

(2010) 02 DEL CK 0017
In the Delhi High Court
Case No : F.A.O. (OS) 255 of 2009

Nestle India Limited

APPELLANT

Vs

Mood Hospitality Private Limited

RESPONDENT

Date of Decision : 10-02-2010

Acts Referred:

Citation : (2010) 3 ILR Delhi 560 : (2010) 42 PTC 514

Hon'ble Judges : Veena Birbal, J; Badar Durrez Ahmed, J

Bench : Division Bench

Advocate : Sudhir Chandra, Hemant Singh Mamta R. Jha and Manish K. Mishra, for the Appellant; Rajiv Nayar Ashish Wad, Suchinto Chatterji, Chirag Dave, Sameer Abhyankar, Surbhi Aggarwal and Sanjay Samdarshi, for the Respondent

Final Decision : Allowed

Judgement

Badar Durrez Ahmed, J.—This appeal is from the order dated 01.07.2009 passed by a learned Single Judge of this Court in IA No. 7040/2008, which was an application under Order 39 Rules 1 & 2 of the Code of Civil Procedure, 1908 (hereinafter referred to as "the CPC") in a civil suit [CS(OS) 1122/2008]. By virtue of the impugned order, the appellant (defendant) has been restrained, till the disposal of the suit, from "infringing" the respondent's (plaintiff's) registered trademark "Yo!" per se or in conjunction with any logo/mark/letters, or otherwise trading under the mark "Yo!" or any other deceptively similar mark thereto or colourable imitation thereof, whether by using the expression by itself or as part of any other mark/name in respect of goods covered by the registration obtained by the respondent. The appellant has also been restrained from, in any manner, using the mark "Yo!" per se or in conjunction with any other logo/mark/letters or any other mark deceptively similar thereto, so as to pass-off or enable or assist others to pass-off their business and products as those of the respondent.

2. The respondent claims to have the following registered trademarks:

Trademark Trademark Class Description of Goods/ Registration No. Services Date _____

YO! 1345481 25 Readymade garments, 02.06.2007 T-Shirts included in class 25 _____

YO! 1345478 42 Restaurant included in 30.05.2007 (device of class 42 exclamation mark) _____

YO! China 1194649 30 Coffee, tea, cocoa, 13.08.2005 (Label) sugar, rice, tapioca, sago, coffee substitutes, flour and preparations made from cereals bread biscuits, cakes, pastry and confectionery, ice, honey, treacle, yeast, baking powder, salt, mustard, pepper, vinegar, sauces, spices, ice. _____

YO! China 1194647 32 Beer, ale and port, 25.05.2005 (Label) mineral and aerated waters and other nonalcoholic drinks, syrups and preparations for making beverages. _____

YO! China 1194648 29 Meat, fish, poultry 24.08.2005 extracts, preserved dried and cooked fruits and vegetables, jellies, egg, milk and dairy products, edible oils and fats, preserve, pickles. _____

3. According to the respondent, the marks "Yo!" and "Yo! China" have become distinctive of the respondent and the word "Yo" has acquired a secondary meaning. Consequently, the respondent claims exclusive right to use the marks "Yo!" and "Yo! China". The respondent is primarily in the business of establishing and running Chinese food restaurants. The first "Yo! China" restaurant is said to have been setup by the respondent in May, 2003 in a Mall in Gurgaon. The respondent now claims to have a chain of about 40 such restaurants operating under the mark "Yo! China", spread over 15 cities across India. Apart from these restaurants, it is alleged by the respondent that there are a number of kiosks and take-away points where the respondent's products are sold under the said trademark. According to the respondent, besides being independently registered, the trademark "Yo!" also forms an essential feature of the trade mark, trade dress and product descriptor of the products and services offered as "Yo! China". The trademark "Yo!" travels with the respondent in all its advertisements and expanded forms of business viz. "Yo! Dimsum", "Yo! On the Go" etc. It is also alleged that in the year 2005-2006, the respondent innovated its product line to offer "Yo! on the Go", which was essentially chowmein served in take-away boxes. Allegedly, the idea is a big hit with the consumers as they are able to have quality Chinese food (particularly chowmein i.e., ready to eat noodles) at reasonable prices. Recently this product offering has been renamed as "Yo! Box".

4. The Respondent claims to have coined and adopted the expression "Yo! China" in the year 2002 in order to distinguish its business, trade identity and products/ services from those of others. It is contended by the respondent that today "Yo! China" has become a brand name associated with quality "Chinese Food at Chinese Prices" and that the target market for the Respondent has been the

market segment which comprises primarily of the youth, for reasons of affordability. It is further contended that in the last financial year (2008-09) the sales of the respondent were around Rs. 30 crores. It is submitted on behalf of the respondent that the word "Yo" (without the exclamation mark) is primarily American Slang used for calling attention and the trademark "Yo!" (Yo with an exclamation mark) is coined and arbitrarily applied (not being descriptive in nature) by the respondent to its goods and services making it inherently distinctive.

5. The respondent is aggrieved by the fact that the appellant is manufacturing and marketing, inter alia, noodles (chowmein) under the name and style of "Maggi Cuppa Mania" in two flavours "Masala Yo!" and "Chilly Chow Yo!". It is alleged that around April 2008, the appellant launched a product under the name and style of "Maggi Cuppa Mania Instant Noodles" in two flavours i.e., "Masala Yo!" and "Chilly Chow Yo!". The packing of the appellant's product also displays the words "Open, Fill, Go!", which, according to the respondent, makes the appellant's product a direct take-off on the respondent's product "Yo! On the Go". It is alleged that the concept of selling noodles in a takeaway tumbler leans heavily on the market segment comprised mainly of young people, which is a time, price and taste sensitive market and which is the prime market of the respondent for its products--"Yo! On the Go" or "Yo! Box".

