative purchased a sample pack of the said infringing party hats party hats and other party decoration items from defendant No. 3,

photographs of which have been filed along the present proceedings.

24. From the investigation, it was revealed to the plaintiffs that decoration items to the other parties were being supplied to defendant No.3 by

defendants No.1 and 2. The scanned copy of the visiting card of defendants No.1 and 2 has been filed along the present proceedings. The

plaintiffs state that defendants No.1 and 2 are distributors of the infringing party. It has been further stated that defendants No.4 and 5 besides

selling paper goods and seasonal decoration materials were also selling party hats bearing the plaintiff's Disney Characters and the same were

being supplied to them by defendants No.1 and 2. The scanned copy of the visiting card of defendant No.4 and 5 has been filed in the present

proceedings. The affidavit of the plaintiff No. 2's Market Representative has also been filed in the present proceedings.

25. Pursuant to the order dated 13.07.2007 passed by the Court, the Local Commissioners visited the premises of defendants No.1, 2, 4 and 5

and seized infringing products. The reports of the Local Commissioners have been filed in the present proceedings.

26. The plaintiffs averred that such use of the Disney characters is an unauthorized use. The defendants have not sought the plaintiff's consent,

permission or license prior to using the said Disney characters and have adopted the same on account of the goodwill and reputation of the

plaintiff's well-known characters. The plaintiff's licensees deal in the same and/ similar kinds of goods as that of the defendants and hence, there is

bound to be confusion with regard to the origin of the impugned goods among the purchasing public and the members of trade.

27. It is stated, that by virtue of the plaintiff's trademark registrations of several characters including Mickey Mouse, Minnie Mouse, Donald Duck,

Daisy Duck, Goofy and Winnie the Pooh and other Disney names or characters in diverse classes create a presumption of constructive notice to

third parties including the defendants as to the legal and vested rights of the plaintiffs. The use of the impugned marks by the defendants in relation

to or upon inter alia party hats and decoration material in the course of their business amounts to an infringement of the plaintiff's registered

trademarks.

28. It is stated that the adoption of the identical mark Mickey Mouse, Donald Duck, Winnie the Pooh, Disney Princesses like Cinderella, Snow

white, Beauty from the Beauty and the Beast etc. by defendants No.1, 2, 4 and 5 is a mala fide attempt to pass off their goods and business as

those of the plaintiffs or to imply that their goods and business are connected with or approved by the plaintiffs in some manner.

29. As per the plaintiffs, the defendants are diluting and eroding the uniqueness and exclusivity associated with the plaintiff's distinctive trademarks

by reducing their capacity to identify and distinguish the business of the plaintiffs as originating from a particular source, regardless of the presence

or absence of likelihood of confusion, mistake or deception.

30. This Court vide order dated 13.07.2007 had also granted an ex parte ad-interim injunction in favour of the plaintiffs and against the defendants

No.1 to 5 restraining them from manufacturing, selling or advertising hats and/or other party decoration items bearing the Disney characters.

31. Despite service, defendants No.1, 2, 4 & 5 failed to appear before the Court, hence defendants No.1 & 2 were proceeded ex parte vide

order dated 12.05.2008, and defendants No.4 & 5 were proceeded ex parte vide order dated 02.03.2009.

32. The plaintiffs filed their ex parte evidence by way of affidavit of Col. Retd. J.K.Sharma, their Constituted Attorney. The matter was decreed

qua defendant No.3 in terms of the compromise arrived at between the plaintiffs and the said defendant No.3.

33. The suit has been instituted by Mr. Anand Banerjee, the previous Constituted Attorney of the plaintiffs. Mr. Anand Banerjee had been

authorized to act on behalf of plaintiff No.1 by virtue of Power of Attorney dated 16.08.2005 issued in his favour by plaintiff No.1 and the same

has been exhibited as Ex.PW1/5. He had been authorized to act on behalf of plaintiff No. 2 by virtue of Power of Attorney dated 20.01.2006

issued in his favour by plaintiff No.2 and the same has been exhibited as Ex.PW1/6.

34. The Power of Attorney dated 16.08.2005 issued by plaintiff No.1 in favour of Mr. Anand Banerjee has been signed by Ms. Mary Fossier,

who has been authorized to do so vide an Incumbency Certificate and the same has been exhibited as Ex.PW1/3. The Power of Attorney dated

20.01.2006 issued by plaintiff No.2 was signed by Mr. Akhil Prasad, who has been authorized to do so vide a Board Resolution dated

09.12.2005 and the same has been exhibited as Ex.PW1/7.

