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* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CS(COMM) 541/2024 & I.A. 32184/2024

GOETHE-INSTITUT E.V.

Through:

.....Plaintiff Mr. C.M. Lall, Sr. Adv. with Mr. Karan Bajaj, Mr. Suman Jyoti Khaitan, Mr. Vikas Kumar, Mr. Vihaan Kumar, Advocates (M:9968636993)

versus

ABHISHEK YADAV & ANR.Defendants Through: Mr. Vikas Khera, Ms. Sneha Sethia, Mr. Yash Sharma, Advocates (M: 7834897828)

CORAM: HON'BLE MS. JUSTICE MINI PUSHKARNA

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<u>JUDGMENT</u> 06.05.2025

I.A. 32184/2024 (Application under Order XXXIX Rules 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908 for interim injunction)

1. By way of the present application, the plaintiff seeks injunction for restraining the defendants from using the impugned marks, i.e., MAX

MUELLER/ MAX MUELLER INSTITUTE/



or any other mark

which contains or is similar to the earlier used mark of the plaintiff, MAX MUELLER/MAX MUELLER BHAVAN, either as a trademark or part of





trademark, trade name or part of a trade name, corporate name, electronic mail, domain name or part of a domain name, or in any manner, which would amount to passing off.

2. The case, as set up by the plaintiff, is as follows:

2.1 Plaintiff is a society registered in Germany and is a well known cultural institute owned and operated by the Federal Republic of Germany. Plaintiff was founded by the Federal Republic of Germany in 1951 to spread awareness about Germany's cultural and societal diversity across the globe. Plaintiff has its presence in 98 countries with 158 Goethe Institutes.

2.2 Plaintiff commenced its operations in India in the year 1957 by opening its first institute in Kolkata by the name MAX MUELLER BHAVAN. The Goethe-Institut of the plaintiff is also known as MAX MUELLER BHAVAN in India. At present there are 6 institutes of the plaintiff in India bearing the trademark/ name MAX MUELLER BHAVAN. 2.3 The plaintiff offers in its institutes, German language courses, including, online courses, and conducts examinations as evidence of German language skills. The courses offered by the plaintiff are offered in offline, online and hybrid formats. Every year, almost 800 classes are offered in India, with approximately 17,000 students getting enrolled for the courses in India.

2.4 The plaintiff being the exclusive owner and proprietor of the earlier well known trademarks MAX MUELLER/ MAX MUELLER BHAVAN, filed trademark applications in class 41 in order to protect its rights, which are pending registration. On 5th December, 2023 and 30th December, 2023, the Trade Marks Registry issued examination reports, in which it raised





objections to the registrability of the plaintiff's trademarks. The examination report dated 05th December, 2023, cited the impugned mark MAX MUELLER INSTITUE bearing no. 3923768 as an objection. The examination report dated 30th December, 2023 cited the impugned mark,



bearing no. 6118118.

2.5 It is only after the receipt of the examination reports that the plaintiff became aware of the impugned marks. The plaintiff conducted an online investigation about the impugned marks, which revealed the websites <u>www.maxmuellerinstitute.com</u> and <u>www.maxmuellerinstitute.in</u>, which are managed by defendant no.1.

2.6 The plaintiff issued a Cease & Desist notice dated 06th January, 2024, apprising defendant no.1 about its prior rights and extensive use of its earlier well-known trademarks MAX MUELLER/ MAX MUELLER BHAVAN, and calling upon the defendants to cease and desist from using the mark MAX MUELLER, in any manner whatsoever. In reply, *vide* letter dated 29th January, 2024, the defendant no.1 responded to the plaintiff's cease and desist notice and justified their use of the mark in question by the said defendant.

2.7 The plaintiff conducted another investigation upon the defendants in the month of May, 2024, in order to re-affirm certain information. It was confirmed that the defendants offer courses at 6 different levels, identical and similar to those offered by the plaintiff. Further, once the course is completed, the students have to enroll with the plaintiff to give examinations





and obtain a certificate. Only after a student has cleared the exam and obtains a certificate from the plaintiff for the same, that the defendants issue the course completion certificate to the student.

2.8 Thus, being aggrieved by the adoption and use of the impugned marks by the defendants, the present suit has been filed, accompanied by the present application for an interim injunction.

3. On behalf of the plaintiff, it is contended as follows:

3.1 The defendants provide services under the impugned marks that are identical to those of the plaintiff, i.e., teaching the German language. As per the website of the defendants, the impugned marks have been in use for more than 15 years. However, the trademark applications for the marks MAX MUELLER/ MAX MUELLER INSTITUE are filed on '*proposed to be used*' basis by the defendants, and none of the trademark applications have been filed, which would substantiate use of more than 15 years.

3.2 The section in the defendants' website, i.e., "German Coaching", shows that the defendants also offer courses at 6 different levels, which are completely identical and similar to the plaintiff's courses.

3.3 The impugned marks have been adopted and used by the defendants with the sole intention of misrepresenting its association with the plaintiff. The impugned marks have been adopted with *malafide* and bad faith intentions, to ride upon the goodwill and reputation of the plaintiff's earlier well-known trademarks. The plaintiff has immense goodwill and reputation in the market and the defendants cannot be permitted to take undue advantage of the same.

3.4 Upon searching for 'MAX MUELLER' over the internet, the top





results are of the plaintiff, followed by the defendants. In order to create a confusion in the public at large, website of the defendants, also comes in the search result, whenever a person searches for the website of the plaintiff. Therefore, there exists a high possibility that a person may associate the defendants with the plaintiff, especially, when the defendants' literature about the different levels, are copied from the plaintiff.

3.5 Defendants are making all efforts to associate themselves with the plaintiff, when no such association exists, and make undue profits. Defendants are deliberately indulging in such acts with an attempt to cause confusion and make it difficult for the members of the trade and public to differentiate between the services offered by the plaintiff, and those of the defendants.

3.6 MAX MUELLER is the brand name of the plaintiff, which the defendants have adopted, despite having full knowledge about the plaintiff.

4. *Per contra*, on behalf of the defendants, it has been submitted as follows:

4.1 MAX MUELLER is not a coined or invented word, but the name of German Indologist and Sanskrit Scholar, which is an admitted fact.

4.2 On 23rd August, 2018, defendant no.1, through their predecessor, honestly and *bonafidely* adopted the mark, MAX MUELLER INSTITUTE to give respect to professor Max Mueller, who was a German Indologist and had deep connection with India and Indian studies. The said mark is being continuously and uninterruptedly used by the defendant no.1.

4.3 The mark, MAX MUELLER INSTITUTE bearing no. 3923768 was applied in Class 41 on 23rd August, 2018, and the same is registered and





valid till 23rd August, 2028. Further, the trademark MAX MUELLER bearing no. 5335618, was applied in Class 35 on 19th February, 2022, and the same is registered and valid till 19th February, 2032.

4.4 MAX MUELLER BHAVAN is merely a name of building/bhavan and the same is not used as a trademark by the plaintiff to distinguish its services, i.e., imparting German lessons.

4.5 Not even a single invoice has been filed by the plaintiff to prove any use of the alleged MAX MUELLER BHAVAN as a trademark in respect of imparting German lessons by plaintiff. The plaintiff has filed one isolated proforma invoice, which does not prove anything, as the name of the plaintiff is nowhere mentioned.

4.6 Plaintiff is not using the alleged MAX MUELLER BHAVAN mark, and therefore, any question of goodwill and reputation under alleged bhavan at the time of adoption of the said mark by the defendant no.1, does not arise. The plaintiff has filed copy of Pan Card, newspaper coverages, bank account, etc., which do not prove any use in respect of concerned services, i.e., imparting German lessons.

