

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

Reserved on: 21.11.2022

Date of decision: 22.02.2023

+ **CS(COMM) 277/2020**

SONA BLW PRECISION FORGINGS LIMITED & ANR.

..... Plaintiffs

Through: Mr.Akhil Sibal, Sr. Adv. with
Ms.Meghna Mishra, Mr.Ankit
Rajgarhia, Mr.Tarun Sharma,
Ms.Sanya Kumar, Mr.Meenon
Maqbool, Mr.Karanveer
Kathuria, Advs. for P-1.

Mr.Rajshekhar Rao, Sr. Adv.
with Ms.Meghna Mishra,
Mr.Ankit Rajgarhia, Mr.Tarun
Sharma, Ms.Sanya Kumar,
Mr.Meenon Maqbool,
Mr.Karanveer Kathuria, Advs.
for P-2.

versus

SONA MANDHIRA PVT. LTD. & ORS. Defendants

Through: Mr.Rajiv Nayar & Mr.Dayan
Krishnan, Sr. Advs. with
Mr.Rishi Agrawala, Ms.Niyati
Kohli, Mr.Pratham Vir Agarwal
& Ms.Manavi Agarwal, Advs.
for D-1 & D-2.

Mr.Nikhil Rohatgi &
Mr.Shashank Khurana, Advs. in
LA. 12853/2021.

Mr.Arun Sharma, Adv. for D-4.

CORAM:

HON'BLE MR. JUSTICE NAVIN CHAWLA

I.A. 6131/2020, 7196/2020 & 13971/2021

1. By way of the present order, I will be disposing of the application filed by the plaintiffs under Order XXXIX Rules 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908 (in short, 'CPC'), being I.A. 6131/2020, seeking an *ad-interim* injunction; the application filed by the defendants under Order VII Rule 11 read with Section 151 of the CPC, being I.A. 7196/2020, seeking rejection of Plaintiff; and the application filed by the defendant no. 2 under Section 151 of the CPC, being I.A. 13971/2021, seeking dismissal of the Suit.

PLAINTIFFS CASE:

2. It is the case of the plaintiff no. 1 that it is a part of the '*SONA Group*' which was founded in the year 1984. In the year 2008, the '*SONA Group*' acquired '*ThyssenKrupp AG's Forgings Business*' and became a prominent manufacturer of precision-forged gears in the world. The plaintiff no.1-Company was renamed as '*Sona BLW Precision Forgings Ltd*' in the year 2013. In the year 2019, the plaintiff no.1 acquired '*Comstar Automotive Technologies Private Limited*', a leading company engaged in the business of designing and manufacturing of starting, charging systems and HEV/EV Motors and controllers for global passenger cars, light commercial applications, and two-wheeler/three-wheeler markets.

3. The plaintiffs assert that the plaintiff no. 1 is a leader in production of precision forged gears and differential assemblies and other applications for the automotive industry, and has a major presence not only in the Indian market but also globally including in Europe, Canada, the USA, Hong Kong and China. The plaintiff no. 1 has been using '**SONA**' formative marks for manufacturing as also sale in drive-line and electrical divisions.

4. The plaintiff asserts that there are other entities which are a part of the 'SONA Group' having the word 'SONA' in their name, such as Sona Autocamp Holding Private Limited and Sona Skill Development Centre Limited.


5. The plaintiff no.1 gives its sales figures in paragraph 9 of the Plaintiff, stating that the same have grown from Rs. 145,82,26,876/- in 2007-08 to Rs. 539,67,93,795/- in 2019-2020. The plaintiff no. 1 further states that it has expended large amounts of money on advertising and sales promotion of their goods bearing the mark 'SONA'; the details whereof for the Financial Years between 2007-08 and 2019-20 are given in paragraph 10 of the Plaintiff.

6. The plaintiff no.1 asserts that it has also been the recipient of various awards, the details whereof are given in paragraph 8 of the Plaintiff.

7. The plaintiff no.1 asserts that it is the owner and the assignee (pending registration) of the trade mark/trade name 'SONA'. The trade mark 'SONA' was initially owned by the plaintiff no. 2, and the same was assigned and transferred to the plaintiff no.1 vide agreement dated 28.03.2019 for a consideration of Rs. 65,00,00,000/- (Rupees Sixty-Five Crores only). It is asserted that the word 'SONA' has been used as a part of the plaintiff no.1's corporate name, group name and as a trade mark, since the year 1984 through its predecessors.








8. The plaintiffs, in the original Plaintiff, gave details of the registrations of their trademarks, as under:-

<i>Reg. No.</i>	<i>Date of Filing</i>	<i>Class</i>	<i>Trademark</i>	<i>Applicant</i>
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1707890	08.07.2008 Date of Use: 20.10.1993	35		Sona Management Services Limited
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List of pending Applications

Appl. No.	Date of Filing	Class	Trademark	Applicant
3816156	25.04.2018 Date of Use: 15.03.2018	12		Sona Management Services Limited
3816157	25.04.2018 Date of Use: 15.03.2018	12		Sona Management Services Limited
3816158	25.04.2018 Date of Use: 15.03.2018	12		Sona Management Services Limited
3816159	25.04.2018 Date of Use: 15.03.2018	12		Sona Management Services Limited
3816160	25.04.2018 Date of Use: 15.03.2018	12		Sona Management Services Limited
3816161	25.04.2018 Date of Use: 15.03.2018	12		Sona Management Services Limited
3816165	25.04.2018 Date of Use: 15.03.2018	35		Sona Management Services Limited

3816166	25.04.2018 <i>Date of Use:</i> 15.03.2018	35		Sona Management Services Limited
3816167	25.04.2018 <i>Date of Use:</i> 15.03.2018	35		Sona Management Services Limited
3816168	25.04.2018 <i>Date of Use:</i> 15.03.2018	35		Sona Management Services Limited
3816169	25.04.2018 <i>Date of Use:</i> 15.03.2018	35		Sona Management Services Limited
3816170	25.04.2018 <i>Date of Use:</i> 15.03.2018	35		Sona Management Services Limited
4367042	04.12.2019 <i>Date of Use:</i> 09.10.2019	07		Sona BLW Precision Forgings Limited
4367043	04.12.2019 <i>Date of Use:</i> 09.10.2019	12		Sona BLW Precision Forgings Limited
4367044	04.12.2019 <i>Date of Use:</i> 09.10.2019	07	SONA COMSTAR	Sona BLW Precision Forgings Limited
4367045	04.12.2019 <i>Date of Use:</i> 09.10.2019	12	SONA COMSTAR	Sona BLW Precision Forgings Limited

9. It is pertinent to mention here that the plaintiffs, by way of an amendment to their Plaint, which was allowed by this Court vide its order dated 08.12.2020, have further pleaded that by way of an Assignment Deed dated 28.03.2019, executed between the plaintiff

no. 1, Sona Autocomp Holding Private Limited, Sona BLW Präzisionsschmiede GMBH and Mr. Sunjay Kapur, the plaintiff no. 1 has been assigned various trademark rights owned by Sona BLW Präzisionsschmiede GMBH, a German based Company, including the rights in the word mark “SONA BLW”, duly registered in India on 18.07.2014 under Class 12 vide Certificate No. 1178789.