6. The respondent filed the said suit alleging that the use of the mark "Yo!" by appellant in the same manner as the registered trade mark "Yo!" of the respondent was a clear case of infringement. Moreover, it was alleged that the products of the appellant resemble those of the respondent in many ways:--(i) the appellant is using the mark "Yo!" on the packaging of its products; (ii) the respondent's product is named "Yo! on the Go", and the appellant adopted a similar tagline on its product i.e., "Open, Fill, Go!"; (iii) both products are ready-to-eat noodles. According to the respondent, these facts are not mere coincidences, but, clearly establish that the appellant has infringed the mark of the respondent and is trying to pass off its products as those of the respondent.

7. The appellant, on the other hand, alleges that it is engaged in the business of manufacturing and selling packaged noodles, under the well known and registered trade mark MAGGI, having an annual turnover of Rs. 493 crores and 91% of the market share in respect of packaged noodles. It is alleged that the trade mark MAGGI is extensively used in India since 1974 for culinary products. The appellant introduced packaged instant noodles in a cup under the trade mark Maggi in two flavours, namely "Masala" and "Chilly Chow". The appellant contended that in order to attract attention and add excitement, the flavours were accompanied with the exclamation "Yo!", which has become customary in the trade as an expression of "excitement and attention" identified with the youth. It was submitted that the respondent had itself pleaded that "Yo" is an American slang expression and is used for "calling attention/expressing excitement."

8. The appellant claimed that "Yo!" was commonly used by numerous businesses. As examples of the usage of "Yo!", the appellant has placed on record printouts from various websites of businesses all over the world, which use the said expression "Yo" with or without an exclamation mark. They are--? "Yo! Youth Outlook" which has two further products/services "Yo! Radio" and "Yo! Blogs". The said websites essentially cater to the youth and provide news etc. concerning the youth. Then, there is the website www.yofun.net, which has a product "Yo! Fun". Similarly, there are products and services carrying the names--? "Yo Mart", "Yo la", "Yo Gabba Gabba" etc. There is also a site of software developers called "Yo! Creations". Another voice solution and software development site does business under the name of "Yo!". Interestingly, there is a chain of restaurants in the U.K, Ireland, Middle East and Malaysia, which carries on business under the name and style--? "Yo! Sushi." Its takeaway service is called "Yo! To Go". It was suggested by the learned Counsel appearing for the appellant that "Yo! China" and "Yo! On the Go", which are allegedly used by the respondent have, in fact, been "more than inspired" by "Yo! Sushi" and "Yo! To Go".

9. Before the learned Single Judge, the appellant sought to defend its use of the expression "Yo!" in respect of its "Maggi Cuppa Mania" products, primarily on the ground that there can be no infringement of the respondent's registered trademarks because the appellant was not using "Yo!" as a trademark at all, which is a condition precedent for Constituting infringement u/s 29 of the Trademarks Act, 1999 (hereinafter referred to as the "said Act"). It was also contended by the appellant that "Yo!" was used merely as a flavour descriptor and, therefore, did not constitute infringement in view of the provisions of Section 30(2)(a) of the said Act. With regard to the allegation of passing off, the appellant had contended that there was no likelihood of any confusion between the trademarks of the appellant and the respondent. The trademark of the appellant was MAGGI and its packaging employed the distinctive red and yellow combination, which it has been doing since 1974. The expressions "Masala Yo!" and "Chilly Chow Yo!" were only used as flavor descriptors and not as trademarks. On the other hand, the trademark of the respondent was "Yo! China" and there was no question of there being any likelihood of confusion between the two trademarks, namely, "Yo! China" and "MAGGI". It was also contended by the appellant that, in any event, "Yo", with or without the exclamation mark, is a common or popular expression which is used worldwide and which originated as American slang and has been used commonly not only by youngsters in their day-to-day conversation but has also been used by businesses particularly to attract the attention of the younger customers. Consequently, it was submitted that "Yo!" cannot be monopolized by the respondent. It was also suggested that "Yo!" could not have been registered in view of the provisions of Section 9(1)(a) of the said Act inasmuch as it was a mark which was incapable of distinguishing the goods or services of one person from those of another person. In other words, the mark "Yo!" was devoid of any distinctive character. It was pointed out that the appellant had filed rectification proceedings seeking cancellation of the

respondent's registration before the Intellectual Property Appellate Board on 19.07.2008 and the same are pending. It was also contended that "Yo" and "Yo!" were commonly used in the trade for the purposes of brand imaging so as to target the youth. The general use of the expression "Yo!", both in day-to-day conversation and in the trade, clearly established that there was no question of the said expression having lost his primary meaning and having acquired a secondary meaning and, therefore, the respondent could not have any exclusive claim for its use.