4.7 The plaintiff has suppressed the material facts that the plaintiff is using, GOETHE-INSTITUT as their institute name *qua* their services, i.e., imparting German lessons, and issuing all the receipts and certificates in the name of GOETHE-INSTITUT.

4.8 The plaintiff has suppressed the material facts that only GOETHE-INSTITUT and not MAX MUELLER BHAVAN is considered as proof of knowledge of German.

4.9 The plaintiff has given misleading statements qua copy of literature





by the defendants. Literature and courses used by the plaintiff, is based on Common European Framework of Reference for Languages ("CEFR"), and in fact every institute which teaches and provides German language training, use literature and course material mentioned in CEFR.

4.10 The plaintiff has misguided this Court by giving false information *qua* use of building name as a trademark, by filing irrelevant and misleading documents and by making false averments in respect of literary work.

5. Having heard learned counsels for the parties and having perused the record, at the outset, this Court notes that Section 34 of the Trade Marks Act, 1999 ("Trade Marks Act"), recognizes the rights of a prior user and protects its rights, which remain unaffected by any registration in favour of a party, who is a subsequent user. The fact, that the mark of a party is not registered, is no bar to a case for passing off, if the ingredients of passing off are established.

6. In *Halsbury's Laws of England*, *Fifth Edition*, *Volume 97A*, on the aspect of passing off, it has been observed as follows:

"xxx xxx xxx

614. Elements of a claim for passing off.

The three necessary elements of a claim for passing off, as restated by the House of Lords, are:

(1) that the claimant's goods or services have acquired a goodwill in the market and are known by some distinguishing name, mark or other indicium;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the claimant; and

(3) that the claimant has suffered or is likely to suffer damage as a





<u>result of the erroneous belief engendered by the defendant's</u> <u>misrepresentation</u>.

xxx xxx xxx

636. Establishing misrepresentation.

Establishing a likelihood of deception generally requires the presence of two factual elements:

(1) <u>that a name, mark or other distinctive indicium used by the</u> <u>claimant has acquired a reputation among a relevant class of</u> <u>persons; and</u>

(2) <u>that members of that class will mistakenly infer from the</u> <u>defendant's use of a name, mark or other indicium which is the</u> <u>same or sufficiently similar that the defendant's goods or business</u> <u>are from the same source or are connected</u>.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;

xxx xxx xxx "

(Emphasis Supplied)

7. Thus, in the present case, it is to be seen as to whether the plaintiff has been able to establish its prior user of the mark in question and that by such use, the mark has become distinctive, so as to indicate that any use of the said mark in relation to the services rendered by the plaintiff, would be understood as having emanated from the plaintiff.

8. The present suit relates to rival marks, i.e., MAX MUELLER BHAVAN versus MAX MUELLER INSTITUTE for identical services, i.e.,





imparting German language education. Perusal of the various documents on record, show that the plaintiff has been using the mark MAX MUELLER BHAVAN since the year 1957. The plaintiff has filed several documents before this Court to show use of MAX MUELLER BHAVAN by the plaintiff, since the year 1957. On the other hand, the defendants have adopted the impugned mark only in the year 2018.

9. The defendants have not disputed that the services of plaintiff existed much prior to the adoption/use of the impugned marks by the defendant. The defence raised by the defendant no.1 is that MAX MUELLER BHAVAN is not used as a trademark by the plaintiff. However, the various documents on record substantiate the prior use of the mark MAX MUELLER BHAVAN, as a trademark by the plaintiff, as the institutes of the plaintiff, i.e., GOETHE-INSTITUT in India, have been shown to be popularly and commonly, known as MAX MUELLER BHAVAN.

10. As per the pleadings and documents on record, the plaintiff has presence in 98 countries, with 158 Goethe-Institutes, forming the basis of the plaintiff's global network. The plaintiff commenced its operations in India in the year 1957, by opening its first institute in Kolkata. In India, the GOETHE-INSTITUT of the plaintiff, are also known as MAX MUELLER BHAVAN. The same is evidenced by the various documents placed on record by the plaintiff, which substantiate the fact that the plaintiff has always been using the mark MAX MUELLER BHAVAN, for its institutes/ services, in India.

11. Article dated 12th November, 2022, published in the Times of India has been placed on record which states that, *"Kolkata: Max MUELLER*





Bhavan turns 65". The said Article is reproduced as under:

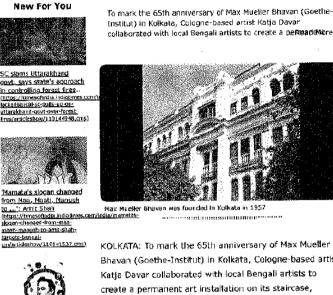
Kolkata: Max Mueller Bhavan turns 65

TNN / Updated: Nov 12, 2022, 08:24 IST

from wooing right-wing

right-wing-world-

FOLLOW GERTANES / ALLEY STRUCT (254) 234 CERSATLONS / CAAOBWGKMMGY QCWWU79AG)



KOLKATA: To mark the 65th anniversary of Max Mueller Bhavan (Goethe-Institut) in Kolkata, Cologne-based artist Katja Davar collaborated with local Bengali artists to create a permanent art installation on its staircase, representing cultural connections through old and new technologies.

world leaders (https://www.ndw.indwinde.com/fibevar collaborated with artist Neelanjana Ghosh to create musk-is-benefiting_from-wooinga 17-metre textile work that includes Davar's pencil aders/articleshow/110137628.cms) drawings.

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Trending Stories

12. Another publication using both the marks GOETHE-INSTITUT as

well as MAX MUELLER BHAVAN, is reproduced as under:

" Goethe-Institut/Max Mueller Bhavan celebrates 65 years in Kolkata with art installations

Goethe-Institut/Max Mueller Bhavan is celebrating 65 years of its presence in Kolkata with two permanent site-specific art installations by German-British artist Katja Davar.

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13. The documents on record clearly show that GOETHE-INSTITUT and MAX MUELLER BHAVAN are used in conjunction with each other while

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making reference to the plaintiff's institute. The print out from the social media platform of the plaintiff institute, New Delhi, is reproduced as under:

CONTACT

Goethe-Institut / Max Mueller Bhavan New Delhi 3, Kesturba Gandhi Marg New Delhi 110 001 India Si Info-delhi @goethe.de ANNIVERSARY

Celebrating 50 Years of

existance in 2009

ABOUT US NEW DELHI

NEW DELHI			
German Courses			
German Exams			
Events			
Library			
About us			
Contact and opening	ho	un	8
Statt			
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Partners and Spored	18		



Goethe-Institut / Max Muetler Bhavan New Delhi like all the other institutes in India, is known as Max Mueller Bhavan – in honour of Max Muller (1823–1900), a scholar of comparative religion and co-lounder of modern Indian studies. The institute creatines and promotes a wide spectrum of cultural events in Delhi and other north Indian cities with the aim of presenting German culture, particularly its contemporary aspects, in India. Its artistic and reflexive programmet and projects are developed in close cooperation with Indian partner (institutions.

Goethe-Institut / Max Mueller Bhavan New Delhi is the bast-known centre in the city for German courses and internationally recognised examinations. In addition to general language courses covering all levels for adults and teene, our offer includes a wide range of special courses as well as company courses. The language courses are supplemented by an extensive examination programme. Students who wish to study German at Goethe Institutes in Germany should contact our course office.

Goethe-Institut / Max Mueller Bhavan New Delhi is also a teachers' training institute and conducts workshops and seminars on teaching German as a foreign language. In addition, it supports our language course cooperation partners in the region (including Chandgert, Hyderabad and Kathmandu).

The library at the Goethe-Institut / Max Muetler Bhavan New Delhi provides information about current aspects of outural, social and political He in Germany. We offer a wide range of media and information services for all interested in contemporary Germany or interching and studying German as a toreign language. Our subbrary is accessible to everyone in India.

