

HIGH COURT OF DELHI

Bench: Hon'ble Mr. Justice C.Hari Shankar

Date of Decision: 03 November 2023

CS(COMM) 64/2021

INTERCONTINENTAL GREAT BRANDS LLC Plaintiff

versus

PARLE PRODUCT PRIVATE LIMITED Defendant

Legislation:

Section 30(2)(e), 47(1)(b), 124 of the Trade Marks Act, 1999

Subject: Application under Section 124 of the Trade Marks Act, 1999, where the plaintiff challenged the validity of the defendant's trademark registration of FABIO, asserting infringement on its OREO trademark by the defendant's use of FAB!O. The application was dismissed due to the absence of a specific challenge to the validity of the defendant's mark FABIO and a lack of prima facie tenable grounds in the plaint or replication.

Headnotes:

Trademark Infringement – Contesting the validity of registered trademark FABIO – Plaintiff challenges defendant's use of mark FABIO as infringing on its OREO products – Defendant asserts FABIO registration as defense – Plaintiff's application under Section 124 of the Trade Marks Act to question validity of FABIO registration dismissed due to lack of specific challenge and tenable grounds in plaint or replication. [Paras 24, 27, 28, 34, 57, 58]

Section 124 Trade Marks Act Application – Requirements for application under Section 124 – Defendant must raise defense under Section 30(2)(e) – Plaintiff must challenge validity of defendant's mark with prima facie tenable grounds – Plaintiff's right to challenge registration not substantiated in either plaint or replication. [Paras 17, 20, 23, 32, 34, 40, 41, 50, 53]

Judicial Interpretation – Interpretation of statutory provisions – Court must attribute meaning to poorly structured legislative provisions – Interpretation must harmonize with purpose of the statute – Plaintiff's stance that FAB!O is not phonetic equivalent of FABIO contradicts its argument for equivalence in validity challenge. [Paras 12, 13, 52, 53]

Procedural Law – Assertion of rights in legal proceedings – Merely reserving rights to challenge a trademark's validity does not constitute an actual challenge – Specific allegations and grounds for invalidity must be clearly stated in pleadings. [Paras 31, 50, 54]

Importance of consistent legal stance – Plaintiff's conflicting arguments regarding the phonetic equivalence of FAB!O and FABIO undermine its case – Legal claims must be consistently maintained throughout litigation. [Paras 52, 53, 54]

Referred Cases:

- Dharampal Satyapal Ltd. v. Basant Kumar Makhija 32023 SCC OnLine Del 6598
- Travellers Exchange Corporation Ltd. v. Celebrities Management Pvt. Ltd 298 (2023) DLT 101
- Nadeem Majid Oomerbhoj v. Gautam Tank SCC OnLine Del 5589
- Taylor v. Taylor (1875) 1 Ch D 426
- Nazir Ahmed v. King Emperor AIR 1936 PC 253
- State of U.P. v. Singhara Singh AIR 1964 SC 358

Representing Advocates:

For Plaintiff: Mr. Chander M. Lall, Sr. Advocate with Ms. Nancy Roy, Ms. Aastha Kakkar, Ms. Yashi Agarwal, and Mr. Abhinav Bhalla, Advs.

For Defendant: Mr. J. Sai Deepak, Mr. Bikash Ghorai, Mr. N.K. Bhardwaj, Ms. Anju Agrawal, Mr. Rahul Maratha, Mr. Abhishek, and Mr. Avinash Kumar Sharma, Advs.

JUDGMENT

IA 9732/2023 (Section 124 of the Trade Marks Act, 1999) in CS(COMM) 64/2021

1. By this application, preferred under Section 124¹ of the Trade Marks Act 1999, the plaintiff seeks permission to file a rectification petition challenging Registration No. 2356081 dated 3 January 2020, granted by the Trade Marks Registry, whereby the word mark FABIO was registered in favour of defendant Parle Products Pvt Ltd in Class 30 with effect from 2 July 2018 for “biscuits, bread, cookies, cakes, pastry and pastry products; confectionery including fruit sweets, candies, toffees, chocolates and sugar sweets; pie; chocolate pies; tarts; chocolate eclair; cereal based energy bars; corn flakes and oat flakes; cereal, wheat and rice based snack food; flour and preparations made from cereals; cereals and preparations made from cereals; wafers, wafer sticks and crisps; chips (cereal products)”.

¹ **124. Stay of proceedings where the validity of registration of the trade mark is questioned, etc. –**

(1) Where in any suit for infringement of a trade mark—

(a) the defendant pleads that registration of the plaintiff's trade mark is invalid; or (b) the defendant raises a defence under clause (e) of sub-section (2) of Section 30 and the plaintiff pleads the invalidity of registration of the defendant's trade mark, the court trying the suit (hereinafter referred to as the court), shall, -

- (i) if any proceedings for rectification of the register in relation to the plaintiff's or defendant's trade mark are pending before the Registrar or the High Court, stay the suit pending the final disposal of such proceedings;
 - (ii) if no such proceedings are pending and the court is satisfied that the plea regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is *prima facie* tenable, raise an issue regarding the same and adjourn the case for a period
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2. To avoid confusion, I may note that prayer (a) in the application refers to the impugned trade mark registration, not with reference to the registration number (as it should) but with reference to its Application No. 3876112.

of three months from the date of the framing of the issue in order to enable the party concerned to apply to the High Court for rectification of the register.

(2) If the party concerned proves to the court that he has made any such application as is referred to in clause (b)(ii) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3) If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.

(4) The final order made in any rectification proceedings referred to in sub-section (1) or subsection (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark. (5) The stay of a suit for the infringement of a trade mark under this section shall not preclude the court from making any interlocutory order (including any order granting an injunction, directing account to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit.

Facts

3. Given the contours of the debate that took place at the bar, it is necessary to refer in some detail to the pleadings in the present case.

4. The plaintiff is the proprietor of the registered device marks



as well as word marks OREO and

OREO O'S. These marks have become synonymous with vanilla filled chocolate cream cracker biscuits manufactured by the plaintiff.

5. Apropos the defendant, and the alleged infringing activities being undertaken by it, the plaintiff avers thus:

“50. The Plaintiff has recently come across the journal advertisements of the trade mark applications filed by the Defendant for the marks FAB!O and FAB!O (stylised)

Fab!O

, which have now been duly opposed by the Plaintiff. Furthermore, as per the Plaintiff's recent findings and investigations conducted at the behest of the Plaintiff, the Defendant has recently started *inter alia* manufacturing, selling and advertising cream filled cookie/biscuit namely FAB!O (hereinafter also referred to as the “impugned product”), bearing

the marks FAB!O, FAB!O (stylised)

Fab!O

, labels/trade



dress cookie trade dress (hereinafter collectively also and referred to as the 'impugned marks') which are virtually identical and/or deceptively and confusingly similar to the Plaintiff's well-known and earlier trade marks, as defined above.

