

(2014) 11 DEL CK 0247
In the Delhi High Court
Case No : CS (OS) No. 1789/2013

Citigroup Inc.

APPELLANT

Vs

Citicorp Business and Finance Pvt. Ltd.

RESPONDENT

Date of Decision : 24-11-2014

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 2A, Order 7 Rule 11, 149
Companies Act, 1956 — Section 20, 22, 22(5)
Trade and Merchandise Marks Act, 1958 — Section 27, 29
Trade Marks Act, 1999 — Section 11(9)(i), 134(2), 2(1)(m), 2(1)(zg), 2(m)

Citation : (2015) 216 DLT 359 : (2015) 61 PTC 612

Hon'ble Judges : Manmohan Singh, J

Bench : Single Bench

Advocate : C.M. Lall and Anuj Nair, Advocate for the Appellant; Zahid Ali and A.K. De, Advocate for the Respondent

Judgement

Manmohan Singh, J.—By this order, this Court proposes to decide the following applications:

- (i) I.A. 14886/2013 under Order 39 Rule 1 and 2 read with Section 151 CPC.
- (ii) I.A. 6545/2014 under Order 39 Rule 2A CPC.
- (iii) I.A. 19385/2014 under Order 7 Rule 11 CPC.
- (iv) I.A. No. 14888/2013 under Section 149 CPC.

2. The present suit for injunction and damages for infringement of registered trade mark, passing off and unfair trade competition has been filed by the plaintiffs against the defendants in respect trademarks CITI and CITICORP. Along with the suit, plaintiffs also filed an application under Order 39 Rule 1 and 2 read with Section 151 CPC being I.A. 14886/2013.

3. Summons were issued in the suit and notices in the application to the defendants on 23rd September, 2013. After hearing, detailed ex-parte order was

passed against the defendants directing them to keep on hold the domain name www.citicorpbiz.com and/or any other domain name which is similar to the plaintiffs' registered trademarks "CITI" and/or "CITICORP" and/or CITI family or any other deceptively or confusingly similar trademark till the next date of hearing. The defendants were also restrained from using the trademark of the plaintiffs' "CITI" and/or "CITICORP" and/or CITI family or any other mark which is deceptively or confusingly similar to the plaintiffs' registered trademark till the next date.

4. Upon service of interim order, defendants filed the written statement after delay of 57 days. The same was taken on record vide order dated 11th March, 2014. Subsequently, the plaintiffs filed an application being I.A. 6545/2014 under Order 39 Rule 2A CPC. Subsequently, defendants have also filed an application being I.A. 19385/2014 under Order 7 Rule 11 CPC. By this order I propose to decide the pending applications.

5. Brief facts of the case as stated in the plaint are that plaintiff No. 1 is a company organized and existing under the laws of the State of Delaware, United States of America, while plaintiff No. 2 is a wholly owned subsidiary of the plaintiff No. 1. Plaintiffs are the owners of the trade marks CITI and CITICORP used primarily in relation to banking and financial services. It is stated that CITI was founded in the year 1812.

6. It is averred that the plaintiffs are internationally renowned and world leaders inter alia in banking and financial services which they provide under its world-renowned marks CITI, CITI & Arc Device, CITIBANK, CITIGROUP and a number of other well-known CITI family marks such as CITIBANKING, CITICARD, CITIDIRECT, CITIPHONE, CITIGOLD, CITISERVICE, etc. The mark/name CITICORP was adopted in 1972 and has been used for more than four decades.

7. It is stated that the said trademarks CITI, CITICORP and other CITI formative marks of the plaintiffs are renowned brands in India as well as worldwide. In India, the plaintiffs are the registered proprietors of the marks CITI and CITICORP, details of the same are given in Para 3 of the plaint.

8. The trademark CITICORP forms part of the plaintiffs' Indian subsidiary Citicorp Finance India Limited which primarily offers commercial vehicle loans, construction equipment loans, loan against shares and trade advances. It is stated that Citicorp Finance India Limited provides these services in 15 states of India namely Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, New Delhi, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

9. It is averred that plaintiffs, popularly referred to as CITI, CITIBANK or CITIGROUP, is a global corporation with strong reach and depth in markets throughout the world. The two core business lines of the plaintiffs are Consumer Businesses and Institutional Businesses. Plaintiffs' Global Consumer Banking consists of five primary business units-Retail Banking, CITI Branded Cards, CITI

Mortgage, CITI Commercial Bank and Retail Services. The plaintiffs' Global Consumer Banking businesses are strong in some of the world's most important growth markets, from China, Malaysia, Korea and India in Asia Pacific; to Poland and Russia in Europe; to Mexico, Brazil, Colombia, Argentina and Panama in Latin America. The plaintiffs' Institutional Businesses offers a wide array of investment and corporate banking services and products for corporations, governments, institutions and high-net-worth investors.

10. The brand name CITI and other brands forming part of the CITI family of marks are communicated to the public through branding in point of purchase materials, advertising, public relations, promotions, sponsorship and events as well as websites and domain names. Advertising includes print (both general media and direct response) television, radio, billboards and Internet.

11. It is averred that CITI and the CITI family of marks under which the plaintiffs offer a variety of products and services are famous and well-known throughout the globe. As such these marks come within the definition of well-known marks as defined by Section 2(1)(zg) of the Trade Marks Act, 1999 (hereinafter referred to as the "Act"). They are, therefore, liable to the protection afforded to well-known marks under the Act. Plaintiffs are stated to be the leading global bank with approximately 200 million customer accounts and doing business in more than 160 countries. Plaintiffs' Global Consumer Banking business is among the largest retail banks in the world. Plaintiffs' retail banking network consists of more than 4,600 branches across the globe and holds deposits exceeding \$300 billion. Plaintiffs are also the world's largest credit card issuers. Additionally, in the year 2012, the trade mark CITI was listed as the 50th most valuable brand in the world by an annual survey of the 100 most valuable brands conducted by Interbrand, world's leading brand consultancy specializing in a unique range of brand related services and activities.

12. It is stated that plaintiffs spend hundreds of millions of dollars marketing its prominent brands like CITI, CITI & Arc Device, CITIBANK, CITIGROUP and family of CITI brand products and services every year. The details of the advertising and marketing budget for the Global Consumer Group for the years 1998 to 2011 are provided in Para 9 of the plaint.

13. Plaintiffs have derived vast revenues from services provided under its family of CITI brand names, details of which are mentioned in Para 11 of the plaint. The total revenue of the Plaintiffs for the year 2011 is stated to be US \$ 78.4 billion.

14. Since the year 1970, plaintiffs have emphasized the CITI aspect of its brand by using CITI as a stand-alone term on much of its advertising materials. For more than two decades, the plaintiffs have used "The CITI Never Sleeps" as their slogan, which originated in 1978 when the plaintiffs were first introducing its Auto Teller Machines (ATMs). Plaintiffs were trying to convey the message that banking could be done at any time-not just during banking hours. The slogan became extremely popular in year 1978 when a snowstorm resulted in the

shutting down of New York City. People skied up to the ATMs of the plaintiffs to get money. Television commercials about this were quickly released, and the message became extremely popular. The slogan has since been used by the plaintiffs and recognized in almost every part of the world where it provides its services.

15. Some of the other slogans of the plaintiffs are "Your CITI Never Sleeps", "Its your CITI", "The Key to the CITI", "We built this CITI", "The CITI of your dreams", "Summertime in the CITI", "CITI for Cities", "Powered by CITI" etc. Plaintiffs run advertisement campaigns using variations on these themes such as, "The CITI never sleeps, so you can ...", "The CITI never sleeps, dreaming up new ways to", "in your dreams, your kid makes millions in software, and you bank by PC free of charge. In the CITI of your Dreams".

16. Plaintiffs have online branding guidelines for each business which specifically delineates guidelines for presenting the family of CITI marks. Each country has a person responsible for ensuring the guidelines are being followed. The Global Branding Group of the plaintiffs conducts tours with the branding guidelines to present and reinforce them. These tours include presentations in every region and to every line of business. Such uniform presentation further conveys to the public that each CITI mark and service is part of the larger CITI family of marks and services provided by Plaintiffs.

17. On the brand CITI becoming so well-known, the plaintiffs adopted CITI and CITI & Arc Design since 2007 as its overarching brand identity for the entire group of companies.

