(2011) 10 DEL CK 0109

In the Delhi High Court

Case No : IA No. 7619 of 2011 in CS (OS) 1134 of 2011

The Indian Express Limited APPELLANT

Vs

Express Publications Madurai Limited and Others RESPONDENT

Date of Decision : 10-10-2011

Acts Referred:
Trade Marks Act, 1999 — Section 28, 33(1)

Citation : (2011) 9 AD 253 : (2011) 185 DLT 602

Hon'ble Judges : V.K. Jain, J

Bench : Single Bench

Advocate : N.B. Joshi, for the Appellant; Arvind Nigam, with Mr. Gopal Jain, Ms. Bina Gupta, Ankur Sajal, Gaurav Singh and Ms. Mandeep Kaur, for the Respondent

Judgement

V.K. Jain, J.—Indian Express Newspapers (Bombay) Limited, which later came to be named as Indian Express Newspapers (Mumbai) Limited, founded by late Shri Ramnath Goenka, was publishing a number of newspapers, including its flagship newspaper ''Indian Express''. After death of Shri Ramnath Goenka on 05th October, 1991, there were numerous litigations amongst his heirs, including Shri Viveck Goenka, Manoj Kumar Sonthalia and Smt Saroj Goenka. A settlement dated 05th February, 1995 was reached between (a) group of Shri Viveck Goenka, (b) group of Shri Manoj Kumar Sonthalia and (c) group of Smt Saroj Goenka. A decree dated 16th April, 1997 was passed by Madras High Court in terms of the settlement. This settlement was modified by a supplementary agreement dated 12th August, 2005.

Under Clause 17 of the compromise decree, the Plaintiff became the absolute owner of the registered titles of the newspapers and magazines which it was publishing and Defendant No. 1 was not to use or adopt any of those titles, except to the extent provided in Clause 19 of the decree. Under Clause 18 of the decree, the title ''Indian Express'' came to be vested solely in the Plaintiff, but, it was not to use this aforesaid title in five southern States, i.e., Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Orissa and the Union Territories of Pondicherry, Enam, Andaman and Nicobar and Lakshadweep islands. The Plaintiff was not to use the words ''Indian'' or ''Express'' or any derivative of these words in the above-referred States and Union Territories. Financial Express, however, was excluded from this embargo placed on the Plaintiff-company. The right to use the name ''Indian Express'' in relation to electronic media as well as other medium also came to the share of the Plaintiff-company. Defendant No. 1 was permitted to use the expression ''New Indian Express'' for publication of an English daily newspaper in the above-referred southern States and Union Territories. Under Clause 19 of the decree, Defendant No. 1 became absolute owner of all the titles of the newspapers and magazines which it was publishing and the Plaintiff did not have any claim of any nature to use or adopt those titles. Under the first agreement, the name ''New Indian Express'' could have been used by Defendant No. 1 to publish an English language daily subject to the condition that the expression ''New'' was on the same line and of the same size, wherever the title ''New Indian Express'' appeared. The Plaintiff paid a sum of Rs 56 crore to defendant No. 1 as non-compete and forbearance capital fee, which comprised Rs 6 crore for the forbearance accepted by Defendant No. 1 not to start an English newspaper within 36 months and Rs 50 crore for the balance forbearances. Under the supplementary agreement dated 12th August, 2005, Defendant No. 1 was permitted to use the title ''New Indian Express'' or any of its derivatives/abbreviations on the Internet though no such right was given to it in respect of television and radio. It was also agreed between the parties to the agreement that the expression ''New'' need not be of the same size and in the same line as ''Indian Express'' provided the expression ''New'' was legible to the naked eye. In consideration of the aforesaid amendments, the Plaintiff paid an additional sum of Rs 5 crore to Defendant No. 1. Thus, according to the Plaintiff, Defendants were permitted to use the expression ''New Indian Express'' only for publication of an English language daily newspaper in the specified five southern States and specified Union Territories and for no other purpose or any other area or territory.

2. The Plaintiff is the owner of several registered trademarks, including ''Indian Express''. The Defendants have started publishing a newspaper called ''The Sunday Standard'' from New Delhi. In an e-mail sent on 02nd April, 2011 to its customers and advertising agencies, the Defendants used the words/expressions ''The New Indian Express Group''. On examining the issue of ''The Sunday Standard'', the Plaintiff noticed that under the masthead the expression ''newindiaexpress'' appears twice with facebook and twitter, whereas the term expressbuzz appears twice. In the introductory note on page 1, Defendant No. 2 described himself as the "Chairman, The New Indian Express Group". In the Editorial, the Editor describes himself as the Executive Editor of The New Indian Express. The columnist T.J.S. George was described as Editorial Advisor of The New Indian Express and the other columnist Mr v. Sudarshan was described as Executive Editor of The New Indian Express and in the Caution Notice, there are

three references to ''The New Indian Express''. On page 15, the Defendants published an advertisement with the expression/logo ''The New Indian Express Group''. The plea taken by the Plaintiff is that the Defendants are barred from using the expression ''The New Indian Express'' outside the specified five southern States and specified Union Territories and, therefore, use of the logo with the words ''The New Indian Express Group'', outside these five southern States and specified Union Territories, is an illegal use of Plaintiffs'' trademark besides being violative of the forbearance and non-compete conditions accepted by the Defendants for consideration.