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52. Recently in December 2020, the Plaintiff has come across the journal advertisements of the applications of the impugned

Fab!O

marks FAB!O (word) and filed in the name of the defendant, which have been recently advertised in the Trade Marks Journal No. 1967 dated September 28, 2020. The details of the said applications are herein below:

<u>Trade Mark</u>	<u>Number</u>	<u>Date</u>	<u>Class</u>	<u>Status</u>
Fab!O	4263725	13/08/2019 User: Proposed to be used	30	Advertised
Goods: Biscuit and confection pies; chocolate eclair; cereal b corn, grain, w based snack f	s, bread, cookies, cakes, pastry; gluten-free biscuits ery; confectionery, chocolates, boiled sugar sweets; pies, tarts, mousse, cakes and brownies; chocolate ased energy bars; corn flakes and oat flakes; cereal, heat and rice based snack food; gluten-free cereal- oods; crackers; flour and preparations made from			

cereals; cereals sticks and crisp	and preparations made from cereals; wafers, wafer s; chips (cereal products).			
FAB!O	4263726	13/08/2019 User: Proposed to be used	30	Advertised
<p>Goods: Biscuits, bread, cookies, cakes, pastry; gluten-free biscuits and confectionery; confectionery, chocolates, boiled sugar sweets; pies; chocolate pies, tarts, mousse, cakes and brownies; chocolate eclair; cereal based energy bars; com flakes and oat flakes; cereal, corn, grain, wheat and rice based snack food; gluten-free cerealbased snack foods; crackers; flour and preparations made from cereals; cereals and preparations made from cereals; wafers, wafer sticks and crisps; chips (cereal products).</p>				

On a perusal of the online records of the aforesaid applications, the same have been filed in August 2019 on a 'proposed user' basis. At the behest of the Plaintiff, the records of the Trade Marks Registry website have also been inspected, which do not disclose any claim or assertion on use of the impugned marks.

53. The Plaintiff is surprised to find that the Defendant has filed applications for the aforesaid marks which are deceptively and confusingly extremely similar to the Plaintiff's earlier trade marks OREO and OREO (stylised). Being concerned with this, the Plaintiff has recently duly opposed the same by way of filing Notices of Opposition before the Trade Marks Registry.

54. Concerned with these initial findings, at the behest of the Plaintiff, investigations and market checks have also been simultaneously conducted. On a recent market check, it has come to the Plaintiff's knowledge that the Defendant is manufacturing and selling cream cookies / biscuits under the brand FAB!O. The Plaintiff's representative has come across two impugned products under the name FAB!O which are packaged in blue and purple coloured labels bearing manufacturing/packaging dates as November 23, 2020 and August 14, 2020 respectively. Representations of the impugned products, as found by the Plaintiff's representative, are reproduced herein below:









On a perusal of the label of the impugned products, the same are being manufactured by the Defendant. These products have been found in a store located in the area of 'Shivaji Maharaj Chowk' in Solapur, Maharashtra.

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56. On an inspection of the labels of the aforesaid impugned products and aforesaid impugned trade mark applications, the Plaintiff has found that the Defendant has copied several essential elements of the Plaintiff's prior brand OREO comprising of the Plaintiff's earlier trade marks. Furthermore, on an inspection of the cookie sold under the impugned products, the Plaintiff has found that the Defendant has also copied Plaintiff's earlier OREO cookie trade dress. A bare comparison, shown herein below, of the impugned products along with the Plaintiff's products will demonstrate the Defendant's *mala fides* to this Hon'ble Court establishing that the Defendant has made every effort to copy and imitate the Plaintiff's earlier trade marks.

<u>Plaintiff's product</u>	<u>Defendant's impugned products</u>
<p data-bbox="375 1349 467 1387"><u>Label</u></p> 	<p data-bbox="850 1349 1105 1387"><u>Impugned Labels</u></p> 
 <p data-bbox="375 1956 708 1994"><u>Stylisation of OREO</u></p>	<p data-bbox="850 1809 1200 1884">Impugned Stylisation of</p>  <p data-bbox="850 2166 959 2204"><u>FAB!O</u></p>

<u>Mark</u>	<u>Impugned Mark</u>
OREO	FAB!O

From the aforesaid visual comparison, the following similarities emerge:

- a. The Defendant's impugned labels for the impugned products are deceptively and confusingly similar to the Plaintiff's OREO (label). The Defendant's packaging style, get-up, colour combination and scheme, slanted placement of branding, placement of the cookie, placement of brand name FAB!O, placement and arrangement of all essential, distinctive and non-essential features, is copied from the Plaintiff's OREO (label) which is subject of the Plaintiff's trade mark registration and copyright.
- b. One of the Defendant's impugned labels is represented in the colour combination and scheme of blue and white with a blue coloured background label, which is highly distinctive to the Plaintiff's OREO branded cream filled cookies.
- c. The impugned mark FAB!O is placed in an identical manner as that of the placement of the Plaintiff's trade mark OREO on its label. Additionally, the impugned mark FAB!O is represented in white lettering with a blue outline which is identical to the distinctive manner in which the Plaintiff's brand OREO is represented.
- d. The placement of the impugned cookie on the Defendant's labels, with the FAB!O touching it, is also similar to the placement of the OREO cookie on the OREO (label) with the brand OREO touching the cookie.
- e. The brand name FAB!O is deceptively and confusingly similar to the Plaintiff's earlier trade mark OREO. The use the letter "O" after FAB! (FAB exclamation sign !) clearly shows the Defendant's *malafide* intention of misleading the consumers into assuming that the impugned product FAB!O is in some manner licensed, affiliated or connected with the Plaintiff's brand OREO.

Moreover, there are stark similarities between the Defendant's product FAB!O cookie and the Plaintiff's OREO Cookie trade dress. The Defendant has deliberately embossed virtually identical elements on their impugned products, which are as follows-

Plaintiff's OREO <u>Cookie trade dress</u>	<u>Defendant's FAB!O</u> <u>impugned cookie trade dress</u>
2 dimensional representations of Plaintiff's products sold under brand OREO	Representation of impugned cookie trade dress
<u>Ridges on the outer edge of the cookies</u>	



From a comparison, the following similarities emerge:

- a) The trade dress of the Defendant's impugned FAB!O cookie is extremely similar to that of the Plaintiff's.
- b) The ridges on the outer edge of the Defendant's products are identical to the Plaintiff's products.
- c) The dashes inside the Defendant's products are also identical to the Plaintiff's products.
- d) The Defendant has also used florets-shaped embossments on the impugned cookie which is virtually identical to the florets embossed on the Plaintiff's OREO Cookie trade dress.
- e) Both products are round black shaped, white creamfilled cookies.

The embossments on the Defendant's impugned cookie are thus, virtually identical to the Plaintiff's OREO Cookie trade dress. Further, the Defendant is also using the impugned cookie, as the most prominent, visible, and striking feature on its impugned labels.

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62. It is pertinent to mention that while inspecting the Defendant's website, the Plaintiff has come across another range of cream filled biscuits under the brand name FAB! (FAB with an exclamation sign '!'). The Plaintiff is surprised to find that the Defendant has recently and deliberately added the element "O" after the exclamation sign in the brand name FAB! and remodelled and launched its product range 'FAB!O' which is clearly inspired by the Plaintiff's brand OREO, and shows the bad faith adoption of the Defendant. The Defendant has, with bad faith and *malafide* intent, strategically extended the use of FAB! with an added letter "O" along with the impugned labels and impugned cookie trade dress, and thus, there can be no plausible explanation for such adoption and use, other than to copy and come close to the Plaintiff's brand OREO.