18. In India, the first branch of the plaintiffs opened in Calcutta in the year 1992. At present the plaintiffs have branches in Ahmedabad, Akola, Aurangabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Cochin, Coimbatore, Delhi, Faridabad, Gurgaon, Hyderabad, Indore, Jaipur, Jalandhar, Kolkata, Lucknow, Ludhiana, Mumbai, Nanded, Nandyal, Nasik, Noida, Pondicherry, Pune, Surat, Vadodara and Vapi. Additionally the plaintiffs have an extensive network of 700 ATMs (Automated Teller Machine) across India. The annual turnover/revenue of the plaintiffs in the last 19 years in India is given in Para 17 of the plaint, out of which the revenue for the year 2012 is stated to be US\$ 1,832.1 million. Details of the annual marketing expenditure incurred by the plaintiffs in India in the last few years for credit cards and retail banking alone is provided in Para 18 of the plaint, out of which the said amount for the year 2012 is US\$ 23.88 million.

19. In the year 2012 the plaintiffs celebrated its 200th Anniversary through extensive marketing and advertising around the world with their campaign 200 YEARS CITI. The said campaign features the achievements and contributions of the plaintiffs over the past 200 years, some of them are mentioned in Para 20 of the plaint.

20. Plaintiffs in the year 2011 received the award for the "Best Consumer

Internet Bank in India" by Global Finance for the third year in a row. Additionally the Plaintiffs have also been awarded in 2011 the "Best Foreign Bank Brand" in India by the Economic Times Brand Equity "Most Trusted Brands Survey 2011" for the third consecutive year.

21. The plaintiffs have tied up with Indian Oil Corporation Ltd., a commercial enterprise in India and one of Indian Fortune 500 global listing, to launch the first co-branded fuel credit card in India, in September 1997. The Indian Oil Citibank co-branded cards are one of the biggest successes in the Indian credit card industry with a base of approximately 750,000 cards in force. On 16th December, 2002, the plaintiffs extended its tie up with Indian Oil Corporation to launch the country's first co-branded debit card which can work as a debit as well as an ATM card and provides numerous benefits to customers.

22. Plaintiffs are also in the business of providing personal loans to consumers for a wide variety of products like education, family vacations, etc. with easy repayment options.

23. Plaintiffs have a strong presence on the world wide web and are the owner of the domain names "citi", "citibank" "citigroup", "citicorp" and "citicards" followed by the generic top level domain name (gTLD) ".com". under which Plaintiffs maintains active websites. The plaintiffs' website www.citicorp.com redirects customers to the website www.citibank.com. The use by the plaintiffs' of its corporate and brand names CITI and CITIBANK as its domain names helps the plaintiffs' in establishing an identity for its websites. Additionally, the plaintiffs are also the owner of the co. in domain names "citibank.co.in", "citicorp.co.in", "citigroup.co.in", etc. and the in domain names "citibank.in", "citicorp.in", "citigroup.in" and "citifinancial.in".

24. Details of activities of the plaintiffs in countries around the world can easily be accessed from any part of the world from the plaintiffs' website "citibank.com". Each of these country specific web sites is provided with an internet identification name that contains the main domain name "citibank.com" followed by the country. As an example, the sites on Canada, Bahrain, Argentina can be accessed at the web sites "citibank.com/canada", citibank.com/bahrain and citibank.com/argentina respectively. The site on India can be accessed at "citibank.com/India" and can presently be accessed at "citibank.co.in".

25. The site "citibank.com/India" not only provides complete details of the "products and services" of the plaintiffs but also provides the customers with the convenience of secure online banking.

26. It is the case of the plaintiffs that in and around January 2013 they came across defendants' website www.citicorpbiz.com which revealed that the same was created on 17th May, 2012. The impugned website revealed that the defendants were not only using the plaintiffs' registered trade mark CITICORP as a part of their domain name, but were also using it as a part of their corporate name CitiCorp Business And Finance Pvt. Ltd. to provide services such as

financial services, broking distributions, mutual fund and insurance, loan syndication, real estate, financial education, research and advisory, finance consulting etc. It was found out that defendant No. 1 was incorporated on 4th September, 1992. Representation of the impugned marks used by the defendants is as under:

27. On an investigation conducted into the activities of the defendants to ascertain the extent of use of CITICORP/CITI by them, it was revealed that the defendants" were indeed using the mark CITICORP in relation to taxation and financial services including services such as processing loans, equity markets, real estate financing, formation of private limited companies, direct & indirect taxation, company law, financial portfolio management, tax consulting, financial structure consulting, audit and other services related to accounting and taxation. It was further revealed that defendant No. 1 also has a sister concern namely Citi Enterprises & Traders Pvt. Ltd., defendant No. 2, herein which also deals in providing financial and taxation services and was incorporated on 31st October, 2005. Defendant No. 1 and 2 have common directors.

28. It is alleged in the plaint that on investigation it was also revealed that the defendants" use of the mark CITICORP is limited to only one branch in Kolkata and allegedly they have been using the mark for the past 15 years. Plaintiffs have stated that they were not aware of defendants" use of the mark CITICORP until they came across their website in January 2013. It is the plaintiffs" belief that the defendants have only recently in and around May, 2012 (with the creation of the impugned website) started actively and visibly using the impugned mark CITICORP and CITI so as to come to the attention of the plaintiffs.

29. It is also averred in the plaint that the defendants have an authorized capital of Rs. 10,00,000 only and their own website www.citicorpbiz.com itself states that their activities were restricted to Kolkata, though they planned to expand their operations domestically as well as internationally. Though the Defendants" activities under the impugned mark, corporate name and domain name CITICORP is presently confined to Kolkata, it is clear from the Defendants own website, that the Defendants are likely to expand their business activities to outside Kolkata which would include Delhi. The impression however sought to be conveyed to the prospective clients, through their website is that they are already a large corporation having all-India operations. The same can be gathered from the following claim on their website:

CitiCorp Business & Finance Pvt. Ltd., founded in 1992, is India's best financial services Company. CitiCorp Distribution Network, providing a wide range of financial services and investment solutions.

30. It is stated that the website is designed in such a manner that the visuals make a representation as if the Defendant organization is internationally acclaimed in the financial sector. When one clicks at the button titled "Financial

Services" and other buttons concerning financial services, the visual that appears is that of New York city at night. The website is otherwise also against a back drop of the world map. Even the phone number of the website is shown with the country code of India, emphasizing thereby that the Defendants are also targeting international customers.

31. Defendants' adoption and unauthorized use of the Plaintiffs' registered marks CITI and CITICORP constitutes the following violation in law:

(a) Infringement of trademarks;

(b) Passing off; and

(c) Acts of unfair competition

32. It is submitted by the plaintiffs that by virtue of the registrations and the provisions of the Act, only the plaintiffs' and its licensees have the exclusive right to use the trade marks CITI and/or CITICORP. The mark CITI and CITICORP is used by the defendants for financial services, broking distributions, mutual fund and insurance, loan syndication, real estate, financial education, research and advisory, finance consulting etc. which are virtually identical to the services in relation to which the plaintiffs' trade mark CITI is used. Such use by the defendants of CITI and CITICORP as a trade mark, as a part of their company name and as a part of their domain name or in any other manner whatsoever constitutes infringement of the plaintiffs' registered trademarks CITI and CITICORP. The plaintiffs' registered trade marks CITI and CITICORP have enormous reputation and goodwill worldwide, including in India. By virtue of its aforesaid reputation and goodwill, the Plaintiffs' trade marks CITI, CITICORP and CITI family of marks qualify as a "well-known" trade marks in India. Hence, the trade marks CITI, CITICORP and CITI family of marks enjoy the highest and widest degree of statutory protection. Any unauthorised use of the trade marks CITI or CITICORP or the use of any other confusingly similar mark by any unauthorised party would inevitably lead to confusion and deception being caused in the minds of the consumers and will also result in erosion of the distinctiveness of the trade marks CITI, CITICORP and CITI family of marks owned by the plaintiffs". Such actions would also amount to misappropriation of the goodwill and reputation that vest in these trademarks, which constitutes a violation of the Plaintiffs' statutory rights and constitutes infringement of its registered trade marks CITI and CITICORP under Section 29 of the Act.