3. This is also alleged that use of the above-referred logo and words/expressions by the Defendants in the newspaper ''The Sunday Standard'' is identical and/or deceptively similar to Plaintiff''s registered trademark and, therefore, amounts to infringement and passing off the Plaintiff''s trademark as that of Defendant No. 1''s own mark. It is claimed that the use of the words/expression ''Indian Express'' and/or ''The New Indian Express'' is likely to be taken as a connection / trade nexus of the Defendants with the Plaintiff and that besides, causing confusion amongst advertising agencies, readers and general public, it also amounts to taking Plaintiff''s undue advantage, reputation and goodwill. It is also alleged that the Defendants are trying to pass off their newspaper ''The Sunday Standard'' as connected with or related to Plaintiff''s newspaper and publications. The Plaintiff has alleged similar use of the expression ''New Indian Express'' by the Defendants in various other issues of ''The Sunday Standard''. The Plaintiff has sought an injunction restraining the Defendants from using the words ''The Indian Express'', ''New Indian Express'', ''Indian'' ''Express'' or any associated, agnate and cognate or abbreviated terms or any logos covered by Plaintiff''s registered trademark ''Indian Express'' ''Express News Service'' ''ENS'' and or ''The New Indian Express Group'' either by themselves or as a part of any word so as to infringe the Plaintiff''s registered trademark and/or violate the rights granted under the decree dated 16th April, 1997 and supplementary agreement dated 12th August, 2005.

4. The suit has been contested by the Defendants who have taken a preliminary objection that the suit is not maintainable, it being an attempt to execute a compromise decree passed by the High Court of Madras. On merits, the agreements between the parties as also the decree passed by Madras High Court have not been disputed. It is alleged that no injunction can be granted against Defendant No. 1 who is the registered owner of the trademark ''New Indian Express''. It is also alleged that the Plaintiff has acquiesced in use of the logo as well as the expression ''The New Indian Express'' and has failed to disclose that the words ''New Indian Express'' has been used only as a logo in the advertisement, published in ''The Sunday Standard''. It is also alleged that the Plaintiff has not come to the Court with clean hands since it has not disclosed that the advertisements along with logo of the ''New Indian Express'' were regularly published in the newspapers of the Plaintiff and the Plaintiff also published a supplement title ''Express International Aero India'' to the ''New

Indian Express'' Bangalore and the Financial Express (Ahmedabad, Bangalore, Chandigarh, Chennai, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi and Pune), front page of which carried Defendant No. 1''s logo ''The New Indian Express'' as well as Plaintiff''s logo ''The Indian Express Group''. It is also alleged that a representative of the Plaintiff had sent an e-mail to the representative of Defendant No. 1, informing it that he had ensured prominent display of the logo of Defendant No. 1. It is also claimed that the Plaintiff and Defendant No. 1 had addressed a joint letter to advertising agencies and that letter contained Plaintiff''s logo as well as Defendant No. 1''s logo ''The New Indian Express Group''. It is also alleged that the Plaintiff had published in ''Indian Express'' as well as in ''Financial Express'', advertisements of Defendant No. 1, which included the logo ''New Indian Express''. Thus, according to the Defendants, continuous use of the words ''The New Indian Express Group'' in Northern India with the knowledge of the Plaintiff makes out a clear case of agreement, acquiescence and acceptance on the part of the Plaintiff and by its act and conduct, the Plaintiff has waived all its objections to the use of the logo ''New Indian Express Groups'' by the Defendants. This is also the case of the Defendants that prohibition against use of the words ''Indian'' or ''Express'' is not applicable to periodicals such as magazines and weeklies and ''The Sunday Standard'' being a weekly, is not covered under the prohibition, contained in the agreement between the parties. It is also stated that since ''The Sunday Standard'' is being published by ''New Indian Express Group'', it is duty bound to disclose this information to the public, which is also the statutory requirement of Press and Registration of Books Act, 1867,

5. Relevant clauses of the compromise decree passed by Madras High Court on 16th April, 1997, read as under:

17. That Indian Express News papers (Bombay) Limited and Traders Limited shall be the absolute owners of their registered titles of the Newspapers and Magazines (including supplements) whether currently published by them or not in respect of the whole of India and that Manoj Kumar Sonthalia, Indian Express (Madurai) Limited Andhra Prabha Limited and Sterling Newspapers Limited shall have no claim of any kind in relation thereto and that Manoj Kumar Sonthalia, Indian Express (Madurai) Limited, Andhra Prabha Limited and Sterling Newspapers Limited shall not at any time whatsoever directly or indirectly use or adopt any of the said titles in any way whatsoever directly or indirectly or any title similar or resembling thereto save and except what is specifically permitted in Clause 19 infra.

18. That the title ''Indian Express'' shall vest absolutely in Indian Express Newspapers (Bombay) Limited as clarified in sub Clauses (i) to (iv) infra and that Indian Express (Madurai) Limited shall not have any right, title or interest in respect thereof, subject to the condition only that in the states of Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Orissa (hereinafter referred to as the five States) and the Union Territories of Pondicherry, Enam, Andaman and Nicobar

Islands and Lakshadweep (hereinafter referred to as the said Union Territories), Vivek Goenka Nariman Point Building Services & Trading Private Limited, Indian Express Newspapers (Bombay) Limited and Traders Limited or any corporation owned or controlled by them shall not directly or indirectly use the title (in relation to the print media) ''Indian Express'' or any name which includes the words ''Indian'' or '' Express'' or any derivative thereof save the Financial Express, the weeklies, Supplements or other periodicals.

i) That the title ''Indian Express'' belongs to Indian Express Newspapers (Bombay) Limited absolutely.

ii) That this title includes not only all rights in respect of all publications of an English language Newspaper under the name ''Indian Express'', but, also in relation to any use whatsoever whether in relation to print media, electronic media or any other medium whatsoever.

iii) That such rights and ownership is unlimited in point of territory or time.

iv) That Indian Express (Madurai) Limited is permitted use of the expression ''New Indian Express'' only for the publication of an English language daily Newspaper in the specified five states and Union Territories and for no other purpose or any other area or territory for any use whatsoever.