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66. During the internet research, the Defendant's pages on social media websites www.facebook.com and www.instagram have also been checked. On a perusal of the Defendant's page on <https://www.facebook.com/ParleFamily/>, the first post which bears the impugned product is dated December 13, 2020 and is titled as "Say hello to FAB!O" and "MEET FAB!O". Relevant screenshot is as follows:

Source: <https://www.facebook.com/ParleFamily/photos/a.263450350785093/1067260303737423/?type=3&theater>



From the above, it is clear that this is the first time the Defendant is introducing its impugned product for sale at stores in India without any restriction to territory.

67. Furthermore, it is pertinent to mention that the Defendant has wrongfully referred to the impugned mark FAB!O as "fab-eeyo". From a bare reading, it is apparent that the impugned mark FAB!O is a combination of the word FAB, an exclamation sign '!' and the letter 'O' and not 'fab-ee-yo' as wrongfully purported by the Defendant. If so was the case, then the Defendant would not have filed for a word application for the mark FAB!O, as mentioned above. This has clearly been done in an attempt to distinguish itself from the Plaintiff's earlier trade mark OREO.

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71. Soon after finding the impugned products in the market, the Plaintiff also conducted a search of the Trade Marks Register and came across a registration for the mark FABIO filed in the name of the Defendant. The details of the said of registration are herein below:

<u>Trade mark</u>	<u>Number</u>	<u>Date</u>	<u>Class</u>	<u>Status</u>
FABIO	3876112	02/07/2018 User: Proposed to be used	30	Registered
<p>Goods: Biscuits, bread, cookies, cakes, pastry and pastry products; confectionery including fruit sweets, candies, toffees, chocolates and sugar sweets; pie; chocolate pies; tarts; chocolate eclair; cereal based energy bars; corn flakes and oat flakes; cereal, wheat and rice based snack food; flour and preparations made from cereals; cereals and preparations made from cereals; wafers, wafer sticks and crisps; chips (cereal products).</p>				

The aforesaid registration has been filed in July 2018 on a proposed to be used. However, during the aforesaid investigations and checks conducted at the behest of the Plaintiff, no use of 'FABIO' has been found on any confectionery products in the marketplace or online space. The Plaintiff reserves its right to initiate cancellation proceedings against the aforesaid registration.

72. It is humbly submitted that the Defendant being in the same line of business as the Plaintiff ought to have prior knowledge of the Plaintiff's prior brand, and hence there can be no plausible explanation for the adoption of the Defendant's impugned marks, as filed before the Trade Marks Registry and manufacture and sale of the impugned products in the marketplace, other than to copy the intellectual properties of the Plaintiff. It is quite apparent that being mindful of the market share enjoyed by the Plaintiff's product OREO, the Defendant has resorted to such unfair means to capture market share unfairly by misleading consumers.

73. It is pertinent to note that owing to the identical nature of the goods being the same category of cream filled cookies, the Defendant's and Plaintiff's products would be sold through identical trade channels and counters and would be placed on the same shelves next to each other in sales outlets / shops. Thus, in view of the stark similarities between the labels, marks, stylisations, packaging, identical products, trade channels and counters and consumers, there exists a strong likelihood of confusion on the part of the consuming public, including an association of the Defendant's impugned products with the Plaintiff's products as they are likely to assume and confuse that the Defendant's impugned products are connected or otherwise associated with the Plaintiff's, when no such connection exists. This argument holds even more value in this present case, as the relevant consumer will, for obvious reasons, not sit and compare the competing products, and shall only look at the extremely similar labels and cookie trade dresses of the rival products. Consequently, the relevant consumers and members of the trade would, no doubt, be under the mistaken belief that the Defendant's impugned products originate from the Plaintiff or that they have some trade connection or affiliation thereby causing irreparable loss and damage not only to their trade and business, but also resulting in tarnishment and erosion of distinctiveness earned by the Plaintiff's prior and well-known brand OREO comprising of the earlier trade marks.

74. Additionally, the purchase of the goods in question is likely to be a repeat purchase, that is, one that has been undertaken before, and hence a potential relevant consumer, may not devote a great deal of time and attention to the purchase. Thus, the fast-moving nature of such goods along with the high degree of spontaneity involved in the purchase and sale of the goods in question makes, it very easy for consumers and traders/ sellers to mistake the Defendant's products as and for the products of the Plaintiff's. The Plaintiff further submits that the goods in issue being biscuits are sold over the counter through general merchants to a diverse range of literate and illiterate consumers of all age groups. Further, the goods under contention are likely to attract children and hence substantial part of the segment of consumers constitutes young children, with whom the chances of getting deceived are extremely high. It is thus submitted that the Defendant's acts are aimed at deliberately deceiving children into buying its low-quality products while mistaking them to be the products of the Plaintiff. Not only this, there is also a huge likelihood of confusion on the part of the shopkeepers who would be ministering to their relevant customer's wants or demands.

75. From the above, it is clear that the Defendant has modelled the impugned products FAB!O and their impugned cookies after the Plaintiff's earlier brand OREO comprising of the earlier trade marks and copyrights, as defined above, for the purpose of gaining an unfair foothold and entry into the market and capture the market share of the Plaintiff. Owing to the Defendant's misuse of the Plaintiff's rights, the Plaintiff was left with no option but to initiate the present legal proceedings against the Defendant to put an end to its wrongful acts."

6. Predicated on these assertions, the plaint, *inter alia*, prays thus:

"IN THE PREMISES STATED ABOVE, IT IS THEREFORE, MOST RESPECTFULLY PRAYED THAT, THIS HON'BLE COURT MAY BE PLEASED TO GRANT THE FOLLOWING RELIEFS TO THE PLAINTIFF

A. The Defendant, its directors, group companies, principals, partners, sellers, retailers, wholesalers, officers, importers, exporters, employees, agents, distributors, suppliers, affiliates, subsidiaries, franchisees, licensees, representatives, and assigns be restrained by a permanent injunction from:

i. Manufacturing or authorizing the manufacture, selling, offering for sale, marketing, exporting, importing, retailing, supplying, distributing, exhibiting, advertising, promoting, displaying, dealing in and / or using, in any manner whatsoever, the impugned products FAB!O, and impugned cookies/biscuits, or any other product including cookies / biscuits bearing the impugned marks, impugned stylisation, impugned labels and impugned cookie trade dress, as mentioned under Paragraph Nos. 50, 52, 54, 56 and 71 of the Plaint, or any other mark or stylisation or label/trade dress or cookie trade dress, which is identical or deceptively and confusingly similar to the Plaintiff's earlier trade marks as mentioned under Paragraph Nos. 6 and 8 of the Plaint, either as a trade mark or part of a trade mark, or as a label/trade dress or part of a label/trade dress, or as a cookie trade dress / mould, or in any other manner whatsoever, in relation to any goods or services, or in relation to any promotional, marketing or advertising material or any other material used or intended to be used for labelling or packaging or for advertising any goods or services, thereby amounting to passing off the Defendant's impugned products as that of the Plaintiff's product OREO.