The department of library and information services cooperates with institutions, publishing houses and libraries in India and festers the translation of German literature as well as the professional exchange with Germany.

CONTACT AND OPENING STAFF HOURS

CAREER

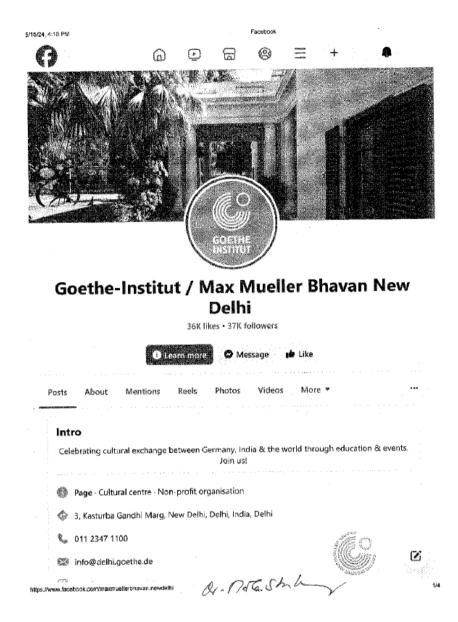
A. Mote Shik



14. The facebook page of the plaintiff's institute at New Delhi, is reproduced as under:







15. Another Article published on 11th November, 2009 in Hindustan Times, reads as under:

50 years of Max Mueller Bhavan

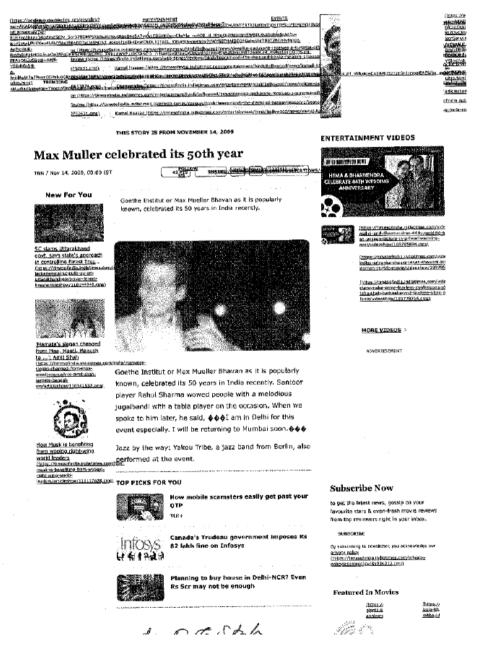
Hindustan Times By <u>HT Correspondent</u> , New Delhi Nov 11, 2009 12:52 AM IST	Cricki	
The Goethe-Institut — better known as 50th anniversary celebrations in India.	ommenced its	,

"





16. The fact that the institute of the plaintiff is popularly known as MAX MUELLER BHAVAN, can be gauged form the fact that in various Articles, the plaintiff's institute is referred as MAX MUELLER BHAVAN, in a routine and common manner. Another such Article on record, is reproduced as under:



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17. In an Article published on 17th May, 2016, it is clearly brought forth that in India, the GOETHE-INSTITUT, carries the name MAX MUELLER. The same is reproduced as under:



18. Even the Government of India recognizes the plaintiff's institutes in India, as MAX MUELLER BHAVAN. Extract from a letter dated 12th October, 1993, issued by the Ministry of External Affairs, is reproduced as under:

"xxx xxx xxx

German nationals seconded to Germany and Indian institutions in India under the Cultural Exchange Agreement (<u>namely: Max Mueller</u> <u>Bhavans</u>, New Delhi Office of the South Asia Institute Heidelberg University, DAAD-Teachers of German Language and Literature at Indian universities, New Delhi office of the German Academic

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Exchange Service) and their dependents will be issued three month multi-entry visas by the Embassy of the Republic of India in Born.

xxx xxx xxx "

(Emphasis Supplied)

19. Similarly, an Article published by Indian Express reporting the Delhi Government and plaintiff entering into Memorandum of Understanding ("MOU") to promote German language and impart German education in Government schools in Delhi, referred to the plaintiff's institute, also as MAX MUELLER BHAVAN. Extract of the same, is reproduced as under:

"xxx xxx xxx

Delhi Government's Delhi Board of School Education (DBSE) has signed an MoU with Goethe-institut/Max Mueller Bhavan, a nonprofit German cultural association operational worldwide to promote the German language, to offer courses in Delhi government schools. The MoU was signed Tuesday in the presence of Deputy Chief

Minister Manish Sisodia and Ambassador of Germany to India Walter J. Lindner.

xxx xxx xxx "

(Emphasis Supplied)

20. Another MOU entered into between NSDC International Limited, wherein, Government of India, through Ministry of Skill Development and Entrepreneurship holds 49% share, and plaintiff dated 7th June, 2023, also makes reference to plaintiff as Goethe-Institut/Max Mueller Bhavan. Relevant portion, is reproduced as under:

MEMORANDUM OF UNDERSTANDING BETWEEN NSDC INTERNATIONAL LIMITED AND GOETHE INSTITUT OF INDIA





This Memorandum of Understanding ("MOU") made on the 7th June 2023 between NSDC International Limited ("NSDC INTERNATIONAL") and <u>Goethe-Institut/Max Mueller Bhavan</u> ("SECOND PARTY") thereinafter each referred to individually as a "Party" and collectively as "Parties")

xxx xxx xxx "

(Emphasis Supplied)

21. As evinced from the pleadings on record, the first MAX MUELLER BHAVAN was opened in Kolkata in 1957 and thereafter, from 1957 to 1969, five more MAX MUELLER BHAVANs were opened in India, i.e., in Delhi, Chennai, Bengaluru, Pune and Mumbai. It is apparent that the general public recognizes the plaintiff's institutes in India as MAX MUELLER BHAVAN. The mark MAX MUELLER BHAVAN is prominently displayed outside the institutes of the plaintiff in India. One such display in plaintiff's institute in New Delhi, is reproduced as under:



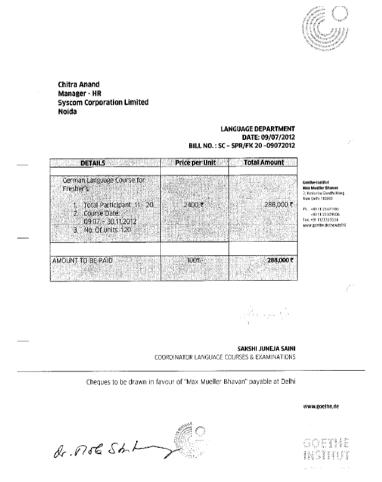
22. The plaintiff's PAN Card and bank accounts in India are in the name of MAX MUELLER BHAVAN. Thus, the defendants' contention that MAX MUELLER BHAVAN is used merely as a building name, cannot be





accepted, as it cannot be countenanced that a building has been issued a PAN Card or has bank accounts in various banks. This Court is in agreement with the submission of the plaintiff that under Indian law, a PAN Card can only be issued in the name of individuals/entities, which are capable of rendering services and receive money.

23. Further, the invoices issued by the plaintiff to its students for educational services, being prior in time to existence of the defendant, clearly mention that '*Cheques to be drawn in favour of MAX MUELLER BHAVAN payable at Delhi*'. The invoice dated 09th July, 2012, is reproduced as under:







24. In fact, the MOU between Indira Gandhi National Open University ("IGNOU"), and the plaintiff dated 24th February, 2009, categorically records that the institute of the plaintiff in India is called MAX MUELLER BHAVAN. The relevant extract from the said MOU, is reproduced as under:

"xxx xxx xxx

MEMORANDUM of UNDERSTANDING

This Memorandum of Understanding is made at the IGNOU premises in New Delhi on this day of February 24, 2009.