33. It is submitted that by use of the impugned marks CITICORP and CITI, the defendants are mis-representing themselves as having some connection with the plaintiffs, by virtue whereof the defendants are deriving illegal benefit and financial gain out of plaintiff's goodwill. There is no justification for the Defendants to use the plaintiffs' trade mark. The defendants use of the impugned trade mark/corporate name/domain name containing CITICORP and CITI is fraudulent and likely to lead to confusion or deception amongst members of the public and the trade as to an association, nexus or trade connection

between the business of the defendants and that of the plaintiffs. Such use of the plaintiffs' trade mark by the defendants is dishonest and constitutes misrepresentation and acts of passing off of the goods and/or business of the defendants for those of the plaintiffs.

34. Apart from constituting passing off and infringement of trade mark, the adoption of the marks CITICORP and CITI by the defendants is a clear act of unfair competition. Consumers are likely to mistakenly associate the services of the defendants with those of the plaintiffs. Thus, the defendants, without due cause and without the authorization of the plaintiffs, are unfairly trading upon the reputation and goodwill that have vested in the plaintiffs' trade mark CITICORP and CITI and/or CITI family of marks. The use of the offending marks by the defendants is likely to dilute the distinctive character of the plaintiffs' trademarks, which are likely to be debased and eroded. Such debasement and erosion of the plaintiffs' reputation and goodwill strikes at the very root of their existence and is not measurable in terms of money and cannot be adequately compensated monetarily.

35. In the written statement the defendants have mainly taken the defence that the present suit is not maintainable as this Court has no jurisdiction to entertain the present suit. It is contended that the suit is barred by limitation and is filed by the plaintiffs only to harass the defendants. The plaint discloses no cause of action. It is stated that defendants, Private Limited companies incorporated, under the Companies Act, in Kolkata, are into the business of all sorts of financial consultancy since the year 1994.

It is contended that while the business of the plaintiffs is mostly outside India, the defendants' business is situated within Kolkata only. Moreover the address of the plaintiffs in the plaint is that of New York, USA and defendants are based in Kolkata so the present Court has no jurisdiction.

36. It is alleged in the written statement that the defendants' domain name www.citicorpbiz.com is a valid domain name obtained legally by the defendants which is renewed upto 17th May, 2015. However after receipt of the ex-parte order dated, the defendants have not used the said domain name.

It has been contended that defendants have not used any trademark of the plaintiffs as their trademark. They have only used the domain name www.citicorpbiz.com since the very inception i.e. 17th May, 2012, which is not similar to plaintiffs' trade mark CITICORP. The defendants have not infringed the trademark CITICORP of the plaintiffs. Neither do they pass off their services or business as that of the plaintiffs nor have they adopted any unfair competition against the plaintiffs as alleged. The other averments made in the plaint by the plaintiffs are simply denied by the defendants.

37. Defendants have also filed the application under Order 7 Rule 11 CPC stating that the address of the plaintiffs mentioned in the plaint is that of New York, USA, which is under the jurisdiction of an International Court, but the plaintiff

filed the present suit wrongfully against the defendants without mentioning the jurisdiction point, nor is the plaintiffs' address mentioned in the point of cause of action in the plaint. Since the defendants are based in Kolkata only, the suit should have been filed in the courts in Kolkata.

38. In view of above referred pleadings of the parties, the following are the main issues which are to be considered by the Court while deciding the abovementioned applications:

- (i) Infringement of trademarks
- (ii) Whether CITI is a well known mark of the plaintiffs
- (iii) Passing off
- (iv) Whether this Court has got territorial jurisdiction
- (v) Delay, if any

JURISDICTION

39. Let me first consider this issue of territorial jurisdiction raised by the defendants. The plaintiffs have invoked the jurisdiction of this court in view of the averment made in Para 42 of the plaint which reads as under:

"The Plaintiffs conduct their business in Delhi through several exclusive branches and ATMs in Delhi. The list of these branches and ATMs has been enumerated in the aforementioned paragraph No. 20. By virtue thereof and by virtue of Section 134(2) of the Trade Marks Act, 1999 this Hon'ble Court has the territorial jurisdiction to try and entertain the present suit. This Hon'ble Court has territorial jurisdiction under Section 20 of the Code of Civil Procedure, 1908 as per the Plaintiffs averments made in paragraph No. 36 as the defendants intend to offer its services under the impugned marks CITICORP and CITI within the jurisdiction of this Hon'ble Court. This Hon'ble Court hence has the territorial jurisdiction to try and entertain the present suit."

40. Even otherwise, plaintiffs carry on business in Delhi as its services are available to consumers in Delhi through its website which is accessed in Delhi. The question is whether the introduction and spread of e-commerce and business over the internet impacts the meaning of the expression "carries on business" at a certain place. In *Dhodha House Vs. S.K. Maingi*, it was observed that to constitute "carrying on business" at a certain place, the essential part of the business must take place there, it would be necessary to examine this aspect in the backdrop of business over the internet. When a transaction takes place over the internet, where is the contract concluded? This is the question which needs to be answered. In other words, at which place does the essential part of the business transaction take place? The example of the Bombay firm having a branch office at Amritsar, where orders were received, subject to confirmation by the head office at Bombay and where money was paid and disbursed, needs to be examined in the context of internet transactions. In that example, it was

noted that the Bombay firm could be said to be carrying on business at Amritsar and was liable to be sued at Amritsar. In the present case, the plaintiff/appellant is incorporated in USA. It has a website. We do not know as to where that website is hosted. The server would, in all likelihood, be in USA. It has not been pleaded that the website of the appellant/plaintiff is hosted on a server in Delhi. Therefore, it can be safely presumed that the web server is not located in Delhi. However, if a customer in Delhi wishes to purchase an article, which is available on the website of the appellant/plaintiff, the purchaser in Delhi accesses the said website on his or her computer in Delhi. The said purchaser places the order for the said article from his computer in Delhi. The payment is made either through a credit/debit card or through a cash card from Delhi and ultimately the goods are delivered to the customer in Delhi. In the nature of such transactions, the question arises as to which is the place where the essential part of the business occurs?

The website of the plaintiffs refers to various goods and services. It is not an offer but an invitation to an offer, just as a menu in a restaurant. The invitation, if accepted by a customer in Delhi, becomes an offer made by the customer in Delhi for purchasing the services "advertised" on the website of the plaintiffs. When, through the mode of the software and the browser, the transaction is confirmed and payment is made to the appellant/plaintiff through its website, the plaintiffs accept the offer of the customer at Delhi. Since the transaction between the two takes place instantaneously, the acceptance by the plaintiffs is instantaneously communicated to its customer through the internet at Delhi. Therefore, in such a case, part of the cause of action would arise in Delhi.

41. In LG Electronics India Pvt Ltd Vs. Bharat Bhogilal Patel and Others, , it was observed as under:

"29. It is trite law that for the purpose of testing the jurisdiction of the court in the civil suit on the basis of the objection which has been taken on demurer, the court should see the averments made in the plaint and the same must be assumed to be correct.

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34. The position of law seems to be recognizing the actions or the suits which are premised on the threat or apprehension of likely damage to be extended to the jurisdiction of this court. This is more often recognized by the court, when the plaint sufficiently avers such likely damage or apprehension in order to seek protection before the said damage actually occurs as a matter of curative measure.

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41. The threat perception or apprehension is thus a wider term and the said term may include certain sets of events which may determine the cause of action one way or the other. At the preliminary stage, one cannot make out of on the

reading of averments set out in the plaint that as a matter of law, this court does not have territorial jurisdiction to entertain and try the present proceedings. The said threat whether valid or invalid shall be determined by establishment of certain sets of facts in the trial and cannot be conclusively determined on the basis of the mere application of the law.

42. The said threat perception per se also cannot also be said to be acting as an escape route to invoke the jurisdiction of the courts by just averring so in the plaint. The judgments rendered in the *Jawahar* (supra) and *Pfizer* (supra) as well as the observations made herein have to be read in the context. The threats are accepted by the courts for the purposes of invocation of jurisdiction as a mixed question of fact and law when there are some facts indicating towards likelihood of the perfection of the said threats or furtherance of the threats becoming reality. The said nexus of the initial facts will allow the court to determine the likelihood aspect in such threat and will lead to the court drawing the inference treating it as a mixed question of fact and law.