19) That Indian Express (Madurai) Limited, Andhra Prabha Limited Sterling Newspapers Limited shall be the absolute owner of all the titles of the newspapers and magazines (including the supplements, published by them and that Vivek Goenka,) Indian Express Newspapers (Bombay) Limited, Traders Limited, Nariman Point Building Services & Trading Private Limited shall have no claim of any kind in relation thereto and that Vivek Goenka, Indian Express Newspaper (Bombay) Limited, Traders Limited, Nariman Point Building Services & Trading Private Limited, shall not at any time whatsoever directly or indirectly use or adopt any of the said titles in any way whatsoever or any title similar or resembling thereto and that Vivek Goenka Indian Express Newspapers (Bombay) Limited, Traders Limited, Nariman Point Building Services & Trading Private Limited shall have no claim of any kind in relation thereto and that in relation to the English language publication ''Indian Express'' and that having regard to Clause 18 supra the following further provisions be and are hereby made:

(i) The name of Indian Express (Madura) Limited shall be changed to any name which does not include the word ''INDIAN'', it being clarified that the name can be "IEM or NIEM" or any other abbreviation or name to the intent and purpose that the new name may contain the word "Express" but shall not contain the word "INDIAN".

(ii) Manoj Kumar Sonthalia, Indian Express (Madurai) Limited, Andhra Prabha Limited & Sterling Newspapers Limited shall not use the title Indian Express (IE) at any time, anywhere.

(iii) Subject to Clause 20 infra Indian Express (Madurai) Limited/NIEM shall be entitled to publish an English language Daily by the name of ''New Indian Express'' on the condition that the expression ''NEW'' shall be in the same line and of the same size as the words Indian Express wherever this title appears.

(iv) Save and except what is stated in Clause 19(iii), hereinabove neither Indian Express (Madurai) Limited/New Indian Express (Madurai) nor Manoj Kumar Sonthalia or Andhra Prabha Limited or Sterling Newspapers Limited or any corporation owned or controlled by them shall directly or indirectly use the title Indian Express or any of its derivatives or any title similar or resembling thereto at any time whatsoever, provided that the restrictions against use of the word ''Express'' (without association with the word ''Indian'') shall not apply to the sections or supplements of New Indian Express, and in these sections or supplements the word ''Indian'' shall not be used alongside or otherwise with the word ''Express''.

(20) That Indian Express Madurai Limited, New Indian Express (Madurai) Limited, Andhra Prabha Limited, Sterling Newspapers Limited or Manoj Kumar Sonthalia or any corporation, firm or concern, directly or indirectly owned or controlled by them or associated with them shall not start any English language Newspaper in any State of India other than specified five states and the specified union territories in Clause 18 supra for a period of 36 months from this date and that after the expiry of the said period of 36 months, if Indian Express (Madurai) Limited, Andhra Prabha Limited, Sterling Newspapers Limited or Manoj Kumar Sonthalia start and English language newspaper in any State of India other than the said five states and the said Union Territories, it shall be subject to the further condition that it shall not bear the name of ''New Indian Express'' or ''Indian Express'' or any name including the word Indian or Express or its derivatives, and that equally, none of them shall start any Indian Language Newspaper which is in any way in conflict or competition with the language newspapers presently owned by Vivek Goenka, Indian Express Newspaper (Bombay) Limited, Traders Limited, Nariman Point Building Services & Trading Limited, Bharat Katha Publication Private Limited, Bharat Katha Offset (Private) Limited in their respective territories, and that however this prohibition shall not apply to periodicals (magazines, weeklies, etc.).

6. The relevant clauses in the supplementary agreement dated 12th August, 2005 read as under:

7. IEG and NIEG agree that notwithstanding the prohibition contained in Clause 18 (iv) and 19 (iv) of the Memorandum of Settlement dated 05.02.1995, NIEG shall be at liberty to publish any newspaper or periodical in any Indian language in the five southern States and union territories mentioned in the Memorandum of Settlement dated 05.02.1995 using the word ''Express'' (without association with the word ''Indian'' or any derivative of the word ''Indian'') in the title of the publication provided, however that NIEG shall only use the word ''Express'' to publish a newspaper or periodical in an Indian Language which is not in any manner whatsoever in competition with an existing publication of IEG.

8) IEG and NIEG agree that notwithstanding the prohibition contained in Clause 18(iv) of the Memorandum of Settlement dated 05.02.1995, NIEG shall be at liberty to use its title ''The New Indian Express'' or any of its derivatives/ abbreviations on the Internet for dissemination of news. For the removal of doubts, it is clarified that NIEG shall not have the right to use the title ''The New Indian Express'' for Television or Radio.

9) IEG and NIEG agree that in Clause 19 (iii) of the Memorandum of Settlement dated 05.02.1995, the restriction ''on the condition that the expression ''New'' shall be in the same line and of the same size as the words ''Indian Express'' wherever this title appears'' shall be dropped and consequently NIEG shall be entitled to use the expression ''New'' along with the expression ''Indian Express'' in the manner they deem fit subject to the word ''New'' being legible to the naked eye.

11) IEG and NIEG agree that the rights and restrictions enumerated in Clause 18 as well as Clause 19 of the Memorandum of Settlement dated 05.02.1995 are hereby re-affirmed and shall remain in full force and effect at all times except Clause 18 (iv) and Clause 19 (iii), (iv) and (v) which stand modified by clauses 6 to 9 hereinabove.

7. The case of the Plaintiff is based upon (i) infringement of its registered trademark; (ii) passing off and (iii) breach of the contractual obligations, including the compromise decree dated 16th April, 1997 passed by Madras High Court.

8. It is an admitted case that ''Indian Express'' is the registered trademark of the Plaintiff, whereas ''New Indian Express'' is the registered trademark of Defendant No. 1.

