(2014) 03 DEL CK 0226

In the Delhi High Court

Case No : CS (OS) 1346 of 2011

Groupon, Inc APPELLANT

Vs

Mohan Rao and Another RESPONDENT

Date of Decision : 19-03-2014

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 1, Order 39 Rule 2, Order 39 Rule 4
Companies Act, 1956 — Section 28 46(1)

Citation : (2014) 4 AD 577 : (2014) 209 DLT 93 : (2014) 58 PTC 392

Hon'ble Judges : Vipin Sanghi, J

Bench : Single Bench

Advocate : Sanjay Jain, Mr. Ashish Marbaniang, Mr. Deepak Gogia, Ms. Prabhsahay Kaur, Ms. Noor Anand and Ms. Aastha Jain, for the Appellant; Sudhir Chandra, Mr. J. Saideepak, Ms. Sneha Jain and Ms. Julien George, for the Respondent

Final Decision : Dismissed

Judgement

Vipin Sanghi, J.

I.A. Nos. 8969/2011 (u/o 39 Rules 1 & 2 CPC) & 10581/2011 (under Order 39 Rule 4 CPC

1. These applications have been filed by the plaintiff under Order 39 Rule 1 & 2 of the Civil Procedure Code, 1908 (hereinafter "CPC") against defendant no. 1 &2 praying for an order of ad-interim temporary injunction pending hearing and final disposal of the suit and by the defendants under Order 39, Rule 4, CPC praying for an order vacating the ex parte ad interim injunction granted in favour of the plaintiff vide order dated 27.05.2011. The plaintiff prays for an order restraining the defendants by themselves, their partners, servants, agents, representatives and all those acting in concert with them or claiming under or through them from using the mark GROUPON and/or any deceptive variation thereof upon or in relation to their business, products, services and/or as a part of their trade name, website, web address, internet domain name, email address and from in

any manner passing off or attempting to pass off or causing, enabling or assisting others to pass off their business, products and services as and for the business, products and services of the plaintiff.

2. The plaintiff also seeks to restrain the defendants from indulging in any activity which dilutes the distinctive character of the plaintiff''s mark GROUPON in addition to a temporary injunction directing the defendants to transfer the domain name www.groupon.in in favour of the plaintiff pending hearing and final disposal of the suit.

Plaintiff''s case and submissions:

3. The plaintiff, GROUPON Inc is a company organized under the laws of State of Delaware, headquartered at Chicago, USA. The plaintiff''s predecessor in interest adopted the mark GROUPON in the year 2002. Subsequently since 2008, the plaintiff has offered online audiences daily discounts on products and services under the name and brand GROUPON through the plaintiff''s website www.groupon.com which features daily deals on products and services in more than 40 countries.

4. Defendant no. 1 is the director of defendant No. 2 Company incorporated under the provisions of the Companies Act, 1956, having its registered office at Bengalore, Karnataka. The defendants through their website www.groupon.in are engaged in an identical business of offering discount coupons. The defendants hold a valid trademark registration in India for the mark GROUPON in class 35- which pertains to advertising, sales promotion for others, business promotion for others, advertisement through website, marketing, advertisement and business promotion by using gift vouchers and coupons etc. Against the aforementioned registration in favour of the defendants, the plaintiffs have already instituted cancellation proceedings before the Intellectual Property Appellate Board (IPAB). The defendants also own the domain names www.groupoff.com and www.groupoff.in.

5. Vide order dated 27.05.2011, this Court issued summons in the suit and passed an ex parte order restraining the defendants from using the mark GROUPON and/or any deceptive variation thereof.

6. Mr. Sanjay Jain, learned senior counsel for the plaintiff submits that the mark GROUPON is a coined word adopted by the plaintiff''s predecessor in interest as a combination of the words "group" and "coupon" in 2002. He submits that in 2008, the plaintiff company-which was originally named The Point.com Inc, announced the launch of GROUPON as a website using the power of group purchasing to offer daily deals from the domain name www.getyourgroupon.com registered by the plaintiff on 14.10.2008.