43. Thus, the real test would be when the court seized of such a matter is under doubt as to whether there is a possibility of threat becoming reality though the possibility of the same not becoming the reality is also not ruled out. In such cases, the question of jurisdiction on the basis of apprehension becomes a mixed question of fact and law and the same is thus deferred until the establishment of further facts in the trial."

42. In *Satyam Infoway Ltd. Vs. Sifynet Solutions Pvt. Ltd.*, , it was observed as under:

".....the question which is apposite is whether a domain name can be said to be a word or name which is capable of distinguishing the subject of trade or service made available to potential users of the internet?

12. The original role of a domain name was no doubt to provide an address for computers on the internet. But the internet has developed from a mere means of communication to a mode of carrying on commercial activity. With the increase of commercial activity on the internet, a domain name is also used as a business identifier. Therefore, the domain name not only serves as an address for internet communication but also identifies the specific internet site. In the commercial field, each domain name owner provides information/services which are associated with such domain name. Thus a domain name may pertain to provision of services within the meaning of Section 2(z). A domain name is easy to remember and use, and is chosen as an instrument of commercial enterprise not only because it facilitates the ability of consumers to navigate the Internet to find websites they are looking for, but also at the same time, serves to identify and distinguish the business itself, or its goods or services, and to specify its corresponding online Internet location. Consequently a domain name as an address must, of necessity, be peculiar and unique and where a domain name is used in connection with a business, the value of maintaining an exclusive identity

becomes critical. "As more and more commercial enterprises trade or advertise their presence on the web, domain names have become more and more valuable and the potential for dispute is high. Whereas a large number of trademarks containing the same name can comfortably coexist because they are associated with different products, belong to business in different jurisdictions etc, the distinctive nature of the domain name providing global exclusivity is much sought after. The fact that many consumers searching for a particular site are likely, in the first place, to try and guess its domain name has further enhanced this value". The answer to the question posed in the preceding paragraph is therefore an affirmative."

43. In view of the above-said reasons, and averments made in the plaint and settled law, this Court prima facie has got the territorial jurisdiction to entertain the suit. The application being I.A. 19385/2014 filed by the defendant under Order 7 Rule 11 CPC is thus dismissed.

INFRINGEMENT

44. Before I proceed to decide this issue, it is imperative to discuss Section 29 of the Act that envisages the law relating to infringement of a registered trademark and Section 28 of the Act that provides for exclusive rights granted by virtue of registration. The said provisions read as under:-

"29. Infringement of Registered Trademark

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he-

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trademark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising-

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly."

"28. Rights conferred by registration-

(1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those person as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor."

45. Section 29(2) of the Act is a new provision introduced in the Act whereby the scope of infringement enlarged than under the earlier enactment. The words used in Section 29(2)(b) are "similarity" of trademarks as opposed to use of the word "deceptively similarity" used in Section 29(1). The threshold for considering similarity of trademarks under this section is therefore apparently different from the consideration related to "deceptive similarity" of trade mark.

In order to come under this provision, it is sufficient that the similarity of the marks is such as is likely to cause confusion not deception or to cause any association with the registered trade mark.

46. In order to understand what is a mark, one has to read the definition of the "mark" and the "trademark" under Sections 2(1)(m) and 2(zb) of the Act together. In Section 2(1)(m), the meaning of the "mark" includes the name and word and/or any combination thereof. Similarly, as per Section 2(zb), "trademark" means, if the same is used in relation to goods or services for the purposes of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark.

47. In order to establish infringement, the main ingredients of Section 29 of the Act are that the plaintiff's mark must be registered under the Act; the defendant's mark is identical with or deceptively similar to the registered trade mark; and the defendant's use of the mark is in the course of trade in respect of the goods covered by the registered trade mark. The rival marks are to be compared as a whole. Where two rival marks are identical, it is not necessary for

the plaintiff to prove further that the use of defendant's trademark is likely to deceive and cause confusion as the registration shows the title of the registered proprietor and the things speak for themselves. In an infringement action, once a mark is used as indicating commercial origin by the defendant, no amount of added matter intended to show the true origin of the goods can effect the question. If Court finds that the defendant's mark is closely, visually and phonetically similar, even then no further proof is necessary.

48. In the case of Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories, it was held that:

"The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods"

"if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the make would be immaterial"

Similarity in Trade Name/Corporate Name

49. The Division Bench of this Court in the case of Montari Overseas Limited Vs. Montari Industries Limited, , in relevant paras observed as under:-

"(9) We have considered the submission of learned counsel but we have not been persuaded to accept the same. Section 20 of the Companies Act, 1956 provides that no company will be registered by a name which is similar or identical or too nearly resembles the name by which a company in existence has been previously registered. In case where a company has been incorporated with a name which is identical or too nearly resembles the name of a company which has been previously incorporated, Section 22 makes a provision for getting the names of the former altered. No doubt, Section 22 makes provision for rectification of the name of a company which has been registered with undesirable name but that does not mean that the common law remedy available to and aggrieved party stands superseded. The plaintiff will have two independent rights of action against the defendant who may be using the corporate name of a previously incorporated company, one under Section 22 of the Companies Act and the other for injunction restraining the defendant from using the corporate name of the plaintiff or from using a name bearing close resemblance which may cause or which is likely to cause confusion in the minds of the customers or general public in view of the similarity of names. Both the remedies, one under Section 22 and the other under the common law operate in different fields. Under section 22 of the companies Act, the Central Government has no jurisdiction to grant any injunction against the use of an undesirable name by a company whereas in a suit for permanent injunction the court can pass an order injuncting the defendant from using the name which is being passed off by the defendant as that of the

plaintiff. In K.G. Khosla Compressors Ltd. Vs. Khosla Extraktng Ltd. and Others, , the plaintiff filed a suit against the defendant or permanent injunction restraining the latter from using, trading or carrying on business under the name and style of Khosla Extraktions Ltd. on the ground that the plaintiff was incorporated as K.G. Khosla Compressors Ltd. prior to the incorporation of the defendant and it cannot be allowed to imitate or copy the trade name of the appellant. Along with the suit, the plaintiff had filed an application under Order 39, Rules 1 and 2 for temporary injunction restraining the defendant from using trading and carrying on business and from entering capital market and making public issue under the name M/s. Khosla Extraktion Ltd. In that application, the defendant had taken the same plea which has been taken in the present case about the competence of the court to grant relief in view of Sections 20 and 22 of the Companies Act, 1956. The learned single Judge after review of the case law held that the Court would, have jurisdiction to grant injunction and Sections 20 and 22 of the Companies Act, 1956 in no way limit the jurisdiction of the Civil Court. In this regard the Court observed as follows:-

"But, then in the present suit the plaintiff has also based its cause of action on passing off of the name of defendant No. 1 as that of the plaintiff. I would rather say that jurisdiction of the Central Government under Ss. 20 and 22 of the Act and the jurisdiction of the Civil Court operate in two different fields. Further the Central Govt. has to act within the guidelines laid down under S. 20 of the Act, while there are no such limitations on the exercise of jurisdiction by the Civil Court."

50. Besides infringement of trademark and passing off in the present matter, there is also another fact of the matter as to whether the trademark CITI and/or CITICORP of the plaintiff is well-known trademark as alleged in the plaint. In this regard, it is necessary to examine the definition of well known trade mark under Section 2(1)(zg) of the Act which reads as under:-

"Well-known trade mark, in relation to any goods or services, means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services."

This Court in the recent case has discussed the aspect of determination of the well-known trade mark in the case of Bloomberg Finance LP vs. Prafull Saklecha & Ors., judgment delivered by Bloomberg Finance LP Vs. Prafull Saklecha and Others, wherein was observed in Para 32-44, and 51 that:

32. Section 29 of the TM Act contemplates the owner/proprietor of the registered trade mark alleging infringement of the said mark by another person who is neither a registered proprietor in relation to the goods and services for which the mark is registered, nor has permission to use such mark in the course of his

trade. Under Section 29(1) infringement results if the mark is "identical with or deceptively similar to" the registered trade mark and is in relation to the goods and services for which the trademark has been registered. The use of infringing or impugned mark must render it "likely to be taken as being used as a trade mark".