10. The plaintiffs assert that ‘SONA’ is a prominent feature of all plaintiff no. 1’s trademarks.

11. It is the case of the plaintiffs that the plaintiff no.1 only just before the filing of the Suit discovered that the defendants have adopted the corporate name and trade mark ‘SONA’ as part of its own corporate name/ trade name. It is further asserted that the defendant no.1 was doing business since the year 2011 under the name ‘*Mandira Marketing Private Limited*’ and changed it to ‘*Sona Mandhira Pvt. Ltd.*’ only on 22.06.2020. The plaintiffs assert that the defendants are also engaged in a similar trade as that of the plaintiff no.1, which leaves little doubt that the defendants were infact aware of the plaintiff no.1’s registration as well as the long and uninterrupted use of the trade mark/corporate name ‘SONA’, and have deliberately and dishonestly adopted the mark ‘SONA’ as part of its corporate name, so as to pass off its goods as that of the plaintiff no.1.

12. The plaintiffs state that though the defendant no.2 is the biological sister of the Chairman of the plaintiff no.1-Company and the Director of the plaintiff no.2-Company, the same would give no right to the defendant no. 1 to change its Corporate Name so as to adopt the mark ‘SONA’.

CASE OF THE DEFENDANTS

13. On the other hand, it is the case of the defendant nos.1, 2 and 4 that the plaintiffs cannot claim any exclusive right to the use of the

mark “**SONA**”, the same having been disclaimed by them while seeking registration of their mark. They further submit that there is no visual similarity between the marks used by the plaintiffs and those used by the defendants. The markets and the products in which the parties deal in are also distinct and different. The customers of the products are also different, and there is no possibility of any confusion being caused. The defendants submit that there is, therefore, no case of infringement or of passing off made out by the plaintiffs against the defendants.

14. The defendants further submit that the word “**SONA**” is a generic and common word in trade and has attained the status of *publici juris*. It is not an invented word, but a generic word. They submit that various Companies have been registered in the Office of the Registrar of Companies using the word “**SONA**” as part of their corporate name. They submit that no person can claim exclusive proprietary rights over the word “**SONA**”.

15. The specific case of the defendants is that the present suit is primarily a family dispute between the Chairman of the plaintiff no.1 and the defendant no.2, them being brother-sister. It is submitted that Mr.Surinder Kapur, the father of the Chairman of the plaintiff no.2, was also the Director of the defendant no.1-company in the year 2011. He had not only allowed the defendants to use the word ‘**SONA**’ but, in fact, urged the defendants to use the said mark.

16. It is further contended by the defendant that the present Suit is liable to be dismissed on account of delay and laches as also acquiescence of the plaintiffs in the use of the mark ‘**SONA**’ by the defendants. It is contended that the defendant no. 1 for the last ten years not only traded in the products of the plaintiffs, but also carried out job works for the plaintiffs. 45% of the sales turnover of the

defendant no.1 is through manufacturing, wherein the defendant no.1 was independently using the 'SONA' logo for its packaging. The goods purchased from the plaintiffs were also packaged by the defendants and were sold using the impugned mark.

17. The defendants further claim that the present suit is liable to be dismissed on account of concealment and misstatement.

SUBMISSIONS OF THE LEARNED SENIOR COUNSEL FOR THE PLAINTIFFS

18. The learned senior counsel for the plaintiffs submits that the plaintiff no.1 is the registered user/owner of various trademarks of which the word 'SONA' forms a dominant part and, hence, is entitled to protection of the same as a trade mark. He submits that the plaintiff no.1 has been using the mark 'SONA' as part of its corporate name from as early as the year 1984 with the launch of 'SONA Group', and not only the plaintiff no.1-company, but also all the subsidiaries of the plaintiff no. 1 have always carried the name 'SONA' as part of their corporate name. He submits that, therefore, the use of the trade mark 'SONA' by the defendant no.1, even as its corporate name, results in infringement of the registered mark of the plaintiff no.1. He places reliance on Section 29(5) of the Act.

19. He further submits that the *mala fide* adoption of the word 'SONA' by the defendants as part of their corporate name amounts to the tortious wrong of passing off, as also unfair competition. He submits that the defendant no. 1 is not a part of the 'SONA' group and it is not explained as to why it chose to change its corporate name long after its incorporation and that too in the peak of Covid-19 lockdown. He submits that this itself shows the *mala fides* of the defendants.

20. He further submits that the assertion of the defendants that the corporate name has been changed with the knowledge and consent of Mrs. Rani Kapur, who is the Managing Director of the plaintiff no. 2, cannot also act as a shield to the unauthorised adoption of the impugned mark by the defendants, inasmuch as Mrs. Rani Kapur had no authority or legal right to permit the defendants to use and/or adopt the plaintiffs' trade mark as all rights of the plaintiff no. 2 with respect to the trade marks already stood assigned to the plaintiff no. 1 vide Assignment Deed dated 28.03.2019, executed *inter alia* under the signatures of Mrs. Rani Kapur.

21. The learned senior counsel for the plaintiffs further submits that the assertion of the defendants that various other companies are also registered with the word 'SONA', is of no consequence, as the mere registration of a company name by a third party in the absence of evidence of substantial use in respect of the relevant class of products prior in point of time to the adoption and use by the plaintiffs and their predecessors, cannot defeat the claim of the plaintiffs to the mark 'SONA'. In this regard he places reliance on *Century Traders v. Roshan Lal Duggar & Co.*, ILR (1977) II Delhi 709; *Pankaj Goel v. M/s. Dabur India Ltd.*, 2008 SCC OnLine Del 1744; *Walter Bushnell Pvt. Ltd. v. Miracle Life Sciences*, (2014) 213 DLT 119; *H&M Hennes & Mauritz AB and Anr. v. HM Megabrands Pvt. Ltd. and Ors.*, 2018 SCC OnLine Del 9369.

22. The learned senior counsel for the plaintiffs further asserts that the plea of the defendants that they are dealing in different products and the channel of trade is different, is also ill-founded inasmuch as the plaintiffs sell their automobile parts to companies like Maruti, Mahindra & Mahindra, Tata etc. These are the same companies in respect of whose vehicles the defendant no.1 sells spare parts. The

defendants have further admitted that they have sold plaintiffs' products in the aftermarket, though in a minuscule quantity. As such, both the plaintiffs and the defendants are trading in automobile parts, which are same/allied and cognate. In this regard he places reliance on the judgment in CS (COMM) 383/2022 titled ***Sona BLW Precision Forgings Ltd. v. Sonae EV Private Limited.***

23. The learned senior counsel for the plaintiffs submits that earlier the defendants were using the word 'SONA' in terms of the Sales Agreement. The use of the trademark, therefore, cannot lead to any independent right enuring to the benefit of the defendants. The said use and any goodwill generated thereby would enure to the benefit of the plaintiffs alone. In support he places reliance on the ***Eaton Corporation & Anr. v. BCH Electric Limited***, 2013 SCC OnLine Del 2333. He submits that being an earlier sales agent of the plaintiff group of companies, the likelihood of deception being caused due to change of corporate name by the defendant no. 1 is even higher.