7. The case of the plaintiff is that on 10.03.2009, the plaintiff filed a trademark application for the mark GROUPON in USA which was granted in favour of the plaintiff on 22.09.09. On 07.06.2009, the plaintiff acquired the domain name

www.groupon.com from its predecessor, and began operating the website from the aforesaid domain name. On 16.06.2009, the plaintiff changed its corporate charter to officially reflect the corporate name change to "GROUPON, INC." on which date the defendants had not yet commenced their business under the impugned mark. On 12.10.2009-the date on which the defendant no. 2 was incorporated, the plaintiff already had a subscriber base of 8,91,972 people-being prior user of the mark since 2008.

8. The plaintiff avers that in addition to www.groupon.com, it also owns hundreds of other domain names which incorporate the mark GROUPON and its formatives, including several country specific domain names such as groupon.de, groupon.jp, groupon.sg, groupon.kr amongst others. In India, the plaintiff is the registrant of the domain name www.groupon.co.in, which was created on 22.09.2009.

9. Mr. Jain submits that the plaintiff''s website www.groupon.com receives significant traffic from India, and according to a data report by COMSCORE, in the fourth quarter of 2010 alone, over 30000 visitors with Indian IP addresses visited the plaintiff''s website. It is submitted that owing to the popularity of the plaintiff''s website in India, the plaintiff also filed for registration of the trademark GROUPON in India on 26.03.2010 which is pending. The plaintiff submits that in January 2011, it acquired an Indian website www.sosasta.com which was also in the business of offering online discount coupons. On acquisition of www.sosasta.com, the plaintiff immediately started using the mark GROUPON on the aforesaid website.

10. Mr. Jain submits on the basis of the above facts that the plaintiff has been in the business of offering discount coupons under the mark GROUPON since 2008. The plaintiff claims that in September 2010, the plaintiff became aware that defendant No. 1 is the registrant of the domain name www.groupon.in. The plaintiff immediately got in touch with defendant no. 1 for purchasing the domain name www.groupon.in vide email dated 20.09.2010. Defendant no. 1 responded to the plaintiffs email 4 months later on 20.01.2011, indicating that he was not interested in selling the domain name www.groupon.in, but was open to pursuing business in India with the plaintiff.

11. The plaintiff avers that, subsequently, the plaintiff and defendant no. 1 had a teleconference during which the plaintiff was informed that the defendant no. 1 had a pending trademark application in India for the mark GROUPON. On requesting further clarification from the defendant no. 1 on its trademark rights qua the mark GROUPON, the defendant no. 1 informed the plaintiff of all details relating to its trademark application on 31.01.2011, and also asked the plaintiff to cease using the mark GROUPON on the website of the plaintiffs Indian counterpart www.sosasta.com. Subsequently, the defendant no. 1 offered a proposal for sale of the domain name www.groupon.in for USD 5 million which the plaintiff rejected. The plaintiff submits that in March 2011, the defendant no. 1 informed the plaintiff that the mark GROUPON had been registered in favour of

defendant no. 1.

12. The case of the plaintiff is that initially the defendants launched their services under the domain name www.groupoff.com, which was intended to be a play off of the plaintiffs mark GROUPON. Mr. Jain submits that the defendants sought to begin operations from the website www.groupon.in only in February 2011, after an article in Times Of India dated 16.01.2011 announced the entry of the plaintiff in India. He further submits that the defendants were well aware of the plaintiffs mark, as the defendant no. 1 was willing to enter into a business relationship with the plaintiff in India in January, 2011. He submits that in the Time Warner Entertainment Company, L.P. Vs. A.K. Das, 1997 PTC 17 Del, this Court observed that the trans-border reputation can be inferred, if the defendant seeks a common venture with the plaintiff.

13. Mr. Jain further submits that the defendant no. 1 was present in USA in 2008, around the time when the plaintiff was at an advanced stage of launching its services under the mark GROUPON. He submits that the subsequent adoption of the impugned mark by the defendants is with a mala fide intention to free ride on the plaintiffs reputation and popularity. He submits that the mala fide intent of defendant no. 1 is further fortified by the fact that the defendant no. 1 owns in excess of 100 domain names, some of which incorporate the marks of various American Companies.

