

‘Oh deer!’ moment for defendant as Pernod Ricard gets exclusivity over STAG mark

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14 December 2023



INDIA

Legal updates: case law analysis and intelligence

- Pernod Ricard, owner of the mark ROYAL STAG, sued AB Sugars for trademark infringement and passing off due to its use of INDIAN STAG
- The court found that there was a likelihood of confusion due to the use of the common suffix ‘stag’ and the similarity of the goods
- Exports amounted to use of the impugned mark in India under Section 56 of the Trademarks Act

In [*Pernod Ricard v AB Sugars*](#) (IA 9922/2019 (Order XXXIX Rules 1 and 2 CPC) and IA 11201/2019 (Order XXXIX Rule 4 CPC) in CS (COMM) 371/2019), the Delhi High Court, while disposing of interim applications, has held that AB Sugars' use of INDIAN STAG infringed Pernod Ricard's rights in the mark ROYAL STAG.

Background

Pernod Ricard is the owner of the ROYAL STAG marks and of a stag device, which are registered for alcoholic beverages and are exclusively associated with Pernod Ricard. Pernod Ricard filed a suit for trademark infringement and passing off (along with a request for an injunction) when it noticed AB Sugars' identical products bearing the mark INDIAN STAG with a stag device ('the impugned mark') in the United Arab Emirates, having been exported from India. An *ex parte* injunction was granted in favour of Pernod Ricard, and AB Sugars filed an application to vacate this injunction.

Pernod Ricard's arguments included the following:

1. The word 'stag' and the device of a stag were prominent features of Pernod Ricard's mark ROYAL STAG, and their use in the impugned mark resulted in trademark infringement; and
2. Exports amounted to use of the impugned mark in India as per Section 56 of the [Trademarks Act 1999](#).

AB Sugars' arguments included the following:

1. The word 'stag' was common to the trade, as shown by a list of third-party marks provided by AB Sugars. Further, the word 'stag' has long been associated with whisky, as whisky was carried when hunting, and stags were favourite animals to hunt. In any event, Pernod Ricard's word mark STAG has been opposed.
2. The word 'stag' was adopted based on the use of the mark SCOTTISH STAG by its parent company. Pernod Ricard was thus guilty of delay and acquiescence.
3. Pernod Ricard's stag device was not an original artistic work and was a copy.
4. Pernod Ricard's registration disclaimed exclusive rights over the word 'royal'; with 'stag' being common to the trade, there was no substance in Pernod Ricard's claim.
5. The products were not sold on the same markets and the labels were dissimilar when compared as a whole. Therefore, there was no confusion in the mind of the public.

Pernod Ricard's contended as follows in rejoinder:

1. AB Sugars could not rely on SCOTTISH STAG, since the Scottish Stag product was sold by a different entity and not in India.
2. Given that AB Sugars itself had applied for registration of INDIAN STAG, it could not then claim that 'stag' was common to the trade.
3. There was a clear similarity between the parties' marks due to the common element 'stag'.
4. The parties' products were not sold in the same shops and, therefore, the claim of delay and acquiescence on Pernod Ricard's part could not be sustained.

Decision

Although the court rejected Pernod Ricard's passing-off claim, it confirmed the injunction in respect of infringement of Pernod Ricard's word mark STAG, observing as follows:

1. There was a likelihood of confusion due to the use of the common suffix 'stag' (which was not disclaimed in Pernod Ricard's mark) and the similarity of the products.
2. Trademark protection is territorial in nature and, accordingly, the term 'common to trade' must be interpreted to mean 'common to the trade in India'. No reliance could be placed on the mark SCOTTISH STAG, since products were not sold in India under this mark.
3. The mark STAG was not generic since most of the brands cited by AB Sugars did not use STAG as a word mark, but instead used a stag device; some of the brands using the word mark STAG used it in relation to a different kind of liquor, outside of India.
4. Exports constituted use of the impugned mark in India.
5. AB Sugars' device mark did not infringe Pernod Ricard's device mark since there was no similarity between them.
6. No *prima facie* case of passing off was made out based on the visual comparison of the respective device marks.

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