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

*Judgment pronounced on: 06.11.2023*

+ **O.M.P.(I) (COMM.) 335/2023**

**VIRIDIAN DEVELOPMENT MANAGERS**

**PRIVATE LIMITED & ANR. .... Petitioners**

Through: Mr. Preetesh Kapur, Sr. Adv.  
alongwith Mr. Shaunak Kashyap,  
Ms. Nistha Gupta and Mr. Kartikaya  
Gautam, Advs.

versus

**RPS INFRASTRUCTURE LIMITED ..... Respondent**

Through: Ms. Priya Kumar, Adv. alongwith Mr.  
Manu Manchanda and Mr. Kabir  
Harpalani, Advs.

**CORAM:**

**HON'BLE MR. JUSTICE SACHIN DATTA**

**JUDGMENT**

1. The present petition filed under Section 9 of the Arbitration and Conciliation Act, 1996 (the „Act“) seeks the following reliefs:

- “(a) *Pass an order thereby restraining the Respondent from using the Trade Marks World Trade Centre, Faridabad; WTC, Faridabad and WTC Logo or any other trademark identical with or deceptively similar thereto, in any manner whatsoever.*
- (b) *Pass an order thereby directing the Respondent to display hoardings, for such period which this Hon“ble Court may deed fit and proper, at conspicuous places at the sites of its Project named „RPS Infinia“ and „12<sup>th</sup> Avenue“ informing public that none of those projects have any connection with World Trade Centre.*
- (c) *Pass an order thereby restraining Respondent from conducting any sale/booking of any Unit in its Projects named „RPS Infinia“ and „12<sup>th</sup> Avenue“ for such period which this Hon“ble Court may deem fit and proper so that trade and public may disassociate the said trademarks(**World Trade Centre, Faridabad; WTC, Faridabad and WTC Logo**) from respondent;*
- (d) *Pass an order thereby directing the Respondent herein to deposit an amount of Rs.31,30,71,753/- (Rupees Thirty-One Crore Thirty Lac Seventy-One*

*Thousand Seven Hundred and Fifty-Three only) towards its outstanding dues owed to the Petitioner No.1 and a sum of Rs.1,75,99,773/- (Rupees One Crore Seventy Five Lakh Ninety Nine Thousand Seven Hundred Seventy Three only) towards its outstanding dues owed to the Petitioner No.2;*

*Or in the alternative*

- (e) Pass an order thereby directing the Respondent herein to furnish a security of the like amounts as mentioned above in order to secure the claims of the Petitioners;*
- (f) Pass any other such orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case."*

### **Factual Matrix**

2. Briefly stated, the facts are that the respondent is the developer of a Project being developed at land measuring 7.587 acres situated at Sector-27C, Village Sarai Khwaja, Faridabad (the „Project“). In the year 2010, the respondent launched the said project under the name of “RPS Infinia”. The respondent in the month of May, 2021 approached the petitioners for availing their services including branding services and services for making sales of the balance inventory. After negotiations, the respondent and petitioner no.1 entered into a “Memorandum of Understanding” (the „MOU“) dated 28.06.2021 in respect of the said Project. Pursuant to the MOU, on the same date, the respondent and petitioner no.2 entered into a “Consultancy Agreement for Brand and Business Development Related Services” dated 28.06.2021 and the Respondent and petitioner no.1 entered into a “Consultancy Agreement for Marketing, Distribution and Sales Advisory Services” dated 28.06.2021.

3. By virtue of the MOU and Agreements dated 28.06.2021, the Project “RPS Infinia” was to be rebranded as WTC Faridabad alongwith the concept name defined by the respondent. The petitioners represented to have rights to the said brand/mark; further the respondent was not to have any right or

claim or interest in any brand/mark associated with the petitioners. In this regard, the MOU contains the following stipulations:

**“2. PROJECT BRANDING: -**

2.1. *The Project is presently named “RPS Infinia” and is registered with said name with Haryana Real Estate Regulatory Authority and the Developer has understood and agreed to rebrand the Project.*

2.2. *The Project and any adjacent expansion shall be branded as WTC Faridabad along with the concept name defined by the Developer in its entirety.*

2.3. *The Developer has clarified its desire for the high street retail concept to be promoted along with the concept name defined by the Developer (12<sup>th</sup> Avenue) equally in all branding relating to the Project.*