14. Mr. Jain submits that the plaintiff is the prior user of the mark GROUPON since 2008. It was only on 12.09.2009 that the defendant no. 1, for the first time, sought to adopt the mark GROUPON by registering the domain names www.groupon.in, www.grouponindia.com, www.groupoff.in and www.groupoff.com-by which date, the plaintiff already had a subscriber base of 6,27,051 people and had been operating under the mark GROUPON for over a year.

15. Mr. Jain submits that defendant No. 1 filed a trademark application for the mark GROUPON for the first time on 29.09.2009 in India, by which time the mark of the plaintiff had already been registered in USA. He submits that it is only on 26.02.2011 that the defendants sold their first coupon through their website www.groupon.in, by which time the plaintiff had already been operating under the mark GROUPON for over two years in USA, and had been named as the fastest growing company by Forbes magazine in an article dated 30.08.2010. Mr. Jain submits that by virtue of prior use of the mark GROUPON, the plaintiff is entitled to the exclusive use of the mark and the plaintiff will suffer irreparable loss if the defendants are not restrained from passing off their services as those of the plaintiff.

16. Mr. Jain submits that by the time the defendants sought to sell their first coupon on 26.02.2011, the plaintiff had already acquired considerable amount of trans-border reputation in India, that had spilled over into India on account of the plaintiff''s coverage in various international magazines and websites-such as

Business Insider, mashable.com, techcrunch.com, Forbes Magazine etc. Mr. Jain relies upon the decision of the Court in Jolen Inc. Vs. Doctor & Company, 2002(25) PTC 29 (Del), wherein this Court observed that advertisements in newspapers travel beyond the country where a party is engaged in business through overseas editions, or otherwise, thereby disseminating information about the mark.

17. He submits that apart from coverage in international magazines, even websites in India such as Startup Dunia covered the plaintiff''s business model as early as on 15.09.2009. He further submits that the plaintiff was covered by Times of India on 01.12.2010 citing speculation that Google was close to buying the plaintiff company for $6 billion. He submits that the aforesaid news was also covered in Hindustan Times on 05.12.2010. Mr. Jain submits that the aforesaid demonstrates the reputation and credibility of the plaintiffs business in India prior to the commencement of the defendants'' business in February, 2011.

18. Mr. Jain submits that the fact that in the fourth quarter of 2010, 30,000 visitors with Indian IP addresses had visited the plaintiffs website www.groupon.com. shows that Indian consumers were aware of the plaintiffs website www.groupon.com even before the defendants sold their first coupon on 26.02.2011 on their website www.groupon.in. He submits that on account of prior use as well as trans-border reputation of the mark, the plaintiff is entitled to seek a restraint against the defendants from adopting the impugned mark. In support of this submission, Mr. Jain relies on the decisions in N.R. Dongre and Others Vs. Whirlpool Corporation and Another, and Allergan Inc v. Milmet Oftho Industries, 1997 2 CAL LT.

Defendants'' case and submissions:

19. Per contra, Mr. Sudhir Chandra, learned senior counsel for the defendants submits that the defendants are the prior users of the mark GROUPON in India, as defendant no. 1 registered the domain names www.groupon.in and www.grouponindia.com on 12.09.2009, which is much prior in time to when the mark GROUPON was adopted by the plaintiff in India in 2011. Learned senior counsel submits that on 12.09.2009, no trademark registration had been granted for the mark GROUPON anywhere in the world.

20. Mr. Chandra submits that on 29.09.2009, the defendant no. 1 applied for registration of the mark GROUPON, which was registered in its favour in March, 2011. Mr. Chandra submits that, therefore, the defendant no. 1 became the statutory proprietor of the mark GROUPON u/s 28 of the Act since 29.09.2009, which is much prior to the adoption of the mark GROUPON by the plaintiffs in India in January, 2011. He submits that the interim injunction dated 27.05.2011 granted by this Court in favour of the plaintiff is restraining the defendants from exercising their statutory rights qua the impugned mark and the balance of convenience is in favour of the defendants, as the defendants possess statutory rights in the trademark GROUPON.