24. He submits that the plaintiffs cannot also be accused of having acquiesced to the use of the mark by the defendants. For acquiescence, there has to be a positive act by the plaintiffs' tantamounting to the grant of a license in favour of the defendants to use the mark independently, which is clearly missing in the present case. In support he places reliance on ***Make My Trip (India) Private Limited v. Make My Travel (India) Private Limited***, (2019) 80 PTC 491; ***Emcure Pharmaceuticals Ltd. v. Corona Remedies Pvt. Ltd.***, 2014 SCC OnLine Bom 1064 and ***Medley Pharmaceuticals Ltd. v. Twilight Mercantiles Ltd. And Anr.***, 2014 SCC Online Bom 697.

25. As far as the submission of the learned senior counsel for the defendants that the present suit and the application deserves to be dismissed on the ground of suppression and misstatement, the learned

senior counsel for the plaintiffs submits that the suit was filed in the middle of Covid-19 pandemic and the Registration Certificate which disclosed the disclaimer was part of the documents filed with the suit. The failure to mention the disclaimer in the main body of the plaint was an oversight. This was even submitted as such in the order dated 28.07.2020 of this Court. In any case, no *interim* order was passed in the matter and no benefit was, therefore, derived by the plaintiffs by this mistake. He submits that the oversight of the plaintiffs is further borne by the failure of the plaintiffs to plead and annex the Registration Certificate for the word mark “**SONA BLW**”, the registration of which has been granted without any disclaimer. It is only by way of an amendment that the said registration was pleaded by the plaintiffs.

26. He submits that even otherwise, the disclaimer is immaterial to the claim of a passing off action and even in respect of an infringement action, inasmuch as such the disclaimer does not travel to the market. In support, he places reliance on *Charan Dass and Veer Industries (India) v. Bombay Crockery House*, 1984 PTC 102; *Pidilite Industries Ltd. v. S.M. Associates & Ors.*, (2004) 28 PTC 193 (Bom); and *Shree Nath Heritage Liquor Pvt. Ltd. v. Allied Blender and Distillers Pvt. Ltd.*, (2015) 221 DLT 359.

27. As far as the submission of the learned senior counsel for the defendants that even in the amended plaint, the plaintiffs have falsely depicted their device mark registrations as word mark registrations, the learned senior counsel for the plaintiffs asserts that this is only a typographical/clerical error. Paragraph 14 of the original Plaint was not sought to be amended at all. Therefore, the change in paragraph 14 in the amended Plaint is merely due to inadvertence and not to derive

any benefit. He submits that this plea is not even taken in the Written Statement filed by the defendants to the amended plaint.

28. He further submits that the communication with the Trade Mark Registry at the time of consideration of the application for registration of the mark of the plaintiffs is also irrelevant. The said correspondence does not establish that at any point the plaintiffs admitted or accepted that the word “SONA” is incapable of distinguishing the goods of the plaintiffs. He submits that, in any case, there can be no estoppel claimed against the plaintiffs on the basis of the reply filed before the Trade Mark Registry. In support he places reliance on *Telecare Network India Pvt. Ltd. v. Asus Technology Pvt. Ltd. and Ors.*, 2019 SCC OnLine Del 8739 and *H&M Hennes & Mauritz AB and Ors. v. HM Megabrand Pvt. Ltd. and Ors.*, 2018 SCC OnLine Del 9369.

SUBMISSIONS OF THE LEARNED SENIOR COUNSELS FOR THE DEFENDANTS

29. The learned senior counsels for the defendants, while reiterating the defence set out in the Written Statement, further submit that the present suit, as also the application seeking *interim* relief, are liable to be dismissed on account of suppression of material facts in the Plaint. They submit that the plaintiffs have intentionally suppressed the disclaimer on the Registration Certificate which shows that the device mark registration in favour of the plaintiff no.2 was conditional and did not allow the plaintiffs to claim any exclusive right in the word ‘SONA’. They submit that the concealment of this material fact itself is sufficient to disentitle the plaintiffs to any relief. In support they place reliance on *Benara Bearings & Pistons Ltd. v. Mahle Engine Components India Pvt. Ltd.*, 2017 SCC OnLine Del 7226; *M/s Seemax Construction (P) Ltd. v. State Bank of India and Another*,

AIR 1992 Del 197; and *Bhaskar Laxman Jadhav & Ors. v. Karamveer Kakasahab Wagh Education Society and Ors.*, (2013) 11 SCC 531; *Columbia Sportswear Company v. Harish Footwear & Another*, 2017 SCC OnLine Del 8122 *S.K. Sachdeva vs. Shri Educare Limited*, 2016 (65) PTC 614 (Del); *Ram Krishan and Sons Charitable Trust vs. IILM Business School*, 2009 (39) PTC 16 (DB); *Bhaskar Laxman Jadhav and Others vs. Karamveer Kakashab Wag Education Society and Others*, (2013) 11 SCC 53; and *S.P. Chengalvaraya Naidu (Dead) by LRs v. Jagannath (Dead) by LRs & Ors.*, (1994) 1 SCC 1.

30. They submit that the purpose of a disclaimer is to minimise the possibility of extravagant and unauthorised claims being made on the basis of the registration of the trade marks. In the present case, the plaintiffs having obtained the registration with the disclaimer of having no exclusive right conferred in the word ‘SONA’ due to such registration, cannot now claim exclusivity to the use of the said word. In support they place reliance on *Registrar of Trade Marks v. Ashok Chand Rakhit Ltd.*, AIR 1955 SC 558; *Rajesh Jain v. Amit Jain & Anr.*, 2014 SCC OnLine Del 1984; and *Shambhu Nath & Brothers & Ors. v. Imran Khan*, 2018 SCC OnLine Cal 7145.

31. The learned senior counsels for the defendants have further, placing reliance on the correspondence exchanged between the plaintiffs and the Trade Mark Registry, submitted that the plaintiff no.2, while seeking registration of its device mark had stated that “**Driving Tomorrow**” with “**S**” symbol (curved road) are the differentiating features. Therefore, no exclusive right over the word ‘SONA’ was claimed by the plaintiffs. They submit that this correspondence has been intentionally concealed from this Court, thereby disentitling the plaintiffs to any relief.

32. The learned senior counsels for the defendants have further asserted that the change in the corporate name by the defendant no.1 was done with the consent of Mrs.Rani Kapur, the original owner and Managing Director of the plaintiff no.2. They submit that a notice dated 22.05.2020 was sent to all the shareholders of the defendant no.1 proposing to call an Extraordinary General Meeting for according consent to the change of the name of the defendant no.1. On 04.06.2020, Mrs.Rani Kapur consented to convening the meeting at a shorter notice. The meeting was accordingly held on 06.06.2020, in which Mrs.Rani Kapur was also present, and the proposal to change the name of defendant no.1 was approved. They submit that these documents have also been intentionally withheld by the plaintiffs from this Court, thereby making the 'Statement of Truth' filed with the Plaint as false.

33. The learned senior counsels for the defendants, placing reliance on the judgments of this Court in *Vardhaman Buildtech Pvt. Ltd. v. Vardhman Properties Ltd.*, 2016 SCC OnLine Del 4738; and *Rich Products Corporation & Anr. v. Indo Nippon Food Ltd.*, ILR (2010) II Delhi 663, submit that the plaintiffs having obtained registration in the device marks, cannot claim any exclusive right over the word 'SONA'.

34. They further submit that reliance on the registration of the word mark "SONA BLW" by the plaintiffs cannot also be accepted, inasmuch as the registration of the same has not been transferred in the favour of the plaintiff no. 1 as yet.