9. Section 28 of Trademarks Act, 1999, to the extent it is relevant, provides that where two or more persons are registered proprietors of trademarks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trademarks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks.

Hence, no infringement of the trademark ''Indian Express'' by the Defendants is made out on account of use of trademark ''New Indian Express'' by them.

10. Coming to the passing off, a perusal of various issues of ''The Sunday Standard'' would show that below the masthead, the Defendants have used the expressions ''Become a Fan on Facebook: facebook.com /newindianexpress'', ''Follow us on Twitter: twitter.com/newindianexpress'', Catch Us on the Go: m.expressbuzz.com'' and ''Stay Wired: www.expressbuzz.com''. In the issue of 3rd April, 2011, on the left upper side of column I, Defendant No. 2 Manoj Kumar Sonthalia has described himself as the Chairman, The New Indian Express Group.

On page 10 under the caption ''Caution'', the logo, i.e., ''The New Indian Express'' along with expression ''The New Indian Express Group'' has been used. Also the Executive Editor Shri Ravi Shankar has been described as the Executive Editor of the New Indian Express, whereas in the right side column on page 8, author Mr v. Sudarshan has been described as the Executive Editor of ''The New Indian Express''. The e-mail IDs of Mr Ravi Shankar and Mr v. Sudarshan have been published and the e-mail ID contains the expression ''newindianexpress''. There is an in house advertisement on page 15 of ''The Sunday Standard'' and this advertisement bears the name and logo ''The New Indian Express Group''. On page 1 of the issue dated 10th April, 2011, the expression ''Express News Service'' is used as byline presumably to indicate the source of the news. On page 2, there is an advertisement of Defendant No. 1 which carries the logo and expression ''The New Indian Express Group''. The word ''Express'' has been used on page 12 and 13 along with the words ''A marketing initiative''; on page 15, there is an in house advertisement of ''The Sunday Standard'' similar to the advertisement in the earlier issue. In the supplement, e-mail ID of the reporter V. Prabhakar has been published and the e-mail ID contains the expression ''New Indian Express''. Similar use of the expression ''New Indian Express is found in the issues dated 17th April, 2011 and 1st May, 2011.

11. In a case of passing off, what is relevant is as to whether there is any likelihood of the Defendant being able to pass off his goods/services as those of the Plaintiff. In the context of the case before this Court what is to be seen is whether the Defendant on account of use of the expression ''New Indian Express'' in the manner it has so far been used, is passing off the newspaper ''The Sunday Standard'' in territories other than five southern States and the Union Territories specified in the agreements between them as a newspaper coming from the stable of the Plaintiff-company or ''Indian Express Group''. If the Defendant is able to show that on account of the title, get up lay out, etc. of the newspaper ''The Sunday Standard'', there is no reasonable probability of the reader getting confused with regard to the ownership/origin of the newspaper, The Sunday Standard no case of passing off would be made out. Another factor which needs to be considered by the Court is whether there is an element of deceit involved in the way the expression ''Indian Express Group'' has been used in the newspaper ''The Sunday Standard''.

12. Neither ''Indian Express Group'' nor ''New Indian Express Group'' by itself is a legal entity. The expression ''Indian Express Group'', to my mind is being used in order to convey the commonality of the ownership/management of the newspapers which are published by companies/business entities having same or common ownership/management. Similarly, the expression ''New Indian Express Group'' denotes common ownership/management of the companies/business entities which together form what is called ''New Indian Express Group''.

The expression ''New Indian Express Group'' is not altogether prohibited to be used for the Defendant under the agreements between the parties. Admittedly, the supplementary agreement dated 12th August, 2005 permitted use of the expression ''New Indian Express'' or any of its derivatives/abbreviations on the Internet. Admittedly, the Defendants were also permitted, under the first agreement itself, to publish an English daily newspaper in five southern States and Union Territories specified in the agreement and they were permitted to use the expression ''New Indian Express'' for that purpose. The only embargo was on use of the words ''Indian'' or ''Express'' or their derivatives outside the southern territories and Union Territories specified in the agreement dated 05th February, 1995.

A perusal of various issues of the newspaper ''The Sunday Standard'' would show that the title of the newspaper appears on the top of the front page in bold capital letters which are quite big in size. As against this, the expression ''New Indian Express'' appears in very small size just under the masthead and leaves to be intended to invite the readers to Defendant''s website www.expressbuzz.com/www.mexpressbuzz.com or to join it on Facebook/Twitter. Under the supplementary agreement dated 12th August, 2005, Defendant No. 1 was permitted to use the title ''New Indian Express'' or any of its derivatives/ abbreviations on the Internet and this use does not have and cannot have any geographical limitations. By inviting the readers to join to the website www.expressbuzz.com / www.mexpressbuzz.com or to join them on Facebook or Twitter, the Defendants are only promoting their Internet business in exercise of the Internet rights given to them under the supplementary agreement. To my mind, no exception can be taken to such promotion of the Internet business of the Defendant under the name ''New Indian Express'' by the Plaintiff.

I fail to appreciate the contention of the Learned Counsel for the Plaintiff that the agreements between the parties prohibits the Defendants from promoting/ advertising their business outside the five southern States/Union Territories specified in the agreement, if it involves use of the express ''New Indian Express''. Admittedly, the Defendants are entitled to publish an English daily under the name ''New Indian Express'' in the southern States and Union Territories specified in the agreements. The right to carry on a business includes the right to advertise and promote that business. There was no prohibition, in the agreements between the parties, against promotion/advertisements even of the newspaper ''New Indian Express'' outside the southern States and Union Territories specified therein. Hence, if the Defendant want to advertise those newspapers outside the specified southern States/Union Territories specified in the agreement, by giving advertisements in other newspapers or on television or radio, that, to my mind, would not constitute a violation of the agreements dated 05th February, 1995 and supplementary agreement dated 12th August, 2005 and in any case would not amount to passing off the newspaper of the Defendant as that of the Plaintiff.

