

Mars Incorporated Vs Kumar Krishna Mukerjee and Others

Court: Delhi High Court

Date of Decision: Oct. 30, 2002

Acts Referred: Trade and Merchandise Marks Act, 1958 " Section 28, 29

Citation: (2003) 26 PTC 60

Hon'ble Judges: Jiwani Dass Kapoor, J

Bench: Single Bench

Advocate: Praveen Anand, for the Appellant; Nemo, for the Respondent

Judgement

J.D. Kapoor, J.

This is a Quia Timet suit i.e. action against apprehended or threatened invasion.

2. The plaintiff is the proprietor of the Trademark "MARS". The said trademark is registered in India and in as many as 170 countries. It is used in

respect of chocolates, confectionery, preserved food products and other foodstuffs in India wherein in other countries it is used in respect of snack

foods, main meal foods, pet care, electronics and drinks. The plaintiff came into action when it found that defendant had incorporated a Company

under the name and style of Mars Food Pvt. Ltd. According to the plaintiff, the object clause of the Company projects the intention to conduct a

business in the food sector namely bakery and food items, canned and tinned foods, ready to eat foods, machinery for food processing and food

manufacturing and packing. Admittedly the defendant has neither commenced the manufacturing nor commenced the sale of goods.

3. The defendants were served with the summons of the suit but they did not choose to appear to contest the action of the plaintiff.

4. Undoubtedly the plaintiff is the proprietor of trademark MARS as the plaintiff company bearing the mark "MARS" was established way back in

1911 in USA though it adopted the trademark Mars in 1923 when MARS Milky Way Bar was launched in USA. Since then it has extended its

operation to all major countries around the world. The plaintiff's products are extensively advertised in print media, audio visual including

newspaper, television, magazines etc. The trademark MARS was registered in India in respect of chocolates and at different points of time in

respect of confectionery food products and food stuffs for animals, birds etc. The products of the plaintiff under the mark MARS are sold in

bonded warehouses, duty free shops and customs notified shops all over India. In addition to this, plaintiff has shipped products under the

trademark MARS to India as far back as in 1985. As is apparent, the plaintiff's trademark has acquired world wide reputation and goodwill and is

holding the field in India since 1942. So much so large number of Indians while traveling overseas are exposed to plaintiff brands whose goods are

available in almost all the shops.

5. According to Mr. Praveen Anand, learned counsel for the plaintiff the adoption and use of their mark by the defendants as part of their

corporate name and trading style is clearly dishonest since the trademark registrations of the plaintiff, being a matter of public record, constitute

constructive notice to the defendants of the plaintiff's statutory rights and the defendants are deemed to have knowledge of such rights vested in the

plaintiff. Further substantial goodwill and reputation of the plaintiff exists in India in connection with the trademark MARS and Therefore the object

of the defendant in adopting this trademark is malafide and/or to encash upon the goodwill and reputation of the plaintiff.

6. Mr. Anand has further contended with vehemence that the confusion is worst confounded as the defendant has used the trade mark in respect of

food items and the word food itself finds place in the Corporate name of the defendant. plaintiff's apprehension is that in case the defendants

endeavor to commence business under the trading style MARS FOODS without authorization from the plaintiff and manufacture any food articles

without maintaining the strict quality control and highest standards of hygiene as that of the plaintiff, the plaintiff would be visited with disastrous

consequences as in that case defendant would exploit the enviable goodwill and reputation of the plaintiff and damage its business which has been

developed painstakingly over the years. The plaintiff believes that there is a real and tangible possibility that the defendants may start to manufacture

and sell goods under the trademark MARS in the food sector as this is their stated objective in the memorandum filed at the time of incorporation.

7. The plaintiff has filed affidavit by way of evidence and has produced the documents which are relevant for the purpose of controversy in

question. These are as under:-

(i) Exhibited P-1 is the copy of the power of attorney executed in favor of Mr. Debjit Gupta, constituted attorney of the plaintiff company; (ii)

Exhibit P-2 is the list of company's registrations/pending applications for the trade mark MARS in international classes 29, 30 and 31 in various

countries; (iii) Exhibits P-3, P-4 and P-5 are the original certificates for use in legal proceedings pertaining to the company's trade mark

registration Nos. 3685 and 343312 for MARS in class 30 and trade mark registration No. 338954 for MARS in class 29; (iv) Exhibit P-6 is the

original of the print advertising sample of the plaintiff in respect of MARS; (v) Exhibits P-7 & P-8 are the copies of extracts from "World's

Greatest Brands, "Brand Power", "Brands", publications by interbrand, pertaining to MARS; (vi) Exhibit P-9 is the certified copy of an injunction

order passed by Madras High Court in company's favor in a suit titled Mars Incorporated v. Misrilal Kevadid restraining the defendant therein

from using the trademark MARS for underwear, undergarments etc; (vii) Exhibit P-10 is the specimen invoices pertaining to sale of Company's

products including MARS chocolates to distributors to India and (viii) Exhibit P-11 is the copy of the defendants Memorandum of Association

issued under the seal of Registrar of Companies.