35. They submit that as far as the mark 'SONA DRIVING TOMORROW' is concerned, the claim of the plaintiffs is also hit by acquiescence inasmuch as the defendant no.1 was using the said mark/logo on its products when the plaintiffs and the defendants were

working together. After 2021, the defendants have not used the said logo.

36. As far as the claim of passing off is concerned, the learned senior counsels for the defendants submit that no case of passing off is made out inasmuch as the products of the plaintiffs and the defendants cater to different segments of the market; and the purchaser of the goods and the entire supply chain is different. While the plaintiff no.1 supplies only to Original Equipment Manufacturers to those who work under bulk long term contracts, the defendant no.1 has its market post the sale of a vehicle. The device/logo of the plaintiffs and the defendants is also different. They submit that there is no visual similarity between the marks. The trade dress of the two marks, the colour combination, and the tag lines are also not the same. The same are reproduced herein below:

Defendants' Logo	Plaintiffs' Logo
	

37. In support of the above submission, they place reliance on the following judgments:-

1. *Cadbury UK v. Lotte India*, (2014) 207 DLT 500;
2. *Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd.*, (2001) 5 SCC 73;

3. *Khoday Distilleries v. Scotch Whiskey Association*, (2008) 10 SCC 723;
4. *Kaviraj Pandit Durga Dutt Sharma v. Novaratna Pharmaceutical Laboratories*, AIR 1965 SC 980;
5. *Intex Technologies India Ltd. v. M/s AZ Tech India Limited and Anr.*, FAO(OS) No. 1/2017 decided on 10.03.2017; and
6. *Thukral Mechanical Works v. P.M. Diesel Private Limited & Anr.*, (2009) 2 SCC 768.

ANALYSIS AND FINDINGS

38. I have considered the submissions made by the learned senior counsels for the parties.

Suppression and Misstatements

39. I shall first consider the plea of suppression and misstatement alleged by the defendants against the plaintiffs.

40. In *Columbia Sportswear Company* (supra), the learned Single Judge of this Court held that the conduct of the parties who are seeking discretionary relief from the Court weighs largely in the mind of the Court while dealing with a prayer seeking discretionary relief. Where a party is guilty of suppression of material facts, he may not be entitled to such a relief. I, in fact, need not multiply decisions on this well settled proposition of law.

41. As noted hereinabove, the defendants have alleged that the present suit as also the application seeking *interim* relief filed by the plaintiffs deserves to be dismissed on account of the suppression and intentional mis-representation of the following material facts:

- a) Suppression of the disclaimer on the use of the word “SONA” in the Trade Mark Application No.1707890;

b) Suppression of proceedings before the Trade Marks Registry with respect to the above application.

42. As far as the suppression of disclaimer is concerned, I am in agreement with the submission made by the learned senior counsel for the defendants that the disclaimer attached to the registration granted in favour of the plaintiffs under Application No.1707890 was a vital and material fact to be disclosed upfront by the plaintiffs in the *Plaint*, especially where they are claiming exclusive rights in the word “**SONA**”.

43. The learned senior counsel for the plaintiffs has explained that the non-disclosure of the disclaimer was unintentional as the present suit was filed when the Covid-19 pandemic lockdown was at its peak. He has submitted that the Registration Certificate which disclosed the disclaimer was part of the documents filed along with the suit and that the failure to mention the disclaimer in the *Plaint* was an oversight. He submits that no *interim* relief was granted in the suit and, therefore, the plaintiffs derived no benefit through non-disclosure of the disclaimer. He submits that, in fact, the plaintiffs also failed to plead and annex the Registration Certificate for the word mark “**SONA BLW**”, which would otherwise have been supportive of the plaintiff’s case at the time of filing of the suit and which registration is without any disclaimer.

44. I am not impressed with the above submissions. As noted herein above, the disclaimer of the exclusive right in the word “**SONA**” was a vital fact to be disclosed by the plaintiffs in the *Plaint*. It may or may not eventually influence the outcome of the *Suit/application* seeking *interim* injunction one way or the other, however, has to be disclosed. The Court has to be informed of all relevant facts for it to take a decision.

45. The Court is also not expected to scan through voluminous documents filed by the plaintiffs with the Plaintiff in order to find for itself such an important and vital fact. In fact, the plea that the disclosure could not be made as the Plaintiff was filed during Covid-19 lockdown, is defeated by the fact that the plaintiffs had this document in their custody and filed the same with the Plaintiff, however, did not mention its effect in the Plaintiff. The non-disclosure, therefore, has nothing to do with Covid-19 lockdown. However, to a limited extent that the suit was filed in urgency and during the Covid-19 pandemic, the same can act as a mitigating circumstance.

46. Equally, only because the plaintiffs were unable to obtain an *ex-parte ad interim* order because of the presence of the defendants, who pointed out the above concealment on the first date of hearing, cannot absolve the plaintiffs from the repercussions of such concealment. Concealment remains unpardonable even where the plaintiff does not succeed in misleading the Court thereby, or where the defendant appears and is able to highlight such concealment on the first date of hearing, thereby preventing an adverse order being passed against it. However, having suffered the consequence of non-disclosure, the plaintiff cannot be condemned indefinitely.

47. The fact that the plaintiffs also failed to plead another registration which may be supportive of its case in the Suit, also cannot absolve the plaintiffs of their misconduct, but may act as a mitigating circumstance.

48. Having said the above, however, in my view, the concealment made by the plaintiffs in every case would not result in an automatic dismissal of the Plaintiff and/or of the applications filed by the plaintiffs seeking *interim* relief. In law, an injunction against infringement and passing off is granted not only to protect the proprietary rights of the

plaintiffs but also to protect an ordinary unwary consumer who may be deceived due to adoption of a similar mark for similar goods by the defendant. There is, therefore, an element of public interest also to be protected. Facts of each case would, therefore, have to be considered to determine the effect of concealment/misstatement therein.

49. In the present case, as is being explained hereinbelow, the change of the corporate name by the defendant no. 1 is bordering on *malafide*. There is no reason given by the defendant no. 1 for the sudden change of its corporate Name so as to adopt the word ‘SONA’ therein. This coupled with the fact that earlier the defendant no. 1 was, in fact, also working for the plaintiffs, which relationship has been terminated by the plaintiffs, makes such adoption of the mark further deceptive. *Prima facie*, therefore, the draw of equity is against the defendants and in favour of the plaintiffs.

50. In my view, in the facts of the present case, therefore, for the above acts of concealment, the plaintiffs can be visited with exemplary costs rather than dismissing its suit and/or application seeking *interim* relief on account of their acts of concealment and misstatement.

51. Before proceeding on merit, and as noted above, the defendants have also alleged suppression on part of the plaintiffs in not disclosing the correspondence exchanged between the plaintiffs and the Trade Marks Registry for its Application No.1707890. In this regard, my attention has been drawn to the Examination Report dated 24.10.2008 raising objection to the application of the plaintiff no. 2 on the ground that the mark applied for is devoid of any distinctive character and because the same/similar marks are already on the Register for the same or similar goods/services. In response dated 21.11.2008, the plaintiff no. 2 stated as follows: -

“...the applied trademark contains distinctive features such as the text “Driving Tomorrow” with “S” symbol (curved road) which clearly differentiates it from other alleged conflicting trademarks provided in subjected departmental letter.”