By & Setwee

Indira Gandhi National Open University (IGNOU) (a Central University by an act of Parliament – Act No 50 of 1985) having its headquarters at Maidan Garhi, New Delhi, India 110064 (hereinafter referred to as IGNOU) which expression shall unless repugnant to the context of meaning thereof include its successors and permitted assignees of the IGNOU

AND

Goethe-Institut, the cultural institute of the Federal Republic of Germany, having its headquarters at Dachauer Str. 122, 80637 Munich, Germany (hereinafter referred to as GI) which expression shall unless repugnant to the context of meaning thereof include its successors and permitted assignees of the GI

xxx xxx xxx

The Goethe-Institut in India is called Max Mueller Bhavan named after Max Mueller, the eminent scholar of comparative religion and co-founder of modern Indian studies, and wishes to promote good and friendly relations between India and the Federal Republic of Germany by organising a wide spectrum of cultural events in major Indian cities with the aim of presenting German culture, particularly its contemporary aspects and, for example, of developing a partnership with IGNOU in regard of German language learning and teaching in India.

xxx xxx xxx "

25. It is apparent from the documents on record that the website of the plaintiff, has always advertised the plaintiff's institutes in India, as MAX MUELLER BHAVAN. The various newspaper articles regarding the plaintiff's institute refer to the same, as MAX MUELLER BHAVAN.

26. Even the German Embassy in India in its website clearly states that a

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certificate has to be obtained from the GOETHE-INSTITUT by a person to show his German language knowledge for visa purposes. The German Embassy further clearly states that in India, the GOETHE-INSTITUT operates in the name of MAX MUELLER BHAVAN. The online extracts from the website of German Embassy in India, are reproduced as under:

"xxx xxx xxx

There are six Goethe Institutes in India, which work under the name "Max Mueller Bhavan (MMB)", named after the eminent German Indologist Max Mueller (1823-1900). The institutes offer a large variety of cultural and educational programmes and information services, promote learning of the German language and foster cultural cooperation in India. These institutes are located in New Delhi, Kolkata, Chennai, Bangalore, Mumbai and Pune.

xxx xxx xxx

With a focused aim to further strengthen the education of foreign pupils in the German language, the Pedagogical Exchange Service (PAD) with the support of German Federal Foreign Office grants scholarships to school students worldwide under the "International Scholarship Programme". Every year, around 500 participants from about 90 countries are selected for this study visit on the basis of their outstanding performance in German language. Indian students have been participating regularly in this programme. The selection of the Indian students is carried out by the Goethe Institute Max Mueller Bhavan and the Central Agency for Schools Abroad (ZfA).

xxx xxx xxx "

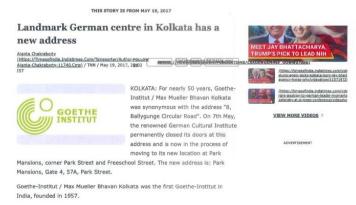
27. An Article published in Times of India dated 18th February, 2016, clearly refers to the plaintiff's institute primarily as MAX MUELLER BHAVAN, also known as GOETHE-INSTITUT, clearly implying that while the plaintiff's institute is popularly known as MAX MUELLER BHAVAN, it is also referred as GOETHE-INSTITUT. The said Article, as filed on record, is reproduced as under:







28. This Court further notes a news article published in Times of India on 19th May, 2017, regarding the change of address of MAX MUELLER BHAVAN, Kolkata, which reads as under:



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29. Further, this Court also takes note of the document placed on record pertaining to a case decided on 31st May, 2004, *In Re: Max Mueller Bhavan*, reported as *MANU/AR/0015/2004*, wherein, MAX MUELLER BHAVAN was a party. This again shows that MAX MUELLER BHAVAN cannot be considered as a 'building name' simplicitor, as contended by the defendants, as a building name cannot act as a party in any proceeding before any authority.

30. Accordingly, it is clear that the plaintiff's institute is popularly and commonly referred as MAX MUELLER BHAVAN, which distinguishes services of the plaintiff from those of others. The mark MAX MUELLER BHAVAN is used by and associated with the institution of the plaintiff, and cannot be said to be merely a building.

31. This Court also takes note of the certificate issued by the plaintiff, which prominently uses the mark 'MAX MUELLER BHAVAN', besides GOETHE-INSTITUT. One such certificate issued by the plaintiff in the year 2009, is reproduced, as under:







32. The documents on record clearly demonstrate the use of the mark MAX MUELLER BHAVAN by the plaintiff, much prior to the use of the impugned mark by the defendants in the year 2018. Further, the discussion as above, clearly establishes the identity of the plaintiff's institute as MAX MUELLER BHAVAN, in the public perception, in the normal course. Thus, it is manifest that the mark in question is associated with the plaintiff for a long passage of time, thereby establishing distinctiveness, wherein, the plaintiff has acquired reputation and goodwill for the services imparted by it, by use of the said mark, and the general public recognizes the said mark as that associated with the plaintiff.

33. A trademark indicates the source of the goods or services, in respect of which it is used. A trademark is an indicator of origin, distinguishing the goods/services of a party from those of its competitors. Thus, a trademark is said to possess a distinctive character, when it serves to identify and distinguish the goods or services of a party from those of others. In the present case, the mark in question serves as a source indicator for the services provided by the plaintiff. Therefore, the mark 'MAX MUELLER BHAVAN' has attained a distinctive character and has assumed all the characteristics of a trademark, to identify and distinguish the services of the plaintiff from those of other parties, including, the defendants. By extensive, continuous and prolonged usage, the public at large commonly associates the mark 'MAX MUELLER BHAVAN', with the plaintiff. Therefore, the contention that the said mark is only name of a building, and has not been used as a trademark, is fallacious and cannot be accepted.

34. This Court also takes note of the submission made on behalf of the





plaintiff that no certificate is provided to a student by the defendants after completion of a course with the defendants' institute, until and unless, the student obtains a certificate from the plaintiff. This clearly establishes that the defendants have always been aware of the plaintiff's prior existence.

35. Further, it is to be noted that the defendant no. 1 had filed application for registration of the mark 'MAX MUELLER INSTITUTE' *vide* application dated 23rd August, 2018, on '*proposed to be used*' basis. The status of the mark of the defendant no. 1 with regard thereto, is reproduced as under:

(NOT FOR LEGAL USE)		
As on Date : 31/01/2024	View Registration Certificate	
Status : Registered	View Examination Report	
TM Application No.	3923768	
Class	41	
Date of Application	23/08/2018	
Appropriate Office	DELHI	
State	DELHI	
Country	India	
Filing Mode	e-Filing	
TM Applied For	MAX MUELLER INSTITUTE	
TM Category	TRADE MARK	
Trade Mark Type	WORD	
User Detail	Proposed to be used	
Certificate Detail	Certificate No. 2102961 Dated : 20/02/2019 Notified in Journal No : 1891	
Valid upto/ Renewed upto	23/08/2028	
Proprietor name	(1) SHYAM BAHADUR Single Firm	
Proprietor Address	G-4, Sri Aurobindo Marg, Hauz Khas, New Delhi-110016	
Email Id	****onsip@gmail.com	
Attorney name	LEX FONS[11192]	
Attorney Address	1/B STREET NO -4 EAST GURU ANGAD NAGAR DELHI 110092	
Goods & Service Details	[CLASS : 41] Coaching [Education And Training], Providing of Training, Providing for Training, Teaching And Tuition; Educational Institute Services.	
Publication Details	Published in Journal No.: 1869-0 Dated: 01/10/2018	

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36. Thus, it is established that the user of the mark in question by the plaintiff, is much prior to the use of the impugned mark by the defendant no. 1. Therefore, the prior user rights of the plaintiff are required to be protected, against the mark of the defendant no. 1, which has been registered much later, on *'proposed to be used'* basis in the year 2018. The marks MAX MUELLER/MAX MUELLER BHAVAN have been used expansively and consistently by the plaintiff, since the year 1957. On account of such extensive and continuous use, on the basis of the various documents on record, it is apparent that the marks in question, i.e., MAX MUELLER/MAX MUELLER BHAVAN are exclusively associated and distinct with the plaintiff, and the plaintiff enjoys, common law rights in the said marks.