33. Under Section 29(2)(a) infringement occurs where the impugned mark is identical with the registered trademark and the goods or service for which the impugned mark is being used is similar to the goods and services covered by the registered mark. Under Section 29(2)(b) infringement occurs where the impugned mark is similar to the registered mark and the goods and the services for which is used is identical with or similar to the goods and services for which the registered mark is used. Under Section 29(2)(c) infringement occurs where the impugned trade mark is identical to the registered trade mark and the goods or services for which the impugned mark is used is also identical to the goods/services covered by the registered trade mark.

34. An additional requirement in the above three situations for infringement to result is that the use of the impugned trademark "is likely to cause confusion on the part of the public" or "is likely to have an association with the registered trade mark". Under Section 29(3) when the impugned trademark is identical to the registered trademark and the goods/services for which it is used are also identical to the goods or services for which the registration has been granted then "the Court shall presume that it is likely to cause confusion on the part of the public".

35. Therefore, under Section 29(1), (2) and (3) for infringement to result (i) the impugned mark has to be either similar to or identical with the registered mark and (ii) the goods or services for which the impugned mark is sued has to also either be identical with or similar to the goods or services for which registration has been granted. The scenario is different as regards Section 29(4) of the TM Act 1999. For infringement to result under Section 29(4), the following conditions are required to be fulfilled:

(i) the person using the impugned mark is neither a registered proprietor in relation to the goods and services for which the mark is registered nor is using it by way of permitted use

(ii) the impugned mark must be used in the course of trade

(iii) the impugned mark has to be either similar to or identical with the registered mark

(iv) the impugned mark is used for goods or services different from those for which registration has been granted;

(v) the registered trade mark has a reputation in India;

(vi) the use of the impugned mark is without due cause, and takes unfair

advantage of or is detrimental to,

(a) the distinctive character of the registered trade mark; or

(b) the reputation of the registered trade mark.

36. The expression "mark" has been defined in Section 2(m) of the TM Act to include "a device brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof." (emphasis supplied) Therefore, for the purpose of Section 29(4), the use of a mark as part of a corporate name would also attract infringement. In other words, if the registered mark is used by a person, who is not the registered proprietor of such mark or a permitted user, as part of the corporate name under which he trades then also infringement would also result. What is however important is that the registered trade mark must be shown to have a reputation in India and should be shown to have been used by the infringer "without due cause". Further, it should be shown that such adoption or use has resulted in the infringer taking unfair advantage of the registered mark or is detrimental to the distinctive character or repute of the registered trade mark.

37. Section 29(4) is also distinct from Section 29(1) to (3) of the TM Act in another important aspect. The element of having to demonstrate the likelihood of confusion is absent. Perhaps to balance out this element, the legislature has mandated the necessity of showing that (a) the mark has a reputation in India (b) that the mark has a distinctive character (c) the use by the infringer is without due cause. In other words, the legislative intent is to afford a stronger protection to a mark that has a reputation without the registered proprietor of such mark having to demonstrate the likelihood of confusion arising from the use of an identical or similar mark in relation to dissimilar goods and services. The words "detriment" in the context of the "distinctive character" of the mark brings in the concept of "dilution" and "blurring". In the context of "repute" they are also relatable to the concept of "tarnishment" and "degradation". The words "takes unfair advantage" refers to "free-riding" on the goodwill attached to mark which enjoys a reputation. The disjunctive "or" between the words "distinctive character" and "repute" is designedly inserted to cater to a situation where a mark may not have a distinctive character and yet may have a reputation.

38. Section 2(zg) of the TM Act defines a "well known trade mark" in relation to any goods or services to mean "a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or service would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services." Under Section 11(9)(i) and (v), for the purposes of registration of a well-known mark it is not necessary for such mark to have

been used in India or be well-known to the public at large in India. It must be well known to a substantial segment of the relevant public.

39. It may not be necessary for the proprietor of a registered mark to show that it is a "well-known trademark" as defined in Section 2(zg) although if in fact it is, it makes it easier to satisfy the "reputation" requirement of Section 29(4) of the TM Act. The presumption of distinctiveness attached to a registered mark is a rebuttable one. At the interim stage, either of these elements should be shown *prima facie* to exist. Whether in fact these elements are satisfied would depend on the evidence led by the parties at trial.

40. It may be noticed at this stage that even prior to the TM Act 1999 the Supreme Court in *Montari Overseas Limited Vs. Montari Industries Limited*, recognised the concept of cross-border reputation when it upheld the decision of the Division Bench of this Court which granted a temporary injunction in favour of a Plaintiff based abroad. The Division Bench of this Court followed the decision in *Apple Computer Inc. vs. Apple Leasing & Industries* 1992 (1) ALR 93, and held that it was not necessary to insist that a particular plaintiff must carry on business in a jurisdiction before improper use of its name or mark can be restrained by the court. The main consideration was "the likelihood of confusion and consequential injury to the plaintiff and the need to protect the public from deception. Where such confusion is *prima facie* shown to exist, protection should be given by courts to the name or mark".

41. Turning to Section 29(5) of the TM Act 1999, it is seen that it relates to a situation where (i) the infringer uses the registered trademark "as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern" and (ii) the business concern or trade is in the same goods or services in respect of which the trade mark is registered. If the owner/proprietor of the registered trade mark is able to show that both the above elements exist then an injunction restraining order the infringer should straightway follow. This is in the nature of a *per se* or a "no-fault" provision which offers a higher degree of protection where both the above elements are shown to exist. For the purpose of Section 29(5) of the TM Act 1999, there is no requirement to show that the mark has a distinctive character or that any confusion is likely to result from the use by the infringer of the registered mark as part of its trade name or name of the business concern.

42. However, in a situation where the first element is present and not the second then obviously the requirement of Section 29(5) is not fulfilled. The question is whether in such a situation the owner or proprietor of the registered trade mark is precluded from seeking a remedy under Section 29(4) of TM Act, 1999 if the conditions attached to Section 29(4) are fulfilled.

43. In the considered view of this Court, given the object and purpose of Section 29(1) to (4), Section 29(5) cannot be intended to be exhaustive of all situations of uses of the registered mark as part of the corporate name. Section 29(5)

cannot be said to render Section 29(4) of the TM Act, 1999 otiose. In other words, the legislature may not be said to have intended not to provide a remedy where the registered trade mark is used as part of the corporate name but the business of the infringer is in goods or services other than those for which the mark is registered.

44. The Statement of Objects and Reasons of the TM Act 1999 explain that sub-section (5) of Section 29 "seeks to prevent a person from adopting someone else's trade mark as part of that person's trade name or business name by explicitly providing that such action shall also constitute an infringement under this Act. This provision will bring this clause in harmony with the proposed amendments to Sections 20 and 22 of the Companies Act, 1956." Sections 20 and 22 of the CA have been amended to provide that where the name of a company resembles a registered trade mark, then the registration of the company in that name can be refused. The ROC is expected to gather information from the TM Registry. Under Section 22(5) of the CA, the owner of the registered trade mark can apply to have the name of a company that is purportedly infringing the mark cancelled. All of this only strengthens the conclusion that where Section 29(5) offers a high degree of protection where both the elements envisaged in that provision exist, it is not meant to preclude the owner of a registered mark remediless when only the first and not the second element exists.

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51. The legal position emerging as a result of the above discussion may be summarised as under:

(a) Section 29(5) of the TM Act 1999 relates to a situation where (i) the infringer uses the registered trademark "as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern" and (ii) the business concern or trade is in the same goods or services in respect of which the trade mark is registered.

(b) This is in the nature of a per se or a "no-fault" provision which offers a higher degree of protection where both the above elements are shown to exist. If the owner/proprietor of the registered trade mark is able to show that both the above elements exist then an injunction order restraining order the infringer should straightway follow. For the purpose of Section 29(5) of the TM Act 1999 there is no requirement to show that the mark has a distinctive character or that any confusion is likely to result from the use by the infringer of the registered mark as part of its trade name or name of the business concern.

(c) However, in a situation where the first element is present and not the second then obviously the requirement of Section 29(5) is not fulfilled. Where the registered trade mark is used as part of the corporate name but the business of the infringer is in goods or services other than those for which the mark is registered, the owner or proprietor of the registered trade mark is not precluded

from seeking a remedy under Section 29(4) of TM Act 1999 if the conditions attached to Section 29(4) are fulfilled.