As regards Defendant No. 2 describing himself as the Chairman of ''New Indian Express'', the editor describing himself as the editor of the ''New Indian Express'' and the columnist describing himself as the editorial advisor of ''New Indian Express'', it is not in dispute that these persons are actually holding these posts in the newspaper ''New Indian Express'' and Defendant No. 2 is actually the Chairman of the ''New Indian Express Group''. The words ''New Indian Express'' have been written in a very small print in the articles and there is no attempt to make them eye-catching or prominent. Therefore, it cannot be said that there is an element of deceit or dishonesty involved in using the expression ''New Indian Express'' while describing these persons in the newspaper ''The Sunday Standard''. In my view, no reader of ''The Sunday Standard'' is likely to confuse ''The Sunday Standard'' as a newspaper belonging to the Plaintiff-company or ''Indian Express Group'' merely because of the editor/editorial/advisor/columnist of ''New Indian Express'' describing himself as such in the column/editorial written by him in ''The Sunday Standard''. To take an example, if a person working as editor/columnist/reporter in Indian Express were to write a column in ''The Sunday Standard'' and if he is described as the editor/columnist/reporter of ''Indian Express'', that would not amount to passing off the newspaper ''The Sunday Standard'' as the newspaper belong to the ''Indian Express Group'' and would not be in violation of the agreement between the parties. To take an example if a reporter/columnist of say Times of India/Hindustan Times Group were to write a column/report/story/article in ''The Sunday Standard'', can it be said by the owners of Times of India/Hindustan Times that by doing so, the Defendants were passing off the newspaper ''The Sunday Standard'' as a newspaper belonging to the Times of India Group/Hindustan Times Group. The answer to this question can only be in the negative. If a columnist/reporter of Times of India/Hindustan Times describing himself as such while writing a story/ article in The Sunday Standard'' does not amount to passing off the newspaper as that of Times of India Group/Hindustan Times Group, it cannot be said that the Defendants by using the expression ''New Indian Express'' while describing the editor/editorial advisor/columnist of ''New Indian Express'' are trying to pass off their newspaper as a newspaper belonging to the ''Indian Express Group.

As regards advertisements, since these were advertisements of ''New Indian Express Group'', I fail to appreciate how such advertisements can create confusion in the mind of the reader that the newspaper in which the advertisement is published belongs to ''Indian Express Group''. As noted earlier, ''New Indian Express'' is altogether different from ''Indian Express Group'', and has been recognized by the Plaintiff itself while publishing the supplement ''Express International Aero India'' where columns of both the groups appeared along with their respective logos. Hence, advertisements of the vacancies in ''New Indian Express'' or even advertisement of newspaper published by ''New Indian Express Group'' would not amount to passing off the newspaper ''The Sunday Standard'' as a newspaper belonging to ''Indian Express Group'' and will not be violative of the agreements executed between the parties. In my view, if the Defendants advertise the newspaper published by them from any of the five southern State/Union Territories specified in the agreements in any newspaper whether it is Times of India or Hindustan Times or The Sunday Standards that would neither amount to passing off nor would that be in violation of the agreements between the parties. Same would be the position if the advertisements of other newspapers are published in ''The Sunday Standard'' irrespective of whether it is advertisement of ''Hindustan Times'' or ''Times of India'' or ''New Indian Express''. If tomorrow, the Plaintiff advertises its newspaper ''Indian Express'' in any of the five southern States/Union Territories specified in the agreements, in a newspaper published from these southern States/Union Territories, can it be said that by doing so the Plaintiff was trying to pass off its newspaper as that of ''New Indian Express Group''. The answer again would be in negative. Therefore, to my mind, such advertisements or use of the expression ''New Indian Express'' or ''New Indian Express Group'', the way they have been used so far do not amount to passing off and also do not constitute the violation of the agreements between the parties.

13. It was pointed out by the Learned Counsel for the Plaintiff that under the agreements, the Defendants are precluded from using the expression ''Indian'' or ''Express'', whereas the Plaintiff is precluded only from using this expression as a title of the newspaper in the specified southern States/Union Territories which, according to the Learned Counsel, precludes the Defendant from using the expression ''New Indian Express'' in any form in any manner and for any purpose, outside the southern States/Union Territories specified in the agreement. In my view, the construction, suggested by the Learned Counsel for the Plaintiff, is not borne out from the terms of the agreement and cannot be accepted. Since the Defendants were permitted to bring out the newspaper under the name ''New Indian Express'' from any of the southern States/Union Territories specified in the agreement, no embargo can be placed on its rights to advertise the newspaper ''New Indian Express'' outside the southern States/ Union Territories. If I accept the construction, suggested by the Learned Counsel for the Plaintiff that would mean that the Defendants cannot advertise the newspaper ''Indian Express'' even on television and radio because television and radio have pan-India reach and their audience/viewers are not confined to any particular State/region. Therefore, advertisement of ''New Indian Express'' or ''New Indian Express Group'' in the newspaper ''The Sunday Standard'' outside the southern States/Union Territories specified in the agreement between the parties cannot be objected to by the Plaintiff.

14. Even if it is presumed that the agreements executed between the parties precluded the Defendants from using the expression ''New Indian Express'' in any form and in any manner, except in the southern States/Union Territories specified in the agreement between the parties, there is ample material on record to show that the Plaintiff acquiesced in use of the expression ''New Indian Express'' as well as the logo of ''New Indian Expressing Group'' outside the southern States/Union Territories specified in the agreement and therefore is now estopped from objecting to such a use in the newspaper ''The Sunday Standard''. A perusal of the supplement ''Express International Aero India'' would show that

the name ''New Indian Express'' as well as the logo of ''New Indian Express Group'' was prominently displayed in the publication. Admittedly, the circulation of this supplement was not confined to the southern States/Union Territories specified in the agreements between the parties and it was an All India Supplement. In fact, in the supplement ''Express International Aero India'' the expression ''New Indian Express Group'' has given more prominence than the expression ''Indian Express Group.