ii. Manufacturing or authorizing the manufacture, selling, offering for sale, marketing, exporting, importing, retailing, supplying, distributing, exhibiting, advertising, promoting, displaying, dealing in and/or using, in any manner whatsoever, the impugned products FAB!O and impugned cookies / biscuits, or any other product including cookies / biscuits bearing the impugned marks, impugned stylisation, impugned labels and impugned cookie trade dress, as mentioned under Paragraph Nos. 50, 52, 54, 56 and 71 of the Plaint, or any other mark or stylisation or label/trade dress or cookie trade dress, which is identical or deceptively and confusingly similar to the Plaintiff's

registered trade marks as mentioned under Paragraph No. 6 of the Plaintiff, either as a trade mark or part of a trade mark, or as a label/trade dress or part of a label/trade dress, or as a cookie trade dress / mould, or in any other manner whatsoever, in relation to any goods or services, or in relation to any promotional, marketing or advertising material or any other material used or intended to be used for labelling or packaging or for advertising any goods or services, thereby amounting to infringement of the Plaintiff's registered trade marks.

iii. Reproducing, imitating, copying, adopting, using and/or exploiting the original works of the Plaintiff including the Plaintiff's OREO label and Plaintiff's OREO cookie trade dress, as mentioned in Paragraph No. 8 of the Plaintiff, and/or any other copyrighted material of the Plaintiff, by the Defendant in relation to the impugned products and impugned cookies/biscuits, or any other product or in any other manner whatsoever, thereby amounting to infringement of the Plaintiff's copyrights.

iv. Using, or attempting to use, or asserting any right to use, or claiming proprietorship, or applying to register, or to maintain the applications of the impugned marks, impugned stylisation, impugned labels or impugned cookie trade dress, or any other mark or label/trade dress or cookie trade dress which is identical or deceptively and confusingly similar to the Plaintiff's earlier trade marks.

v. Disposing off or dealing with its assets, including the properties mentioned in the cause title of the Plaintiff, in a manner which may adversely affect the Plaintiff's ability to recover damages, costs or other pecuniary remedies that may be finally awarded to the Plaintiff.
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The remaining prayers in the plaint are not of particular relevance insofar as the present application is concerned.



7. The defendant, in its written statement filed by way of response to the suit, averred, *inter alia*, as under:

“15. On receiving tremendous market response and popularity among the public, Parle also used  for its other variants of biscuits. Given hereunder are some variants of Parle's biscuits under sub brand FAB!:



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17. It is submitted that Parle's trademark FAB!O and its

representation  which was conceptualized and adopted by the Defendant, is a combination of the Defendant's own popular trademark  and its earlier registered trademark FABO.

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26. It submitted that every aspect of the Defendant's FAB!O biscuit such as:

- i. Its brand name FAB!O
- ii. Its packaging
- iii. Its Cookie Trade Dress

is absolutely distinct from every aspect of the Plaintiff's Biscuit under OREO.

Regarding similarity of Word Marks:

There is no similarity between the Plaintiff's mark "Oreo" and Defendant's marks "Fabio", "Fabo" or "Fab!o". The marks are structurally different, phonetically dis-similar and visually at variance. It is submitted that it is trite law that more emphasis is laid on the prefix of a trademark rather than its suffix. The mere existence of one common letter 'O' doesn't constitute infringement of the Plaintiff's trademark. Applying the true test of look and sound of both the marks, it is evidently clear that there is no likelihood of any confusion between the marks. A common consumer even a small child is highly unlikely to slur the word 'FAB!O' (pronounced as *fabo/fab-ee-yo*) to 'OREO' in any case. It is not that one mark might be mistaken for the other. The comparison between the two marks must be made as a whole and not in parts. Judging by the overall visual and phonetic dissimilarity, FAB!O is absolutely distinct and differentiable from OREO and there is no likelihood of any confusion in the common people or trade.


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62. The contents of Paragraph No. 62 of the Plaint to the extent that the Defendant has a range of biscuit under the registered trademark "FAB!" is admitted, rest of the contents are denied. It is denied that the defendant has recently and deliberately added the element of "O" after exclamation sign in the name and brand name FAB! And re-modelled and launched its product under the range "FAB!O" being inspired by the Plaintiff's Oreo. It is denied that the Defendant with bad faith and malafide intent strategically extended the use of FAB! With an added letter "O" alongwith impugned labels and cookie trade dress. It is denied that the Defendant has copied and come close to Plaintiff's brand Oreo. It is submitted that Defendant conceptualized the trademark FABO in 2010 and applied for registration for its trademark on 22.11.2010 and got registered and thereafter subsequently conceptualized the trademark FAB! and applied for registration on 26.04.2011. The Defendant after received tremendous market response to its FAB! range, in 2020 launched FAB!O. It is submitted that the Defendant's FAB!O is a combination of Fab! and Defendant's previous registered trademark FABO. It is submitted that word mark FAB!O is absolutely differentiable visually as well as phonetically from OREO and it is trite law that more emphasis is laid on the prefix of a trademark rather than its suffix. The mere existence of one common

letter 'O' doesn't constitute infringement of the Plaintiff's trademark especially when the last letter 'O' is a vowel. Applying the true test of look and sound of both the marks, it is evidently clear that there is no likelihood of any confusion between the marks.

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67. The contents of Paragraph No.67 of the Plaint are wrong and denied. It is denied that the Defendant has wrongfully referred to the impugned mark "FAB!O" as "fab-ee-yo". In this regard it is submitted that the trademark FABIO (pronounced as 'fab-ee-yo') is merely a phonetic equivalent of the trademark

FAB!O. The exclamation mark '!' appearing in FAB!O/  is actually an inverted representation of the alphabet 'i'. Moreover any common consumer would pronounce FAB!O as FABIO (*fabee-yo*) or FABO (*fab-oh*) only. The Defendant has applied for the trademark FAB!O word mark before the Trademarks Registry for a better IP protection of its trademark FAB!O as FABIO is its phonetic equivalent. The Defendant herein is using its bonafide registered trademark FABIO and has every right to do so."

8. Resultantly, the defendant prayed that the suit be dismissed.

9. The plaintiff, in replication, pleaded thus:

"51. In response to the contents of Paragraph No. 67, the Plaintiff submits that the Defendant has recently and deliberately added the element "O" after the exclamation sign in the brand name FAB! and remodelled and launched its product range 'FAB!O' which is clearly inspired by the Plaintiff's brand OREO, and shows the bad faith adoption by the Defendant. The Defendant has, with bad faith and *malafide* intent, strategically extended the use of FAB! with an added letter "O" along with the impugned labels and impugned cookie trade dress, and thus, there can be no plausible explanation for such adoption and use, other than to copy and come close to the Plaintiff's brand OREO. The Defendant is referring to the impugned mark "FAB!O" as "fab-ee-yo", when in fact FAB!O is a combination of the word FAB, an exclamation sign '!' and the letter 'O' and not 'fab-ee-yo' as wrongfully purported by the Defendant. If that is the case, then the Defendant's "fab-ee-yo" is even closer in pronunciation to OREO specifically to the last syllables of O-REE-YO. Also, assuming but not conceding to the Defendant's averments that the impugned mark FAB!O is indeed pronounced as "fab-ee-yo", then the Defendant is suggesting that its brand FAB! is pronounced as 'fab-ee'. Furthermore, the Defendant's averments on FABO are irrelevant and a mere afterthought. It is pertinent to mention that the Defendant during its arguments before this Hon'ble Court has submitted that its impugned mark FAB!O is pronounced as 'FABO' and not FAB-EEOO. On a bare perusal of the pleadings adopted by the Defendant and the arguments submitted before the Hon'ble Court, a clear contradiction is evident, which further solidify the fact that the Defendant stand with regard to the pronunciation of the impugned mark is a mere after-thought. Not

only this, the alleged invoices filed by the Defendant refer to the impugned products as 'FABIO Vanilla' and 'FABIO Chocolate', and not FABO, as also asserted by the Defendant at the time of oral arguments.