(d) Given the object and purpose of Section 29(1) to (4), Section 29(5) cannot be intended to be exhaustive of all situations of uses of the registered mark as part of the corporate name. Section 29(5) cannot be said to render Section 29(4) otiose. The purpose of Section 29(5) was to offer a better protection and not to shut the door of Section 29(4) to a registered proprietor who is able to show that the registered mark enjoying a reputation in India has been used by the infringer as part of his corporate name but his business is in goods and services other than that for which the mark has been registered.

(e) A passing off action is maintainable in the case of a well known mark even if the goods and services being dealt with by the parties are not similar."

51. It appears from the abovementioned decision rendered by this Court read with Section 29(4) of the Act that a registered trademark is infringed by a person who, not being a registered proprietor or a person using the identical with or similar trademark in relation to goods or services which are not similar to those for which the trademark is registered and if the same has a reputation in India and is of distinctive character or repute of the said registered trademark. In other means, if the registered trademark is a well-known trademark which covers the definition of Section 2(1)(zg) of "well-known trademark", the same can be protected even in relation to dissimilar goods used by the defendant. Although, in the present case, it appears to the Court that the plaintiff is also providing financial services. In the present case, the plaintiff's trademark/mark CITI is coined and well known trademark in view of the material placed on record.

Protection of "CITI" in earlier matters

52. In Suit No. 132 of 2004 (I.A. No. 961 of 2004) filed by the plaintiffs herein against Data Base Computers (P) Ltd. & Ors. this Court vide order dated 5th April, 2004 while granting ex parte ad interim injunction held:

"Heard. Perused the averments made in the plaint and the documents on record. Plaintiffs are the proprietors of the trademark ""CITI"" and family of CITI marks which are well known all over the world. Adoption of the plaintiffs' mark by the defendant appears to be dishonest. The plaintiffs make out a prima facie case for grant of ad-interim injunction. Balance of convenience for grant of interim relief also weighs in favour of the plaintiffs. If the interim injunction is not granted, the plaintiff would suffer grave and irreparable harm and prejudice and their interest would be adversely affected.

Accordingly, defendant is restrained from using the trademark/tradename CITICOMP or any other tradename or trademark which is deceptively similar to that of the plaintiffs' trademark CITI and its family of CITI marks, till the next date of hearing."

Similarly in a suit filed by the plaintiffs being CS (OS) No. 462 of 2005 against M/

s. Todi Investors & Ors., this Court restrained the defendants therein from using the domain name www.citi.in. And also, this Court restrained a third party infringer from using the mark CITIPOINT in CS (OS) No. 380 of 2004 by passing an ex parte decree in favour of the Plaintiffs.

53. For the aforesaid reasons and well settled law, no doubt the plaintiffs have made out a strong case for infringement of trademarks.

PASSING OFF

54. The test of confusion and deception in order to prove the case of passing off has been very well discussed in the case of Laxmikant V. Patel Vs. Chetanbhat Shah and Another, , wherein the Supreme Court while considering a plea of passing off and grant of ad interim injunction held in no uncertain terms that a person may sell his goods or deliver his services under a trading name or style which, with the passage of time, may acquire a reputation or goodwill and may become a property to be protected by the Courts. It was held that a competitor initiating sale of goods or services in the same name or by imitating that name causes injury to the business of one who has the property in that name. It was held that honesty and fair play are and ought to be the basic policy in the world of business and when a person adopts or intends to adopt a name which already belongs to someone else, it results in confusion, has the propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.

55. It was held in Laxmikant V. Patel (supra) that the principles which apply to trade mark are applicable to trade name also. Para 10 of the aforesaid judgment reads as under:-

"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 his 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."

In this case, the Supreme Court further observed that:

"Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently."

56. In the case of Reddaway v. Banham (1896) 13 RPC 218 which was referred in the case of Globe Super Parts Vs. Blue Super Flame Industries, , the judgment given by the Single Judge of this Court speaking through Shri Mahinder Narain, J who discussed the case of Reddaway (Supra) at great length by referring the facts of the matter. The said narration of facts are as under:

".....The words of common language which were held to be exclusively appropriated by Reddaway, in that case were "Camel Hair". What was asserted in the Reddaway's case was that beltings were manufactured and sold by various persons; that the beltings used to be sold under the name of various animals like Yak, Llama, Buffalo, Crocodile etc. What Plaintiff Reddaway asserted was that Banham was their one time employee and that he had started selling the beltings under the name "Camel Hair"; Reddaway also asserted that they were entitled to stop others, like Defendants Banham, from using the word "Camel Hair with respect to the beltings manufactured by them.

48. This case was decided by the House of Lords on or about 26th March, 1896. The case was started on 3rd May, 1893 when Frank Reddaway and F. Reddaway & Co. Ltd., commenced the suit in the Manchester District Registry of the Queen's Bench Division against George Banham and George Banham & Co. Ltd., for an injunction to restrain the Defendants from infringing certain trade marks and from continuing to use the word "Camel in such a manner as to pass off their goods as and for the plaintiff's goods. It was asserted that the plaintiffs had, during the course of trade, sold very large quantities of beltings as "camel beltings" and that the word "Camel" appeared upon, or was attached to their beltings as "camel beltings". In England and abroad the word "camel", or the figure of a camel, was universally understood in all the places where their beltings was sold, to indicate goods to be of plaintiffs manufacture. It was also asserted that beltings was sold as "camel" and "camel hair beltings also. The action was commenced because the Defendants' company and the Defendant Banham had recently sold in England and advertised for sale in conjunction with the word "Camel" large quantities of beltings, which belting was not made by the plaintiffs and thus, the persons who desire for purchasing beltings of the Plaintiff would be deceived by the Defendants' use of the word "Camel", into the belief that they were purchasing the beltings of the plaintiffs' manufacture.

49. The plaintiffs got the injunction from Collins, J. but the Defendants' appeal was allowed by the Court of Appeal holding that "Camel Hair" Belting" was merely a truthful description of the nature of the goods and nobody can be prevented from using that name, although it may lead to goods being purchased under that name, as a goods of a particular maker. The Court of Appeal held that "Camel Hair Belting was a true description of the goods, and that it was the name by which a person wanting to buy goods would ask for them. Again a judgment was given for the Defendants. The plaintiffs then appealed to the House of Lords.

50. The House of Lords examined the case, and held that even "descriptive words" like "Camel Hair Belting" were capable of exclusively appropriation, that the words "Camel Hair Belting" have acquired a secondary signification with respect to the beltings in the sense that the words "Camel Hair" with respect to the trade in beltings had lost their primary meaning, to indicate belting made of camel hair, but has acquired a secondary significance or meaning in the trade,

and came to connote the products of the plaintiffs. The House of Lords found that there was ample evidence to justify the finding that amongst those who were the purchasers of such goods, the words "Camel Hair" were not applied to beltings made of that material in general; that in short, it did not mean in the market belting made of a particular material, but belting made by a particular manufacturer. The House of Lords thus came to the conclusion that common words of a language can be exclusively appropriated to a particular manufacturer as they had acquired a special meaning as denoting the goods of a particular manufacturer/trader.

51. Lord Herschell also dealt with "coined" words, that did not have any meaning in the language; and at page 228 line 19, said that "words never in use before, and meaningless except as indicating by whom the goods in connection with which it is used were made, there could be no conceivable legitimate use of it by another person". Thus the "coined" "created", "Fancy", or "new" words which were not in use in any language before, and which did not have any meaning in the ordinary language, as evidenced by their absence in authoritative and standard language dictionaries, were the exclusive property of the person who first "coined", or created them and adopted them for use, and used it in connection with any article the only reason why a hitherto meaningless word would be used by another in connection with his activities would be to deceive the public, that the letters article, thing or goods or the articles, thing or goods of the former. He also observed that "he was unable to see why a man should be allowed in this way, more than in any other, to deceive purchasers into the belief that they are getting what they are not, and thus to filch the business of a rival".

57. The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him, for orders are not placed, or are often not placed, under such conditions. It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole.