Admittedly, the advertisements of the Defendants which carried their logo were published in various newspapers published by the Plaintiff. The copies of invoice, issued by the Plaintiff-company for carrying these advertisements have been placed on record. A perusal of ''Indian Express'' dated 15th July, 2005 would show that it carried an advertisement of Students South, a publication of the ''New Indian Express Group'' and name as well as the logo of the Defendant were prominently displayed in the newspaper. The same advertisement was published in Loksatta dated 15th July, 2007 which is a publication of the Plaintiff-company. There is yet another advertisement of the ''New Indian Express'' published in ''Indian Express'' Mumbai dated 02nd May, 2005. This advertisement was also published in the Financial Express dated 02nd May, 2005 published from Mumbai/ Kochi. I fail to appreciate how the Plaintiff can object to such advertisements being published in ''The Sunday Standard'' which is Defendants own newspaper when they themselves have been publishing similar advertisements in their newspapers published outside the southern States/Union Territories, specified in the agreements between the parties.

A perusal of an e-mail dated 10th October, 2008 from Mr Rajiv Girhotra of the Plaintiff would show that he had ensured prominent display of New Indian Express logo in the Aero India supplement and ''New Indian Express Group'', Hyderabad was named on the supplement masthead. A joint letter dated 17th January, 2005 was written by Ratanbali Majumdar of the Plaintiff-company and Bhaskar Gati Roy of Defendant No. 1 to Pressman Advertising, whereby they agreed that the total business given to Plaintiff-company and Defendant No. 1-Company would be included for calculations of incentives. The letter bears name and logo of the ''New Indian Express Group'' as well as ''Indian Express Group'' and was sent outside the southern States/Union Territories mentioned in the agreement between the parties. This letter indicates that the Plaintiff-company had no objection to use of the expression ''New Indian Express'' as well as its log outside the southern States and Union Territories mentioned in the agreement between the parties. Similar letter have been written to Group M, Mumbai Concept Communications Palm Advertising and Marketing. In fact, the Plaintiff-company also carried advertisements of ''Indian Express'' in the Financial Express dated 22nd April, 2011 published from the Chennai/Kochi and Financial Express dated 19th May, 2011 published from Hyderabad which are amongst the southern States/Union Territories, though, they were not to use the title ''Indian Express'' in these territories. This would show that the Plaintiff has been carrying advertisement of ''Indian Express'' in the in-house newspapers published from the southern States/Union Territories reserved for the Defendants. Though it was the case of the Plaintiff is that under the agreement, they were precluded from using the title ''New Indian Express'' and not the expression ''Indian Express'' whereas the Defendant No. 1 was precluded from using the expression ''Indian'' or ''Express'' outside specified States/Union Territories, that, to my mind, would make no difference as far as the case of the Plaintiff is based on passing off. If advertisement of ''New Indian Express Group'' in ''The Sunday Standard'' is to be taken as passing off of the newspaper, ''The Sunday Standard'', as a newspaper belonging to the ''Indian Express Group'', it is difficult to dispute that publication of advertisement of the ''Indian Express'' would also amount to passing off of the newspaper ''Indian Express'' as a newspaper belong to ''New Indian Express'', in the southern States/Union Territories which are reserved for the Defendant No. 1-company.

15. Ramdev Food Products Pvt. Ltd. Vs. Arvindbhai Rambhai Patel and Others, , Supreme Court, inter alia, observed as under:

103. Acquiescence is a facet of delay. The principle of acquiescence would apply where: (i) sitting by or allow another to invade the rights and spending money on it; (ii) it is a course of conduct inconsistent with the claim for exclusive rights for trade mark, trade name, etc.

106. The defence of acquiescence, thus, would be satisfied when the Plaintiff assents to or lay by in relation to the acts of another person and in view of that assent or laying by and consequent acts it would be unjust in all the circumstances to grant the specific relief.

In Hindustan Pencils (P) Ltd. Vs. India Stationery Products Co. and Another, , this Court, inter alia, express the following view:

As already noted, acquiescence may mean an encouragement by the Plaintiff to the Defendant to use the infringing mark. It is as if the Plaintiff wants the defendant to be under the belief that the Plaintiff does not regard- the action of the Defendant as being vocative of the Plaintiff''s rights. Furthermore, there should be a tacit or an express assent by the Plaintiff to the Defendant''s using the mark and in a way encouraging the Defendants to continue with the business. In such a case the infringer acts upon an honest mistaken belief that he is not infringing the trade mark of the Plaintiff and if, after a period of time when the infringer has established the business reputation, the Plaintiff turns around and brings an action for injunction the Defendant would be entitled to raise the defense of acquiescence. Acquiescence may be a good defense even to the grant of a permanent injunction because the Defendant may legitimately contend that the encouragement of the Plaintiff to the Defendant''s use of the mark in effect amounted to the abandonment by the Plaintiff of his right in favor of the Defendant and, over a period of time, the general public has accepted the goods of the Defendant resulting in increase of its sale. It may, however, be stated that it will be for the Defendant in such cases to prove acquiescence by the Plaintiff. Acquiescence cannot be inferred merely by reason of the fact that the Plaintiff has not taken any action against the infringement of its rights.

In Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd., , Supreme Court, inter alia, observed as under:

Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In Harcourt v. White10 Sr. John Romilly said: "It is important to distinguish mere negligence and acquiescence." Therefore, acquiescence is one facet of delay. If the Plaintiff stood by knowingly and let the Defendants build up an important trade until it had become necessary to crush it, then the Plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in Mouson (J.G.) & Company v. Boehm". The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the Defendant as was laid down in Rodgers v. Nowill12.