21. Mr. Chandra submits that in addition to the aforesaid, defendant no. 1 incorporated defendant no. 2 Company, i.e. Value Net Ecommerce Pvt. Ltd. on 12.10.2009, and also procured an office premises on lease from 26.10.2009. On 23.12.2009, the defendant no. 2 entered into its first Promotion Agreement with Star Hospitality Services-a Bangalore based Company for distribution of Groupon coupons and promotion of services offered by Star Hospitality in its restaurants.

22. Mr. Chandra submits that the aforesaid dates demonstrate that the defendants were prior users of the mark GROUPON in India since 12.09.2009. He submits that the term "use" in Section 46(1) of the Act is not confined to physical use of the mark, and encompasses within it the non-physical use, such as, intention of registered proprietor to establish a market. In support of this submission, Mr. Chandra places reliance on the decision of the Supreme Court in Hardie Trading Ltd. and Another Vs. Addisons Paint and Chemicals Ltd.,

23. Mr. Chandra submits that as per the plaintiff''s own averment in the plaint it had no use-actual or otherwise, of the mark GROUPON in India in September 2009, when the defendants started using the mark. In this regard, he refers to the averments contained in Para 5.2 of the plaint, in which states that Indian consumers were aware of the plaintiff''s website as 30000 visitors with Indian IP addresses visited the plaintiff''s website www.groupon.com in the fourth quarter of 2010. In addition, it is pleaded that the plaintiff acquired www.sosasta.com in January, 2011 in India which received huge media attention. Mr. Chandra submits that it is only on 26.03.2010 that the plaintiff applied for registration of the mark GROUPON in India and that too on "proposed to be used" basis and, therefore, even as in March, 2010, the plaintiff was not clear about its intention to extend its services to India.

24. Mr. Chandra submits that September, 2009 should be construed as a "cutoff date", and the plaintiff has failed to prove that the plaintiff''s business had strong goodwill and reputation in India prior to September, 2009, which is when the defendants commenced their business under the mark GROUPON. He submits that, therefore, as in September, 2009, the defendants cannot be said to have been passing off their services as those of the plaintiff, as the plaintiff did not enjoy any goodwill or reputation in India.

25. Relying upon the decision of this Court in Sakalain Meghjee Vs. BM House(India) Ltd., 2002(24) PTC 207 Del,, Mr. Chandra submits that in order to establish trans-border reputation, the plaintiff must place on record substantial evidence in the form of advertisements, journals, coverage in magazines, brochures etc. which the plaintiff has failed to do. He submits that merely because 30,000 visitors with Indian IP addresses visited the plaintiffs website in the last quarter of 2010 is not, by itself, sufficient to prove trans-border reputation of the plaintiffs mark in India in 2010. He further submits that the aforesaid data is only for the fourth quarter of 2010-a year after the defendants had adopted the mark.

26. Mr. Chandra submits that article dated 15.09.2009, relied upon by the plaintiff, does not prove trans-border reputation as it is only a write up seeking to educate people on the concept of group coupons. He relies on the decision in M/s. Smithkline Beecham Plc. & Ors. Vs. M/s. Hindustan Lever Limited & Ors., 2000 PTC 83, wherein the Court observed that mere publication of advertisement in a dental journal cannot establish trans border reputation of the plaintiffs toothbrush under the trademark ''ACQUA FLEX''.

27. Mr. Chandra submits that, of the documents placed on record by the plaintiff to establish trans-border reputation of its mark, only four documents pertain to India, each of which pertain to the period subsequent to 12.09.2009, i.e. the date on which the defendants started using the mark. He submits that in the absence of any evidence of goodwill or reputation in India, it cannot be presumed that the plaintiffs mark had achieved trans-border reputation in 2009. He further submits that mere trans-border reputation is not sufficient and the plaintiff must prove use of the mark in India. He relies on Paragraph 27 of the decision of this Court in Roca Sanitario S.A. Vs. Naresh Kumar Gupta & Anr., 2010(7) R.A.J. 634 (Del), wherein relying upon the decision in N.R. Dongre (supra), the Court observed that trans border reputation cannot be accepted as the sole criteria for protection of a registered or unregistered trademark.