8. So far as the mark/trademark used by the plaintiff even in its corporate name is concerned, there is no denying the fact that the trademark

MARS is the sole proprietorship of the plaintiff as it has been prior, continuous user of this mark and over the years huge amount has been spent in

establishing its reputation and goodwill through advertisements in the newspapers, magazine, electronic media and other modes. Its name has

reached at every nook and corner of the world.

9. The documents proved by the plaintiff show that it is not only the registered proprietor of the mark "MARS" but has been using this mark for the

last six decades in India and much prior in many other countries and has wide spread business not only in India but in other countries of the world

and Therefore it has exclusive right not only to use this mark but to project it also.

10. There are mainly two circumstances that manifestly demonstrate the dishonest and malafide intention on the part of the defendant having picked

up the word MARS and used it in its Corporate name. First, it has not only picked up identical name i.e. MARS but has also aligned it with food

products. plaintiff's mark is also associated and registered with food products. Second, the objective clause of the defendant company, relevant

extracts of which shows that it has no other intention to fall upon the identical mark than to cash and thrive upon the universally known reputation

and goodwill of the said mark by creating confusion in the minds of unwary and other customers as to its source and origin.

11. Now the question that calls for determination or that survives is whether the plaintiff is entitled to initiate an action against the threatened

invasion on its trademark.

12. The first and foremost requirement of action against the threatened infringement of the trademark is that the person facing threat must have a

right which is purported to be infringed. Second, the threat of infringement or invasion should be substantial and material in extent. In that

eventuality, the question will again arise whether a person who has not suffered any damage in respect of trade either through competition or

through deceptive or confusing similarities of the trademark adopted by the defendant either in the same trade or goods or in any other manner that

may have the consequence of causing damage or diluting the trademark of the plaintiff or creating confusion as to the source and origin of goods of

the defendant has any right to challenge the act of the defendant.

13. There is no difficulty in injunction the defendant from infringing the trademark of the plaintiff if the latter is found to have either infringed the

trademark of the plaintiff directly or by way of passing off. For instance Section 28 of the Trade and Merchandise Marks Act, 1958, protects the

rights against infringement of a trademark of registered proprietor of the trademark with relation to the goods in respect of which the trademark is

registered and to obtain the relief in respect of infringement of the trademark. Similarly, Section 29 also protects the right of a person who is even

not a registered proprietor of the trade mark or a registered user thereof if his trademark has been in prior, uninterrupted and long use if the

infringing trademark is identical or deceptively similar in relation to any goods. In that case the aggrieved person has to establish the reputation and

goodwill of the trademark. Such a protection is known as an action against passing off.

14. Here we are confronted with a situation where neither the infringer has used the infringed trade mark in relation to any goods in respect of

which the plaintiff's trade mark is registered nor has the defendant committed offence of passing off. The defendant has merely adopted the

trade mark of the plaintiff as a part of Corporate name and trading style. Admittedly defendant is a company on paper only. It has neither started

nor carried out any business nor have they filed annual returns or other mandatory documents.

15. Now the question arises whether incorporation of word "MARS" by the defendant company with the objective to launch food items and

confectionery goods or adopting the word "MARS" in its Corporate name has rendered the defendant liable for Quia Timet Action or not.

16. Quia Timet is actually a Latin word which means ""because he fears or apprehends"". In legal terminology it has been defined in Osborne's

Concise Law Dictionary (London: Sweet and Maxwell, 8th edn. 1993, Bone and Rutherford) as an action by which a person may obtain an

injunction to prevent or restrain some threatened act being done which, if done, would cause him substantial damage, and for which money would

be no adequate or sufficient remedy.

17. I am of the view that as in the case of infringement of registered trade mark or passing off action, the intention and object of infringer is mainly

to trade or cash upon widespread and invaluable goodwill and reputation established over the years at huge cost by the plaintiff and in the process

there occurs a dilution of the trade mark if goods manufactured and sold by infringer happen to be of poor quality, the underline intention of a

person who proposes to adopt either same or deceptively or confusingly similar trade mark or even the Corporate name is to encash and become

unjustly rich by trading upon the goodwill and reputation of the plaintiff.

18. Defendants have either the intention of entering into the business of food stuff or to board infringed Corporate name so as to encash it in future

by selling or offering to sell at a premium either to the plaintiff or other willing purchaser. This is no firstly because the trade mark MARS has been

used in conjunction with the food items and secondly that they have not complied with the requirements of Companies Act, 1956 of having a name

board with the corporate name and registered office address at the Registered Office and also by filing annual returns etc.