35. Mr. Col. (Retd.) J. K. Sharma is the present constituted attorney of the plaintiffs respectively and Col. (Retd.) Sharma's evidence by way of

affidavit has been filed in the present proceedings. Col. (Retd.) Sharma was authorized by virtue of a Power of Attorney dated 07.07.2008 issued

by plaintiff No.1 in his favour, which has been exhibited as Ex.PW1/1. The Power of Attorney dated 07.07.2008 issued by plaintiff No.1 in favour

of Col. (Retd.) J. K. Sharma has been signed by Ms. Mary Fossier, who has been authorized to do so by an Incumbency Certificate and the same

has been exhibited as Ex.PW1/3. Plaintiff No.2 also authorized Col. (Retd.) Sharma by virtue of a Power of Attorney dated 08.07.2008, which

has been exhibited as Ex.PW1/2. The Power of Attorney dated 08.07.2008 issued by plaintiff No.2 was signed by Mr. Sunil Shahani, who has

been authorized to do so vide a Board Resolution dated 29.10.2007 and the same has been exhibited as Ex.PW1/4.

36. The plaintiff No.1 together with its subsidiaries and affiliates is a diversified international family and media enterprise with four business

segments: media networks, parks and resorts, studio entertainment and consumer products, Extracts from the internet evidencing that plaintiff No.1

is engaged in the business of theme parks, movies etc. has been exhibited as Ex.PW1/9. The Annual reports of plaintiff No.1 are exhibited as

Ex.PW1/10. Internet extracts evidencing the same have been exhibited as Ex.PW1/11. The list of countries in which the Plaintiff's trademarks are

registered has been marked as Mark-A. The extracts from the website of the US and UK Trademark Registry evidencing that the

aforesaid marks are registered in favour of plaintiff No.1 have been exhibited as Ex.PW1/13. The Certificate for use in legal proceedings

evidencing the same has been exhibited as Ex.PW1/14.

37. The Plaintiffs also hold registrations in Class-16 under Nos.596835, 596829, 1231663 respectively which refers to ""paper, cardboard and

goods made from these materials not included in other classes..."" The Certificate for use in legal proceedings for the plaintiff's trademark

registrations in Class-16 has been exhibited as Ex.PW1/14.

38. The plaintiff's Disney characters and trademarks are widely recognized as symbols of the quality and high standards of the plaintiffs goods and

services alone, and the plaintiffs have built up goodwill of incalculable value in the said characters. The extract from Encyclopedia of Walt Disney's

Animated characters by John Grant has been exhibited as Ex.PW1/12.

39. The extracts from a reputed authority on brands i.e. World's Greatest Brands"" published by Interbrand states that plaintiff No.1 has virtually

reinvented the business of ""character merchandizing"" and the said extract has been exhibited as Ex.PW1/16.

40. An internet extract from www.interbrand.com stating that plaintiff No.1 is the tenth greatest brand in the world with a brand value of

Ã-Ã¿Ã½28,447 million has been exhibited as Ex.PW1/17. An extract from the Business Week stating that plaintiff No.1 is the tenth greatest brand in

the world is already exhibited as Ex.PW1/18.

41. The plaintiff's Licensees are engaged in the manufacturing and selling of various products bearing the Disney trade mark and/or the Disney

characters. A list of the plaintiff's licensees in India has been marked as Mark-B. Various invoices indicating that the plaintiff's products are sold in

India by its licensees are exhibited as Ex.PW1/15.

42. The plaintiffs have initiated appropriate proceedings to defend its statutory and common law rights in the marks as mentioned in the plaint and

the Courts in India have repeatedly passed orders in favour of the plaintiffs. Certified copies of orders passed in favour of the plaintiffs have been

exhibited Ex.PW1/23.

43. The visiting card of Defendant No. 1 and 2 has been marked as X-1. Defendants No.4 and 5 are the sellers of infringing party hats and other

party decoration items bearing the Disney characters which have been supplied to them by defendants No.1 and 2. The visiting card of defendants

No.1 and 2 has been marked as X-2. The affidavit of the investigator of the plaintiffs has been exhibited as Ex.PW1/20. The reports of the Local

Commissioners have been exhibited as Ex.PW1/21 and Ex.PW1/22.

44. The learned counsel for the plaintiffs has relied upon the judgment passed in the case of James Chadwick and Bros. Ltd. Vs. The National

Sewing Thread Co. Ltd., , the relevant paras of which read as under:-

13. Reliance was placed on June's Case (Seville Perfumery Ltd. vs. June Perfect Ltd. and F.W. Woolworth & Co. Ltd. (1941) 58 R.P.C. 147). In

that case, the distinguishing feature of the registered trade mark & the proposed trade mark was the word ""June"", & the Master of the Rolls in his

judgment at p.162 observes:

Now the question of resemblance & the likelihood of deception are to be considered by reference not only to the whole mark, but also to its

distinguishing or essential features, if any.