37. Members of the trade and public associate MAX MUELLER/ MAX MUELLER BHAVAN with the plaintiff. It is evident that Goethe-Institut and MAX MUELLER BHAVAN are always written together.

38. The defendants have adopted marks that are identical to the plaintiff's marks, for identical services. This Court notes the submission made on behalf of the plaintiff that the defendants have always been using the mark 'Achievers Point' for their services since the year 2005, and adopted 'MAX MUELLER' only in the year 2018. This clearly shows the bad faith adoption by the defendants.

39. This Court also takes note of the submission that every person who wishes to avail the services of the plaintiff, will search for MAX MUELLER or MAX MUELLER BHAVAN. A search for the same reveals results of the plaintiff as well as the defendants. Additionally, the defendants have adopted the website bearing the domain names, <u>maxmuellerinstitute.com</u>





and <u>maxmuellerinstitute.in</u>. Therefore, an average man of imperfect recollection, who may be searching for the plaintiff's services, is likely to come across the said websites and confuse the same with that of the plaintiff's.

40. This Court further takes note of the submission made by learned Senior Counsel appearing for the plaintiff that upon searching for 'MAX MUELLER' over the internet, the top results are of the plaintiff, followed by the defendants. In order to create confusion in the public at large, website of the defendants also comes in the search result, whenever a person searches for the website of the plaintiff. Therefore, there exists a high possibility that a person may associate the defendants with the plaintiff. Further, the defendants also display a message that their courses are structured as per Goethe-Institut, i.e., the plaintiff. Accordingly, it is apparent, that there is every likelihood of confusion, making it difficult for the members of the trade and public, to differentiate between the services offered by the plaintiff and those of the defendants.

41. It has been emphasized time and again that in the area of education, any chance of confusion should be completely avoided. The use of identical names for two institutions imparting education, would result in enormous confusion, resulting in damaging effect. Thus, in the case of *Ritnand Balved Education Foundation Versus Ranchhod M. Shah and Others, 2018 SCC OnLine Del 11910*, it has been held as follows:

"xxx xxx xxx

25. <u>It is a settled position under Trademark law that this area of</u> law is meant to protect not just the rights of the owners, but also to avoid any confusion from being caused amongst the members of the





public. There is no doubt that AMITY INTERNATIONAL SCHOOL of the Plaintiff is well known, and there are several branches of the said school. The use of an identical name by the Defendants would not merely confuse the students and parents but also those persons who wish to collaborate with the Defendants. There would be no way of knowing as to whether the AMITY INTERNATIONAL SCHOOL of the Defendants is the same as that of the Plaintiff or not. The area of operation i.e. education is one such area in which any chance of confusion should be completely avoided. This is because schools, universities and colleges have very expansive activities and operations. Students studying in educational institutions participate in events, competitions, cultural festivals, and sports meets across the country. The use of identical names for two schools, completely disconnected from each other, would result in enormous confusion and could also result in having a damaging effect on careers of children. The chances of mistaken identities are very high and especially in the educational field, such confusion ought to be avoided.

26. Mr. Vidhani has relied upon a number of judgments to argue that the Defendants are the prior users of the mark. <u>There is no doubt</u> in the proposition that prior user rights are superior to registration as held in Century Traders v. Roshan Lal Duggar, AIR 1978 Del 250 by a Division Bench of this Court. However, insofar as the present case is concerned, the competing marks are identical i.e. 'AMITY INTERNATIONAL SCHOOL'. The Plaintiff is the prior user of the name 'AMITY INTERNATIONAL SCHOOL' since 1991. The Defendants are subsequent users of the name 'AMITY INTERNATIONAL SCHOOL' since 2004.

xxx xxx xxx "

(Emphasis Supplied)

42. Being in the same services, the defendants are aware of the prior existence of the plaintiff. The plaintiff, under MAX MUELLER/ MAX MUELLER BHAVAN is the first and oldest institutes in India, offering German Language Courses and promoting German culture. The certificates issued by the plaintiff for its courses, are recognized in the official visa as





well as the university admission processes in Germany. The immense goodwill and reputation of the plaintiff, under the mark MAX MUELLER/ MAX MUELLER BHAVAN, is clearly discernible from the various documents on record. There can be no plausible justification for adopting and using identical marks for identical services by the defendants, but to ride upon the goodwill and reputation of the plaintiff, and gain monetary benefits by causing wrongful loss to the plaintiff. The defendants have clearly adopted and used the impugned mark with a *malafide* intention to pass off their services as that of the plaintiff. Therefore, no amount of use can cleanse such a tainted adoption.

43. Thus, in the case of *Laxmikant V. Patel Versus Chetanbhai Shah and Another*, (2002) 3 SCC 65, it has been held that when a person adopts a name in connection with his business or services which already belongs to someone else, it results in confusion and has propensity of diverting the customers and clients of someone else to himself, thereby resulting in injury. The relevant portion of the aforesaid judgment, are extracted as follows:

"xxx xxx xxx

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





which the business may be carried on in the future, and to its not being carried on precisely as carried on at the date of the proceedings. Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently.

xxx xxx xxx

10. A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that the goods or services belonging to someone else are his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.

11. Salmond & Heuston in Law of Torts (20th Edn., at p. 395) call this form of injury as "injurious falsehood" and observe the same having been "awkwardly termed" as "passing-off" and state:

"<u>The legal and economic basis of this tort is to provide</u> protection for the right of property which exists not in a particular name, mark or style but in an established business, commercial or professional reputation or goodwill. So to sell merchandise or carry on business under such a name, mark, description, or otherwise in such a manner as to mislead the public into believing that the merchandise or business is that of another person is a wrong actionable at the suit of that other person. This form of injury is commonly, though awkwardly, termed that of passing-off one's goods or business as the goods or business of another and is the most important example of the wrong of injurious falsehood. The gist of the conception of passing-off is that the goods are in effect telling a

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falsehood about themselves, are saying something about themselves which is calculated to mislead. <u>The law on this matter is designed to</u> <u>protect traders against that form of unfair competition which</u> <u>consists in acquiring for oneself, by means of false or misleading</u> <u>devices, the benefit of the reputation already achieved by rival</u> <u>traders.</u>"

xxx xxx xxx

13. In an action for passing-off it is usual, rather essential, to seek an injunction, temporary or ad interim. The principles for the grant of such injunction are the same as in the case of any other action against injury complained of. The plaintiff must prove a prima facie case, availability of balance of convenience in his favour and his suffering an irreparable injury in the absence of grant of injunction. According to Kerly (ibid, para 16.16) passing-off cases are often cases of deliberate and intentional misrepresentation, but it is well settled that fraud is not a necessary element of the right of action, and the absence of an intention to deceive is not a defence, though proof of fraudulent intention may materially assist a plaintiff in establishing probability of deception. Christopher Wadlow in Law of Passing-Off (1995 Edn., at p. 3.06) states that the plaintiff does not have to prove actual damage in order to succeed in an action for passing-off. Likelihood of damage is sufficient. The same learned author states that the defendant's state of mind is wholly irrelevant to the existence of the cause of action for passing-off (ibid, paras 4.20 and 7.15). As to how the injunction granted by the court would shape depends on the facts and circumstances of each case. Where a defendant has imitated or adopted the plaintiff's distinctive trade mark or business name, the order may be an absolute injunction that he would not use or carry on business under that name (Kerly, ibid, para 16.97).