Delay simpliciter may be no defence to a suit for infringement of a trade mark, but the decisions to which I have referred to clearly indicate that where a trader allows a rival trader to expend money over a considerable period in the building up of a business with the aid of a mark similar to his own he will not be allowed to stop his rival''s business. If he were permitted to do so great loss would be caused not only to the rival trader but to those who depend on his business for their livelihood. A village may develop into a large town as the result of the building up of a business and most of the inhabitants may be dependent on the business. No hard and fast rule can be laid down for deciding when a person has, as the result of inaction, lost the right of stopping another using his mark. As pointed out in Rowland v. Michell15 each case must depend on its own circumstances, but obviously a person cannot be allowed to stand by indefinitely without suffering the consequence.

In Warner Bros. Entertainment Inc. and Another Vs. Harinder Kohli and Others, , this Court observed that if the Plaintiffs stood by knowingly and let the Defendants build up their business or venture, then they would be estopped by their acquiescence from claiming equitable relief. It was further observed that acquiescence on the part of the Plaintiffs would amount to waiver, if not abandonment of their right. The Court was of the view that if, according to the Plaintiffs, the Defendants had dishonestly adopted a title or mark akin to that of Plaintiffs, it was imperative upon them to have nipped the evil in the bud by forwarding to the Defendants a legal notice of CEASE and DESIST. In the case before this Court, the Plaintiff has gone much beyond inaction and laches and has in fact contributed to the use of the expression ''New Indian Express'' outside the specified southern States and territories and has thus taken an active role in promoting this expression outside these States and Union Territories. The Plaintiff by its acts and deeds waived its right, if any to use of the expression, ''New

Indian Express'' by the Defendants and now estopped from objecting to its use in ''The Sunday Standard.

16. The Learned Counsel for the Plaintiff has submitted a compilation of a number of decisions, though most of them were not referred during the course of arguments. The compilation contains decisions rendered in Mahashian Di Hatti Ltd. Vs. Mr. Raj Niwas, Proprietor of MHS Masalay, , Midas Hygiene Industries P. Ltd. and Another Vs. Sudhir Bhatia and Others, , Doctor Morepen Limited Vs. Yash Pharma Laboratories Limited, , Bawa Masala Company v. Bawa Masala Company P. Ltd. and Ors. 2004 (28) PTC 524 (GUH) (DB), Bal Pharma Ltd. Vs. Centaur Laboratories Pvt. Ltd. and Another, , Bawa Jagmohan Singh and Others Vs. The Registrar of Trade Marks and Others, , Marie Stops Int. Vs. Parivar Seva Sanstha, , T.V. Venugopal Vs. Ushodaya Enterprises Ltd. and Another, , Laxmikant V. Patel Vs. Chetanbhat Shah and Another, , Structural Waterproofing and Others Vs. Mr. Amit Gupta and Others, , Ramdev Food Products Pvt. Ltd. Vs. Arvindbhai Rambhai Patel and Others, , Power Control Appliances and Others Vs. Sumeet Machines Pvt. Ltd., , N.R. Dongre and Others Vs. Whirlpool Corpn. and Another, , Atlas Cycles (Haryana) Ltd. Vs. Atlas Products Pvt. Ltd., & Mahendra and Mahendra Paper Mills Ltd. Vs. Mahindra and Mahindra Ltd., .

17. In Mahashian Di Hatti Ltd. (supra), the Plaintiff was a registered proprietor of trademark/logo ''MDH'' which it was using in respect of spices. The Defendant in that case was found using the logo ''MHS''. Both the marks were in heaxagon device with red colour background on the carton. The mark of the Defendant was not a registered mark. Considering the similarity between the two marks it was held that the Defendant had infringed the registered trademark of the Plaintiff. In Midas Hygiene Industries P. Ltd. (supra), which was a case of infringement, Supreme Court was of the view that in case of infringement injunction should normally follow and mere delay in seeking injunction would not be sufficient to defeat grant of injunction in such cases. In Doctor Morepen Limited (supra), the Plaintiff was using the trademark ''LEMOLATE'' which it had purchased from the Defendant for consideration. The Defendant started using the trademark ''LEMOTAB''. It was held that while accepting consideration for the trademark ''LEMOLATE'', the Defendant had agreed not to use a similar trademark and therefore it was not open to it to use the trademark ''LEMOTAB''. In Bawa Jagmohan Singh (supra) a partnership firm was the proprietor of the trademark. There was a settlement between Petitioner No. 1 on the one hand and Respondents No. 3 to 5 on the other, which was recorded in a Memorandum of Understanding dated 17th August, 2000. Under the MoU, Petitioner No. 1 retired from the firm but was allowed to carry on business of a company named Bawa Masala Company Private Limited. The trademarks were being used by the firm as well as by the company. The MoU provided that both the parties could continue to use the trademark but their territories were distributed. The Registrar of Trade Marks, without issuing notice to Petitioner No. 1 removed his name from the register of trademarks. This Court was prima facie of the view that the valuable rights of Petitioner No. 1 in the trademark could not have been taken away