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53. In response to Paragraph No. 71, it is submitted that the Defendant has not used the mark FABIO in respect of any goods be it biscuits or confectionery. The Defendant has not led a single piece of evidence. It is denied that FABIO is the phonetic equivalent of the impugned mark FAB!O or that FAB!O has been in use since January, 2020. The said averments have been dealt with in the above paragraphs.”

Position which emerges from the pleadings, in view of Section 124(1)(b) of the Trade Marks Act

10. Section 124(1)(b) makes it clear that the initial two preconditions, which are required to be satisfied for the provision to be applicable to a plaintiff who seeks to challenge the validity of the defendant’s marks are (i) the raising, by the defendant, of a defence under Section 30(2)(e)² of the Trade Marks Act and (ii) a plea, by the plaintiff, that the registration of the defendant’s mark is invalid.

² **30. Limits on effect of registered trade mark. –**

*

(2) A registered trade mark is not infringed where –

*

(e) the use of a registered trade mark, being one of two or more trade marks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under this Act.

11. Clauses (a) to (e) of Section 30(2)(e) set out certain circumstances in which a registered trademark is not infringed.

12. I have, uncomfortably, to note that, despite being parliamentary legislation, Section 30(2), when read with clause (e) thereto, is not a properly grammatically structured clause and actually does not make complete sense. If one were to read Section (30)(2) with Clause (e), it would read “A registered trademark is not infringed where the use of a registered trademark, being one of two or more trademarks registered under this act which are identical or nearly resemble each other, in exercise of the right to the use of that trademark given by registration under this Act”. It is obvious that this

sentence is actually syntactically incomplete. That said, it is an important provision, and the Court has to attribute it some meaning. The only way to properly understand the sentence, which would also harmonise with the purpose that it seeks to accomplish, is to read “where” in the provision as “by”. The provision would then read “A registered trademark is not infringed by the use of a registered trademark, being one of two or more trademarks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trademark given by registration under this Act”. Thus read, the sentence is grammatically correct, and the meaning that it conveys is that where a registered trademark, despite being identical to, or nearly resembling, another trademark, is used in exercise of the right, conferred by its registration, to do so, such use shall not amount to infringement.

13. When read in conjunction with Section 124(1)(b), it becomes clear that the first prerequisite, for Section 124(1) to be available to a plaintiff who seeks to challenge the validity of the defendant’s mark, is the raising, by the defendant, of a Section 30(2)(e) defence to the challenge of infringement, meaning a defence predicated on the ground that the defendant’s mark is registered and that the registration of the mark entitles the defendant to use it. Where, in other words, registration of its mark is cited by the defendant as a defence to the plea of infringement raised by the plaintiff, the first requirement of Section 124(1)(b) stands satisfied.

14. Once the defendant raises registration of its mark as a defence to the plea of infringement advanced by the plaintiff, Section 124(1)(b), as its second requirement, requires the plaintiff to challenge the validity of the defendant’s mark. I have already opined, in *Dharampal Satyapal Ltd. v. Basant Kumar Makhija*³, that the intervening “and” between “the defendant raises a plea under Clause (e) of sub-section (2) of Section 30” and “the plaintiff pleads the invalidity of registration of the defendant’s trademark” in Section 124(1)(b) is obviously intended to convey the meaning that the latter eventuality follows the former. In other words, for Section 124(1) to apply in a case where the plaintiff seeks to challenge the validity of the defendant’s mark, firstly, the defendant must raise a Section 30(2)(e) defence by citing the registration of its mark as a defence to infringement and, if the defendant does so, the plaintiff must plead invalidity of the defendant’s mark.

³2023 SCC OnLine Del 6598

15. The first occasion for the defendant to raise a Section 30(2)(e) defence would obviously be in the written statement filed by way of response to the plaint. Ergo, it is only thereafter that the occasion for the plaintiff to challenge the validity of the defendant's mark would arise. In ***Dharampal Satyapal***, it had been sought to be contended before me, on the basis of the para 7 of the judgment of a Coordinate Bench of this Court in ***Travellers Exchange Corporation Ltd. v. Celebrities Management Pvt. Ltd.***¹ that, once a Section 30(2)(e) defence was raised by the defendant in the written statement, it was necessary for the plaintiff to amend the plaint to challenge the validity of the defendant's mark, and merely raising such a plea in the replication would not suffice. I have expressed my disagreement with the said submission and have also opined that para 7 of ***Travellers Exchange*** does not lay down any such inexorable principle. No doubt, in that case, the plaintiff chose to amend his plaint, once the defendant had raised a Section 30(2)(e) defence in the written statement, but that does not mean that amendment of the plaint is the only avenue open to the plaintiff. I have opined in ***Dharampal Satyapal***, that the plea regarding invalidity of the defendant's mark may be taken even in the replication filed consequent to the Section 30(2)(e) defence being taken in the written statement, without necessarily amending the plaint. For that matter, the invalidity plea may even find place in the original plaint, as it is quite possible that the plaintiff may pre-empt the raising of a Section 30(2)(e) defence by the defendant even before the defendant does so in its written statement.

16. In sum, therefore, for Section 124(1) to apply, in a case where it is the plaintiff who seeks to avail the benefit of the provision, the defendant is required to raise a Section 30(2)(e) defence and the plaintiff is required to challenge the validity of the defendant's mark.

17. It has to be seen, therefore, whether in the present case, these two ingredients have been satisfied. If they have not, there is no question of proceeding further with Section 124.

¹ 298 (2023) DLT 101

18. In examining whether the afore-noted two ingredients have been satisfied, however, Section 124(1)(ii) is also of some relevance. Where the defendant raises a Section 30(2)(e) defence and the plaintiff challenges the validity of the defendant's mark, the next event, in the sequence of events envisaged by Section 124(1), is the arriving, by the Court, of satisfaction that the challenge, by the plaintiff, to the defendant's mark, is *prima facie* tenable. Section 124(1)(ii) requires the Court to be "satisfied that the plea regarding invalidity of the registration of ... the defendant's trademark is *prima facie* tenable". If this third condition is also satisfied, the consequences envisaged by Section 124(1)(ii) would inexorably have to follow. The Court would have to frame an issue regarding the invalidity of the defendant's mark and adjourn the suit by three months in order to enable the plaintiff to initiate rectification proceedings against the defendant's mark.

19. I have also opined, in ***Dharampal Satyapal***, that the expression "*prima facie* tenable", as employed in Section 124(1)(ii) implies that the Court has to satisfy itself that the plaintiff's plea regarding the invalidity of the defendant's mark is an arguable plea. No higher standard is required to be satisfied. That aspect, however, is not of particular significance in the present case as, in my view, the present application fails to cross the second of the first three stages required for Section 124(1) to apply, which is the raising, by the plaintiff, of a plea that the defendant's mark is invalid.

20. As I have already noted, in examining whether the plaintiff has raised a plea that the defendant's mark is invalid, Section 124(1)(ii) is also of some significance. If the plaintiff has raised such a plea, the Court is required to satisfy itself that the plea is *prima facie* tenable.