2.4. *Both parties have agreed that they will work mutually with a marketing agency towards a final branding nomenclature and hierarchy such that the views of both parties are achieved in the interests of the success of the Project (s)*

2.5. *Trademarks „WTC“ and „World Trade Centre“ are properties of the World Trade Centre Association, New York (“WTCA”). Consultants (including its associate concerns) are licensees of WTCA and the usage of trademarks and logos are governed by WTCA directives.*

2.6. *Neither Developer, nor any plot/unit buyer in Project shall have any right or claim or interest in any brand/trademark associated with the Consultant in any way and upon termination / determination of this agreement have no right to use any brand/trade mark, identical or deceptively similar thereto, in relation to Project expansion or part thereof.”*

4. The MOU also, *inter-alia*, provides as under :-

**“6. BUSINESS EXCLUSIVITY ARRANGEMENT: -**

6.1. *The Developer recognizes the value that will be created by the Consultant’s services and the Developer intends to expand the Project and office, retail and mixed use concepts across Faridabad, especially along the vicinity of the Project and along Mathura Road; and has agreed to enter into an exclusive arrangement with the Consultant for this.*

6.2. *In any case the Consultant shall have the Right of First Refusal to enter into such agreement/understanding/arrangement with Client in a manner and on mutually agreed terms similar to this agreement without any limitations of inventory etc. In the event the Consultant does not desire to undertake the same, the Consultant shall provide a NOC for the same.*

6.3. *The Consultant recognizes the value such a synergy with the Developer will create and has agreed to provide the Developer with a Right of First Refusal for participation in any Project expansion it may choose to undertake*

*of its own accord in the role of a developer within the zone defined above. In the event the Developer does not desire to undertake the same as a co-developer, the Developer shall provide a NOC for the same.*

*6.4. This provision shall survive this agreement as follows:*

*6.4. 1. For any adjoining land or project capable of being treated as an expansion of the Project and capable of being branded as WTC Faridabad.*

*6.4.2. Limited for a period of five years from the date of execution of this agreement for other land or plot with the zone as defined above or as mutually determined from time to time.”*

5. The petitioners claim to have rights to the brand/mark “World Trade Center Faridabad”; “WTC Faridabad”; and WTC Logo on the strength of a “Licence Agreement” dated 14.03.2017 executed between “World Trade Centers Association, Inc” (the „WTCA New York“), a Delaware Corporation and “WTC Noida Development Company Pvt. Ltd.”. The petitioner no.2 being a 100% subsidiary of WTC Noida Development Company Pvt. Ltd is stated to be entitled to exploit the said marks in the territory of Faridabad, India.

6. The respondent while using the aforesaid brand/mark of the petitioners is stated to have ignored petitioners’ instructions regarding the usage and manner, font, colour scheme, visual appearance of the said brand/mark and used the same incorrectly, thereby hampering the brand’s image. Respondent is also stated to have committed defaults in making payments to petitioners in terms of the aforesaid agreements.

7. Disputes having arisen between the parties the petitioners sent a legal notice dated 12.05.2023 to the respondent thereby terminating the MOU and Agreements dated 28.06.2021, and called upon the respondent to cease and desist from all use of the brand/mark WTC, World Trade Centre and WTC logo and also raised certain monetary claims upon the respondent. The said notice, *inter alia*, states as under:

*“In these circumstances my clients hereby:-*

*a) Terminate the aforesaid MOU & Agreements dated 28.06.2021 on account of above mentioned breaches with immediate effect.*

*b) Call upon you to cease and desist from all use of the trademark WTC, World Trade Centre and WTC logo and all other identical with and deceptively same trademarks thereto with immediate effect.*

*c) Call upon you to pay a sum of Rs. 1,75,99,773/- (One Crore Seventy Five Lakh Ninety Nine Thousand Seven Hundred Seventy Three only) (being the total of outstanding amounts mentioned in para 4(i) &(ii) above] to my client WTC Faridabad Infrastructure Development Private Limited on account of its fee for brand related services under the MOU & Agreement.*

*d) Call upon you to pay a sum of Rs. 16,12,69,105/- (Rupees Sixteen Crore Twelve Lakh Sixty Nine Thousand One Hundred Five only) (being the amount of para 4(iv) above] to my client Viridian Development Managers Private Limited towards its share in revenue as per aforesaid MOU & Agreement for sales made between 01.08.2021 till 09.05.2023.”*