10. It was also contended that "Yo!" had been registered in favour of the respondent in respect of "restaurants" falling under Class 42, which was essentially a service and did not relate to any goods. On the other hand, the appellant's products were goods falling under Class 30 and were not services falling under Class 42. It was also submitted that Section 17 of the said Act clearly stipulated that when a trademark consists of several matters, its registration would confer on the proprietor exclusive right to the use of the trademark taken as a whole. Thus, it was submitted that while the respondent had registrations under Class 30 in respect of the mark "Yo! China", the said registrations were in respect of the whole mark "Yo! China" and not just the mark--? "Yo!". The registered mark--? "Yo! China" would, therefore, have to be taken as a whole and "Yo!" cannot be considered to be a registered trademark insofar as products falling under Class 30, which include the subject noodles, are concerned. For all these reasons, it was urged before the learned Single Judge that the application for ad interim injunction be rejected.

11. However, the learned Single Judge returned several prima facie findings which went against the appellant. It appears that the learned Single Judge was quite concerned about the fact that there was no explanation forthcoming from the appellant as to why it had used the exclamation mark (!) along with the word "Yo". The learned Single Judge also found, prima facie, that "Yo!" and "Yo! China" were not descriptive of the respondent's products but were arbitrary marks and that they had acquired distinctiveness through usage since 2002. He observed that, prima facie it appeared that these marks had acquired a secondary meaning insofar as chowmein (noodles) were concerned. A prima facie view was also taken by the learned Single Judge that the respondent's registrations were not liable to be cancelled. Further, that "Yo!" was not generic in nature and that the goods and services of the respondent and goods of the appellant were overlapping and similar, both being noodles (chowmein). Rejecting the argument of the appellant that there was no infringement because the appellant did not use the expression "Yo!" as a trademark or as a part of its trademark, the learned Single Judge held that "Yo!" was used in a similar manner and that the use of the mark "Yo!" by the appellant "appears" to fall within Section 29(4)(b) of the said Act. The learned Single Judge then relied on the case of *Indian Shaving Products v. Gift Pack and Anr.* 1998 (18) PTC 698 where the two marks in question were "Duracell Ultra" and "BPL Ultra". Reliance was also placed on the decision in the case of *Yahoo, Inc v. Akash Arora* 1999 (19) PTC 201 where the

dispute was between the names of two websites, namely, "Yahooindia.com" and "Yahoo.com". The learned Single Judge also found, prima facie, that there was no merit in the appellant's submissions that the use of "Yo!" by it was not likely to lead to any confusion as it was used in conjunction with the words "Masala" and "Chilly Chow" and the trademark "Maggi". The learned Single Judge observed that "Yo!" was distinctive of the goods and services of the respondents and as such there was likelihood of confusion that the appellant's products were connected with those of the respondents. Referring to the decision in *Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others*, , the learned Single Judge, observing that clearly an injunction must follow when the adoption of the mark was dishonest, allowed the application of ad interim injunction of the respondent.

12. The impugned order is assailed before us by the appellant on all the grounds urged before the learned Single Judge but, principally, on the ground that the learned Single Judge failed to appreciate that an action for infringement u/s 29(1) of the said Act could only be brought where the defendant uses a mark "as a trade mark". According to the learned Counsel for the appellant, it is a condition precedent u/s 29(1) that, in order to constitute infringement, the mark complained of must be "used as a trade mark" i.e., in a manner "indicative of trade origin" as per the definition of trade mark u/s 2(1)(zb). Reliance was placed on *Mothercare U.K. Ltd. v. Penguin Books Ltd.* 1988 R.P.C. 113. It was submitted that the whole law of Trade Marks--whether "statutory law" relating to infringement or "common law" relating to passing off--is concerned with deception and confusion with regard to trade origin and the use of marks indicating the same. The trade origin of the appellant's packaged noodles is MAGGI which is boldly written on the packaging. It was contended that the impugned judgment has created a monopoly in the commonly used exclamation "Yo!" in favour of the Respondent which is contrary to law.

13. Another ground urged before us concerned the scope of the right conferred upon registration of a trademark. It was submitted that the right conferred u/s 28 is infringed u/s 29 only if the impugned trade mark is used for "same or similar" goods or services that the plaintiff's trade mark is registered for. Hence, a registered trade mark for services is infringed only when used for those services. Otherwise, there was no need for the legislature to add classes 35 to 42 (Services) to the fourth schedule of the Trade Mark Rules. Reliance was placed on *Asian Paints Limited Vs. Home Solutions Retail (India) Limited*, . It was submitted that the mark "Yo!" per se is not registered for noodles which falls in class 30 and that the learned Single Judge ignored this distinction. "Yo!" is registered only for restaurant services in class 42. As far as registration of the trade mark "Yo! China" in class 30 is concerned, the same does not give an exclusive right of use to a part thereof, namely "Yo!", on account of the prohibition laid down by Section 17 of the Act. Hence, there is no infringement. Reliance was placed on *Three-N-Products Private Limited Vs. Emami Limited*, .

14. Then it was urged before us by the learned Counsel for the appellant that the learned Single Judge erred in holding that the provisions of Section 29(4) and (5) applied inasmuch as this was not even a case pleaded in the plaint. The suit is based on the pleadings that the goods of the appellant and the respondent are the same/similar. A reference was made to paragraph No. 24 of the plaint:

24. It is well settled principle of law that if the essential features of a registered Trade Mark are adopted by the Defendant, then the fact that other writings or marks on the goods or packaging in which the Defendant sells his goods are different are immaterial and the plaintiff has a statutory right to seek protection of his exclusive right to use his Trade Mark. A Trade Mark has only one source and no one other than the registered proprietor has the right to use the same. "Yo!" is the most essential feature of the plaintiff's Trade Mark. The use by the defendant of a mark which is identical to the plaintiff's trade mark amounts to infringement and the plaintiff has a statutory remedy to protect his mark. Further, the fact that the goods/services in question are almost identical, both catering to the same consumer base and both dealing with noodles (chowmein), enhances the chances of confusion.