28. Mr. Chandra submits that as in September 2009, at best, the plaintiff had presence in few cities in USA and, therefore, the defendants were well within their right to adopt the mark GROUPON, since the plaintiff enjoyed no trans-border reputation in India. He relies on the decision in Tata Sons Vs. Manoj Dodia & Ors., 2011(46) PTC 244 Del to submit that a trademark which is well known in one country, need not necessarily be well known in other countries-the controlling requirement being the reputation in the local jurisdiction.

29. Mr. Chandra further relies on the decision in Trans Tyres India Pvt. Ltd. Vs. Double Coin Holdings Ltd. & Anr., 2012(3) R.A.J. 81 (Del) to submit that the Universality Doctrine, which posits that a mark signifies the same source wherever the mark is used in the world, has been rejected by Courts. He submits that prior use of a trademark in one dominion will not ipso facto entitle its owner to claim exclusive trademark rights in another dominion.

30. Mr. Chandra submits that the present suit filed by the plaintiff is mala fide, as it was filed a day after the defendants filed a suit against the plaintiff in Bangalore seeking to restrain the plaintiff from impinging on the statutory rights of the defendants.

31. Mr. Chandra further submits that the plaintiff did not coin the term GROUPON but merely acquired the website www.groupon.com from its predecessor, who coined the same. He submits that the business model of group discount vouchers is such that multiple GROUPON business''s can exist simultaneously the world over, as the nature of the business is extremely local and territorial requiring business link ups with local entities. He submits that for instance, in China, the

domain names www.groupon.com.cn and www.groupon.cn were registered even prior to the plaintiffs registration on 24.09.2008 and, as on date of filing of the suit, the Chinese domain name exists independently.

32. Mr. Chandra submits that merely because subsequently the plaintiff may have become a bigger business worldwide, they cannot now seek to usurp the rights of the defendants qua the mark GROUPON, as, on the date on which the defendants adopted the impugned mark, they were well within their rights to do so.

33. Mr. Chandra submits that the allegations of the plaintiff that defendant no. 1 is a cyber squatter are unsubstantiated and seek to create a prejudice against the defendant no. 1, who has put in considerable amount of labour and investment into running his business of offering group discount vouchers online.

Plaintiffs submissions in rejoinder:

34. In rejoinder, Mr. Jain submits that the "cutoff date" for ascertainment of-on when the plaintiff must establish trans-border reputation of its mark, cannot be September, 2009-when the defendants adopted the impugned mark. He submits that the same would be the date on which the defendant started using the impugned mark, and not the date of mere adoption of the impugned mark by the defendants. In support of this submission, Mr. Jain places reliance on the decision in Sun Pharmaceuticals Industries Limited Vs. Emcure Pharmaceuticals Limited,

35. Mr. Jain submits that the first use of the mark GROUPON by the defendants was only in February, 2011, when the defendants commercially activated the website www.groupon.in. He submits that the reliance by the defendants on the Promotion Agreement with Star Hospitality dated 23.12.2009, will not suffice as use of the mark, as the defendants were not operating from the website www.groupon.in till February 2011. He submits that the acquisition of the domain names by the defendant no. 1, and the entering into Promotion Agreement dated 23.12.2009 are merely preparatory steps to establish a business, and do not qualify as "use" of the mark. He further submits that, at the earliest, the defendants can be said to have established use of the mark in December 2010, when they sold their first coupon from www.groupoff.com. Mr. Jain submits that the decision in Hardie Trading (supra) relied upon by the defendants has been distinguished in Pioneer Nuts And Bolts Pvt. Ltd., Vs. Goodwill Enterprises, 2009(163) DLT 209 (DB).

36. Mr. Jain submits that, therefore, it is sufficient for the plaintiff to establish prior use and trans-border reputation of its mark prior to December 2010/ February 2011, when the defendants started use of the impugned mark, and not 2009 when the domain name was registered by the defendant no. 1, or when the defendant no. 2 entered into its first agreement with Star Hospitality.