8. After the aforesaid legal notice dated 12.05.2023 came to be issued, the parties exchanged some emails and held some meetings with an attempt to resolve the matter amicably. However, no settlement could be arrived at between the parties. Petitioners also issued a follow up notice dated 07.09.2023, calling upon the respondent to comply with notice dated 12.05.2023. However, the respondent is stated to have not complied with the same till date. After the said follow up notice dated 07.09.2023, parties again exchanged a few emails. In particular, the petitioners addressed an e-mail dated 14.09.2023 to the respondent, *inter-alia*, stating as under:

*“• I am advised by our legal department that RPS continues to utilize the brand logo and materials and continues to derive significant benefit, even after being served the cease and desist notice on 12.05.2023. You will be aware that our reminder notice dated 06.09.23 specifically highlights this and advises you that further claims arise as a result of non-compliance.*

*• In light of the above, it is astonishing that you mentioned yesterday that the brand and marketing services agreement needs to be revisited. Please also note that you have knowingly utilized all services after executing the agreements in May 2020, and will be aware that once you have taken benefit under the agreement, you are estopped from denying your liability to make payment under that agreement. As mentioned above, the benefit derived by*

*RPS is very significant.”*

9. In reply, the respondent addressed an e-mail dated 15.09.2023, *inter-alia*, contending as under:

*“With regards to the branding fees, the Licence Copy that has been attached as an Annexure in the agreement between Viridian and RPS is incomplete and holds no value with respect to the authenticity of the use of the brand name “World Trade Center Faridabad”. Despite multiple reminders to your team, we haven't received the Licence copy and the MOU that Viridian has with “WTCA New York” with respect to “WTC Faridabad”. You are kindly requested to share the Licence copy and the MOU on urgent basis. You are also requested to provide a letter from “WTCA New York” authenticating RPS of the right to solely use the brand name of “World Trade Center Faridabad”. Please know that a significant amount has been paid to Viridian on account of the branding fees till date.”*

10. The petitioners have also alleged in the petition that the respondent has violated the MOU and Agreements dated 28.06.2021 by expanding the project to adjoining land without entering into separate fresh agreement/s and marketing it under the brand “12th Avenue” and “World Trade Centre, Faridabad”, even though the petitioners terminated the MOU and Agreements through the aforesaid legal notice dated 12.05.2023.

11. The petitioners have also served the respondent with a legal notice dated 04.10.2023 invoking arbitration in terms of the MOU and Agreements dated 28.06.2021.

### **Submission of the Parties**

12. Learned senior counsel for the petitioners has strenuously pressed for interim orders in respect of prayers (a), (b), and (c). He has submitted that despite the petitioners having terminated the MOU and Agreements dated 28.06.2021 vide legal notice dated 12.05.2023, the respondent has continued to use the petitioners’ brands/marks – “World Trade Center Faridabad”, “WTC Faridabad”, and the WTC Logo - to promote/advertise the Projects

“RPS Infinia” and “12<sup>th</sup> Avenue”. He has submitted that the respondent is continuing to create an impression in the minds of public to the effect that the said Projects are associated with the brand World Trade Centre, which is entirely false and misleading. He has submitted that once the petitioners have terminated the MOU and Agreements dated 28.06.2021, the respondent has no right to use the licensed mark, and the continued use thereof tantamount to infringement of rights of the petitioners and a fraud on public. To support this contention reliance has been placed on “*McCarthy on Trademarks and Unfair Competition*”, Third Edition, and a judgment of a Division Bench of this Court in *Morgardshammar India Limited v. Morgardshammar AB*, 2012 SCC OnLine Del 4945. He further submitted that the petitioners are not liable to provide the respondent with a copy of the License Agreement for the said marks. He argued that once the respondent has entered into the MOU and Agreements dated 28.06.2021 and enjoyed and reaped the benefit of the branding, it is estopped from questioning the basis of the branding or raising frivolous grounds such as asking for a copy of the original license.

13. *Per contra*, learned counsel for the respondent has submitted that while the MOU and Agreements dated 28.06.2021 were terminated on 12.05.2023, the petitioner have approached this Court in the month of October i.e. with a delay of five months and on this ground alone no relief shall be granted to the petitioners. She has further submitted that non-supply of complete copy of the aforesaid Licence Agreement by the petitioners to the respondent, puts the right of the petitioners to the mark “WTC Faridabad” under a cloud. She has further submitted that if this Court is inclined to pass any order restraining the respondent from using the

brand/mark “World Trade Center Faridabad”, “WTC Faridabad” and WTC Logo, some time must be granted to the respondent to approach the Real Estate Regulatory Authority (RERA) with whom the Project is registered and the financial institutions from whom loans/ financial facilities qua the Project have been taken, to make necessary changes in the documentation. She has submitted that complete disengagement/ cessation of use of the brand/mark can be done within a period of three months.