15. It was further submitted that even otherwise, Section 29(4) did not apply as there was no trade mark usage of "Yo!" and that any other interpretation would render Section 29(1) redundant, which, in turn, would be against the permitted rules of interpretation. Reliance was placed on *Illachi Devi (D) by Lrs. and Others Vs. Jain Society, Protection of Orphans India and Others*, . It was contended that what would not amount to infringement for "identical goods", cannot amount to infringement for "different goods" and that the test of infringement applicable to "different goods" cannot be wider than the test of infringement for "identical/similar goods".

16. It was also reiterated that "Yo!" is a popular exclamation commonly used by the trade and is a generic expression. Consequently, it cannot be considered as a distinctive or a well known trade mark, which is a condition precedent for the applicability of Section 29(4). It was submitted that the Respondent has allegedly used "Yo! China" as a trade mark but, no material has been produced by the respondent to show that "Yo!", by itself, has been used as a trade mark by the respondent or that it has acquired the status of a "well known" trade mark.

17. The learned Counsel for the appellant also submitted that, in any event, infringement is not made out since use of "Yo!" by the appellant in conjunction with "masala" and "chilly chow" cannot lead to any confusion or deception inasmuch as the appellant's product is well distinguished by the trade mark Maggi and its packaging is entirely different and distinct from that employed by the respondent. It was contended that the test of deceptive similarity for the purposes of an infringement action and a passing off action is the same where the trade marks are not identical. Reliance was placed on *Ruston and Hornsby Ltd. Vs. The Zamindara Engineering Co.*, . The learned Counsel contended that the Learned Single Judge disregarded this test of deceptive similarity. He drew

our attention to the appellant's trade mark and packagings and those employed by the respondent to submit that there is no similarity, what to speak of deceptive similarity, between them.

18. Continuing on this theme, the learned Counsel submitted that, as there is no similarity whatsoever between the competing trademarks and the packaging, the question of passing off also would not arise. The appellant's packaged noodles are well distinguished by the well known trade mark MAGGI and its distinctive packaging. Furthermore, the appellant has a 91% market share and Rs. 493 crores annual turnover as compared to respondent's total turnover of Rs. 21 crores. Thus, the question of piggybacking or trading upon the goodwill of the respondent by the appellant defies all logic. Reliance was placed on *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*, .

19. Lastly, it was contended on behalf of the appellant that the reliance placed by the learned Single Judge on *Indian Shaving Products Ltd. (supra)* and *Yahoo Inc. (supra)* was wholly misplaced inasmuch as both these were cases of "trade mark usage", which is not the case here. It was therefore submitted that the impugned order be set aside.

20. On the other hand, the learned Counsel for the respondent fully supported the impugned order and contended that no interference was called for. First of all, it was submitted that the plea of the appellant with regard to "Yo!" not being used by it as a trade mark was not tenable. According to the learned Counsel, Section 29 of the said Act has various independent subsections under which cases of infringement may fall. Each sub-section provides for a different situation and each is independent of the other. It was submitted that, by virtue of Section 29(4), protection is provided to a registered trade mark even if the impugned mark is used for goods and services which are not similar to the goods and services in respect of which the trade mark is registered. It was further submitted that Section 29(4) does not require that the impugned mark has to be used as a trademark. In this context, the learned Counsel took the plea that the respondent's mark "Yo!" is registered in Class 42 (Restaurant) and the appellant, by using the identical mark "Yo!" in the course of its trade, has made itself liable for an action of infringement u/s 29(4) of the said Act, independent of the other provisions of Section 29.

21. Secondly, it was contended that, similarly, Section 29(2)(a) also does not require that, to constitute infringement, the impugned mark must be used as a trademark. It was submitted that the appellant is using the mark "Yo!" in the course of its trade by affixing it to the packaging of its products and advertising on all media. Furthermore, the mark "Yo!" is an essential feature of the respondent's mark "Yo! China", meaning thereby that the usage of "Yo!" by the appellant is identical to the registered trademark of the respondent. It was contended that since the respondent's trademark "Yo! China" is registered in class 30 and the appellant is also selling noodles which are covered under class 30, there is similarity of goods and such usage is deliberate with the intent to

create confusion in the target market segment. The plea is that, therefore, conditions of Section 29(2)(a) are satisfied and the appellant is liable for infringement. Reliance was placed on *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*, for the proposition that 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 a trade origin different from that of the registered proprietor of the mark, would be immaterial.

22. Thirdly, it was submitted on behalf of the respondent that the appellant, by using the mark "Yo!" in the course of its trade is causing serious injury by diluting the trademark of the respondent. Reliance was placed on *Catterpillar Inc. v. Mehtab Ahmed and Ors.* 2002 VI AD (Delhi) 181 to submit that a trademark is like a property and no unauthorized person can be permitted to commit trespass.