The grounds of challenge, by the plaintiff, to the defendant's mark, therefore, become extremely significant. The satisfaction of the Court, regarding the *prima facie* tenability of the plaintiff's challenge obviously implies that the Court must be satisfied that the grounds of challenge make out an arguable case in favour of the plaintiff. For that, the Court has to be made known the grounds on which the plaintiff is challenging the validity of the defendant's mark. In other words, the requirement, envisaged by Section 124(1)(b), of the plaintiff's challenging the validity of the defendant's mark, envisages not only a specific plea, by the plaintiff, that the defendant's mark is invalid, but also arguable grounds having been urged by the plaintiff in

support of said challenge, so that the Court could satisfy itself that the challenge is *prima facie* tenable.

21. The Court is required, therefore, in the present case, to examine whether the defendant has raised a Section 30(2)(e) defence and if, it has, whether the plaintiff has questioned the validity of the defendant's mark by raising a *prima facie* tenable challenge thereto.

22. I may, even at this stage, dispose of one of the submissions made by Mr. Lall towards conclusion of arguments. Mr. Lall sought to contend that, even if the plea regarding invalidity of the defendant's mark, supported by grounds which are *prima facie* tenable, does not find place in the plaint or in the replication, the plaintiff can make out an entirely new case in that regard even in the Section 124 application. The submission has obviously to be rejected. In fact, Section 124 does not, strictly speaking, even require an application to be made. All that it requires is that the defendant should raise a Section 30(2)(e) defence and that the plaintiff should question the validity of the defendant's mark. The provision does not envisage any subsequent application, though, no doubt, it does not prohibit such an application either. Quite obviously, the provision cannot be read to permit the Court to arrive at its finding, under the provision, on the basis of the pleas contained in an application, the tendering of which the provision itself does not mandate. Clearly, therefore, the satisfaction of the Court, under Section 124(1)(ii), that the plea of invalidity of the defendant's mark is *prima facie* tenable, has to be based on the averments contained in the plaint and the replication, and not on any other independent application, including that preferred under Section 124. I cannot, therefore, accept the argument that, if no case making out a *prima facie* tenable challenge to the validity of the defendant's mark is to be found either in the plaint or in the replication, such a case can be made out separately in the Section 124 application. The Section 124 application may explain, or even elucidate in greater detail, the basis on which the validity of the defendant's mark is challenged by the plaintiff. The primary plea of invalidity, and the basis thereof, has, however, to be forthcoming either in the plaint or in the replication.

23. In the present case, therefore, I am required to examine whether, in the first instance a Section 30(2)(e) defence has been raised by the defendant in the written statement and, if it has, whether the plaintiff has

raised a *prima facie* tenable challenge to the validity of the mark which is asserted by the defendant as the basis of its Section 30(2)(e) defence.

24. The challenge in the plaint is entirely to the validity of the FAB!O mark of the defendant. The prayer clause in the plaint is also directed against FAB!O mark. Though Mr. Lall sought to point out that relief had been sought not only against the FAB!O mark but also against any “confusingly or deceptively similar” mark, the submission cannot help the plaintiff in the present application. The defendant admittedly has a registration for the mark FABIO. If the plaintiff desired to question the validity of the mark FABIO, Section 124(1)(b) requires the plaintiff, in my opinion, to specifically do so. The Court cannot, by straining its interpretative faculties, read into the plaint a plea that the registration of the defendant’s mark is invalid, where no such plea actually finds place therein.

25. The present Section 124 application is entirely directed against the defendant’s FABIO – and not FAB!O – mark. The plaintiff seeks the framing of an issue regarding the validity of the mark FABIO, and adjournment of the proceedings so that the plaintiff could initiate a rectification petition in that regard. For that, the defendant would have had to raise a Section 30(2)(e) defence predicated on the mark FABIO, and the plaintiff would have had to question the validity of the mark FABIO by raising a *prima facie* tenable challenge thereto.

26. The requirement of the defend raising a Section 30(2)(e) defence stands satisfied in the present case. The defendant has contended, in para 67 of the written statement, that the trademark FABIO is merely a phonetic equivalent of the trademark FAB!O. In other words, the defendant has sought to plead that the registration of the trademark FABIO entitles it to use the mark FAB!O. What is apparently sought to be contended is that FAB!O is merely a fancy way of writing FABIO which happens to be a registered trademark of the defendant. In other words, the registration of the mark FABIO has been pressed into service by the defendant as a ground to challenge the plea of infringement raised by the plaintiff. The defendant *has*, therefore, raised a Section 30(2)(e) defence, predicated on the registration of the mark FABIO.

27. Has, then, the plaintiff pleaded that the defendant’s FABIO mark is invalid, and adduced *prima facie* tenable grounds to support the challenge, as required by Section 124(1) (b) ?

28. As I have noted, the plaint does not either question the validity of the mark FABIO, or raise any *prima facie* tenable challenge in that regard. The entire burden of the plaintiff’s song, in the petition, is directed against the mark FABIO. Mr. Lall sought to contend that a *prima facie* tenable challenge to the validity of the mark FABIO is contained in paras 71 and 72 of the plaint, which may, therefore, be reproduced once again, thus:

71. Soon after finding the impugned products in the market, the Plaintiff also conducted a search of the Trade Marks Register and came across a registration for the mark FABIO filed in the name of the Defendant. The details of the said of registration are herein below:

<u>Trade mark</u>	<u>Number</u>	<u>Date</u>	<u>Class</u>	<u>Status</u>
FABIO	3876112	02/07/2018 User: Proposed to be used	30	Registered
<p>Goods: Biscuits, bread, cookies, cakes, pastry and pastry products; confectionery including fruit sweets, candies, toffees, chocolates and sugar sweets; pie; chocolate pies; tarts; chocolate eclair; cereal based energy bars; corn flakes and oat flakes; cereal, wheat and rice based snack food; flour and preparations made from cereals; cereals and preparations made from cereals; wafers, wafer sticks and crisps; chips (cereal products).</p>				

The aforesaid registration has been filed in July 2018 on a proposed to be used. However, during the aforesaid investigations and checks conducted at the behest of the Plaintiff, no use of ‘FABIO’ has been found on any confectionery products in the marketplace or online space. The Plaintiff reserves its right to initiate cancellation proceedings against the aforesaid registration.

72. It is humbly submitted that the Defendant being in the same line of business as the Plaintiff’ ought to have prior knowledge of the Plaintiff’s prior brand, and hence there can be no plausible explanation for the adoption of the Defendant’s impugned marks, as filed before the Trade Marks Registry and manufacture and sale of the impugned products in the marketplace, other than to copy the intellectual properties of the Plaintiff. It is quite apparent that being mindful of the market share enjoyed by the Plaintiff’s product OREO, the Defendant has resorted to such unfair means to capture market share unfairly by misleading consumers”

29. No doubt, para 71 of the plaint *refers* to the mark FABIO. I fail, however, to discern, in the averments contained in the said paragraph, either a challenge to the validity of the mark FABIO, or any tenable grounds in that regard. Read any which way, para 71 merely refers to the fact of registration of the mark FABIO in favour of the defendant on proposed to be used basis and the fact that, despite checks, the plaintiff could not come across any use, by the defendant, of the mark FABIO. Thereafter, the paragraph concludes by the plaintiff “reserving its right to initiate cancellation proceedings against the aforesaid registration”.