**Analysis and Findings**

14. The MOU and Agreements dated 28.06.2021 grants the respondent the right to use and/or licence to the brand/mark of the petitioners - “World Trade Center Faridabad”; “WTC Faridabad” and WTC Logo- for rebranding of the Project “RPS Infinia”. Clause 2.6 of the said MOU clearly stipulates that upon termination/determination of this agreement the developer/respondent shall have no right to use any brand/mark associated with the consultants/petitioners, and/or any brand/mark identical or deceptively similar thereto, in relation to Project, expansion or part thereof.

Clause 2.6 of the said MOU specifically provides as under:

*“2.6. Neither Developer, nor any plot/unit buyer in Project shall have any right or claim or interest in any brand/trademark associated with the Consultant in any way, and upon termination/determination of this agreement have no right to use any brand/trade mark, identical or deceptively similar thereto, in relation to Project, expansion or part thereof.”*

15. Once the petitioners have terminated the MOU and Agreements dated 28.06.2021 vide legal notice dated 12.05.2023, it is impermissible for the respondent to use the mark and/ or to continue to hold out to the public that the petitioners and their brand/mark - “World Trade Center Faridabad”; “WTC Faridabad” and WTC Logo - is associated with the Project.

16. It is well settled that once the licence contract is terminated, any use



of mark by the ex-licensee of the mark would amount to infringement of the mark of the licensor and would deceive the public, inasmuch as the public would be led to believe that the ex-licensee is still connected with the licensor. Thus, the ex-licensee cannot be allowed to use the mark after termination of license. Further, the licensor has a right and duty to ensure the consistency of the goods or services being sold and advertised under its mark. If the licensor has severed its business relationship with a licensee, it cannot guarantee the continued quality of the ex-licensee's operations. The remedy for the ex-licensee is money damages if the termination is found to be bad in law. The legality or illegality of termination would be a matter to be determined in arbitration. Reference is apposite to a passage in *“McCarthy on Trademarks and Unfair Competition”*, Third Edition, wherein it has been stated as under:

*“S.25.07 Use of Mark by Ex-Licensee*

*[1] Continued Use of Mark by Ex-Licensee Is Trademark Infringement*

*Once a license contract is terminated, there is no doubt that the ex-licensee has no authorization or consent to continue use of the mark. After the license had ended, the ex-licensee must stop use of the mark. Continued use by an ex-licensee of the licensor's mark constitutes a fraud on the public, since they are led to think that the ex-licensee is still connected with the licensor. As the Eleventh Circuit observed: “Common sense compels the conclusion that a strong risk of consumer confusion arises when a terminated franchisee continues to use the former franchisor's trademarks.”*

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*Understandably, many ex-franchisees and ex-licensees are reluctant to give up use of the mark. Nevertheless, they clearly can be enjoined from any such further use.*

*The Ninth Circuit has indicated that franchisees who refuse to pay franchise fees and sue the franchisor for antitrust violations have in effect “repudiated” the franchise contract and can be enjoined, pending the antitrust litigation, from use of the licensed trademark. The remedy for a franchisee who alleges that she was wrongfully terminated is money damages, not the continued unauthorized use of the franchisor's*

trademarks. Clearly, a terminated franchisee who is infringing on the franchisor's trademark is not entitled to a preliminary injunction requiring the franchisor to continue doing business. That is, "the infringement of a trademark is not a proper self-help remedy for a breach of contract."

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It is clear that use of a mark by a person while such person was a licensee builds up no rights in the mark as against the licensor: "Once a license has expired, use of the formerly licensed trademark constitutes infringement. To say that the licensee has acquired rights that survive the legal termination of the license destroys the entire concept of a license.... No rights are established by such use."