37. Mr. Jain relies on the decision in Apple Computer Inc. Vs. Apple Leasing & Industries, 1992(1) Arb LR 93, to submit that prior international use is to be

looked into, irrespective of geographical boundaries He submits that the plaintiff has been a prior user of the mark GROUPON since 2008 in USA, which is prior to the launch of the defendants'' website in India in February, 2011 by which time the plaintiff had already been transacting under the mark GROUPON for over two years

38. Mr. Jain submits that in the present case, advertisements in periodicals or magazines are not necessary to claim reputation as internet is a medium that allows consumers to transact business without limitations of geographical locations. He relies on the decision in Yahoo, Inc Vs. Akash Arora, 1999 PTC 19 (201) to submit that where services are rendered on the internet, a strict view of infringement must be taken on account of its easy access and reach by anyone from any corner of the globe.

39. Without prejudice to his earlier submission that the cutoff date should be construed as February 2011, Mr. Jain submits that even if one were to assume that the defendants commenced their business in December 2010 while operating from the website www.groupoff.com, the material on record establishes that the plaintiff was already enjoying considerable amount of goodwill and reputation, the world over, even as early as on 30.05.2009 when the plaintiff was covered by a website studying the "Economics of Groupon". He further submits that the plaintiff has been present on social networking websites such as Facebook and Twitter since 2009, which are accessed by lakhs of people the world over, irrespective of geographical constraints and boundaries.

Discussion & Decision:

40. Having heard learned senior counsels for the parties and considered the averments and documents, I am inclined to allow this application and confirm the order of restraint against the defendants from using the mark GROUPON. My reasons for the same are discussed herein below.

41. On 14.10.2008, the plaintiff launched the domain name www.getyourgroupon.com and commenced the business of offering online customers daily discount vouchers on products and services under the mark GROUPON. On 10.03.2009, the plaintiff applied for registration of the mark GROUPON in USA, claiming use since 21.10.2008. On 28.05.2009, the mark GROUP-ONS, which was registered since 05.11.2007 in favour of one Girl awhirl Incorporated was assigned in favour of the plaintiff. Subsequently, on 07.06.2009, the plaintiff acquired the domain name www.groupon.com from one Mr. Dan Winchester in UK, and began operating its business under the mark GROUPON from www.groupon.com. On 16.06.2009, the plaintiff changed its name from POINT INC to GROUPON INC.

42. Till the aforementioned dates, the defendants were, undisputedly, not in the business of offering online discount vouchers. It is only on 12.09.2009 that the defendant no. 1 registered the impugned domain names. In fact, defendant no. 2 had not even been incorporated till 12.10.2009, by which time the plaintiff had

been offering services under the mark GROUPON for one year. It is clearly discernible from the aforementioned dates that globally speaking, the plaintiff is prior user of the mark GROUPON-initially from the website www.getyourgroupon.com in October 2008, and subsequently from the website www.groupon.com in June 2009.

43. The argument of Mr. Chandra that the plaintiff enjoyed no trans-border reputation in India on 12.09.2009 i.e. the date on which the defendants adopted the impugned mark, cannot be accepted.

44. In N.R. Dongre (supra), a Division Bench of this Court observed that

The knowledge and awareness of a trade mark in respect of the goods of a trader is not necessarily restricted only to the people of the country where such goods are freely available but the knowledge and awareness of the same reaches even the shores of those countries where the goods have not been. When a product is launched and hits the market in one country, the cognizance of the same is also taken by the people in other countries almost at the same time by getting acquainted with it through advertisements in newspapers, magazines, television, video films, cinemas etc; even though there may not be availability of the product in those countries because of import restrictions or other factors. In today''s world it cannot be said that a product and the trade mark under which it is sold abroad, does not have a reputation or goodwill in countries where it is not available. The knowledge and awareness of it and its critical evaluation and appraisal travels beyond the confines of the geographical area in which it is sold. This has been made possible by development of communication systems which transmit and disseminate the information as soon as it is sent or beamed from one place to another. Satellite Television is a major contributor of the information explosion. Dissemination of knowledge of a trade mark in respect of a product through advertisement in media amounts to use of the trade mark whether or not the advertisement is coupled with the actual existence of the product in the market.

(emphasis supplied)

45. I may only observe, that the aforesaid observations were made by the Court, even when the Court was not considering the impact of internet on the trans-border proliferation of a trademark. In the present case, the mark of the plaintiff is used to offer services primarily over the internet. The reasoning adopted by the Court in N.R. Dongre (supra) would, therefore, apply with even greater force in a case like the present.