14. In the present case the plaintiff claims to have been running his business in the name and style of Muktajivan Colour Lab and Studio since 1982. He has produced material enabling a finding being arrived at in that regard. However, the trial court has found him using Muktajivan as part of his business name at least since 1995. The plaintiff is expanding his business and exploiting the reputation and goodwill associated with Muktajivan in the business of colour lab and photo by expanding the business through his wife and brother-in-law. On or about the date of the institution of the suit the defendant was about to commence or had just commenced an identical business by





adopting the word Muktajivan as a part of his business name although till then his business was being run in the name and style of Gokul Studio. The intention of the defendant to make use of the business name of the plaintiff so as to divert his business or customers to himself is apparent. It is not the case of the defendant that he was not aware of the word Muktajivan being the property of the plaintiff or the plaintiff running his business in that name, though such a plea could only have indicated the innocence of the defendant and yet no difference would have resulted in the matter of grant of relief to the plaintiff because the likelihood of injury to the plaintiff was writ large. It is difficult to subscribe to the logic adopted by the trial court, as also the High Court, behind reasoning that the defendants' business was situated at a distance of 4 or 5 km from the plaintiff's business and therefore the plaintiff could not have sought for an injunction. In a city a difference of 4 or 5 km does not matter much. In the event of the plaintiff having acquired a goodwill as to the quality of services being rendered by him, a resident of Ahmedabad city would not mind travelling a distance of a few kilometres for the purpose of availing a better quality of services. Once a case of passing-off is made out the practice is generally to grant a prompt ex parte injunction followed by appointment of Local Commissioner, if necessary. In our opinion the trial court was fully justified in granting the ex parte injunction to the plaintiff based on the material made available by him to the court. The trial court fell in error in vacating the injunction and similar error has crept in the order of the High Court. The reasons assigned by the trial court as also by the High Court for refusing the relief of injunction to the plaintiff are wholly unsustainable.

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16. There was no delay in filing the suit by the plaintiff. The plaintiff filed the suit with an averment that the defendants were about to commit an injury to the plaintiff. The defendants took a plea that they had already commenced the business with the offending trade name without specifying actually since when they had commenced such business. This has to be seen in the background that the defendants' business earlier was admittedly being carried on in the name and style of Gokul Studio. The commencement of such business by the defendants could therefore have been subsequent to the institution of the suit by the plaintiff and before the filing of the written statement by the defendants. In such a situation, on the plaintiff succeeding in making out a prima facie case, the court shall have to concentrate on the likelihood of injury which would be caused to the plaintiff in future and simply because the business under the offending name





had already commenced before the filing of the written statement or even shortly before the institution of the suit would not make any difference and certainly not disentitle the plaintiff to the grant of ad interim injunction.

17. We are conscious of the law that this Court would not ordinarily interfere with the exercise of discretion in the matter of grant of temporary injunction by the High Court and the trial court and substitute its own discretion therefor except where the discretion has been shown to have been exercised arbitrarily or capriciously or perversely or where the order of the courts under scrutiny ignores the settled principles of law regulating grant or refusal of interlocutory injunction. An appeal against exercise of discretion is said to be an appeal on principle. The appellate court will not reassess the material and seek to reach a conclusion different from the one reached by the court below solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion (see Wander Ltd. v. Antox India (P) Ltd. [1990 Supp SCC 727 : 1991 SCC (Cri) 145] and N.R. Dongre v. Whirlpool Corpn. [(1996) 5 SCC 714]). However, the present one is a case falling within the well-accepted exceptions. Neither the trial court nor the High Court have kept in view and applied their mind to the relevant settled principles of law governing the grant or refusal of interlocutory injunction in trade mark and trade name disputes. A refusal to grant an injunction in spite of the availability of facts. which are prima facie established by overwhelming evidence and material available on record justifying the grant thereof, occasion a failure of justice and such injury to the plaintiff as would not be capable of being undone at a later stage. The discretion exercised by the trial court and the High Court against the plaintiff, is neither reasonable nor judicious. The grant of interlocutory injunction to the plaintiff could not have been refused, therefore, it becomes obligatory on the part of this Court to interfere.

xxx xxx xxx "

(Emphasis Supplied)

44. Holding that rights of prior user are recognized as superior than that of the registration and that even the registered proprietor cannot





disturb/interfere with the rights of the prior user, Supreme Court in the case of *S. Syed Mohideen Versus P. Sulochana Bai*, (2016) 2 SCC 683, has held as follows:

"xxx xxx xxx

28. However, what is stated above is the reflection of Section 28 of the Act when that provision is seen and examined without reference to the other provisions of the Act. It is stated at the cost of repetition that as per this Section owner of registered trade mark cannot sue for infringement of his registered trade mark if the appellant also has the trade mark which is registered. Having said so, a very important question arises for consideration at this stage, namely, whether such a respondent can bring an action against the appellant for passing off invoking the provisions of Section 27(2) of the Act. In other words, what would be the interplay of Section 27(2) and Section 28(3) of the Act is the issue that arises for consideration in the instant case. As already noticed above, the trial court as well as the High Court have granted the injunction in favour of the respondent on the basis of prior user as well as on the ground that the trade mark of the appellant, even if it is registered, would cause deception in the mind of the public at large and the appellant is trying to encash upon, exploit and ride upon on the goodwill of the respondent herein. Therefore, the issue to be determined is as to whether in such a scenario, the provisions of Section 27(2) would still be available even when the appellant is having registration of the trade mark of which he is using.

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30. *Firstly*, the answer to this proposition can be seen by carefully looking at the provisions of the Trade Marks Act, 1999 (the Act). *Collective reading of the provisions especially Sections 27, 28, 29 and 34 of the Trade Marks Act, 1999 would show that the rights conferred by registration are subject to the rights of the prior user of the trade mark.* We have already reproduced Section 27 and Section 29 of the Act.

30.1. From the reading of Section 27(2) of the Act, it is clear that the right of action of any person for passing off the goods/services of another person and remedies thereof are not affected by the provisions of the Act. <u>Thus, the rights in passing off are emanating</u> from the common law and not from the provisions of the Act and they are independent from the rights conferred by the Act. This is





evident from the reading of the opening words of Section 27(2) which are "Nothing in this Act shall be deemed to affect rights...."

30.2. <u>Likewise, the registration of the mark shall give exclusive</u> rights to the use of the trade mark subject to the other provisions of this Act. Thus, the rights granted by the registration in the form of exclusivity are not absolute but are subject to the provisions of the Act.

30.3. Section 28(3) of the Act provides that the rights of two registered proprietors of identical or nearly resembling trade marks shall not be enforced against each other. However, they shall be same against the third parties. Section 28(3) merely provides that there shall be no rights of one registered proprietor vis-à-vis another but only for the purpose of registration. The said provision 28(3) nowhere comments about the rights of passing off which shall remain unaffected due to overriding effect of Section 27(2) of the Act and <u>thus the rights emanating from the common law shall remain undisturbed by the enactment of Section 28(3) which clearly states that the rights of one registered proprietor shall not be enforced against the another person.</u>

30.4. Section 34 of the Trade Marks Act, 1999 provides that nothing in this Act shall entitle the registered proprietor or registered user to interfere with the rights of prior user. Conjoint reading of Sections 34, 27 and 28 would show that the rights of registration are subject to Section 34 which can be seen from the opening words of Section 28 of the Act which states "Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor...." and also the opening words of Section 34 which states "Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere...." Thus, the scheme of the Act is such where rights of prior user are recognised superior than that of the registration and even the registered proprietor cannot disturb/interfere with the rights of prior user. The overall effect of collective reading of the provisions of the Act is that the action for passing off which is premised on the rights of prior user generating a goodwill shall be unaffected by any registration provided under the Act. This proposition has been discussed in extenso in N.R. Dongre v. Whirlpool Corpn. [N.R. Dongre v. Whirlpool Corpn., 1995 SCC OnLine Del 310 : AIR 1995 Del 300] wherein the Division Bench of the Delhi High Court recognised that the registration is not an indefeasible right and the same is subject to rights of prior user. The said decision of Whirlpool [N.R. Dongre v. Whirlpool Corpn., 1995 SCC OnLine





Del 310 : AIR 1995 Del 300] was further affirmed by the Supreme Court of India in N.R. Dongre v. Whirlpool Corpn. [N.R. Dongre v. Whirlpool Corpn., (1996) 5 SCC 714].