23. Fourthly, it was contended that the appellant has failed to show as to how "Yo!" could be regarded as a flavour descriptor when used in conjunction with "masala" and "chilly chow" so as to enable the appellant to seek protection u/s 30(2)(a) of the said Act. It was submitted that the appellant has been using "Masala" as a flavour descriptor on its regular packaging of "Maggi 2 minutes noodles" for many years. As such, there is no justification for the appellant to use "Yo!". According to the learned Counsel for the respondent, from the above, it is abundantly clear that the appellant was aware of the success of respondent's "Yo! On the Go" product and the whole idea of adding the suffix "Yo!" to its aforesaid two flavours "Masala" and "Chilly Chow" was to give an impression of commercial connection between the two and thereby capitalize on the goodwill of the respondent's product when targeting a new market segment.

24. Fifthly, it was submitted that the trademark law does not make any distinction between a larger market share holder and a smaller market shareholder, thus, the plea of the appellant with regard to it having a 91% market share is of no consequence. Further, whether "Yo!" is used in small or big letters is immaterial as the use itself constitutes infringement.

25. Sixthly, with regard to the appellant's contention that "Yo!" is a generic expression, it was submitted by the learned Counsel for the respondent that even generic, common and descriptive words can be protected if they acquire a secondary meaning. In this context, it was submitted that the expressions "Yo!" and "Yo! China" due to continuous, extensive, substantial and open use for over six years, combined with the excellence of the products and services offered by the respondent under the said trademark/trade name and backed by extensive sales and promotional efforts have become distinctive of the respondent in the eyes of the consumers. Reliance was placed on *Indian Shaving Products Ltd. (supra)* and *Godfrey Philips India Ltd. Vs. Girnar Food and Beverages Pvt. Ltd.*, .

26. Lastly, it was submitted that in addition to infringing the trademark of the

respondent, the appellant is also liable for passing off its products as that of the respondent inasmuch as the trademark "Yo!" had become distinctive of the services and goods offered by the respondent and use of such mark by the appellant on its products was likely to lead to confusion and deception in the minds of consumers that the product of the appellant has some connection with the respondent's products and services.

27. On the strength of these submissions, it was requested that the appeal be dismissed.

28. In this appeal, on the basis of the submissions made by the counsel, the following points need to be determined:

1. Whether the appellant uses the expression "Yo" (with or without the exclamation mark "!") on its Maggi Cuppa Mania products as a trade mark?
2. If the answer to point 1 is in the negative, would the present case fall u/s 29(4) or (5) of the said Act as held by the learned Single Judge?
3. Whether the expressions "Masala Yo!" and "Chilly Chow Yo!" can be said to be flavour descriptors and hence eligible for protection u/s 30(2)(a) of the said Act against an infringement action?

Point 1:

29. The appellant has used the expression "Yo" in conjunction with "Masala" and "Chilly Chow" which describe the two flavours of the appellant's product Maggi Cuppa Mania. It has not used the said expression "Yo!" independently or as part of its trade mark which remains "Maggi". Nor is the expression used as a part of its product name "Cuppa Mania". Section 2(1)(m) of the said Act defines "mark" as follows:

(m) "mark" includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof;

Clearly, "Yo" (with or without the exclamation mark), being a word, would fall within this definition of "mark". Section 2(1)(zb) defines "trade mark" in the following manner:

(zb) "trade mark" means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and--

(i) in relation to Chapter XII (other than Section 107), a registered trade mark or a mark used in relation to goods or services for the purpose 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; and

(ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so 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, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark;

30. We are not presently concerned with Chapter XII which deals with offences, penalties and procedure. Consequently, our focus is on Section 2(1)(zb)(ii), whereunder, for a "mark" to qualify as a "trade mark", it must satisfy the following ingredients:

1. It must be capable of being represented graphically;
2. It must be capable of distinguishing the goods and services of one person from those of others;
3. It must be used or proposed to be used in relation to goods or services for the purpose of indicating or so to indicate a connection, in the course of trade, between the goods or services and some person having the right to use the mark either as proprietor or by way of permitted use;
4. It may be so used or proposed to be used with or without any indication of the identity of that person;
5. It includes a certification trade mark or collective mark.

31. Now, let us see how the mark "Yo" is used by the appellant in its Maggi Cuppa Mania products. The manner of use is indicated by the following photographs of the two variants of the Cuppa Mania products:

From the manner in which "Yo" is used in the expressions "Masala Yo!" and "Chilly Chow Yo!" in the appellant's products displayed above it does not appear that it has been used for the purpose of indicating a connection between the appellant's products and the respondent. Consequently, the third ingredient mentioned above is not satisfied.

32. At this juncture, it would be appropriate to also deal with the learned Single Judge's observation that there was no explanation forthcoming from the appellant as to why it had used the exclamation mark (!) along with the word "Yo". First of all, the appellant did not use the word "Yo" independently. It was used in conjunction with "Masala" and "Chilly Chow". Secondly, since the expressions used by the appellant are "Masala Yo!" and "Chilly Chow Yo!", it cannot be said that the appellant used the mark "Yo!" (i.e., "Yo" with the exclamation mark "!") or that the exclamation mark "!" simply ended the whole expressions "Masala Yo" and "Chilly Chow". The word "Yo" is an interjection and is "used especially to call attention, to indicate attentiveness, or to express affirmation" (see: Merriam-Webster Online Dictionary). The words "Masala" (spice or spicy) and "Chilly Chow" denote flavours. The word "Yo"

following these words only calls attention of the customers to the flavours and expresses affirmation of the flavour of the product. The exclamation mark "!" ends the expressions with a further emphasis.