58. The fundamental difference that passing off is an action which essentially protects goodwill and not the unregistered trademark has been explained in the case of *Star Industrial Co. Ltd. v. Yap Kwee Kor* [1976] Fleet Street Patent Law Reports 256 decided by Privy Council comprising Lord Diplock in his speech wherein it has been observed that passing off is an action which is to preserve the goodwill of a person and not aimed at to protect an unregistered trademark. In the words of Lord Diplock, it has been observed as under:-

"Whatever doubts there may have previously been as to the legal nature of the rights which were entitled to protection by an action for "passing off" in courts of law or equity, these were laid to rest more than 60 years ago by the speech of Lord Parker of the Waddington in *A.G. Spalding & Bros. v. A.W. Gamage Ltd.*

(1915) 32 R.P.C. 273 ("the Gamage Case") with which the other members of the House of Lords agreed. A passing off action is a remedy for the invasion of a right of property not in the mark, name or get up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person's goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and divisible; if the business is carried on in several countries a separate goodwill attaches to it in each. So when the business is carried abandoned in one country in which it is acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries. Once the Hong Kong Company had abandoned that part of its former business that consisted in manufacturing toothbrushes for export to and sale in Singapore it ceased to have any proprietary rights in Singapore which was entitled to protection in any action for passing-off brought in the courts of that country."

59. The Supreme Court in the case of N.R. Dongre and Others Vs. Whirlpool Corpn. and Another, reiterated the exposition of law laid down by the Division Bench of this Court in N.R. Dongre and Others Vs. Whirlpool Corporation and Another, . This exposition of 1996 in the case of Whirlpool (supra) has been further revisited by the courts in India more importantly in the case of Allergan Inc Vs. Milment Oftho Industries and Others, wherein Ruma Pal, J. has carefully analyzed the interplay between the goodwill and reputation in a case of passing off action and has laid down that the courts in India have followed the third approach which is a middle path wherein strict insistence of localized business is not necessary. However, reputation which is sought to be protected has to be substantial one having global character. The observation made by Hon"ble Judge is as under:-

"13. Reputation is the connection that the public makes between a particular product or service and a particular source which may or may not be known. Some Courts have held that reputation which is built up on the basis of trade within the country is entitled to protection from passing off. Others Court have made some concession to the communication explosion and held that if the plaintiff has a reputation in another country, his right to the mark will be protected if it is coupled with some actual or proposed business activity within the country (See Alain Beniardin et Cie v. Pavilion Properties, (1967) RFC 581; Amway Corporation. v. Eurway Int. Ltd. (1974) RFC 82. "Still other Courts have held that with the increase in international commerce, mass media communications and the frequency of the foreign travel, political and geographic boundaries do not stem the exchange of ideas and instant information. Local business is not an essential ingredient of a passing off action. However, the reputation must be well established or a known one See: Panhard et Levassor v. Panhard Motor Co. Ltd., (1901) 18 RPC 405; Sheraton Corpn. v. Sheraton Motels, (1964) RPC 202; Orkin Exterminating Co. Tnd. v. Pest Co. of Canada (1985) 5 Canadian Patent Reporter 433; Vitamins L.D."s Application for Trademark, 1956

(1) RPC 1. The decisions which reflect the first and second view have so held for reasons which are partly historic, partly geographic and partly because reputation was equated with goodwill. Goodwill has been defined as the benefit derived from reputation. It is not the reputation required to found a passing off action. The law of passing off is not trammelled by definitions of goodwill developed in the field of revenue law [per Hockhart J., *Conagra Inc. v. McCain Foods (Aust) P. Ltd.*, 1993 (23) IPR 193 231]. It is an asset of a business assessable in terms of money and transferable (See *IRC v. Muller*, (1901) AC 217, *Trego v. Hunt* (1896) AC 7; *ITC v. B.C. Srinivas Shetty*. In my opinion reputation framing the basis of a passing off action need not be so localised. Whatever the compulsion for the Courts taking the first or second view in other countries, as far as this country is concerned, Courts in India prescribe to the third view and have held that a plaintiff with a reputation which is established internationally can sue to protect it in this country even if it does not have any business activity here. In other words reputation of a product may precede its introduction and may exist without trade in such product in the country. See *N.R. Dongre v. Whirlpool Corporation*, (DB); *J.N. Nichols (Vimto) Ltd. v. Rose & Thistle*, 1994 PTC 83 (DB); *Calvin Klein Inc. Vs. International Apparel Syndicate* ; *Conagra Inc. v. McCain Foods* (Supra) at p. 133."

60. In *B.K. Engineering Company Vs. U.B.H.I. Enterprises*, AIR 1985 DEL 2010, this Court held, while deciding the question of passing-off between Plaintiffs Trade Mark B.K. against Defendants Trade Mark B.K. 81 for similar products namely cycle bells that competition must remain free. This is the life blood of free enterprise system yet, it is essential that trading must not only be honest but must not even unintentionally be unfair. Therefore, the court has gone to the extent that even an unintentional act of trespassing on somebody's Intellectual Property asset cannot allowed.

The Court further held in *B.K. Engineering's* case (supra) that the test of misappropriation of Intellectual Property/goodwill/reputation is the impression likely to be produced on the casual and unwary customer. In the said judgment in para 16, the Court held that the central question in each case is whether the name or description given by the defendant to his goods is such so as to create a likelihood that a substantial section of the purchasing public will be misled into believing that his goods are the goods of the Plaintiff's.

The Court further held that it must be remembered that we are concerned with the case where both firms are engaged in a common field of activity. The question arises whether the Defendants are misleading the public into buying their goods in the belief that they emanated from the plaintiffs. The Court further said that most defendants in these cases start their business fully aware of the fame of the plaintiffs' name and mark. They want to cash in on the popularity of the plaintiffs' product. Whether the goods are inferior or superior, every infringement is, in the way tribute to the excellence of the plaintiffs wares. It is a major of the popularity of plaintiffs' goods. The Court, also emphasized in para

54 that the fundamental question is whether there is a likelihood of deception of the public by the use of a particular name. If there is likelihood, the defendant will be restrained.

61. In view of the aforesaid reasons, it is evident that the plaintiffs have prima facie established a classic case of passing off thereby entitling them for injunction.

DOMAIN NAMES

62. So far as the issue of protection of domain names is concerned, the law relating to the passing off is well settled. The principle underlying the action is that no one is entitled to carry on his business in such a way as to lead to the belief that he is carrying on the business of another man or to lead to believe that he is carrying on or has any connection with the business carried by another man. It is undisputed fact that a domain name serves the same function as the trade mark and is not a mere address or like finding number on the Internet and, therefore, is entitled to equal protection as a trade mark. A domain name is more than a mere Internet Address for it also identifies the Internet site to those who reach it, much like a person's name identifies a particular person, or as more relevant to trade mark disputes, a company's name identifies a specific company.

Domain names are entitled to the protection as a trade mark and the trade mark law applies to the activities on internet. The following are the decisions in which the domain name is protected by the Courts:

a) In *Acqua Minerals Limited Vs. Mr. Pramod Borse and Another*, , while considering an injunction sought to restrain the defendants from using the mark *BISLERI* or *BISLERI.COM* the Court observed that so far as the Registering Authority of the domain name is concerned it agrees for registration of domain only to one person. That is on first come first serve basis. If any person gets the domain name registered with the Registering Authority which appears to be the trade name of some other person, the Registering Authority has no mechanism to inquire whether the domain name sought to be registered is in prior existence and belongs to another person. The Court referring to Rule 4 of the Domain Name Registration Policy observed thus:

"Unless and until a person has a credible explanation as to why did he choose a particular name for registration as a domain name or for that purpose as a trade name which was already in long and prior existence and has established its goodwill and reputation there is no other inference to be drawn than that the said person wanted to trade in the name of the trade name he has picked up for registration or as a domain name because of its being an established name with widespread reputation and goodwill achieved at huge cost and expenses involved in the advertisement.

b) In *Rediff Communication Limited Vs. Cyberbooth and another*, , the Bombay High Court, while granting an injunction restraining the defendants from using

the mark/domain name "RADIFF" or any other similar name, it was held that when two similar domain names are considered there is every possibility of internet user being confused and deceived in believing that both domain names belong to one common source and connection although the two belong to two different persons. Once the intention to deceive is established, the court should not make further enquiry about the likelihood of confusion. If it is found that a man's object in doing that which he did was to deceive, that he had an intention to deceive the Court, will very much infer that his object has been achieved, if the facts tend to show that, that is the case and to say that his intention to deceive ripening into receipt gives ground for an injunction.