52. The learned senior counsels for the defendants submit that the above response of the plaintiff no. 2 would show that the plaintiff no. 2 was claiming “**Driving Tomorrow**” and the “**S**” symbol as the distinguishing and prominent feature of its mark and not the word ‘**SONA**’.

53. They further refer to TM-16 filed by the plaintiff no. 2 on 05.11.2009 to submit that the plaintiff no. 2 applied for amending its application by seeking deletion of “**Driving Tomorrow**” from its mark. This application was withdrawn by the plaintiff no. 2 on 09.05.2014. The learned senior counsels for the defendants submit that, therefore, the plaintiffs cannot also claim any exclusive right to the use of the words “**Driving Tomorrow**”. They submit that, in any case, the plaintiffs were under a legal obligation to have disclosed the above exchange of correspondence with the Trademark Registry and, having not done so, are not entitled to any discretionary relief.

54. In my opinion, in the facts of the present case, the same rigors/standard of disclosure as is being applied to the disclaimer of the word “**SONA**” for the mark registered in favour of the plaintiffs, does not apply to the exchange of correspondence between the plaintiff no. 2 and the Trade Mark Registry before the grant of registration. As held by this Court in *H&M Hennes & Mauritz AB* (supra) and *Telecare Network India Pvt. Ltd* (supra), the correspondence exchanged between the trademark applicant and the Trademark Registry may not be relevant for the purpose of adjudication of the present application as it may not act as an estoppel

against the applicant. Though in some cases, such exchange of correspondence may be very material to the facts of the case and would need to be disclosed upfront by the parties, in the present case, nothing much turns on the above correspondence. As noted hereinabove, the plaintiff proceeded for registration with the disclaimer of the word “SONA”, and at the same time with the words “**Driving Tomorrow**” in the mark. In fact, the defendants admit to having stopped the use of words “**Driving Tomorrow**” with effect from 2021. Therefore, what remains to be seen is the effect of the mark as has been registered with its disclaimer.

55. The learned senior counsels for the defendants have also urged that the plaintiffs are guilty of misleading this Court by giving incorrect details of registration of the Trade Marks standing in their name in the amended Plaintiff. He submits that an attempt has been made by the plaintiffs in their amended plaintiff to show as if the registrations/applications standing in their name are in the word mark “SONA”, while the registrations/applications are in the device marks. On the other hand, the learned senior counsel for the plaintiffs, in my opinion, rightly so, urges that the chart appearing in paragraph 14 of the amended Plaintiff is a mere clerical error, wherein, instead of reproducing the marks as registered/applied for the words of the marks in question have been reproduced. The learned senior counsel for the plaintiffs has also submitted that, in fact, in the written statement filed to the amended Plaintiff, the defendants did not even point out this discrepancy in the amended Plaintiff or sought to take advantage thereof; the said submission has come about only in the course of oral arguments.

56. In view of the above, the plea of concealment and misstatement with respect to the correspondence exchanged by the plaintiffs with

the Registrar of the Trade Marks and/or in the depiction of the registered Trade Marks in the amended Complaint, in my opinion, cannot act as a reason for denying relief to the plaintiffs or for dismissing the suit.

57. As far as the dispute between the parties on merit is concerned, the plaintiffs are aggrieved of the change of the corporate name of the defendant no.1 from “**Mandira Marketing Pvt. Ltd**” to “**Sona Mandhira Pvt. Ltd**” on 22.06.2020. As noted hereinabove, the plaintiffs claim that not only is the plaintiff no.1 the owner and assignee (pending registration) of the trade marks and trade names of which “**SONA**” forms a predominant part, but also various group companies of the plaintiffs have been incorporated with the said name.

58. On the other hand, the defendants plead that as the word “**SONA**” has been disclaimed in the registration granted in favour of the plaintiffs under Registration No.1707890, the plaintiffs cannot claim any exclusivity over the said word. It is further contended that the registrations being in device marks, even otherwise, no separate claim can be had to the word ‘**SONA**’.

Effect of Disclaimer:

59. In *Ashok Chand Rakhit* (supra), the Supreme Court explained the ambit, scope, and purpose of disclaimer while granting registration of a Trade Mark, in the following words:

“8. The third thing to note is that the avowed purpose of the section is not to confer any direct benefit on the rival traders or the general public but to define the rights of the proprietor under the registration. The registration of a trade mark confers substantial advantages on its proprietor as will appear from the sections grouped together in Chapter IV under the heading “Effect of

Registration”. It is, however, a notorious fact that there is a tendency on the part of some proprietors to get the operation of their trade marks expanded beyond their legitimate bounds. An illustration of an attempt of this kind is to be found in *In re Smokeless Powder Co.'s Trade Mark* [LR (1892) 1 Ch 590 : 9 RPC 109] . Temptation has even led some proprietors to make an exaggerated claim to the exclusive use of parts or matters contained in their trade marks in spite of the fact that they had expressly disclaimed the exclusive use of those parts or matters. Reference may be made to *Greers Ltd. v. Pearman and Corder Ltd.* [(1922) 39 RPC 406] commonly called the “Banquet” case. The real purpose of requiring a disclaimer is to define the rights of the proprietor under the registration so as to minimise, even if it cannot wholly eliminate, the possibility of extravagant and unauthorised claims being made on the score of registration of the trade marks.

9. The last feature of the section is its proviso. That proviso preserves intact any right which the proprietor may otherwise under any other law have in relation to the mark or any part thereof. The disclaimer is only for the purposes of the Act. It does not affect the rights of the proprietor except such as arise out of registration. That is to say, the special advantages which the Act gives to the proprietor by reason of the registration of his trade mark do not extend to the parts or matters which he disclaims. In short, the disclaimed parts or matters are not within the protection of the statute. That circumstance, however, does not mean that the proprietor's rights, if any, with respect to those parts or matters would not be protected otherwise than under the Act. If the proprietor has acquired any right by long user of those parts or matters in connection with goods manufactured or sold by him or otherwise in relation to his trade, he may, on proof of the necessary facts, prevent an infringement of his rights by a passing off action or a prosecution under the Indian Penal Code. Disclaimer does not affect those rights in any way.”

(Emphasis supplied)

60. A reading of the above would show that merely because a mark has been registered with a disclaimer, the right of a proprietor over the mark or part thereof, if there was any, is not affected and continues to exist.

61. In **Charan Dass** (supra), this Court reiterated that while a disclaimer means that registration does not confer any right to the exclusive use of the particular word as the Trade Mark, the Registrant of a mark may still be entitled to restrain others from using the said disclaimed word on the principles of passing off. It was held as under:

“that disclaimer does not, in any way, debar acquiring of a right to exclusive use of a word in the trade-mark, otherwise then by registration and defendant can be restrained from passing off, his goods as that of the plaintiff.....notwithstanding disclaimer or refusal to register a particular word in a trade-mark, passing off action can be brought and a trader can protect his rights by way of such an action.”

62. In **Pidilite Industries Ltd** (supra), the Court held that in spite of a disclaimer, an action of infringement may be maintainable. It was held as under:

“68. On the question of infringement of the trade mark there remains a further aspect for consideration viz. the effect of the disclaimer of the word "Seal". Dr. Shivade contended that while considering the question of infringement of trade mark I must ignore the word "Seal" and then judge whether the first Defendants mark is deceptively similar to the residual part of the Plaintiffs mark which would now only comprise of the letter "M".