19. Be that as it may, a party who is under threat of infringement or passing off of its trade name cannot be left remediless or in lurch merely for the

reasons that the said treated have not materialised causing damage or loss either in trade or reputation or goodwill whether a party is entitled to

injunction to restrain the threatened infringement upon its trade name, there have been varying views. One view is that injunctive relief may be

obtained even before defendant actually opens for business, if the threatened act of defendant is imminent and impending as one does not have to

await consummation of the threatened injury to obtain preventive relief (Cleveland Opera Co.V. Cleveland Civic Opera Ass'n, 22 OA.400, 5

OL.297. Other view is that before injunction may properly be issued the complaining party must show infringement of its trade mark rights as the

right of a proprietor of registered trade mark to protect its mark is confined or limited to the goods specified in registration certificate. According to

this view, unless and until the actual damage has been caused or there is likelihood of damage because of confusion or mistake as to the source or

origin of the goods on account of deceptively similar mark.

20. In my view if the second view is allowed to prevail then it will be free for all to usurp, and board anybody's trade name and damage, dilute or

dwindle down the strength of the trade mark which has been in prior, long and continuous use and acquired enviable reputation and goodwill

without actually opening the business even if the possibility or likelihood of the opening the business may be neither imminent nor impending.

21. To expect the aggrieved party to wait and watch for the opening of business or manufacturing or sale of goods under the apprehended

infringement of trade mark is too much. A stitch in time always saves nine and that is what is the essence of Quia Timet Action. With the onset of

information technology in modern times, registration of a website which is popularly known as domain name, a party owning a website has a right

to protect the same if any person registers the website with a name which is inherently deceptive. In such cases either party is directed to change

the name of the site or handover to its owner. On the same pattern and pedestal is the threatened or apprehended invasion of the trade mark or

Corporate name.

22. There are two interesting cases on the Quia Timet Action. First is the Direct Line Group Ltd. and Ors. v. Direct Line Estate Agency Ltd. and

Ors., Chancery Division 374. In this case The plaintiffs were all members of a group of Companies of which Direct Line Insurance plc was the

best known. They brought an action for passing off and trade mark infringement against two individuals who had formed three companies-Direct

Line Estate Agency Ltd., Direct Line Will's Ltd. and Direct Line Estate Ltd. and against those Companies, the plaintiffs sought interlocutory relief

and alleged that the individual defendants had a track record of taking or being associated with the taking of famous name trade marks belonging to

third parties either for the purpose of siphoning off the goodwill belonging to other traders or for the purpose of offering the marks back to their

original proprietors for profit.

23. As against this, the defendants took the plea that they have not traded as yet though one of them was trading as Direct Line Estates Limited.

The Judge viewed the defense of the defendants in the light of their track record and showed his displeasure by observing "any attempt by traders

to embark upon the same trade mark is designed to make illegitimate use of other Companies's trade mark".

24. Injunctive relief was granted by observing that "there will be no great hardship suffered by the defendants if an injunction is granted against

them. On the other hand, it seems to me that the illegitimate use by the defendants of a name which will be associated with the plaintiff's business

might well cause significant damage to the plaintiffs pending if such a trial takes place".

25. Another case is very well known case of Marks & Spencer reported as Marks & Spencer Plc. v. One in a Million Ltd. and Ors. (1998) FSR

265. It was a case of domain names. The defendants registered a large number of Interest domain names including names comprising the names or

trade marks of well known commercial or other enterprises without their consent. Though they admitted that all were either actually or potentially

available for sale none were in use as active sites. The plaintiff sought injunction on the ground that registration of such domain names amounted to

the creation of instruments of deception and constituted actual or threatened passing off and trade mark infringement. Again defendants had a

dubious past history of deliberate practice followed over a substantial period of time of registering domain names which were chosen to resemble

the names and marks of other people and were plainly intended to deceive. In view of threat of passing off and trade mark infringement and the

likelihood of confusion arising from the infringement of the mark culminated in grant of injunction by way of Quia Timet Action.

26. Let us assume that infringer has no past history of either squatting or hoarding the domain name, trade name and comes out with advertisement

for the first time for registering its Corporate name by adopting the similar name or deceptively or confusingly similar name without immediate

intention to start its business. Whether or not the plaintiff whose name is sought to be infringed has a remedy to forestall the defendant from

adopting its name or from opening up of the business under the plaintiff's trade name. The answer in any eventuality is in affirmative.