33. Coming back to point No. 1, we find that there is clear prima facie indication that the mark "Yo" (with or without the exclamation mark "!") was not used by the appellant as a trade mark. The consequence of this is that infringement u/s 29(1) is not made out. Let us explain how. Section 29(1) stipulates that:

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 in 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.

34. The key words are--"and in such manner as to render the use of the mark likely to be taken as being used as a trade mark". Thus, unless the mark in question is used in such manner, the use of the mark by itself would not amount to infringement under Sub-section (1) of Section 29 of the said Act. We have already seen that the mark "Yo" (with or without the exclamation mark "!") has not been used as a trade mark nor is its use likely to be taken as being used as a trade mark. Consequently, this necessary ingredient of Section 29(1) is missing. This takes us to point No. 2.

Point 2:

35. The prima facie finding of the learned Single Judge is that infringement is made out u/s 29(4) or (5) of the said Act. We shall first consider the applicability of Section 29(4). The said provision reads as under:

(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.

(emphasis supplied)

36. We may recall that the learned Single Judge held that the use of the mark "Yo!" by the appellant "appears" to fall within Section 29(4)(b) of the said Act. And, in so concluding, the learned Single Judge, in our view, fell into error. All the Clauses (a) to (c) of Sub-section (4) of Section 29 are to be cumulatively

satisfied before a case of infringement can be established. It is not as if the said clauses are disjunctive or are to be read independently. It is not sufficient for making out a case of infringement u/s 29(4) of the said Act to say that the case falls under Clause (a) or Clause (b) or Clause (c). The conditions specified in all the three clauses have to be satisfied. This is obvious from the word "and" used in each of the said three clauses.

37. We need to consider each clause. Clause (a) of Section 29(4) requires that the mark in question be identical with or similar to the registered trade mark. The mark used by the appellant is "Yo" (with or without the exclamation mark). The respondent's trade mark "Yo!" is registered for T-shirts etc., under class 25 and for restaurants under class 42. The respondent's trade mark "Yo! China" is registered under classes 29 (meat, fish, poultry etc.), 30 (which includes noodles) and 32 (Beer, ale, port etc.). While the appellant's mark "Yo" (with or without the exclamation mark) could be regarded to be identical with or, at least, similar to the respondent's registered trade mark "Yo!", the same cannot be said in respect of the respondent's trade mark "Yo! China". We agree with the submission made on behalf of the appellant that the trade mark as a whole is to be seen in view of the provisions of Section 17 of the said Act. Considered in this light, the mark "Yo" and the registered trade mark "Yo! China", taken as a whole, are neither identical nor similar. So, it is only when "Yo" is compared with the registered trade mark "Yo!" that the condition specified in Clause (a) of Section 29(4) is satisfied.

38. Clause (b) stipulates that the mark in question must be used in relation to goods or services which are not similar to those for which the trade mark is registered. The mark "Yo" is used by the appellant in respect of noodles which fall under class 30. Whereas, the registered trade mark "Yo!" of the respondent is in respect of T-shirts etc., under class 25 and restaurants under class 42. Noodles are goods which are entirely different from T-shirts under class 25 or the service of restaurants under class 42. So, when "Yo" is compared with "Yo!", in the facts of this case, the condition specified in Clause (b) is also satisfied. But, this is not sufficient to constitute infringement as the conditions prescribed in Clause (c) must also be fulfilled.

39. Clause (c) requires several conditions to be satisfied. They are:

1. The registered trade mark must have a reputation in India; and
2. The use of the mark in question must be without due cause; and
3. Such use must take unfair advantage of or be detrimental to the distinctive character or repute of the registered trade mark.

40. The first question which arises is this - does "Yo!" have a reputation in India? While the respondent has placed material on record to prima facie establish that it has continuously, and openly used the trade mark "Yo! China" for over six years in respect of its chain of restaurants, there is little, if at all, to suggest that

it has used so used the mark "Yo!". We must emphasize that we are not, for the purposes of Clause (c), concerned with the registered trade mark "Yo! China" because that mark "failed" the test of Clause (a). This distinction between the two separate marks "Yo! China" and "Yo!", in the context of their separate and independent reputations in India, escaped the attention of the learned Single Judge. So, while the mark "Yo" as used by the appellant may be regarded to be similar if not identical to the respondent's registered trade mark "Yo!", there is nothing on record to establish, even prima facie, that the latter trade mark has been so continuously or extensively used that it has developed a "reputation" in India.

41. The next question which requires to be considered in the context of Clause (c) is this - has the appellant used the mark "Yo" without due cause? In other words, is there a tenable explanation for the use of the mark "Yo" by the appellant? It must be remembered that we have already concluded, prima facie, that the mark "Yo" has not been used by the appellant as a trade mark. In fact, the word "Yo" has been used as part of the expressions "Masala Yo!" and Chilly Chow "Yo!". The appellant has explained that the word "Yo" has been used in both expressions to invite the attention of the customers (and, particularly the younger customers who are prone to use the word "Yo" in their day-to-day conversations) to the flavours "masala" and "chilly chow". This, to us, is a plausible explanation. Consequently, it cannot be said that the mark "Yo" was used without due cause. Mere use of the mark "Yo" would not bring it within the mischief of Clause (c) of Section 29(4). Because if that was the intention of parliament then the expression "without due cause" would not have been used.