A licensee who once had authorization becomes associated in the public mind with the licensor or franchisor. When such a party loses authorization but continues use of the mark, "the potential for consumer confusion is greater than in the case of the random infringer." Such continued use inevitably threatens injury to the good will and reputation of the mark and puts the licensor's reputation beyond its own control. The licensor's case for a preliminary injunction is stronger than in the ordinary trademark infringement case and "irreparable harm always flows from unlawful use and confusion." As the Seventh Circuit observed:

Once a franchise has been terminated, the franchisee cannot be allowed to keep on using the trademark. The owner of a trademark has a duty to ensure the consistency of the trademarked good or service. If he does not fulfill this duty, he forfeits the trademark.... If the owner of the trademark has broken off business relations with a licensee he cannot ensure the continued quality of the (ex-) licensee's operation, whose continued use of the trademark is therefore a violation of trademark law.

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In sum, the law is simple. If, as a matter of contract law, a service mark and trademark license has ended, the licensee has no right to continue use of licensed mark. Any such use is without the trademark owner's consent and constitutes infringement."

17. A Division Bench of this Court in ***Morgardshammar India Limited***

***v. MorgardshammarAB***, 2012 SCC OnLine Del 4945, has held as under:

"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 21<sup>st</sup> 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 11<sup>th</sup> 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 30<sup>th</sup> 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.* ???JT, 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. HirooKhushalani*, 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.”*

*41. In the present case, no doubt, there is no dispute about the fact that the respondent is the subsequent registered proprietor of the trade mark “MORGARDSHAMMAR” in question and the appellants are using the identical trade mark as well as part of its trade name in respect of the same goods as well as in its corporate name. It is obvious that a case of infringement of trade mark is made out by the respondent in case the agreement is validly terminated. And after the termination of the Trade Mark Agreement, as per settled law, the appellants by no means can be considered as permitted user. It is also not the case of the appellants that they are holding the registration of the trade mark in question. They were, after termination, using the identical trade mark and trade name, under those circumstances, any such use by them if not permitted, under Section 29 of the Act would likely to cause confusion to the public or which is likely to have an association with the registered proprietor.”*

18. A Co-ordinate Bench of this Court in ***Sorrel Hospitality Pvt. Ltd. v. Nakodar Hotels Pvt. Ltd.***, 2018 SCC OnLine Del 7730, has held as under:

*“10. In the present case, the petitioner has terminated the agreement exercising its right under Article 18.2.1. In any case, whether such termination is valid or not, is a question to be decided by the Arbitrator. For present, Article 18.6 of the agreement would suffice as it clearly states that once the agreement is terminated, notwithstanding the challenge of the licensee with respect to the correctness, legality, reasonableness or validity of the said termination, the licensee shall discontinue the use of Sub-Licensed Mark and the remedy, if any, of the licensee shall be in damages.*

11. In ***Sheel International Ltd. v. Shree Anu Milk Products Ltd.***, 2013 SCC OnLine Del 2287, this Court had held as under:

*“14. It is also a well settled law that once the licence is revoked or period thereof expired, any use by the licensee of the trademark would amount to infringement of the trade mark and the rights of the proprietor. The following decisions are referred to 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 21 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 11*

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”.

- (b) *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 30 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.
- (c) *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 JT 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.
- (d) *The Division Bench in the case of J.K. Jain v. Ziff-Davies Inc.*, 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.

15. In the present case, no doubt, there is no dispute about the fact that the petitioner is the registered proprietor of the trademark BILONA in question and the respondent is using the identical trademark in respect of the same goods. It is obvious that a case of passing off of trademark is made out by the petitioner.

*After the termination of the Trade Mark Agreement, as per settled law, the respondent by no means can be considered as permitted user. The respondent, after termination, is using the identical trademark. Under those circumstances, any such use by it if permitted, it would likely to cause confusion to the public or which is likely to have an association with the petitioner.”*

*12. In view of the above, in my opinion, the petitioner has been able to make out a prima facie case and use of the mark by the respondent, even after termination of the Sub-Licence Agreement, is likely to cause damage not only to the petitioner but also to the general public inasmuch as it gives an impression of continuing relationship between the petitioner and the respondent.”*

19. Further, there is no merit in the contention of the respondent that there has been any delay on the part of the petitioners in approaching this Court or that the delay defeats the rights of the petitioners in respect of the mark in question. It has been repeatedly held in a catena of judgments that once infringement is established, an injunction has to follow; delay in instituting the action cannot be cited as a defence by an infringer. The Supreme Court in *Midas Hygiene Industries (P) Ltd. v. Sudhir Bhatia*, (2004) 3 SCC 90, has held as under:

*“5. The law on the subject is well settled. In cases of infringement either of trade mark or of copyright, normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the mark was itself dishonest.”*

20. Moreover, it cannot be said, in the facts and circumstances of the present case, that there has been any inordinate delay on the part of the petitioners in approaching this Court. It has been averred in the petition that after termination of the MOU and Agreements dated 28.06.2021, attempts have been made to seek an amicable resolution of the matter and it is only when the attempts in this regard failed to succeed, that the petitioners filed

the present petition.