30.5. The above were the reasonings from the provisions arising from the plain reading of the Act which gives clear indication that the rights of prior user are superior than that of registration and are unaffected by the registration rights under the Act.

31. Secondly, there are other additional reasonings as to why the passing off rights are considered to be superior than that of registration rights.

31.1. Traditionally, passing off in common law is considered to be a right for protection of goodwill in the business against misrepresentation caused in the course of trade and for prevention of resultant damage on account of the said misrepresentation. The three ingredients of passing off are goodwill, misrepresentation and damage. These ingredients are considered to be classical trinity under the law of passing off as per the speech of Lord Oliver laid down in Reckitt & Colman Products Ltd. v. Borden Inc. [Reckitt & Colman Products Ltd. v. Borden Inc., (1990) 1 WLR 491 : (1990) 1 All ER 873 (HL)] which is more popularly known as "Jif Lemon" case wherein Lord Oliver reduced the five guidelines laid out by Lord Diplock in Erven Warnink Besloten Vennootschap v. J. Townend & Sons (Hull) Ltd. [Erven Warnink Besloten Vennootschap v. J. Townend & Sons (Hull) Ltd., 1979 AC 731 at p. 742 : (1979) 3 WLR 68 : (1979) 2 All ER 927 (HL)] ("the Advocaat case") to three elements : (1) goodwill owned by a trader, (2) misrepresentation, and (3) damage to goodwill. Thus, the passing off action is essentially an action in deceit where the common law rule is that no person is entitled to carry on his or her business on pretext that the said business is of that of another. This Court has given its imprimatur to the above principle in Laxmikant V. Patel v. Chetanbhai Shah [Laxmikant V. Patel v. Chetanbhai Shah, (2002) 3 SCC 65].

31.2. The applicability of the said principle can be seen as to which proprietor has generated the goodwill by way of use of the mark/name in the business. The use of the mark/carrying on business under the name confers the rights in favour of the person and generates goodwill in the market. Accordingly, the latter user of the mark/name or in the business cannot misrepresent his business as that of business of the prior right holder. That is the reason why essentially the prior user is considered to be superior than that of any other rights. Consequently, the examination of rights in common





law which are based on goodwill, misrepresentation and damage are independent to that of registered rights. The mere fact that both prior user and subsequent user are registered proprietors are irrelevant for the purposes of examining who generated the goodwill first in the market and whether the latter user is causing misrepresentation in the course of trade and damaging the goodwill and reputation of the prior right holder/former user. That is the additional reasoning that the statutory rights must pave the way for common law rights of passing off.

32. Thirdly, it is also recognised principle in common law jurisdiction that passing off right is broader remedy than that of infringement. This is due to the reason that the passing off doctrine operates on the general principle that no person is entitled to represent his or her business as business of other person. The said action in deceit is maintainable for diverse reasons other than that of registered rights which are allocated rights under the Act. The authorities of other common law jurisdictions like England more specifically Kerly's Law of Trade Marks and Trade Names, 14th Edn., Thomson, Sweet & Maxwell South Asian Edition recognises the principle that where trade mark action fails, passing off action may still succeed on the same evidence. This has been explained by the learned author by observing the following:

"15-033. A claimant may fail to make out a case of infringement of a trade mark for various reasons and may yet show that by imitating the mark claimed as a trade mark, or otherwise, the defendant has done what is calculated to pass off his goods as those of the claimant. A claim in 'passing off' has generally been added as a second string to actions for infringement, and has on occasion succeeded where the claim for infringement has failed."

32.1. The same author also recognises the principle that the Trade Marks Act affords no bar to the passing off action. This has been explained by the learned author as under:

"15-034. Subject to possibly one qualification, nothing in the Trade Marks Act, 1994 affects a trader's right against another in an action for passing off. <u>It is, therefore, no bar to an action for</u> passing off that the trade name, get up or any other of the badges identified with the claimant's business, which are alleged to have been copies or imitated by the defendant, might have been, but are not registered as, trade marks, even though the evidence is wholly addressed to what may be a mark capable





of registration. Again, it is no defence to passing off that the defendant's mark is registered. The Act offers advantages to those who register their trade marks, but imposes no penalty upon those who do not. It is equally no bar to an action for passing off that the false representation relied upon is an imitation of a trade mark that is incapable of registration. A passing off action can even lie against a registered proprietor of the mark sued upon. The fact that a claimant is using a mark registered by another party (or even the defendant) does not of itself prevent goodwill being generated by the use of the mark, or prevent such a claimant from relying on such goodwill in an action against the registered proprietor. Such unregistered marks are frequently referred to as 'common law trade marks'."

32.2. From the reading of the aforementioned excerpts from Kerly's Law of Trade Marks and Trade Names, it can be said that not merely it is recognised in India but in other jurisdictions also including England/UK (Provisions of the UK Trade Marks Act, 1994 are analogous to the Indian Trade Marks Act, 1999) that the registration is no defence to a passing off action and nor the Trade Marks Act, 1999 affords any bar to a passing off action. In such an event, the rights conferred by the Act under the provisions of Section 28 have to be subject to the provisions of Section 27(2) of the Act and thus the passing off action has to be considered independent "Iruttukadai Halwa" under the provisions of the Trade Marks Act, 1999.

33. Fourthly, <u>it is also a well-settled principle of law in the field of</u> <u>the trade marks that the registration merely recognises the rights</u> <u>which are already pre-existing in common law and does not create</u> <u>any rights</u>. This has been explained by the Division Bench of the Delhi High Court in Century Traders v. Roshan Lal Duggar & Co. [Century Traders v. Roshan Lal Duggar & Co., 1977 SCC OnLine Del 50 : AIR 1978 Del 250] in the following words : (SCC OnLine Del para 10)

"10. '16. ... First is the question of use of the trade mark. Use plays an all-important part. A trader acquires a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and the extent of his trade. The trader who adopts such a mark is entitled to protection directly the article having assumed a vendible character is launched upon the market. Registration under the statute does not confer any new right to the mark claimed or any greater rights than what already existed at common law and at equity without registration. It does, however, facilitate a remedy which may be enforced and obtained





throughout 'the State and it established the record of facts affecting the right to the mark. Registration itself does not create a trade mark. <u>The trade mark exists independently of the</u> <u>registration which merely affords further protection under the</u> <u>statute. Common law rights are left wholly unaffected</u>.' [Ed. : As observed in L.D. Malhotra Industries v. Ropi Industries, 1975 SCC OnLine Del 172, para 16.] "

(emphasis supplied)

33.1. The same view is expressed by the Bombay High Court in Sunder Parmanand Lalwani v. Caltex (India) Ltd. [Sunder Parmanand Lalwani v. Caltex (India) Ltd., 1965 SCC OnLine Bom 151 : AIR 1969 Bom 24] in which it has been held vide AIR para 32 as follows : (SCC OnLine Bom paras 1 & 2)