69. If the approach adopted by Dr. Shivade is correct, there is no infringement. I am however unable to accept this to be the correct approach while deciding the question of infringement in respect of the registered mark with a disclaimer.

70. Dr. Tulzapurkar invited my attention to the case of GRANADA Trade Mark (1979)13 R.P.C. 303. it was held :

"I do not think, therefore, that a disclaimer per se effects the question of whether or not confusion of the public is likely when that question is for determination under section 12(1), a context other than one that is concerned solely with the exclusive rights of a proprietor. As Lloyd-Jacob, J. put it in Ford-Works Application (1955) 72 R.P.C. 191 lines 30 to 38, a disclaimer does not affect the significance which a mark conveys to others when used in the course of trade. Disclaimers do not go into the market place, and the public generally has no notice of them. In my opinion matter which is disclaimed is not necessarily disregarded when question of possible confusion or deception of the public, as distinct from the extent of a proprietors exclusive rights, are to be determined. In making the comparison under section 12(1) therefore I consider that I must have regard to the whole of the opponents mark, including the disclaimed matter, and must assume use of it in a normal and fair manner for, inter alia, the applicants goods. The applicants are very well known as manufacturers of motor cars. The opponents are registered as merchants of their goods. Although the opponents are not manufacturers of motor cars I do not think that this difference in the parties activities should lead me to make the required comparison on any basis other than that, so far as identical goods are concerned, the normal and fair manner of use of the marks would also be identical."

71. I am in respectful agreement that despite a disclaimer in respect of the word "Seal" I must have regard to the whole of the Plaintiffs mark including the disclaimed matter while deciding the question of infringement. A contrary view could lead to peculiar results. Take for instance where the disclaimed word is written in a distinctive style with embellishments within, on or around it, and the Opponents mark also consists of the disclaimed word written in the same distinctive manner. Were it

open to the Opponent to contend that the disclaimed word ought to be ignored there would be nothing left to compare. Let me carry this illustration further with the modification that the embellishments in the two marks are different. If the disclaimed word is to be ignored all that would be left is the embellishments. This is not how a person in the market would view the marks while purchasing a product. There would remain an equal degree of possibility of deception and confusion as the public, being oblivious to the disclaimer would not analyze the marks as suggested by Dr. Shivade. In the circumstances, the disclaimer in the present case does not affect the Plaintiffs right to obtain an injunction for infringement.”

63. In ***Shree Nath Heritage Liquor Pvt. Ltd*** (supra), this Court re-emphasized that a disclaimer in a trade mark does not travel to the market place. Hence, for the purpose of comparison of the two marks, the disclaimed portion can also be considered and the marks with the disclaimer can be considered as a whole for infringement.

Mark as a whole:

64. Sections 15 and 17 of the Act read as under:

“Section 15. Registration of parts of trade marks and of trade marks as a series. -

(1) Where the proprietor of a trade mark claims to be entitled to the exclusive use of any part thereof separately, he may apply to register the whole and the part as separate trade marks.

(2) Each such separate trade mark shall satisfy all the conditions applying to and have all the incidents of, an independent trade mark.

(3) Where a person claiming to be the proprietor of several trade marks in respect of the same or similar goods or services or description of goods or description of services, which, while resembling each other in the

material particulars thereof, yet differ in respect of--

- (a) statement of the goods or services in relation to which they are respectively used or proposed to be used; or*
- (b) statement of number, price, quality or names of places; or*
- (c) other matter of a non-distinctive character which does not substantially affect the identity of the trade mark; or*
- (d) colour,*

seeks to register those trade marks, they may be registered as a series in one registration.

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Section 17. Effect of registration of parts of a mark.-(1) *When a trade mark consists of several matters, its registration shall confer on the proprietor exclusive right to the use of the trade mark taken as a whole.*

(2) Notwithstanding anything contained in sub-section (1), when a trade mark--

(a) contains any part--

(i) which is not the subject of a separate application by the proprietor for registration as a trade mark; or

(ii) which is not separately registered by the proprietor as a trade mark; or

(b) contains any matter which is common to the trade or is otherwise of a non-distinctive character,

the registration thereof shall not confer any exclusive right in the matter forming only a part of the whole of the trade mark so registered.”

65. Explaining the above provisions, a Division Bench of this Court in **Vardhman Buildtech Pvt. Ltd.** (supra), has held that registration in a composite mark containing various parts would confer on the proprietor an exclusive right to use of the trade mark taken as a whole and not to only a part thereof. However, in my opinion, this would not

defeat the right of the plaintiff/proprietor to claim injunction on the basis of passing off. For the test of passing off, the marks are to be tested on the standard of a person of average intelligence with imperfect recollection. It is the overall impression of the mark created on the consumer that would be the governing factor to determine likelihood of confusion or deception. In such determination, therefore, the Court may also identify elements or features of the mark that are more or less important for purpose of making the comparison between the competing marks.

66. In *M/s. South India Beverages Pvt. Ltd.*, 2014 SCC OnLine Del 1953, a Division Bench of this Court has held that in a composite mark, it is not improper to identify elements or features of the mark that are dominant or significant because they attract attention and consumers are more likely to remember and rely on them for purposes of identification of the source. It was held as under: -

“19. Though it bears no reiteration that while a mark is to be considered in entirety, yet it is permissible to accord more or less importance or 'dominance' to a particular portion or element of a mark in cases of composite marks. Thus, a particular element of a composite mark which enjoys greater prominence vis-à-vis other constituent elements, may be termed as a 'dominant mark'.

20. At this juncture it would be apposite to refer to a recent decision of this Court reported as 211(2014) DLT 296 Stiefel Laboratories v. Ajanta Pharma Ltd. The Court whilst expounding upon the principle of 'anti-dissection' cited with approval the views of the eminent author on the subject comprised in his authoritative treatise -McCarthy on Trademarks and Unfair Competition. It was observed:

“41. The anti-dissection rule which is under these circumstances required to be applied in India is really based upon nature of

customer. It has been rightly set out in *McCarthy on Trademarks and Unfair Competition* about the said rule particularly in Para 23.15 which is reproduced hereunder:

23.15 *Comparing Marks: Differences v. Similarities*

[1] The Anti-Dissection Rule

[a] *Compare composites as a Whole: Conflicting composite marks are to be compared by looking at them as a whole, rather than breaking the marks up into their component parts for comparison. This is the “anti dissection” rule. The rationale for the rule is that the commercial impression of a composite trademark on an ordinary prospective buyer is created by the mark as a whole, not by its component parts. However, it is not a violation of the anti-dissection rule to view the component parts of conflicting composite marks as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus, conflicting marks must be compared in their entirety. A mark should not be dissected or split up into its component parts and each part then compared with corresponding parts of the conflicting mark to determine the likelihood of confusion. It is the impression that the mark as a whole creates on the average reasonably prudent buyer and not the parts thereof, that is important. As the Supreme Court observed: “The commercial impression of a trademark is derived from it as a whole, not from its elements separated and considered in detail. For this reason it should be considered in its entirety.” The anti- dissection rule is based upon a common sense observation of customer behavior: the typical shopper does not retain all of the individual details of a composite mark in his or her mind, but retains only an overall, general impression created by the composite as a whole. It is the overall impression created by the mark from the ordinary shopper’s cursory observation in the marketplace that will or will not lead to a likelihood of confusion, not the impression created from a meticulous comparison as expressed in carefully weighed analysis in legal briefs. In litigation over the alleged similarity of marks, the owner will emphasize*

the similarities and the alleged infringer will emphasize the differences. The point is that the two marks should not be examined with a microscope to find the differences, for this is not the way the average purchaser views the marks. To the average buyer, the points of similarity are more important than minor points of difference. A court should not engage in “technical gymnastics” in an attempt to find some minor differences between conflicting marks.