30. Mr. Lall sought to contend that the reservation of rights, by the plaintiff, to challenge the registration of the defendant’s FABIO mark itself satisfies the requirement of a tenable challenge, by the plaintiff, to its validity. The plea has merely to be raised to be rejected. There is no averment, anywhere in the plaint, that the defendant’s FABIO mark is invalid. Nor does any ground of such invalidity find place anywhere in the plaint. Obviously, therefore, the averments in the plaint do not satisfy the requirement of Section 124(1)(b) insofar as they envisage a challenge by the plaintiff to the validity of the defendant’s mark.

31. The reservation, by the plaintiff, of its rights to challenge the defendant’s mark, with great respect, means absolutely nothing. It is not the prerogative of a party to reserve rights which are not available to it. Nor, by reserving such rights, do they become available to the party. In fact, the plea, made ever so often, that a party reserves its right to raise a particular plea or urge a particular challenge, is based on a fundamental misconception of law. A party can only seek permission from a Court to reserve its rights to urge a challenge at a later point of time. For that, such rights must be in existence *in praesenti*, when the plea is made, or should be foreseeable as arising in the future. The right should exist, before it can be reserved by anyone. By merely saying that the plaintiff was reserving its rights to raise a challenge to the validity of the defendant’s FABIO mark, such a right does not come into existence.

32. Without delving any further into that aspect, the “reservation of right” by the plaintiff, to challenge the validity of the defendant’s

FABIO mark can obviously not suffice as a plea that the defendant's FABIO mark is invalid. For that, there has to be a specific plea in that regard. The plaintiff has specifically to aver, and allege, that the registration of the defendant's FABIO mark is invalid. Such an allegation must find place either in the plaint or in the replication.

There is, in fact, to reiterate, no plea, in the plaint, that the defendant's FABIO mark is invalid.

33. Even assuming, for the sake of argument, that the plaintiff has, by reserving its rights to challenge the registration of the defendant's FABIO mark, indirectly challenged its invalidity, no *ground* for such challenge is forthcoming anywhere in the plaint. All that is said is that the plaintiff has not come across use of the said mark. That cannot constitute a ground to challenge the validity of the defendant's mark. Though Mr. Sai Deepak was generous enough to contend that the plaintiff had challenged the validity of the defendant's mark only on the ground of non-use, I am not prepared even to countenance such a submission. Non-use of the defendant's mark is a specific ground for invalidity, envisaged by Section 47(1)(b)⁵ of the Trade Marks Act. That provision has its own identifiable ingredients and *indicia*. It applies where, up to a date three months prior to the date of the application for taking a registered mark off the register, the trademark has not been in use for a continuous period of five years. No such plea finds place in para 71 of the plaint.

34. Indeed, by February 2021, when the present suit came to be filed, five years from the registration of the mark FABIO in the defendant's favour had not even elapsed, as the mark had been registered in July 2018. Quite obviously, therefore, it cannot be said that the plaintiff has even raised a challenge to the validity of the defendant's FABIO mark on the ground of non-use, as envisaged by the Trade Marks Act.

⁵ **47. Removal from register and imposition of limitations on ground of non-use. –**

(1) A registered trade mark may be taken off the register in respect of the goods or services in respect of which it is registered on application made in the prescribed manner to the Registrar or the High Court by any person aggrieved on the ground either –

(a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those

goods or services by him or, in a case to which the provisions of Section 46 apply, by the company concerned or the registered user, as the case may be, and that there has, in fact, been no bona fide use of the trade mark in relation to those goods or services by any proprietor thereof for the time being up to a date three months before the date of the application; or (b) that up to a date three months before the date of the application, a continuous period of five years from the date on which the trade mark is actually entered in the register or longer had elapsed during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof for the time being:

35. Further, with reference to the reliance, placed by Mr. Lall, on para 72 of the plaint, Mr. Sai Deepak has correctly pointed out that the expression “impugned marks” already stands defined in para 50 of the

plaint, as “the marks FAB!O, FAB!O (stylised)  ,  ,  and  labels/trade dress cookie trade dress”.

“FABIO” (with an “I” instead of a “!”) is *not* therefore an “impugned mark” for the purposes of the plaint.

36. As such, as the expression “impugned marks”, for the purposes of the plaint, does not include “FABIO”, para 72 of the plaint cannot come to the assistance of the plaintiff.

37. No ground for questioning the validity of the defendant’s FABIO mark finding place in the plaint, the Court can obviously not arrive at any conclusion as to whether the challenge to the defendant’s FABIO mark in the plaint – even assuming such a challenge exists – is or is not *prima facie* tenable. The averments in the plaint cannot, therefore, be said to satisfy the requirement of Section 124(1)(b) of the Trade Marks Act, insofar as what the plaintiff is required to do under the said provision is concerned.

38. I have already noted that no challenge to the validity of the mark FABIO, much less any *prima facie* tenable ground for such a challenge, finds place in the plaint. Let us see whether such a challenge, backed up by *prima facie* tenable grounds, is available in the replication.

39. Unfortunately, the replication is as naked as the plaint in that regard. The plaintiff has, in fact, in the replication, even disputed the defendant's contention that FABIO is the phonetic equivalent of FAB!O. Be that as it may, as in the case of the plaint, there is no allegation, much less an averment, even in the replication, that the registration of the defendant's FABIO mark is invalid. The plaintiff has once again chosen to contend itself by reserving its rights to challenge the validity of the mark FABIO in para 53 of the replication.
40. As in the case of the plaint, even if such reservation of right were to suffice as a challenge to the validity of the defendant's FABIO mark, no *prima facie* tenable ground for such challenge is forthcoming even in the replication which, too, once again merely avers that the plaintiff had not come across any use of the mark FABIO in the market.
41. As a result, the position that emerges is that there is no challenge to the validity of the defendant's FABIO mark either in the plaint or in the replication. Mr. Lall's submission that the reservation, by the plaintiff, of its right to challenge the validity of the mark FABIO suffices as a challenge to the validity, does not merit acceptance. Even if, *arguendo*, it was to merit acceptance, there is nonetheless, no ground for such challenge, forthcoming either in the plaint or in the replication. It is impossible, therefore, for the Court, on the basis of the averments in the plaint and in the replication, to satisfy itself that a *prima facie* tenable challenge to the validity of the defendant's FABIO mark has been raised by the plaintiff.
42. I am in agreement with Mr. Sai Deepak, therefore, that the present application is liable to be rejected.

Other rival pleas taken by the parties

43. In conclusion, before parting with this decision, I may deal with certain other incidental arguments that were raised.

Re. Mr Lall's reliance on judgment dated 10 February 2023 passed in IA 1803/2021

44. Mr. Lall sought to rely on the judgment dated 10 February 2023 passed by this Bench, whereby *ad interim* stay was granted to the plaintiff. The right of the plaintiff – or for that matter, the defendant – to the framing of an issue and the adjournment of the proceedings to enable a challenge to the mark asserted by the opposite party is dependent, under Section 124(1), on the pleas advanced by that party before the Court, and not on findings returned by the Court in any order, interlocutory or otherwise. I am not inclined, therefore, to look into the order dated 10 February 2023 passed by this Court while granting *ad interim* relief, for the purposes of Section 124(1).