42. The third and last question which could have arisen in the context of Clause (c) is - does the use of the mark "Yo" by the appellants take unfair advantage of or is detrimental to the "distinctive character" or repute of the registered trade mark? But such a question does not arise in the facts of the present case because the other necessary conditions of "reputation in India" and "without due cause", as pointed out above, have not been fulfilled.

43. From the foregoing discussion, it is obvious that Section 29(4) would not apply and the learned Single Judge erred in holding otherwise.

44. We shall now consider the applicability of Section 29(5) of the said Act, which reads as under:

(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.

Infringement of the kind referred to in the above provision can only occur if the "infringer" uses another's 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 the goods or services in respect of which the trade mark is

registered. The appellant has not used "Yo!" as its trade name (or part of its trade name). Nor has the appellant used the said marks as the name of its business concern (or part of such name of its business concern). Thus, infringement of the kind referred to in Section 29(5) is also not made out.

45. The answer to Point No. 2 is that a case of infringement is not made out against the appellant u/s 29(4) or (5) of the said Act.

Point 3:

46. The question is whether the expressions "Masala Yo!" and "Chilly Chow Yo!" can be said to be flavour descriptors and hence eligible for protection u/s 30(2) (a) of the said Act against an infringement action? Section 30(2)(a) is as follows:

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

(a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;

47. The argument of the learned Counsel for the respondent is that "Yo" cannot be regarded as a flavour descriptor as sought to be alleged by the appellant. But, it must be kept in mind that the word "Yo" has not been used in isolation. Had it been used alone, independent of any other word, phrase or expression, there might have been merit in what was contended on behalf of the respondent. Here, "Yo" is used as an integral part of the expressions "Masala Yo!" and "Chilly Chow Yo!". The said expressions do describe the characteristics of the goods in the sense that they refer to the flavours of the noodles. It was argued on behalf of the respondent that "Yo" by itself does not describe any flavour and that it has been added "mischievously". But, it may be argued with equal vigour that the use of the word "Yo" is not mere surplusage or mischievous as it has been used to provide emphasis to the flavours "Masala" and "Chilly Chow" in a manner which appeals to the customers and, especially, to the younger customers. If the latter argument were to be accepted then the defence u/s 30(2)(a) of the said Act would be available to the appellant. That, of course, would have to await a final determination in the suit. But, at this interlocutory stage the least that can be said is that the appellant's submission that the mark "Yo" has been used as a part of a flavour descriptor is at least an arguable one and cannot be shut out at the threshold.

48. In this context it would be necessary to re-state the principles governing the grant of an interlocutory injunction, particularly, in trade mark cases. The grant of an interlocutory injunction is a matter of discretion of the court. However, as pointed out in *M/s. Gujarat Bottling Co. Ltd. and others Vs. Coca Cola Company and others*, , while exercising this discretion the court applies the following tests:

(i) whether the plaintiff has a prima facie case;

(ii) whether the balance of convenience is in favour of the plaintiff; and

(iii) whether the plaintiff would suffer an irreparable injury if his prayer for interlocutory injunction is disallowed.

49. Of the three tests, the requirement of the plaintiff demonstrating a prima facie case has witnessed several changes through time. The first change came as a result of the English decision (House of Lords) in the case of *American Cyanamid Co. v. Ethicon Ltd.* (1975) 1 All ER 504 (HL) wherein it was held (at page 510):

Your Lordships should in my view take this opportunity of declaring that there is no such rule. The use of such expressions as "a probability", "a prima facie case", or "a strong prima facie case" in the context of the exercise of a discretionary power to grant an interlocutory injunction leads to confusion as to the object sought to be achieved by this form of temporary relief. The court no doubt must be satisfied that the claim is not frivolous or vexatious; in other words, that there is a serious question to be tried.

This meant that the stricter regime of establishing a "strong" prima facie case was replaced by the more liberal requirement of the plaintiff showing that his claim was not frivolous or vexatious in the sense that there was a serious question to be tried or a triable issue to be decided. The principle of sufficiency of a "triable issue" as a condition for grant of an interlocutory injunction was recognised in India as well (see: *Wander Ltd. and Another Vs. Antox India P. Ltd.*, ; *Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd.*,). However, as pointed out in *M/S S. M. Dyechem Ltd. Vs. M/S Cadbury (India) Ltd.*, , the Supreme Court, through its decision in *Gujarat Bottling (supra)*, "again adverted to the prima facie principle while granting temporary injunction". In *Dyechem (supra)*, the Supreme Court clarified that the decision in *American Cyanamid (supra)* was looked at from a fresh perspective in *Series 5 Software Ltd. v. Clarke* (1996) 1 All ER 853 (ChD) inasmuch as it was observed in the latter case that *American Cyanamid (supra)* could not be understood as having laid down anything inconsistent with the old practice and that it did not lay down that the relative strengths of the case of each party need not be gone into. The Supreme Court also noted that "now" the courts in England go into the question of comparative strength of the cases of rival parties, apart from the other requirements of balance of convenience and irreparable injury which cannot be compensated in money. The Supreme Court, after noting the said development in the law, held:

Therefore, in trademark matters, it is now necessary to go into the question of "comparable strength" of the cases of either party, apart from balance of convenience.

50. This was re-affirmed by the Supreme Court in *Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd.*, :

One of the questions which this Court considered was that for grant of temporary injunction, should the court go by the principle of prima facie case, apart from

balance of convenience, or comparative strength of the case of either parties or by finding out if the plaintiff has raised a "triable issue"? While considering various decisions on the point in issue, this Court rightly concluded at p. 591 as follows: (SCC para 21)

Therefore, in trade mark matters, it is now necessary to go into the question of "comparable strength" of the cases of either party, apart from balance of convenience.