However, where there are both similarities and differences in the marks, there must be weighed against one another to see which predominate.

The rationale of the anti-dissection rule is based upon this assumption: “An average purchaser does not retain all the details of a mark, but rather the mental impression of the mark creates in its totality. It has been held to be a violation of the anti-dissection rule to focus upon the “prominent” feature of a mark and decide likely confusion solely upon that feature, ignoring all other elements of the mark. Similarly, it is improper to find that one portion of a composite mark has no trademark significance, leading to a direct comparison between only that which remains.” [Emphasis Supplied]

21. The view of the author makes it scintillatingly clear, beyond pale of doubt, that the principle of 'anti dissection' does not impose an absolute embargo upon the consideration of the constituent elements of a composite mark. The said elements may be viewed as a preliminary step on the way to an ultimate determination of probable customer reaction to the conflicting composites as a whole. Thus, the principle of 'anti- dissection' and identification of 'dominant mark' are not antithetical to one another and if viewed in a holistic perspective, the said principles rather compliment each other.

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23. It is also settled that while a trademark is supposed to be looked at in entirety, yet the consideration of a trademark as a whole does not condone infringement where less than the entire trademark is appropriated. It is therefore not improper to identify elements or

features of the marks that are more or less important for purpose of analysis in cases of composite marks.

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26. Dominant features are significant because they attract attention and consumers are more likely to remember and rely on them for purposes of identification of the product. Usually, the dominant portion of a mark is that which has the greater strength or carries more weight. Descriptive or generic components, having little or no source identifying significance, are generally less significant in the analysis. However, words that are arbitrary and distinct possess greater strength and are thus accorded greater protection.”

67. In the present case, the plaintiffs have registration in their favour, of which the word “SONA” is a predominant part. It has registrations in the word mark “SONA BLW” as well. Applying the ratio of *M/s. South India Beverages Pvt. Ltd* (supra), this Court in its judgment dated 02.08.2022 passed in CS(COMM) 383/2022, titled *Sona BLW Precision Forgings Ltd. v. Sonae EV Private Limited*, has held that “SONA” forms a dominant part of the plaintiffs’ Trade Mark, thus is entitled to protection. It is also of import that the word “SONA” otherwise cannot be said to be descriptive or even suggestive of the goods in which the plaintiff deals in. Further, the reason given by the defendants for adoption of the word ‘SONA’ in its corporate name does not impress me, as has been explained hereinafter.

68. For the above reasons, the submissions of the learned senior counsel for the defendants based on disclaimer as also registration being in a device mark, deserve to be rejected.

Third Party use

69. The learned senior counsels for the defendants have also placed reliance on a table giving the ‘list of companies using ‘SONA’ as per MCA’ to contend that there are various other companies also

incorporated using the word 'SONA'. They submit that, therefore, the plaintiffs cannot claim any exclusive right over the said word.

70. I am not impressed with the above submission of the learned senior counsels for the defendants. As held by this Court in *Pankaj Goel* (supra), mere presence of a mark on the Register does not signify its use. In any case, the plaintiff is not expected to sue all small type of infringers who may not be affecting the plaintiff's business. In any case, such incorporation cannot come to the aid of the defendants unless the defendants are able to make out a case for use of the said word/mark in their independent right.

Adoption of mark by the defendants:

71. This would now bring me to the issue of adoption of the mark "SONA" as part of its corporate name by the defendant no.1. The learned senior counsel for the defendant no.1 has contended that the defendant no.1 is a family concern promoted by Late Mr.Surinder Kapur, the father of the defendant no.2. He submits that the change of the corporate name of the defendant no.1 to "Sona Mandhira Pvt. Ltd." was done with the consent of Mrs.Rani Kapur, wife of Late Mr.Surinder Kapur and the Managing Director of the plaintiff no.2. He submits that the defendants had even earlier been using the word "SONA" on its packaging.

72. I am not impressed with the submissions made by the learned senior counsels for the defendants. As pointed out by the learned senior counsel for the plaintiffs, the defendant no.1 was incorporated as "Mandira Marketing Pvt. Ltd." in the year 2011, that is during the lifetime of Late Mr.Surinder Kapur. Though there are various other companies of the family group which were incorporated with the word "SONA" as part of their corporate name, the defendant no. 1 did not have the word "SONA" as part of its corporate name.

73. The learned senior counsel for the plaintiffs has also drawn my attention to an email dated 17.01.2012 from Late Mr.Surinder Kapur to Mr.Himanshu Koirala, by which he had suggested the defendant no.1 to use “SONA” logo for SONA goods and products while creating its own brand. The same is reproduced herein below:

“You make me feel proud of you and my prayers will always be for God to keep you on a good path with good values.

Life can only be beautiful and rich, if one lives with good values and has a happy home, full of love and affection.

As Mandira’s daddy, you have honoured me by naming your company with “Mandira”. Thank You.

I had not seen your packaging before. I suggest you use Sona Logo, for Sona Group products. To create your own Brand will pay you in the long run.

Himanshu, thank you for your love. Dad.”

(Emphasis supplied)

74. The above email *prima facie* shows that the defendant no.1 was not considered as a group company of the plaintiffs but as a separate entity, which was allowed to use the mark “SONA” for the ‘SONA Group’ products.

75. In this regard, the learned senior counsel for the plaintiffs has also drawn my attention to the Sale Agreement dated 09.04.2012 executed between **Sona Okegawa Precision Forgings Limited** and the defendant no.2, by which the defendant no.2 was appointed as a selling agent to sell the products with the mark “SONA” in the After Sales market. These documents *prima facie* evidence that the claim of the defendant no. 1 to use the word “SONA” as part of its corporate name due to the relationship between the defendant no. 2 with the MD

of the defendant no. 1, *prima facie* cannot be accepted. In spite of this relationship, the defendant no. 1 had not claimed any independent right to use the word “**SONA**” as part of its corporate name till its impugned action of changing its corporate name. Even if there was some use of the trade mark of the plaintiffs for the own goods of the defendant no. 1, the same shall enure only to the benefit of the plaintiffs and shall not confer any independent right over the said mark in the defendants.

76. As far as the claim of permission for the change of the corporate name from Mrs.Rani Kapur is concerned, the documents relied upon by the learned senior counsel for the defendants appear to be executed by Mrs.Rani Kapur as a shareholder of defendant no.1 and in her individual capacity. The registrations of the trade marks stand in the name of the plaintiff no.2, which is a corporate entity. They already stand assigned in favour of the plaintiff no. 1. Mrs.Rani Kapur in her individual capacity, therefore, cannot claim any right over the said mark, which can be assigned or licensed by her to a third party in her individual capacity.

