*   **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Reserved on: April 08, 2025

%   ***Pronounced on: April 16, 2025***

\+   **C.A. (COMM.IPD-TM)7/2025**

DIAGEO SCOTLAND LIMITED .....**Appellant**

Through: Mr. PeeyooshKalra, Ms. V. Mohini and Ms. Aarti Aggarwal and Mr. Yashwant Singh Bagel, Advs.

Versus

PRACHI VERMA AND ANR. .....**Respondents**

Through: Ms. Nidhi Raman, CGSC with Mr. Debashish Mishra and Mr. Arnav Mittal, Advs. for R-2

CORAM:
HON'BLE MR. JUSTICE SAURABH BANERJEE

J U D G M E N T

1. The appellant, has preferred the present appeal under *Section 91* of the Trade Marks Act, 1999[1] assailing the order dated 01.10.2024[2] passed by the learned Assistant Registrar of Trade Marks[3], whereby its Opposition against the registration of the impugned mark "CAPTAIN BLUE" under application no.4398295 in *Class 33* has been dismissed.

***Brief Conspectus*:**

2. The appellant, Diageo Scotland Limited, is a wholly owned subsidiary of Diageo PLC and forms part of the globally renowned Diageo Group, which holds a vast and diverse portfolio of spirit brands. Among

[1]hereinafter referred to as "***the Act***"
[2]hereinafter referred to as "***impugned order***"
[3]hereinafter referred to as "***Respondent No.2***"

its flagship brands is "CAPTAIN MORGAN", a rum brand first launched in 1982 and acquired by Diageo in 2001. Since then, the "CAPTAIN" formative has become the nucleus of an extensive branding architecture, including sub-brands such as "CAPTAIN MORGAN GOLD", "CAPTAIN MORGAN WHITE RUM", "CAPTAIN MORGAN DARK RUM" and others.

3. As per appellant, the "CAPTAIN" brand has been continuously and extensively used in India since 2006 and has obtained registration no.1485228 for the trademark "CAPTAIN" and no.708544 for the trademark "CAPTAIN MORGAN", both in *Class 33*. Over the years, the brand has garnered formidable consumer recognition and loyalty, generating substantial revenues. For the year 2023 alone, the "CAPTAIN MORGAN" brand reported sales to the tune of approximately USD 6.48 million in India.

4. In contrast, the respondent no.1 filed the impugned application no. 4398295 for the mark "CAPTAIN BLUE" also in *Class 33* for alcoholic beverages, on a "*proposed to be used*" basis. After its publication in the Trade Marks Journal on 27.01.2020, the appellant filed Opposition no.1043295, contesting the registration on the grounds of deceptive similarity, lack of *bona fide* adoption and likelihood of causing confusion among the public.

5. The said Oppositionof the appellant was rejected by the respondent no.2 holding that the said impugned mark "CAPTAIN BLUE", when compared as a whole, was found distinctiveas also on the basis of unrelated third-party registrations containing the word "CAPTAIN".

6. Aggrieved thereby, the appellant has prayed for setting aside of the

impugned order.

***<u>Submissions of the Appellant</u>*:**

7. Mr. Piyush Kalra, learned counsel for the appellant submitted that the impugned order suffers from manifest legal infirmities, as it overlooks the prior statutory and common law rights of the appellant vested in its family of "CAPTAIN" marks, particularly the globally renowned and extensively used mark "CAPTAIN MORGAN". Moreover, the impugned mark "CAPTAIN BLUE", forming the subject matter of application no.4398295 is deceptively similar to the appellant's prior registered marks and in fact, constitutes a slavish imitation thereof.

8. He submitted that the respondent no.2 has failed to appreciate that the appellant is the prior and registered proprietor of the trademark "CAPTAIN" under registration no.1485228 as also of the trademark "CAPTAIN MORGAN" under registration no.708544 and also holds multiple registrations *qua* the said family of marks.

9. He further submitted that the impugned mark "CAPTAIN BLUE" of the respondent no.1 is not merely similar but wholly incorporates the dominant and source-identifying component of the appellant's marks, namely "CAPTAIN" and the addition of the suffix "BLUE" does not distinguish the said mark with that of the appellant.

10. He also submitted that, *admittedly*, the respondent no.1 filed an application for registration of the mark "CAPTAIN BLUE" on a "*proposed to be used*" basis and further that no evidence of actual use, commercial intent or *bona fide* adoption was ever placed on record before the respondent no.2. In fact, no documents were filed under *Rule 46* of the Trade Marks Rules, 2017 in support of the Counter Statement. The

respondent no.2, instead of considering the above, rejected the Opposition of the appellant.