21. Thus, upon termination of the MOU and Agreements dated 28.06.2021, the respondent ceased to have any right in respect of the brand/marks which are subject matter of the Agreements between the parties and as such, the petitioners are well within the rights to seek appropriate injunctive order/s against the respondent. In the circumstances, the petitioners have made out *prima facie* case for grant of an injunction restraining the Respondent from using the marks “World Trade Centre Faridabad”; “WTC Faridabad” and WTC Logo or any other mark identical with or deceptively similar thereto, in any manner whatsoever. At the same time, there is merit in the contention of learned counsel for the respondent, that since use of the aforesaid marks for the purpose of obtaining regulatory approvals etc. and for the purpose of sales to customers, was with the consent of the petitioners, some reasonable time be afforded to the respondent to switchover to different mark/s. It has been submitted by learned counsel that the respondent shall have to make requisite applications to regulatory bodies such as RERA and also approach bank/financial institutions with which the respondent has arrangements, for the purpose of making necessary changes in their relevant records and take attendant steps to ensure a smooth migration to a different mark without any inconvenience to the members of the public/ flat buyers.

22. Considering the aforesaid, the following directions are issued :-

- i. The respondent is restrained from using the marks “World Trade Centre Faridabad”; “WTC Faridabad” and WTC Logo or any other trademark identical with or deceptively similar thereto, in any manner whatsoever.
- ii. A period of two weeks is granted to the respondent to make necessary

applications/intimation to RERA and/or bank/financial institutions for the purpose of making appropriate changes in the documentation/s concerning the project and to take all requisite steps to migrate to use of a non-infringing mark/brand. As undertaken by learned counsel for the respondent, the switchover to a non-infringing mark/brand, in all respects and for all purposes, shall be completed latest within a period of 3 months from today.

- iii. The respondent will also ensure that all references to the brand/marks “World Trade Centre Faridabad”; “WTC Faridabad” and WTC Logo shall be **forthwith** removed from its social media platforms, websites, publicity material, brochures, advertisements, hoardings etc.
- iv. The respondent is also restrained from making reference to the marks “World Trade Centre Faridabad”; “WTC Faridabad” and WTC Logo or any other mark identical with or deceptively similar thereto, in any manner whatsoever in respect of any fresh sales/booking of any unit/s in its projects, except insofar as reference may be necessary to refer to subsisting RERA/regulatory approvals. Further, in respect of any fresh sales/ bookings, the respondent shall be obliged to disclose in writing to the concerned flat buyers that it has no right in respect of the aforesaid marks. Details/particulars of all such sales shall also be made available to the petitioners.

23. The above directions shall operate till the matter is considered by a duly constituted Arbitral Tribunal, and shall be subject to further order/s in the arbitration proceedings.

24. Insofar as the monetary claim of the petitioners against the respondent is concerned, and the prayer sought to the effect that the respondent be



directed to deposit an amount of Rs.31,30,71,753/- (Rupees Thirty-One Crore Thirty Lac Seventy-One Thousand Seven Hundred and Fifty-Three only) towards its outstanding dues owed to the petitioner No.1 and a sum of Rs.1,75,99,773/- (Rupees One Crore Seventy Five Lakh Ninety Nine Thousand Seven Hundred Seventy Three only) towards its outstanding dues owed to the petitioner No.2 is concerned, the same are required to be adjudicated upon by a duly constituted arbitral tribunal. The aforesaid amounts stated to be owed by the respondent to the petitioners are not in the nature of a liquidated/admitted sum. At this stage, therefore, the Court is not inclined to pass any order(s) directing the respondent to deposit the concerned amounts and/ or to furnish security. However, liberty is granted to the petitioners to pursue their prayer/s against the respondent for furnishing of appropriate security for securing their claim/s, before a duly constituted arbitral tribunal.

25. The present petition stands disposed of in the above terms.

**SACHIN DATTA, J**

**NOVEMBER 06, 2023/hg**