51. So, the test of prima facie case as traditionally understood has been replaced, at least in trade mark matters, by the test of comparative strengths of the rival cases. This is also in keeping with the requirements of the said Act inasmuch as it not only describes what amounts to infringement (see: Section 29) but it also makes provision for what does not amount to infringement (see: Section 30).

52. Thus, apart from examining the case in the context of Section 29 of the said Act only from the standpoint of the respondent/plaintiff, it was also incumbent upon the learned Single Judge to consider the relative or comparative strength of the appellant's/defendant's case both u/s 29 and Section 30(2)(a) of the said Act. The contention raised by the appellant that "Yo" was not used independent of the expressions "Masala" and "Chilly Chow", which clearly indicate flavours, but, as part of the complete expressions "Masala Yo!" and "Chilly Chow Yo!" and was, therefore, entitled to the protection u/s 30(2)(a), was "strong" enough in the balance of comparative strengths to deny the respondent an interlocutory injunction. This vital consideration of the comparative strengths of the rival cases is missing in the impugned decision.

53. We are also of the view that the reliance placed by the learned Single Judge on *Indian Shaving Products* (supra), where the two marks in question were "Duracell Ultra" and "BPL Ultra" and on *Yahoo Inc* (supra), where the dispute was between the names of two websites, namely, "Yahooindia.com" and "Yahoo.com", was misplaced. This is so because in both the said decisions the rival marks were used as trade marks, whereas in the present case the appellant's use of the mark "Yo" is not as a trade mark.

54. The learned Single Judge, as mentioned above, found, prima facie, that "Yo!" and "Yo! China" had acquired distinctiveness through usage since 2002. He also observed that, prima facie, it appeared that these marks had acquired a "secondary" meaning insofar as chowmein (noodles) were concerned. We shall briefly dwell on these prima facie conclusions of the learned Single Judge. We have already indicated that though there is material to show continuous use of the mark "Yo! China" by the respondent in respect of its restaurant business, there was no material before the learned Single Judge with regard to the use, by the respondent, of the mark "Yo!" It must also be remembered that the dispute here is with the use of the mark "Yo" (with or without the exclamation mark) and, therefore, the comparison has to be made with the respondent's registered

trade mark "Yo!" and not "Yo! China" which, taken as a whole, cannot be confused with "Yo". There was no material before the learned Single Judge to conclude, prima facie of course, that "Yo!" had acquired distinctiveness through usage since 2002. A trade mark acquires distinctiveness when, in the eyes of the public, it distinguishes the goods or services connected with the proprietor of the mark from those connected with others. Does "Yo!" pass this test? On the basis of the material before us and upon a prima facie look, the answer is ? No. Distinctiveness of a mark may arise in two ways: (1) it may be inherently distinctive; (2) it may acquire distinctiveness by developing a secondary meaning. A secondary meaning results when, "in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself." (see: *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.* 456 U.S. 844, 851, n. 11, 72 L. Ed. 2d 606). On the basis of the material on record it cannot be said that the dictionary and popular meaning of the word "Yo" as an exclamation or as an expression calling attention is lost and whenever the word "Yo" (with or without the exclamation mark) appears on a product or in relation to a service (even if used as a trade mark) the minds of the public are straightaway directed to the source of the product or service. At this interlocutory stage, there is nothing to suggest that the word "Yo" in "Masala Yo!" and "Chilly Chow Yo!" would create a connection in the minds of the customers with the respondent as being the source of the product. On the contrary, the use of the mark "Yo", retains its primary meaning of inviting attention or as an exclamation. This is all the more so because the appellant's distinctive trade mark "MAGGI" is prominently displayed on the appellant's "Cuppa Mania" products.

55. In view of the foregoing discussion, the impugned order cannot be sustained. We are mindful of the principle that, normally, an appellate court ought to be slow in interfering with the discretionary jurisdiction of the trial court in the grant of interlocutory injunctions. However, it was also pointed out in *Ramdev Food Products Pvt. Ltd. Vs. Arvinbhai Rambhai Patel and Others*, that:

...the appellate courts will substitute their discretion if they find that discretion has been exercised arbitrarily, capriciously, perversely, or where the court has ignored the settled principles of law regulating the grant or refusal of interlocutory injunctions. This principle has been stated by this Court time and time again. [See for example *Wander Ltd. and Another Vs. Antox India P. Ltd.*, , *Laxmikant V. Patel Vs. Chetanbhat Shah and Another*, and *Seema Arshad Zaheer and Others Vs. Municipal Corpn. of Greater Mumbai and Others*,]

127. The appellate court may not reassess the material and seek to reach a conclusion different from the one reached by the court below if the one reached by that court was reasonably possible on the material. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion.

128. However, in this case the courts below proceeded on a prima facie misconstruction of documents. They adopted and applied wrong standards. We, therefore, are of the opinion that a case for interference has been made out.

56. We have not merely reassessed material and arrived at a conclusion different from that of the trial court when, the view of the trial court was also a reasonable view. We find that on the material available at this interlocutory stage, the view taken by the learned Single Judge was not at all reasonably possible on a proper application of settled principles of law and express statutory provisions. It is because of this reason that the impugned order cannot be sustained and requires to be set aside.

The appeal is allowed and the impugned order is set aside.