Re. Mr Sai Deepak's contention that, as "FABIO" is not the mark under challenge in the plaint, it cannot form subject matter of the Section 124 application

45. One of the grounds on which Mr. Sai Deepak sought to oppose the present application is that the Section 124 application has to be with respect to the mark asserted in the plaint. He drew my attention to the prayer clause in the plaint, to contend that the entire challenge in the plaint is to the mark FAB!O, and not to FABIO. I am not inclined to agree with the submission as thus advanced by Mr. Sai Deepak. Section 124(1) entitles either party to framing of an issue regarding the mark asserted by the opposite party – in the case of the plaintiff, to support the charge of infringement or passing off levelled against the defendant and, in the case of the defendant, to defend the charge. Even if the defendant seeks to defend the charge of infringement/passing off, raised by the plaintiff, on the basis of a registration held by the defendant in respect of a mark which is *not* subject matter of challenge in the plaint, the plaintiff would clearly be within its rights to question the validity of the said mark and make out a *prima facie* tenable challenge in that regard. If the plaintiff succeeds in doing so, the Court is bound to frame an issue and adjourn the proceedings by three months in order to enable the plaintiff to file a rectification application challenging the mark which the defendant asserts.
46. The fact which the defendant asserts in its Section 30(2)(e) defence is not the mark under challenge in the plaint is, therefore, entirely irrelevant to the right of the plaintiff to challenge the validity of the mark under Section 124. Section 124(1)(b) clearly permits the plaintiff to question the validity of the mark which forms subject matter to the Section 30(2)(e) defence of the defendant. It does not necessarily require the mark asserted by the

defendant in its Section 30(2)(e) defence to be the mark which is challenged in the plaint.

47. Though such an eventuality would arise rarely, it has arisen in the present case. The plaint challenges the mark FAB!O of the defendant as being infringing in nature. The defendant, undisputedly, does not hold any specific registration for the mark FAB!O. The defendant has pleaded a Section 30(2)(e) defence predicated on the registration of the mark FAB!O. Thus, the Section 30(2)(e) defence is with respect to the registration held by the defendant in a mark which is not the impugned mark in the plaint. That, however, cannot disentitle the plaintiff from challenging the validity of the mark asserted by the defendant, and adducing *prima facie* tenable grounds for such challenge. As the defendant has raised its Section 30(2)(e) defence on the registration, held by it, of the mark FAB!O, the plaintiff is entitled under Section 124(1)(b), to challenge the validity of the said mark and raise *prima facie* tenable grounds in that regard. The fact that FAB!O is not the subject matter of challenge in the plaint cannot inhibit the plaintiff from doing so.
48. ² This also flows from the basic intent of Section 124 of the Trade Marks Act, in respect of which I have earlier expressed the view in my decision in ***Nadeem Majid Oomerbhoy v. Gautam Tank***⁶. The intent of Section 124 is to maintain an even balance between the parties. If the defendant seeks to contest the plea of infringement on the basis of the registration held, by it, of any particular mark, and the plaintiff is not given an opportunity to challenge that mark, the registration of the mark would stand as an impenetrable barrier to the case of infringement that the plaintiff seeks to set up, for the simple reason that no case of infringement can lie against a registered mark. As such, even for this reason, therefore, the plaintiff has to be given the opportunity to challenge the validity of the mark, the registration of which the defendant sets up as a defence to the plea of infringement.
49. That said, however, where the statute sets out the manner in which such a challenge has to be made, it has to be made in that manner alone and in none other. This principle has vintage roots in ***Taylor v. Taylor***³, followed subsequently by the Privy Council in ***Nazir Ahmed v. King Emperor***⁴ and

² SCC OnLine Del 5589

³ (1875) 1 Ch D 426

⁴ AIR 1936 PC 253 ⁹ AIR 1964 SC

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by the Supreme Court in a catena of cases, of with the most often cited is ***State of U.P. v. Singhara Singh***⁹. These decisions hold, classically, that, where the statute requires a particular act to be done in a particular way, that act has to be done in that way alone, and in none other, all other modes and

methods of doing that act being necessarily forbidden.

50. If the present application of the plaintiff fails, therefore, it is because the plaintiff *has in fact not challenged the registration of the mark FABIO in favour of the defendant or raised any ground of such challenge, tenable or otherwise.*

Re. Mr Sai Deepak's contention that the plaintiff's application is defeated by its stance that FABIO is not a phonetic equivalent of FABIO

51. Mr. Sai Deepak has further contended that the burden of the plaintiff's song, throughout the plaint and the replication, is that there is no equivalence, phonetic or otherwise, between FAB!O and FABIO. The plaintiff cannot, therefore, seek to plead that, by challenging FAB!O, the plaintiff has indirectly challenged FABIO. Nor can the plaintiff seek to capitalize on the equivalence pleaded by the defendant between FABIO and FAB!O, as the plaintiff has specifically contested the plea in its replication. He has drawn attention, in this regard, to paras 51 and 53 of the replication.
52. There is substance in this submission. In fact, the plaintiff has been at pains to discredit the defendant's submission that FAB!O is merely a phonetic equivalent of the registered FABIO mark. The stand of the plaintiff in the replication, consequent on the defendant raising a Section 30(2)(e) defence predicated on the registration of the mark FABIO, is, quite unequivocally, that *there is no equivalence between FABIO and FAB!O and that, therefore, the reliance, by the defendant, on the registration of the mark FABIO is misplaced.*
53. Having chosen to maintain a stance that the registration of the mark FABIO cannot entitle the defendant to use FAB!O, the plaintiff cannot, in the absence of an independent challenge to the registration of the mark FABIO of the

defendant, seek to claim the benefit of Section 124(1). In fact, in para 53 of the replication, the plaintiff has specifically "denied that FABIO is a phonetic equivalent of the impugned mark FAB!O". This single sentence is damning to the plaintiff on two fronts. In the first place, it concedes that the impugned mark is FAB!O. In the second place, it defeats Mr. Lall's contention that FABIO is also to be treated as an impugned mark for the purposes of para 72 of the plaint or the subject matter of challenge in the plaint at all.

54. In view of the plaintiff's avowed stance, in the plaint as well as replication, that FAB!O is an unregistered mark, and is *not* the phonetic equivalent of "FABIO", it was incumbent on the plaintiff, if it so desired, to independently assert that the registration of the mark FABIO is invalid, on grounds which are *prima facie* tenable.
55. Such a challenge is, however, sadly – for the plaintiff – absent in the replication too.

Re. Mr Lall's contention that the challenge to the validity of the defendant's mark can be raised for the first time in the Section 124 application

56. Mr. Lall also sought to contend that, in my judgment in ***Dharampal Satyapal***, I have held that a plea regarding invalidity of the defendant's mark, and the reasons in that regard, can be urged for the first time in the Section 124 application, even if they do not find place either in the plaint or in the replication. I have already expressed my disagreement, earlier in this judgment, with this contention. Nonetheless, in view of Mr Lall's submission, I have perused my decision in ***Dharampal Satyapal*** threadbare, and I do not find any such finding or observation in that decision, to the effect that a plea of invalidity of the defendant's mark, which finds no place in the plaint or the replication, can be raised for the first time in the Section 124 application.

Conclusion

57. For all the aforesaid reasons, the present application has necessarily to fail.
58. IA 9732/2023 is accordingly dismissed.
59. List CS (Comm) 64/2021 before the Court on 10 January 2024.

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