27. The plaintiff has the same degree of right to protect its trade name from infringement as it has against infringement of registered name or in an

action of passing off in respect of manufacturing or selling or offering to sell the goods by the defendants under the plaintiff's trade name. The

genesis is the underneath intention which is not difficult to fathom. Why one should choose or pick up the name or mark which has already become

famous and well known and whose reputation and goodwill is all pervading and is obviously hard earned. The only intention or object is the thrive

upon the goodwill and reputation and confuse the purchasers of his goods into believing that the defendants' goods or business in one way or other

is connected with the plaintiff. Obvious object is to cash on and exploit the goodwill, reputation, name and trade mark of the plaintiff. The threat

becomes imminent if there is indication in the objects of the memorandum filed at the time of incorporation by the defendant that it will start

manufacture and sell the goods under the said trade mark in near future. It is immaterial whether or not there is a real or tangible possibility of

starting a business. Such a threat will ever loom large over the head of the plaintiff and Therefore entitle him to resort to Quia Timet Action as the

intentions are bad, designs are dubious. There is no other object of such a defendant than to hoard the trade mark and black mail the plaintiff in

order to use it in future. Thus, in both the cases, the action and proposed activities are manifestly malafide and calculated to deceive the public or

would be purchasers as to the connection of the defendants with the plaintiff.

28. As the saying goes, the evil should be nipped in the bud so is the nature of Quia Timet Action where the injury is apprehended and the invasion

is threatened though no actual injury or damage has been caused.

29. The only tests for injunctive relief in Quia Timet Action are:- (i) Whether it is likely to cause confusion or to deceive the purchasers as to source

or origin of the trade mark or the goods to be sold in future under the said mark irrespective of the fact whether goods intended to be sold are

competitive goods or not; (ii) Whether the intention to use of infringed trade mark is to trade or cash upon the reputation and goodwill of the

plaintiff earned over the years through extensive advertisement and huge expenses; (iii) Whether there is likelihood of real or tangible damage or

injury to the plaintiff or reasonable probability if the same would take place. In other words whether use of the trademark by the defendant is likely

to be associated with the plaintiff's trade mark or business; (iii) Whether the hardship suffered by the plaintiff would be greater than that of the

defendants if injunction is not granted against the defendants.

30. As is apparent, the plaintiff's case withstand the scrutiny on the anvil of aforesaid tests as it has for the last 40 years developed its business into

a diversified products distributed in more than 100 countries and its trademark is registered in India and by virtue of its extensive sales and sales

promotion activities, the trade mark MARS has been associated, identified with the recognised by the public as the products of the plaintiff under

this trade mark are freely available in India and sold in bonded warehouses, duty free shops and customs notified shops all over India.

31. Apart from this, plaintiff enjoys goodwill internationally. It has also acquired high reputation and enviable goodwill in India which has developed

painstakingly over the years through extensive advertisements and quality of its goods. Its trade mark MARS has its own distinctiveness, being

arbitrary and fanciful when applied to foodstuffs and confectionery items. The very adoption of the trade mark MARS by the defendants shows the

intention and designs to misrepresent the public and create confusion that they are associated with the plaintiff or have been authorised by the

plaintiff to use its mark. There is every likelihood of confusion as the public at large will assume that the defendants are either part of plaintiff or in

one way or other connected with the plaintiff. The defendants have incorporated the Company by using the word "MARS" with the sole object of

either entering into the business of foodstuffs or to hoard the Corporate name of the plaintiff so as to encash the same in future.

32. The plaintiff's apprehension of real and tangible possibility that the defendants may start manufacturing in the food sector in neither imaginary

nor misplaced. It is the plaintiff which will suffer a greater hardship than the defendants. All these factors lead to the most ineluctable conclusion that

injunction by Quia Timet Action is not only appropriate but essential also as misconception of the defendants about the importance of trade mark

or trade name in the world of commerce and trade needs to be erased at the threshold before they open up their business.

33. Thus, in the result, suit is decreed in the following terms:-

A) The defendants, by themselves and their officers, servants, agents representatives, distributors and assigns are restrained by an order of

permanent injunction from passing off their business as and for that of the plaintiff by use of the mark/name MARS as a corporate name and

trading style and indicating any other connection in the course of trade with the plaintiff in respect of food stuff or any other goods or business, or in

any other manner whatsoever;

B) The defendants by themselves and their officers, servants, agents, representatives, distributors and assigns are restrained by an order of

permanent injunction from introducing in the market any foodstuffs, confectionery products or any other foodstuffs for consumption of human

beings under the trade mark MARS and/or any other trade mark or name deceptively or confusingly similar to MARS or in any other manner

infringing the plaintiffs registered trade mark Nos. 3685, 338954, 338955, 343312 and 520359 in Classes 29, 30 and 31.

Decree sheet be prepared accordingly.