c) In *Living Media India Limited Vs. Jitender V. Jain and Another*, the plaintiff was a producer of a news program under the name and style AAJ TAK while the defendant's adopted the name KHABAREIN AAJ TAK in respect of newspapers. The mark of the defendants was an exact reproduction of the plaintiff's mark. The Court observed that while the words "Aaj" and "Tak" may be individually descriptive and may not be monopolized by any person, but their combination does provide protection as a trade name if it has been in long, prior and continuous user and it gets identified with such persons.

d) In *Satyam Infoway Ltd. Vs. Sifynet Solutions Pvt. Ltd.*, , where the domain names [www.sifynet](http://www.sifynet.com), www.sifymall.com, www.sifyrealestate.com of the appellant; and www.siffynet.net and www.siffynet.com of the respondent were in question, it was observed by the Supreme Court as under:

"16. The use of the same or similar domain name may lead to a diversion of users which could result from such users mistakenly accessing one domain name instead of another. This may occur in e-commerce with its rapid progress and instant (and theoretically limitless) accessibility to users and potential customers and particularly so in areas of specific overlap. Ordinary consumers/users seeking to locate the functions available under one domain name may be confused if they accidentally arrived at a different but similar web site which offers no such services. Such users could well conclude that the first domain name owner had mis-represented its goods or services through its promotional activities and the first domain owner would thereby lose their custom. It is apparent therefore that a domain name may have all the characteristics of a trademark and could found an action for passing off."

"29. Apart from the close visual similarity between "Sify" and "Sify", there is phonetic similarity between the two names. The addition of "net" to "Sify" does not detract from this similarity."

"31. What is also important is that the respondent admittedly adopted the mark after the appellant. The appellant is the prior user and has the right to debar the respondent from eating into the goodwill it may have built up in connection with the name."

e) In *Yahoo!, Inc. Vs. Akash Arora and Another*, , it was observed as under:

"11. In Marks & Spencer Vs. One-in-a-Million; reported in 1998 FSR 265, it was held that any person who deliberately registers a domain name on account of its similarity to the name, brand name or trademark of an unconnected commercial organisation must expect to find himself on the receiving end of an injunction to restrain the threat of passing off, and the injunction will be in terms which will make the name commercially useless to the dealer. It was held in the said decision that the name "marks and spencer" could not have been chosen for any other reason than that it was associated with the well-known retailing group. The decision further goes on to say that where the value of a name consists solely in its resemblance to the name or trade mark of another enterprise, the Court will normally assume that the public is likely to be deceived, for why else would the defendants choose it? It was also said that someone seeking or coming upon a website called <http://marksandspencer.co.uk> would naturally assume that it was that of the plaintiffs. Thus, it is seen that although the word "services" may not find place in the expression used in Sections 27 and 29 of the Trade and Merchandise Marks Act, services rendered have come to be recognised for an action of passing off. Thus law of passing off is an action under the common law which also is given a statutory recognition in the Trade Mark Act. Thus in the context and light of the aforesaid decisions and the development in the concept of law of passing off, it is too late in the day to submit that passing off action cannot be maintained as against services as it could be maintained for goods.

12. The services of the plaintiff under the trademark/domain name "Yahoo!" have been widely publicised and written about globally. In an Internet service, a particular Internet site could be reached by anyone anywhere in the world who proposes to visit the said Internet site. With the advancement and progress in technology, services rendered in the Internet has also come to be recognised and accepted and are being given protection so as to protect such provider of service from passing off the services rendered by others as that of the Plaintiff. As a matter of fact in a matter where services rendered through the domain name in the Internet, a very alert vigil is necessary and a strict view is to be taken for its easy access and reach by anyone from any corner of the globe. There can be no two opinions that the two marks/domain names "Yahoo!" of the plaintiff and "Yahooindia" of the defendant are almost similar except for use of the suffix "India" in the latter. The degree of the similarity of the marks usually is vitally important and significant in an action for passing off for in such a case there is every possibility and likelihood of confusion and deception being caused. When both the domain names are considered, it is crystal clear that the two names being almost identical or similar in nature, there is every possibility of an Internet user being confused and deceived in believing that both the domain names belong to one common source and connection, although the two belong to two different concerns."

DELAY

63. The issue of delay and acquiescence has been considered by Courts in

various matters. In the present case, the defendants have stated on their website that they were founded in the year 1992 and it is averred in the written statement that defendants are into the business of financial consultancy since the year 1994. However, no cogent evidence has been placed on record by the defendants to show that their use of the impugned mark is continuous one. Even otherwise the delay in a suit for infringement is not fatal. Some of the relevant cases in this regard are as under:

(i) In the case of Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others, , it was observed as under:

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

(ii) In the case of Swaran Singh Vs. Usha Industries (India) and Another, , it was observed as under:

"7. There is then the question of delay. Learned counsel for the respondents had urged that the delay is fatal to the grant of an injunction. We are not so satisfied. A delay in the matter of seeking an injunction may be a ground for refusing an injunction in certain circumstances. In the present case, we are dealing with a statutory right based on the provisions of the Trade and Merchandise Marks Act, 1958. An exclusive right is granted by the registration to the holder of a registered trade mark. We do not think statutory rights can be lost by delay. The effect of a registered mark is so clearly defined in the statute as to be not capable of being misunderstood. Even if there is some delay, the exclusive right cannot be lost. The registered mark cannot be reduced to a nullity..... "

(iii) In the case of Hindustan Pencils (P) Ltd. Vs. India Stationery Products Co. and Another, , it was observed as under:

"31.....It was observed by Romer, J. in the matter of an application brought by J.R. Parkinson and Co. Ltd., (1946) 63 RPC 171 at page 181 that "in my judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently". It was further noted by the learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history."

(iv) In the case of Rolex SA v. Alex Jewellery, (supra), it was observed as under:

"24.Even if the defendant, at the time of commencing the use, did not know of the inherent risk in adopting the well-known trade mark, the defendant, at least, immediately on applying for registration and on opposition being filed by

the plaintiff became aware of the perils in such use. Thus, use by the defendant of the mark is for short time only and use during the period of opposition is of no avail.....

25.With respect to laches, acquiescence and waiver, such defence is available only when some positive act of encouragement is shown on the part of the plaintiff. Not only no such positive act shown in the present case but the opposition filed by the plaintiff to the application for registration of the defendant ought to have warned the plaintiff that the plaintiff is not allowing the defendant to use the mark....."

64. Thus, the plaintiffs have made a strong case for continuation of interim injunction. Balance of convenience also lies in favour of the plaintiffs and against defendants. In case the interim order earlier passed is not confirmed, it would cause irreparable loss and injury to the plaintiff. Thus, I.A. 14886/2013 under Order 39 Rule 1 and 2 read with Section 151 CPC is allowed. Interim order dated is confirmed. However, considering the facts and circumstances of the case and since the defendants are using the trade mark "CITICORP" for the last many years, the defendants are granted six months" time to change the name/trade mark "CITICORP" to some other trade mark/mark which may not be either identical with or deceptively similar to the plaintiffs" trade mark "CITICORP/CITI".

65. However, the defendants are granted six months time to change their corporate name from CITICORP to some other name which may not be either identical with or deceptively similar to any of the plaintiffs" trade marks.

66. As regards application filed by the plaintiffs under Order 39 Rule 2A, being I.A. 6545/2014 is concerned, the same is disposed of with the direction that the defendants shall strictly obey the interim order passed on forthwith as last opportunity. In case of further violation, the plaintiff is granted liberty to revive the application. Under those circumstances, stern action shall be taken against the defendants.

67. I.A. No. 14886/2013 and I.A. No. 6545/2014 are disposed of accordingly.

68. These are tentative findings which have no bearing when the matter shall be decided at the final stage after recording the evidence.

I.A. No. 14888/2013

69. This is an application filed by the plaintiffs for enlargement of time for filing the deficit Court fees. The plaintiffs are granted four weeks time to file the deficit Court fees as per the objection raised by the Registry, if the same is already not filed. The application is accordingly disposed of.

CS(OS) No. 1789/2013

70. List this matter before Joint Registrar on 13th February, 2015 for admission/denial.