11. As per learned counsel, if the impugned mark is allowed to subsist on the Register of Trade Marks, it will be falsely associated with the mark(s) of the appellant, more so, especially when the appellant is already the owner of the marks "CAPTAIN MORGAN GOLD, "CAPTAIN MORGAN WHITE". Under these circumstances, the impugned mark of the respondent no.1 is likely to be perceived as yet another variant emanating from the appellant.

12. Finally, as per learned counsel if the impugned order is allowed to stand, it would not only distort the settled legal precedent but would also open the floodgates for copycat applications in a manner that would irreparably damage the distinctiveness and exclusivity of reputed marks. It is prayed that the impugned order be set aside and the mark "CAPTAIN BLUE" be removed from the Register of Trade Marks.

***<u>Submissions of the Respondent no.1</u>*:**

13. While reserving the judgment on 08.04.2025 it was inadvertently missed out that since the respondent no.1 has neither filed a replydespite being duly served in terms of order dated 12.03.2025 nor is present and/ or being represented before Court today, the right to file a reply of the said respondent no.1 is closed and the said respondent no.1 is proceeded *ex parte*.

***<u>Submissions of the Respondent no.2</u>*:**

14. The respondent no.2, on the other hand, has filed its reply supporting the impugned order. In furtherance thereof, as per the learned counsel for respondent no.2, it is not the case of the appellant that the

impugned mark of respondent no.1 is a derivative of its mark(s) and that the mark(s) of both parties are distinctively different.

15. For advancing her submissions, she relied upon ***Vinita Gupta v. Amit Arora***[4] and ***Corn Products Refining Co. v. Shangrila Food Products Ltd.***[5] to submit that there is no 'semantic similarity' *inter se* the impugned mark with those of the appellant. Lastly, since as per learned counsel another Opposition of the very same appellant involving the very same mark(s) against another third-party has also been rejected, which has not been challenged, the appellant is precluded to challenge the present impugned order as well.

16. In rejoinder, learned counsel for the appellant reiterated his submissions made before and as recorded hereinabove submitted that the law laid down in ***Vinita Gupta (supra)*** and ***Corn Products Refining Co. (supra)*** are in fact supporting the case of the appellant. He further submitted that reliance placed by the respondent no.2 on third-party "CAPTAIN" marks during oral arguments is impermissible, as the said marks were never part of the pleadings or evidence during the proceedings before the respondent no.2. Be that as it may, the third-party "CAPTAIN" marks relied upon were, as per the appellant's written submissions dated 20.09.2024, either withdrawn, refused, abandoned or opposed by the appellant itself. A detailed tabulation of such marks, including over 80 applications carrying the term "CAPTAIN" was produced before the respondent no.2, but the same was wholly ignored in the impugned order.

17. Also, *qua* the few surviving marks cited by the respondent no.1,

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[4] 2022 SCC OnLine Del 3249

[5] AIR 1960 SC 142

particularly those in the name of IFB Agro Industries, were not representative of public use or dilution, since the appellant had entered into a confidential Settlement Agreement with IFB and had consciously chosen not to oppose those particular filings. Such selective and confidential settlements cannot be construed to undermine the appellant's trademark rights. For this, placing reliance on ***Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd.***[6] and ***Corn Products Refining Co. (supra)***, learned counsel asserted that even minor variations or conceptual similarities can give rise to a likelihood of confusion, particularly when the goods in question are identical and the prior mark is well-established.

Analysis and Findings:

18. This Court has heard the learned counsel for the petitioner and the respondent no.2 and also gone through the documents placed on record along with the relevant judgments on the issue cited by them.

19. Based on the above, *admittedly*, the appellant is not only the prior adopter but is also the registered proprietor of the trademark "CAPTAIN" under registration no.1485228 as also of the trademark "CAPTAIN MORGAN" under registration no.708544 and also holds similar multiple registrations. The appellant has also been continuously using the same and has acquired immense goodwill therein, both internationally and in India.

20. In such a scenario, particularly whence the appellant is already the owner of the family of "CAPTAIN" marks, including "CAPTAIN MORGAN GOLD, "CAPTAIN MORGAN WHITE", there is every likelihood of the impugned mark "CAPTAIN BLUE" of the respondent no.1 to be perceived as yet another variant emanating from the appellant

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[6] (2001) 5 SCC 73

and be falsely associated with the mark(s) of the appellant.