The learned Master of the Rolls also says that (p. 162):

In such cases the mark comes to be remembered by some feature in it which strikes the eye & fixes itself in the recollection. Such a feature is

referred to sometimes as the distinguishing feature, sometimes as the essential feature, of the mark.

Therefore, the test we must apply in this case is, what is the features in the appellant's trade mark which strikes the eye & fixes itself in the

recollection, & the only answer to this question is that it is the Eagle which so strikes the eye & fixes itself in the recollection. Then we have the

case of C. F. G. E. (In the matter of the Application of the Chemische Fabrik Greisheim Elektron for Registration of a Trade Mark) (1910) 27 R.

P. C. 201 & this case was cited before us by the Advocate-General in order to draw our attention to the considerable dissimilarity between the

proposed & the registered trade mark. The reason why registration was refused to the proposed trade mark was that the registered trade mark

was a representation of primitive Eastern Dye Works & the same idea was conveyed by the proposed trade mark. It was urged before Neville J.

that one trade mark was a representation of Japanese Dye Works & the other was Chinese. That argument did not find favour with the learned

Judge & he answered it by saying that if orders were sent from the East to agents of either of these firms & they were told to send goods which

had obtained popularity in the market by the trade mark representing Eastern Dye Works, goods bearing either trademark would have answered

to the requisition, & the main ground on which the learned Judge refused registration was that the main feature of both the pictures was identical, &

according to the learned Judge that concluded the question. Our attention has also been drawn to one case of an Elephant Trade Mark in Upper

Assam Tea Co. v. Herbert & Co. (1889) 7 R. P. C. 183 where from the trade marks printed in the report it is clear that the two elephants in the

two trademarks look entirely different judging by the way they are represented, & yet, because the goods had been associated with the name of

the elephant, injunction was granted to restrain the deft, who also wanted his goods to be sold under a trade mark, the main feature of which was

an elephant. There is another case (In the Matter of Farrow's Trade Mark, (1890) 7 R. P. C 260) where we have trademarks of two buffaloes

which look entirely dissimilar, & yet, again, as the goods had come to be associated with the buffalo, registration was refused to the subsequent



applicant. There is another case also laying down the same principle in the Matter of the Application of Pomril, Ltd., (1901) 18 R. P. C. 181,

where the goods in question were cider & the proposed trade mark had the name "Pormil" written on half cut apple & the opposition came from

sellers of cider who had their trade mark also containing an apple with the name "'Apple Brand.'" In one case the name was "'Pomril'" & in the other

case the name was "'Apple Brand.'" Still registration was refused as the apple was considered to be the distinguishing & essential feature.

14. I should like to make it clear that there may be cases where dissimilarity in the object represented may be the deciding factor. If, for instance,

this particular class of goods are sold by several dealers, all under different kinds of Eagle trademarks, then the purchaser is expected to know the

difference between one trade mark & another, knowing as he does that more than one person sells goods under the same appellation. But when

we have a case, as we have in this case, where only the appellants sell this class of goods under the Eagle Brand & their goods are known as Eagle

or Eagley, then the position is very different, & any attempt to sell goods under a trade mark which fixes in the mind of the purchaser the

association of an Eagle would not be justified.

45. The decision in James Chadwick (supra) was also confirmed by the Supreme Court in the case titled as National Sewing Thread Co. Ltd. Vs.

James Chadwick and Bros. Ltd. (J. and P. Coats Ltd., Assignee), .

46. It is the admitted position that the suit against defendant No.3 has already been decreed by way of compromise. As far as the rest of the

defendants are concerned, the evidence adduced by the plaintiffs has gone un rebutted. There is a sufficient material on record to show that the

plaintiffs are the proprietor of the trademarks in question which have been infringed by the defendants. The defendants were also passing off their

business as that of the plaintiffs. Therefore, the plaintiffs are entitled for a decree for permanent injunction. It is held that the suit of the plaintiffs is

decreed in terms of paragraph 26 (i) & (ii) of the plaint. As regards the relief claimed by the plaintiffs in paragraph 26 (iii), (iv) & (v) are

concerned, the plaintiffs are granted a decree of damages to the tune of Rs. 2 lac against defendants No.1, 2, 4 & 5. The plaintiffs shall also be

entitled to cost of the suit. Decree be drawn accordingly. All pending applications stand disposed of.