46. The plaintiff''s services under the mark GROUPON have been featured by international magazines and websites even prior to 12.09.2009. On 30.05.2009, the plaintiff was featured on www.evanmiller.org in an article titled "Golden Footballs and the Economics of Groupon" elaborating on the business model of the plaintiff. Article dated 10.06.2009 on www.associatedcontent.com stated that "the newest money-saving wave to sweep the U.S. is the groupon". The CEO of

the plaintiff, Mr. Andrew Mason was interviewed on Fox News on 06.08.2009. The plaintiff was also featured in an online article dated 08.09.2009 titled "Designing Promotions in the Internet Age: Groupon''s Five Key Lessons for All Companies" which stated how the plaintiff started its business in November 2008 and has 6,75,000 existing subscribers. The article goes on to discuss that the plaintiff''s subscribers are growing @ 40-50% per month.

47. The aforesaid publicity and coverage is prior to 12.09.2009. Therefore, even if this Court were to accept the submission of Mr. Chandra that 12.09.2009 must be treated as the cutoff date for the plaintiff to establish prior reputation and goodwill of the mark in India, it is evident from the aforesaid discussion that the plaintiff has placed sufficient material on record to prima facie establish prior use as well as trans border reputation of the mark as on 12.09.2009.

48. Furthermore, by the time the defendants sold their first coupon on www.groupon.in in February 2011, the plaintiff had already been offering services under the mark GROUPON for over two years. I may note that the Promotion Agreement dated 23.12.2009 between the defendant no. 2 and Star Hospitality, relied upon by the defendants, to establish use of impugned mark by the defendants in 2009, mentions the sale of group coupons "through its upcoming website". Therefore, even as on 23.09.2009, the defendants had not commenced their operations under the impugned mark, by which time the plaintiff had already been covered by an Indian blog titled StartupDunia on 15.09.2009. The said blog suggested the idea of a "groupon clone" for Indian cities. Furthermore, another web article dated 11.12.2009 referred to a similar start up business in India by the name of MyDala as a "groupon clone". In my view, a similar business in India being labeled as a "groupon clone" is evidence enough of the plaintiff''s popularity and goodwill in India.

49. The submission of the defendants that the term "use" must be widely construed in light of the decision in Hardie Trading (supra) is misplaced. The decision in Hardie Trading (supra) was rendered in the case of rectification proceeding and, therefore, has no application to the facts of the present case. The decisions in Sakalain Meghjee (supra), Smithkline Beecham (supra) and Tata Sons (supra) also have no application to the facts of the present case, as the plaintiff has put enough material on record to prima facie establish goodwill of its mark in India. In Trans Tyres (supra), the Court held that prior use of a trademark in one dominion would not ipso facto entitle its owner to claim exclusive trademark rights in another dominion. In the present case, the plaintiff is not seeking protection only account of prior use in USA. As already discussed hereinabove, the plaintiff has prima facie established that in addition to prior use, its goodwill had spilled over into India prior to the defendants'' adoption of the trade mark in question.

50. One cannot lose sight of the fact that the plaintiff offers its services on cyber space, and not through physical products. In the era of internet technology, the dissemination of information is instant as it is not constrained by territorial

boundaries. Furthermore, the presence of social networking websites have made it possible for an organization to advertise its services and products online thereby reaching thousands of people world over instantaneously, as opposed to conventional modes of advertising through journals and magazines. The decision in Roca Sanitario (supra) relied upon by the defendants was not rendered in a case dealing with an internet business and, thus, is of no avail to the defendants.

51. The Court in Roca Sanitario (supra) observed that trans-border reputation cannot be the sole criterion. In the instant case, the plaintiff has provided data by COMSCORE, which reveals that in the last quarter of 2010, i.e. before the defendants actually sold their first coupon, the plaintiff website had received 30,000 visitors with Indian IP addresses. Prima facie, this establishes that Indian consumers were aware of the plaintiffs mark and the services in respect of which it was used, and may have even availed of services on the plaintiffs website, as Indians who travel abroad can purchase coupons on the plaintiffs website in respect of services being offered in the local territory they may be visiting. Furthermore, nothing prevents Indian consumers from buying coupons on the plaintiffs website and gifting them to their near and dear ones who reside in the local territory where the services are be being offered. In fact, the recent trend of online business''s is to cater to such people who order a product or services from one part of the globe, but request for it to be delivered/rendered to an entirely different part of the globe.