without giving an opportunity of hearing to him. The order passed by the Registrar was therefore stayed by the Court. The decision in the case of Bawa Masala Company (supra) was rendered in a subsequent litigation between these very parties. It was noted that the parties had agreed to use the disputed trademark in the territories specified under a MoU. Since the parties were suspicious of each other, it was directed that they should mention on the cartons that they were meant for sale in a particular territory or were not meant for sale in a particular territory. In Bal Pharma Ltd. (supra), the Respondents were the registered proprietors of the trademark which they had coined. The Appellant failed to show any prior user. It was therefore held that defence u/s 33(1)(b) of the Trade Marks Act was not available to him. In Marie Stops Int. (supra), the Plaintiff which was the owner of trademark ''Marie Stopes'' had engaged the Defendant in various Health Care Projects in India and had permitted it to use the trademark till 2003. It was held that use of the trademark by the Defendant after 2003 was illegal. In T.V. Venugopal (supra), the Appellant was carrying business of incense sticks (agarbatis). He adopted the mark ''Ashika''s Eenadu'' and devised a label which also contained the word ''Eenadu''. The Appellant also obtained registration of the aforesaid trademark. The Respondent which was publishing a newspaper in Telugu language titled as ''Eenadu'', filed a suit alleging infringement of its copyright and passing off. The Appellant took the plea that ''Eenadu'' was a generic word. During the Course of the judgment, Supreme Court observed that assuming that the said word is a generic word yet if it is found by the Court that such a mark has attained distinctiveness and is associated with the business of the Plaintiff for a considerable time and thereafter the Defendant adopts a similar word as one of his two marks to induce innocent users, the Court would grant an injunction to protect the business of the Plaintiff. It was further observed that the protection qua common field of activity has now been expanded and interpreted to mean extending to other product lines than what is manufactured by the Plaintiff and hence common field of activity is not restricted to same or similar products but extends to all other products, the test being that of ''common class of consumers''. The reason given by the Court was likelihood of ''common class of consumers'' identifying the Defendant''s goods as originating from the source as the Plaintiff. In Laxmikant v. Patel (supra), Supreme Court observed that an action of passing off will lie wherever Defendant''s name or its intended name is calculated to deceive and to divert business from the Plaintiff or occasion a confusion between the two businesses. During the course of judgment, Supreme Court inter alia observed as under:

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

In Structural Waterproofing (supra) there was a Memorandum of Understanding between the parties and the Court found that each and every term of the document had been acted upon and given effect to by both the parties. The court was of the view that the Plaintiff was not entitled to interim injunction against the terms of the settlement. In N.R. Dongre and Ors. (supra), Supreme Court inter alia observed as under:

An infringement action is available where there is violation of specific property right acquired under and recognized by the statute. In a passing off action, however, the Plaintiff''s right is independent of such a statutory right to a trade mark and is against the conduct of the Defendant which leads to or is intended or calculated to lead to deception. Passing off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit.

In Atlas Cycles (supra), the Plaintiff was the registered proprietor of the trademark ''Atlas'' since 1952. Defendant No. 1 Atlas Products Private Limited, which came to be incorporated in the year 1995, started manufacturing bicycles in February, 2002. The Defendant took the plea of acquiescence on the ground that no legal action was initiated by the Plaintiff between 1995 and 2002 despite the name "Atlas'' having been used as its corporate name during this period. The Court was of the view that no case of acquiescence was made out since the Defendant started the business of manufacture and sale of cycles only in February, 2002 and the Plaintiffs filed suit immediately thereafter within a couple of months. The Defendants were therefore restrained from using the word ''Atlas'' in their corporate/trade name in respect of bicycles and bicycles parts. In Mahendra and Mahendra Paper Mills Ltd. (supra), the Plaintiff Mahindra and Mahindra Paper Mills Ltd. filed a suit seeking injunction against use of the corporate name Mahendra and Mahendra on the ground that the name was deceptively similar to its name. The Defendant claimed that the name ''Mahendera'' was a household name in Gujarat and its products were in no way similar to the products of the Plaintiff and there was no overlapping in the business of the two companies. The contention was however rejected by the Supreme Court which noticed that the Plaintiff had been using the word

''Mahindra'' and ''Mahindra and Mahindra'' for a long span of time extending over five decades and therefore the name had acquired distinctiveness and a secondary meaning in business or trade circles. People had come to associate the name of Mahindra with a certain standard of goods and services and any attempt by any person to use this name would in probability create an impression of connection with the Plaintiffs" group of companies.

None of these judgments apply to the facts of the case before this Court where the Defendants were expressly permitted to use the name ''New Indian Express'' though only in southern States and Union Territories specified in the agreement between the parties and use of the expression ''New Indian Express'' in the manner it has so far been used by the Defendants is not likely to cause any confusion amongst the readers and there is no reasonable possibility of the newspaper ''The Sunday Standard'' being passed off as a newspaper belonging to Indian Express Group.

For the reasons given in the preceding paragraphs, I find no valid ground to grant injunction against use of the expressions ''New Indian Express'' and/or ''New Indian Express Group'' by the Defendants. However, to rule out any possibility of an unwary reader getting a little bit confused with respect to the group to which the newspaper ''The Sunday Standard'' belongs, I direct the Defendants to use the word Madurai while using the expression ''New Indian Express Group'' and thus replace the expression ''New Indian Express Group'' by the expression ''New India Express Group, Madurai''. I also direct the Defendants to use the name of the place of publication of the newspaper ''New Indian Express'', along with the expression ''New Indian Express'', wherever they refer to their newspaper ''New Indian Express''. This direction could apply only to the publications, which are published from outside the southern States and Union Territories, specified in the agreements between the parties.

Since prima facie, I have not found any merit in the case set up by the Plaintiff, I need not examine the contention of the Defendants that the remedy of the Plaintiff against alleged contravention of the consent decree passed by Madras High Court lies in that Court and not before this Court.

The observations made in this order being prima facie having been made only for the purpose of deciding this application, would not affect the decision of the suit on merits.

The application stands disposed of in terms of this order.

CS(OS) No. 1134/2011

Replication can be filed within four weeks. List before the Joint Registrar on 01st December, 2011 for admission/denial of the documents and before the Court on 12th April, 2012 for framing of issues.