"1. A proprietary right in a mark can be ['Iruttukadai Halwa'] obtained in a number of ways. The mark can be originated by a person, or it can be subsequently acquired by him from somebody else. Our Trade Marks law is based on the English Trade Marks law and the English Acts. The first Trade Marks Act in England was passed in 1875. Even prior thereto, it was firmly established in England that a trader acquired a right of property in a distinctive mark merely by using it upon or in connection with goods irrespective of the length of such user and the extent of his trade, and that he was entitled to protect such right of property by appropriate proceedings by way of injunction in a court of law. Then came the English Trade Marks Act of 1875, which was substituted later by later Acts. The English Acts enabled registration of a new mark not till then used with the like consequences which a distinctive mark had prior to the passing of the Acts. The effect of the relevant provision of the English Acts was that registration of a trade mark would be deemed to be equivalent to public user of such mark. Prior to the Acts, one could become a proprietor of a trade mark only by user, but after the passing of the Act of 1875, one could become a proprietor either by user or by registering the mark even prior to its user. He could do the latter after complying with the other requirements of the Act, including the filing of a declaration of his intention to use such mark. See observations of Llyod Jacob, J. in Vitamins Ltd.'s Application, In re [Vitamins Ltd.'s Application, In re, (1956) 1 WLR 1: (1955) 3 All ER 827: 1956 RPC 1] at RPC p. 12, and particularly the following : (WLR p. 10)

'... A proprietary right in a mark sought to be registered can be obtained in a number of ways. The mark can be originated by





a person or can be acquired, but in all cases it is necessary that the person putting forward the application should be in possession of some proprietary right which, if questioned, can be substantiated.'

2. Law in India under our present Act is similar."

(emphasis supplied)

33.2. We uphold the said view which has been followed and relied upon by the courts in India over a long time. The said views emanating from the courts in India clearly speak in one voice, which is, that the rights in common law can be acquired by way of use and the registration rights were introduced later which made the rights granted under the law equivalent to the public user of such mark. Thus, we hold that registration is merely a recognition of the rights pre-existing in common law and in case of conflict between the two registered proprietors, the evaluation of the better rights in common law is essential as the common law rights would enable the court to determine whose rights between the two registered proprietors are better and superior in common law which have been recognised in the form of the registration by the Act.

xxx xxx xxx "

(Emphasis Supplied)

45. Similarly, recognizing the right of a prior user, this Court in the case of *British School Society Versus British International School, 2021 SCC OnLine Del 5210*, has held as follows:

"xxx xxx xxx

15. Even otherwise, such condition would never come in way of a long user or where the plaintiff asserts its right because of it. Para 9 Chandra Rakhit Ltd. case [Registrar of Ashok of Trade Marks v. Ashok Chandra Rakhit Ltd. AIR 1955 SC 558] rather clarifies the disclaimer is only for the purposes of the Act and it does not mean the proprietor's right, 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 Penal Code, 1860. Disclaimer does not affect those rights in any way.





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24. In Timken Co. v. Timken Services (P) Ltd. [Timken Co. v. Timken Services (P) Ltd.2013 SCC OnLine Del 2237: (2013) 200 DLT 453] the Court observed:

8.5. There is a rebuttable presumption in favour of the plaintiff under Section 114 of the Evidence Act that the defendant was aware of the plaintiff's trade mark at the time of adoption in 1989. The defence set up by the defendant that the defendant was not even aware about the plaintiff's name, trade mark and registration in 1989, when the defendant adopted the plaintiff's trade mark *"Timken"* is unbelievable. The plaintiff has placed sufficient material on record to show that the plaintiff was a well-known mark as back as in 1989 when the defendant adopted the same. The defendant's knowledge of the plaintiff's trade mark and copyright can be inferred from the fact that the defendant not only adopted the same name but also adopted similar art work, font and colour as that of the plaintiff, which could not have been possible unless the defendant had knowledge and it chose deliberately to infringe the plaintiff's right. If the defendant was aware of the plaintiff's trade mark and copyright in 1989, and the defendant wilfully chose to infringe the plaintiff's right, the defendant is liable to be restrained from using the plaintiff's trade mark and copyright. The whole object of the Trade Marks Act and the Copyright Act is to stop the infringement of the trade mark and copyright.

xxx xxx xxx "

(Emphasis Supplied)

46. Thus, it is established that a passing off action is maintainable in law even against a registered owner of the trademark.

47. This brings us to the judgments relied upon by the defendant. The judgments, as relied upon by the defendants, are clearly distinguishable.

47.1 In the case of *Worknest Business Centre LLP and Another Versus Workness, 2023 SCC Online Del 1678*, the plaintiff had filed a trademark application on '*proposed to be used*' basis. The defendant commenced use of a similar mark after date of application of the plaintiff's trademark and prior to the commencement of actual use by the plaintiff. Therefore, in such





circumstances it was held that the plaintiff's date of application will be considered as priority and not date of use. However, in the present case, the defendant's application is filed on *'proposed to be used'* basis in the year 2018. Whereas, plaintiff's application for the mark in question, has been filed, with user claim since the year 1957. The plaintiff has also filed numerous documents to substantiate prior use.

47.2 Similarly, in the case of *Veerumal Praveen Kumar Versus Needle Industries (India) Ltd. and Anr., 2001 SCC OnLine Del 892*, the defendant while justifying its use for a similar mark had stated that the plaintiff's products were not in the market at the time of adoption. The said non user was admitted by the plaintiff therein, and the plaintiff only relied on its registration. It was in these circumstances that the Division Bench of this Court denied granting injunction, due to non use. On the other hand, in the instant case, the plaintiff has categorically averred that its services have existed since the year 1957, which fact has not been denied by the defendants.

47.3 In the case of *Pioneer Nuts and Bolts Pvt. Ltd. Versus M/s Goodwill Enterprises, 2009 SCC OnLine Del 2851*, the defendant claimed prior use of its products and trademark on the basis of certain Newspaper articles. However, the defendant therein was unable to produce any documentation to show that it had traded in goods bearing the mark in question. Whereas, in the present case, the plaintiff has categorically averred, that its services have existed since the year 1957, which has not been denied by the defendants. It is the case of the plaintiff that in India, the plaintiff is also known as MAX MUELLER BHAVAN, and the defendants' only defence is that the plaintiff

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is using MAX MUELLER BHAVAN, as a building name.

47.4 In the case of *Intex Technologies (India) Ltd. & Anr. Versus M/s. AZ Tech (India) and Another, 2017 SCC Online Del 7392*, and *Toyota Jidosha Kabushiki Kaisha Versus Prius Auto Industries Limited and Others, (2018) 2 SCC 1*, the plaintiff therein were not based out of India and the trademark was also not being used in India. The plaintiff only relied upon its spill over goodwill on the basis of certain articles, which could have been accessed in India. It is in that backdrop that the Court considered that the documents filed by the plaintiff, were not sufficient to substantiate spill over goodwill. *Per contra*, in the present case, both the plaintiff and defendants are based out of India and no question of spill over goodwill arises in the present case. The plaintiff has placed on record numerous documents to show its goodwill.

48. In view of the aforesaid discussion, the plaintiff has *prima facie* established its prior user as well as goodwill and reputation, on the basis of the documents on record. Injunction is a relief in equity, and in view of the aforesaid discussion, the same is in favour of the plaintiff and against the defendants. Further, the balance of convenience also lies in favour of the plaintiff and against the defendants. Great prejudice shall be caused to the plaintiff if interim relief is not granted to the plaintiff.

49. Accordingly, interim injunction is granted thereby restraining the defendants from using the impugned marks, MAX MUELLER/ MAX



, during the pendency of the present

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suit.

50. It is clarified that all the observations made herein are *prima facie* in nature, and shall have no bearing on the final outcome of the suit, post the trial.

51. With the aforesaid directions, the present application, *I.A. 32184/2024* is allowed, and accordingly, disposed of.

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52. List before the Roster Bench on 13th May, 2025.

(MINI PUSHKARNA) JUDGE

May 06, 2025/KR