

World Trademark Review *Daily*

**Owner of famous mark fails to obtain interim injunction
India - Nishith Desai Associates - Legal & Tax Counselling Worldwide**

Confusion

June 17 2010

The Delhi High Court has rejected [Chorion Rights Limited's](#) request for an interim injunction restraining the use of the device mark NODDY in India.

Chorion is the owner of the rights in the trademark NODDY (including the name Noddy and the image of the Noddy character), which is registered in several classes in various jurisdictions, including India. The earliest registration dates from 1997. The registrations were originally granted to Enid Blyton Limited, Chorion's predecessor in interest and title.

In 2000, upon the publication of the NODDY mark in Class 25 of the [Nice Classification](#) in the name of the second and third defendants (trading as M/s Noddy Apparels), Chorion filed a notice of opposition. However, despite the pending opposition, the mark was registered without Chorion being notified of the rejection of its opposition. Chorion sought to have the registration certificate cancelled and the opposition proceedings reinstated. However, Chorion did not seek injunctive relief, as market research showed that no commercial activities were being undertaken under the NODDY mark.

Chorion then discovered that the first defendant was engaged in the manufacturing, sale and marketing of low-quality children's apparel under the trade name Noddy in Delhi and the National Capital Region. The fourth defendant appeared to be the wholesale distributor of the goods in Delhi and adjoining areas. Chorion served a cease and desist notice on the first defendant in April 2008. In response, the first defendant claimed to be a successor in interest to M/s Noddy Apparel, a partnership firm between the second and third defendants, which was dissolved in 1997 and later reconstituted as a proprietorship firm. Further, the first defendant stated that it had adopted the term 'Noddy' as its trademark in good faith in 1991. In December 2008 Chorion sent another notice to the first defendant, which responded in the same manner in February 2009.

Chorion filed an application with the Delhi High Court, seeking an interim injunction restraining the defendants from using the NODDY mark. Chorion argued as follows:

- Chorion had launched various books about Noddy, a character created by Enid Blyton in the 1940s. It had used the NODDY mark for a range of merchandise in India and in various media. Chorion had sold over 200 million copies of Noddy books globally.
- In India, Noddy books are sold in gift and book shops, children's stores and supermarkets, among other places. The Noddy television series was first broadcast in India in 2002 and is still being broadcast on a children's channel. In 2008 Noddy live shows were organized throughout India under a licensing agreement, which included the distribution of licensed merchandise (eg, clothing).
- Chorion was the owner of numerous domain names incorporating the term 'Noddy', including 'noddy.com', 'noddyshop.com', 'noddy-shop.com' and 'noddyshop.eu'.
- Chorion's NODDY mark was well known. The unauthorized use by the first defendant of the NODDY mark, along with the image of a boy's head above the letter 'Y', constituted infringement of Chorion's mark and passing off. Further, such use caused irreparable harm and injury to the reputation and goodwill of Chorion's mark.
- The first defendant claimed that it had been the registered proprietor of the NODDY mark since 1995. However, it was only an assignee, with effect from 2008.
- The earliest invoice of the first defendant dated from 1997, contrary to its assertion that it had used the mark since 1991. Chorion's Noddy character is well known throughout India and, therefore, prior use of the mark was clearly established.

In contrast, the first defendant argued as follows:

- Its predecessor had spent considerable sums of money to promote its goods under the mark, and had generated significant sales due to the superior quality of the goods and the excellent after-sales service.
- Chorion's claim that Enid Blyton was famous in India for creating the Noddy character was incorrect. When the first defendant's predecessor adopted the mark, there were restrictions on the import of foreign goods into India, until liberalization occurred in 1997.
- Consumers and members of the trade identified the goods sold under the NODDY mark with the first defendant. There was no risk of confusion since the first defendant's activities were different from Chorion's.

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- Chorion had no intention of using the mark in relation to garments or any other goods or services, except printed matter or publications for children.
- 'Noddy' is an invented word and is known as such in India. Therefore, Chorion could not claim exclusivity over it.
- The Delhi High Court had no territorial jurisdiction to entertain the suit, as an action for infringement and passing off must be filed in the territory where the defendants are based. Here, the first three defendants were based in Mumbai.
- Chorion's suit suffered from delay, laches and acquiescence. Chorion stated that it had been aware of the defendants' existence since 2000, but filed suit only in 2009. Moreover, Chorion had opposed the registration of the defendants' mark in 2000, but had not pursued the opposition.
- Chorion's action for copyright infringement should be dismissed, as the artwork used by the parties was dissimilar.
- The first defendant could not be prevented from using the mark, as it was clearly the first user of the Noddy character.
- The defendants' acts did not amount to infringement under the [Trademarks Act 1999](#), as their mark was registered.

The court thus had to determine which of the parties was the first user of the mark. Relying on established case law, and based on the arguments of the parties, the court observed as follows:

- Chorion asserted that it used the fictional character of Noddy as a trademark or trade name. Relying on a Bombay High Court judgment, the Delhi High Court observed that 'character merchandising' involved the exploitation of fictional characters or celebrities through licensing. The fictional characters are generally drawings in which copyright subsists. For character merchandising to be possible, the characters in question must have gained public recognition. The court observed that the case at hand clearly involved character merchandising.
- Chorion had provided evidence of significant sales in India and abroad for the period from 2000 to 2008. However, it had failed to establish use before 1995. The court could not ignore the fact that Chorion had opposed the defendants' application for the registration of the mark. However, Chorion did not appear to have followed it up. This was uncharacteristic, as the materials on record suggested that Chorion had pursued other oppositions vigorously.
- It is settled law that, when two parties hold rival registrations, their rights must be determined based on the principles applicable to passing off - the most important being the first use of the mark. Here, Chorion had not adduced any evidence showing prior use of the mark in India. In contrast, the defendants had established not only that they were the first to use the mark, but also that they were to first to register it.
- Chorion had not established the existence of licensees or agents in India that had sold NODDY-branded goods before 1995. Even though the Noddy character could be copyrightable, Chorion had not claimed copyright infringement.

Based on the foregoing, the court did not find it appropriate to issue an injunction preventing the defendants from using their registered trademark. Chorion's application was thus dismissed without costs and the matter was listed for further proceedings on September 1 2010.

The decision shows that, because no evidence was provided to demonstrate that Chorion was the first user of the mark, the judge could not rely on his personal knowledge to find in favour of Chorion. The learned judge, despite apparently being a fan of the Noddy series of books, held that, if prior use of the mark cannot be demonstrated through documentary evidence, there will be no *prima facie* case for an interim injunction.

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