77. That apart, the learned senior counsel for the plaintiffs has also drawn my attention to the “Brand Ownership Agreement” dated 28.03.2019 whereby *inter-alia* the plaintiff no.2 assigned all its rights in the trade marks in favour of the plaintiff no.1. The plaintiff no.1 also claims to have made an application with the Trade Marks Registry for recording such assignment. Though, the said assignment has still not been registered by the Trade Marks Registry, in my opinion, this would not affect the rights of the plaintiff no.1 in such registrations. As held by this Court in *Astrazeneca UK Ltd. & Anr v. Orchid Ltd. & Pharmaceuticals Ltd.*, 2006 SCC OnLine Del 1668, the effect of assignment takes place on execution of such Assignment

Deed; the assignee thereafter has to apply to the Trade Marks Registry for recording such assignment, however, even while such application is pending with the Trade Marks Registry and during the interregnum, such assignee would be entitled to avail rights as being a registered proprietor of the marks.

78. It is also to be noted that the plaintiffs had immediately on coming to know of the change of the corporate name approached this Court by way of the present suit thereby clearly evidencing their intent not to allow the defendant no.1 to use the mark “SONA”.

Acquiescence

79. The plea of the learned senior counsel for the defendants that the mark “SONA” was being used by the defendants even earlier to the change of the corporate name, and, therefore, the plaintiffs have acquiesced to such use, in my opinion, also deserves to be rejected. Admittedly, the defendant no.2 was acting as a sales agent for the products manufactured by the plaintiffs’ group of companies. There was an association between the companies, that is, the plaintiffs and the defendant no.1. In such circumstances, even if the defendant no.1 individually and for its own goods used the mark of the plaintiffs, the same would only enure to the benefit of the plaintiffs and not the defendants. This was a case of permissive use rather than a use wherein the defendant sets up an independent title to the trade mark. By such usage, the defendant no.2 cannot claim any independent rights over the said mark.

80. As observed by this Court in *Eaton Corporation & Anr.* (supra), an ex-licensee cannot claim ownership of a trademark in his name either during the licensing period of agreement or after expiry

thereof. He cannot also claim concurrent user. I may quote from the judgment as under:

“85. Rather, in case the law with regard to the rightful owner of the trademark and the act of ex-licensee is examined, it emerges that either during the licensing period of agreement or after expiry, it is implicit and clear that the ex-licensee is not entitled to claim the ownership of a trademark nor he is permitted by law to file an application for registration of the trademark in his name nor is entitled to file the petition for rectification of the same very trademarks in which ex-licensee was using the trademarks as a permissive user, otherwise it would amount to fraud and misrepresentation. The ex-licensee under no circumstances can declare himself as owner of the trademark to claim the concurrent user because as per scheme of the Act, the benefit of concurrent user can be derived by a party whose user is honest and bonafide. In the present case, both things are missing. In other words, he cannot be allowed to make a hole in the plate in which he was eating; such wrongful user would be considered as stolen property which cannot become rightful property in any amount of user.”

81. In fact, as held by this Court in ***FMI Limited v. Ashok Jain & Ors.***, 2006 SCC OnLine Del 1423 and followed by this Court in ***Dreams Lingerie Products v. Akash Chawdhary***, 2022 SCC OnLine Del 3018, in case of an ex-distributor, the test to be adopted in determining the likelihood of confusion is more liberal in favour of the plaintiffs.

82. In ***M/s Power Control Appliances & Ors. v. Sumeet Machines Pvt. Ltd.***, (1994) 2 SCC 448, the Supreme Court has held that:

“Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved

in latches....there can be only one mark, one source and one proprietor. It cannot have two origins. Where, therefore, the first defendant-respondent proclaimed himself as a rival of the plaintiffs and as joint owner it is impermissible in law.”

The Supreme Court, in circumstances similar to the present case, in fact, granted an injunction in favour of the plaintiffs therein.

83. In view of the above, the plea of the learned senior counsels for the defendants that the defendants have any independent right over the use of the word ‘SONA’, cannot be accepted.

Claim of passing off

84. The plea of the learned senior counsels for the defendants that by use of a different logo along with the Corporate Name, the defendants can escape the allegation of passing off, cannot also be accepted. In the present case, the incorporation of the word ‘SONA’ as part of its Corporate Name by the defendant no. 1 *prima facie* appears *malafide*. The same is intended to show a relationship between the plaintiffs and the defendant, while now there is no such relationship. The Corporate Name itself, therefore, can lead to confusion and deception in the minds of a third party of such continued association/relationship between the plaintiffs and the defendant no. 1.

85. I am, however, not impressed with the above submissions. The fact remains that the plaintiff no.1 and the defendant no.1 continue to deal with the same products, which are automobile parts. The plaintiffs have asserted that they also have an After Sales supply of such parts. Even otherwise, merely because the plaintiffs supply these parts to OEM while the defendant no.1 supply these parts in After Sales, in my opinion, would not make any difference to the claim of passing off. Even the purchasers of such parts for After Sales service

can be deceived into believing an association between the plaintiffs and the defendant no.1, which though earlier existed, no longer exists.

86. Keeping in view the earlier adoption of the mark 'SONA' by the plaintiffs, its extensive use by the plaintiffs, and the likelihood of deception and confusion being caused in the mind of an unwary consumer of continued association between the plaintiffs and the defendant no. 1 due to adoption of the word 'SONA' as part of the Corporate Name of the defendant no. 1, in my opinion, the plaintiffs have been able to make out a good *prima facie* case for grant of an *interim* injunction in their favour. The balance of convenience is also in favour of the plaintiffs and against the defendants. The plaintiffs are likely to suffer grave irreparable harm if the defendants are not restrained from using the word 'SONA' as part of the Corporate Name and/or as trademark during the pendency of the present Suit.

87. The learned senior counsels for the defendants have further urged that no claim of passing off can be made out against the defendant no.1 as it is using a different logo and caters to a different segment of the market. He submits that while the plaintiff no.1 supplies the goods to only the Original Equipment Manufacturers (in short, 'OEM'), who work under bulk long-term contracts, the defendant no.1 has its market post the sale of the vehicles. He submits that the purchasers are different and so is the supply chain.

88. In view of the above, I find no merit in the applications, being I.A. 7196/2020 and I.A.13971/2020, filed by the defendants seeking rejection of the plaint and dismissal of the present suit. The said applications are dismissed.

89. As far as the application, being I.A 6131/2020, filed by the plaintiffs is concerned, the defendants, more specifically defendant no. 1, or any other persons claiming for or on their behalf are restrained

from using the word 'SONA' as part of their Corporate Name/Trade Mark/Trade Name/Logo/Domain Name, in any manner, in relation to any goods or services during the pendency of the present suit.

90. As I have found that the plaintiffs were guilty of concealment of the disclaimer attached to the registration of the Trade Mark granted under Application No.1707890, I saddle the plaintiffs with cost of Rs.10 Lakhs, out of which cost of Rs.5 Lakhs be deposited with the Delhi High Court Advocates' Welfare Fund and the remaining of Rs.5 Lakhs with the Delhi High Court Bar Clerk's Association.

91. It is clarified that any and all observations made hereinabove are only *prima facie* in nature and made only for purposes of deciding the present application. They shall neither bind nor influence this Court while deciding the suit on merits after the parties have led their respective evidence.

92. The applications are disposed of in the above terms.

CS(COMM) 277/2020

93. List on 29th March, 2023 before the learned Joint Registrar (Judicial) for further proceedings.

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NAVIN CHAWLA, J.

FEBRUARY 22, 2023/Arya/Ais/KP