21. Also, since the impugned mark "CAPTAIN BLUE" of the respondent no.1 has the registered trademark "CAPTAIN", a dominant and source-identifying feature of the family of "CAPTAIN" marks belonging to the appellant within it, merely adding the suffix "BLUE" thereto, more so, when the appellant has other mark(s) with the same "CAPTAIN" in the very same *Class 33* for the very identically similar goods namely alcoholic beverages is not sufficient evidence for it to be distinct as there is every likelihood of associating of the same with that of the family of "CAPTAIN" marks belonging to the appellant as also causing confusion amongst the members of the tradeas well as in the minds of the general public.

22. Under such circumstances, as also that the respondent no.1 filed an application for registration of the mark "CAPTAIN BLUE" on a "*proposed to be used*" basis and never filed any documents under *Rule 46* of the Trade Marks Rules, 2017 along with its Counter Statement to the Opposition nor filed any evidence of actual use, commercial intent or showing cause of *bona fide* adoption, were all vital factors which were not taken into consideration by the respondent no.2. More so, since there was no evidence of genuine intention or commercial justification of the adoption of the impugned mark "CAPTAIN BLUE", and that too in *Class 33*, by the respondent no.1.

23. Interestingly, in the absence of any response from respondent no.1, there is complete silence *qua* the adoption and application for registration of the impugned mark "CAPTAIN BLUE" and that she was (un)aware of the appellant and/ or its family of "CAPTAIN" marks, however, on the

other hand the aforesaid impugned mark has the similar underlying concept/ basic idea with that of the family of "CAPTAIN" marks of the appellant and there is a remarkable sameness *inter se* them.

24. Further, there was no instance(s) of any actual use, market penetration and/ or commercial activity under the impugned mark "CAPTAIN BLUE" of the respondent no.1 and also there was no averment, much less, evidence reflecting that the word "CAPTAIN" was/ is commonly used in the market for alcoholic beverages in India, coupled with a detailed tabulation of over 80 applications carrying the term "CAPTAIN" produced before the respondent no.2, are all vital factors completely ignored/ given a go-bye by the respondent no.2. At the end, neither there are any "CAPTAIN" marks in *Class 33* nor any actual user(s) thereof barring the appellant, who was/ is the exclusive and sole owner and registered proprietor of the family of "CAPTAIN" marks.

25. All the aforesaid carried significant weightage at the time of adjudication of an Opposition by the respondent no.2, therefore, the impugned mark "CAPTAIN BLUE" of the respondent no.1 ought to have been refused registration under *Section 11* of the Act. Also, the appellant is well and truly entitled for the statutory protection and exclusivity in terms of *Section 28* of the Act as well.

26. Further, the view that third-party "CAPTAIN" marks were either withdrawn, refused, abandoned or opposed by the appellant itself, is evident from the records of the respondent no.2 and which is not disputed by its learned counsel. *Qua* the registration of the mark "CAPTAIN" in the name of one IFB Agro Industries, the appellant has since entered into a Settlement Agreement with the said IFB. In any event, especially under

the factual matrix involved, no analogy can be drawn therewith.

27. Lastly, in view of what has been held in ***Corn Products Refining Co. (supra)*** and ***Vinita Gupta (supra)***, the respondent no.1 is not entitled for registration of the impugned mark "CAPTAIN BLUE" and the impugned order calls for it to be set aside.

***Conclusion*:**

28. This leads to the conclusion that since it is established that the appellant being a prior user, a registered proprietor of the family of "CAPTAIN" marks and also a '*person aggrieved*', is entitled to invoke the appellate jurisdiction of this Court under *Section 91* of the Act for seeking rectification of the impugned order.

29. Resultantly, the registration of the impugned application no. 4398295 for the registration of the mark "CAPTAIN BLUE" in *Class 33* in the name of the respondent no.1 is liable to be taken off from the Register of Trade Marks.

30. The impugned order dated 01.10.2024 passed by the respondent no.2 is, thus, set aside.

31. Accordingly, the appeal is allowed and the Registrar of Trade Marks is directed to remove the entry pertaining to the application bearing no. 4398295 for the mark "CAPTAIN BLUE" from the Register of Trade Marks forthwith.

32. A copy of this judgment be forwarded to the Registrar of Trade Marks for compliance.

SAURABH BANERJEE, J.

APRIL 16, 2025/AB