52. In Caesar Park Hotels and Resorts Inc. Vs. Westinn Hospitality Services Ltd., , in an action for passing off, the court observed:

Thus, it is manifestly clear that the plaintiff in order to get the relief of interim injunction restraining the defendant from using its service mark need not establish that they actually carry on business in this country. It is enough if they have got customers here. If they have got customers in India, it necessarily means that the plaintiff has got reputation in the general sense of the word in this country. The said reputation could be brought out by advertisement. Therefore, if the plaintiff had acquired ownership of the service mark in India, as a result of some business done in India and as a result of large scale advertisement made in foreign periodicals circulated in India and the periodicals issued in India, he would certainly be entitled to take passing off action in India.

(emphasis supplied)

53. It is also pertinent to note that group purchasing is the nucleus of the plaintiffs business model, as a discount voucher can be obtained by a customer only if a certain minimum number of people sign up for the deal. Therefore, it is in the customer''s best interest to publicize a deal so that a minimum number of people are aware of the deal and sign up for it thereby making it possible for the customer to avail the discount. This motivates the interested customers to popularize and disseminate information about the service offered by the service provider. The proliferation of the mark of any such service provider is, therefore,

rapid and widespread.

54. Furthermore, the business of the plaintiff is run exclusively from its domain name www.groupon.com, and country specific variations thereof-such as groupon.jp, groupon.sg, groupon.kr amongst others thereby making the domain name a business identifier for the plaintiff. In Yahoo!, Inc. Vs. Akash Arora and Another, , the Court observed that

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 ''Yahoo India'' 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.

(emphasis supplied)

55. The decision in Yahoo (supra) squarely applies to the facts of the present case. An average consumer with imperfect recollection is bound to associate the domain names of the defendants as those belonging to the plaintiff, thereby believing that the services being offered by the defendant under the impugned mark are those of the plaintiff. Furthermore, the plaintiff is known to operate from country specific domain names such as www.groupon.sg in Singapore, www.groupon.ca in Canada, www.groupon.kr in Korea, www.groupon.jp in Japan amongst others. Therefore there is an extremely high likelihood that the website of the defendants www.groupon.in will be misconstrued to be the plaintiff''s website in India.

56. At the prima facie stage, this Court does not wish to delve into the merits of whether the impugned mark and domain names were adopted by the defendants with a mala fide intention as that is an aspect requiring consideration of evidence, which is yet to be led. Suffice to say, as observed in Laxmikant V. Patel Vs. Chetanbhat Shah and Another, in a passing off action, the plaintiff must prove a prima facie case, availability of balance of convenience in his favour, and his suffering an irreparable injury in the absence of grant of injunction. Relying on the observations by Christopher Wadlow in "Law of Passing Off" (1995 Edition,

at p. 3.06), the Court further observed that the defendant''s state of mind is wholly irrelevant to the existence of the cause of action for passing off, though proof of fraud may materially assist the plaintiff in establishing probability of deception.

57. I may also observe that as laid down in Laxmikant V. Patel (supra), besides the aforementioned factors, this Court is also to consider the way in which the business may be carried on in the future, and where the probability of confusion exists, an injunction must be granted.

58. In view of the aforesaid discussion, I am satisfied that the plaintiff has proved a prima facie case and balance of convenience in his favour on account of prior use and trans border reputation of its mark. This Court also feels that there is a high degree of likelihood of the plaintiff suffering irreparable injury given the vast existing subscriber base of the plaintiff which may be confused into associating the services offered by the defendants to be those offered by the plaintiff. Accordingly, the plaintiff''s application under Order 39, Rule 1 & 2 CPC is allowed and order dated 27.05.2011 is confirmed till the final disposal of the suit. The defendants'' application under Order 39, Rule 4 is dismissed.

