



## **SURANA & SURANA & SHAASTRA IIT MADRAS, INTELLECTUAL PROPERTY LAW MOOT COURT COMPETITION 2022**

### **MOOT PROPOSITION**

#### **THE PARTIES**

##### **STRONG INC, USA**

*1982- 1991* - Pearl Leah Strong in USA started selling milk from her inherited 190 acre dairy farm in Pennsylvania. From these humble beginnings, her business grew, and over the next 10 years she acquired surrounding farms, finally amassing 5000 acres of farmland, bought a processing plant and diversified her goods by starting to sell milk products too, in addition to milk.

*1992 – 2001* - Pearl incorporated her business as STRONG INC, and filed a federal trademark in the USPTO for her house mark and main brand STRONG, under which all the company's goods were sold. The trademark was registered by the USPTO in 1994 in Classes 29 and 30. Over the next ten years the brand STRONG became a household name in USA and the mark became synonymous with milk in the minds of the consumers.

*2002 – 2014* - In 2002 STRONG INC, USA started exporting its products. To strengthen its brand protection it filed trademarks for its brands, including the main brand word mark STRONG in various countries including India, whether exports to that particular country had commenced or not. The trademark was filed in the Indian Trade Mark Registry in 2002 on a 'proposed to be used' basis in Classes 29 and 30 for 'milk and milk products' and registration was obtained in 2004. Over the next 19 years STRONG INC, USA became the 4<sup>th</sup> largest milk producer in the world.

*2015 – till date* - In 2015, due to premium customer demand, raised after visits of Indians overseas, and their exposure to foreign brands through global advertisements in print and visual media, STRONG INC, USA started selling its milk in India online through popular grocery apps MegaBasket, Freshtohouse and Zamanon in quantities of 2l, 5l and 10l jars. STRONG INC, USA did not have a manufacturing unit in India and did not have any plans to have one. All its products were exported from its dairy farms situated in Sri Lanka.

*In 2020*, a report by an adulteration watch group reported that STRONG INC, USA was using Hydrogen peroxide to inhibit microbial proliferation and milk spoilage, so that the milk could be transported safely for upto 6 days at 8 to 10°C. STRONG INC, USA immediately issued a press release stating that it did not do so, and only used permitted Class II preservatives as allowed.

##### **STRONG MILK PRODUCTS PRIVATE LIMITED**

*2000* - Ms.Tehmina Gheewala, a serial entrepreneur, and the heiress of one of India's most prominent business families, the Gheewalas who had dabbled into any and all businesses in India, incorporated her latest venture STRONG MILK PRODUCTS PRIVATE LIMITED IN 2000 and entered into the manufacturing and selling of all milk products including ghee, yogurt, butter and cheese. This business was conceived as a spin off from the already existing and well established milk company the Gheewala group owned and which had farm lands, machinery, processing plants spread over 4000 acres in Gujarat, with a capacity of 600 tonnes per month. The milk was sold all over India under the brand GHEEWALAS. STRONG MILK PRODUCTS PRIVATE LIMITED did not sell milk either under the brand STRONG or otherwise.



2000 – till date - In 2000 STRONG MILK PRODUCTS PRIVATE LIMITED filed a trademark application for their house mark and sole brand composite logo



in the Indian Trade Mark Registry with usage date from 04 February 2000 in Classes 29 and 30 for 'milk products' and registration was obtained in 2005. Over the next 20 years STRONG MILK PRODUCTS PRIVATE LIMITED grew to become the largest milk product company in India, with a market share of 63% in India in milk products and became the most popular brand in the milk and milk product segment, exceeding the brand recall of their GHEEWALA brand for milk, even though the brand STRONG was not used for milk, and the brand became the common man's choice for milk products in India.

#### DISPUTE BETWEEN THE TWO COMPANIES

16 November 2021 till date - An advertisement by STRONG INC, USA was aired on all cable, satellite and social media networks. The advertisement depicted a small boy in a supermarket aisle going towards certain milk products, the packaging of which closely resembled that of STRONG MILK PRODUCTS PRIVATE LIMITED containing the mark STRONG prominently displayed and the GHEEWALA milk packets kept next to them. The boy's mother catches him and steers him away from them, and towards the milk cans of STRONG INC, USA with the caption on screen reading – 'Drink the Actual STRONG Milk for True Health'.

6 December 2021 - STRONG MILK PRODUCTS PRIVATE LIMITED issued a Cease and Desist Legal Notice against STRONG INC, USA, u/S. 29(8) of the Trade Marks Act, 1999 and asking them to take down the advertisement, clearly stating:

- i. its history,
- ii. brand value and recall,
- iii. registered mark in India

14 December 2021 - STRONG INC, USA issued a Reply Notice, clearly stating that:

- i. the particular advertisement is not against the reputation of STRONG MILK PRODUCTS PRIVATE LIMITED's trademark
- ii. its history,
- iii. brand value and recall,
- iv. registered marks in USA and India,
- v. its well-known mark status in USA,
- vi. assuming arguendo not well known in India, then its transborder reputation



- vii. the use of the word mark STRONG by the Indian company for milk and allied goods
- viii. alleging malafide intention in the adoption of the mark STRONG by them, when STRONG INC, USA had conceived the mark in 1982, and with trademark filings from 1992.

22 December 2021 - STRONG MILK PRODUCTS PRIVATE LIMITED issued a Rejoinder to the Reply Notice stating that:

- i. it was not dealing in the production or sale of milk,
- ii. assuming arguendo that it was, then the trademark STRONG was synonymous with its goods and not that of STRONG INC, USA,
- iii. STRONG INC, USA had nil brand recall in India,
- iv. going by its contention that it was selling in India since 2015, it had acquiesced to the presence of STRONG MILK PRODUCTS PRIVATE LIMITEDS' brand in India
- v. its malafide intention to trade off on the reputation of STRONG MILK PRODUCTS PRIVATE LIMITED'S was visible from the content of the ad and that the presence of its products were tarnishing the reputation of the Indian company's products even without the ad, since STRONG INC, USA'S products were sub-standard, and this was a serious issue since milk was an essential commodity.
- vi. the brand STRONG is a composite logo in which the word STRONG is one of the components. The word STRONG was coined by it in 2000 as the English translation of the name of its founder Ms. Tehmina, the word tehmina meaning strong in Hebrew and Arabic.
- vii. It was further filed in 2000 in India and continuously in use since then, thus being the first to file and first to use in India, whereas STRONG INC, USA'S trademark was filed on a proposed to be used basis in India.
- viii. the mark STRONG is descriptive of the derivative effect or quality of the goods (milk) on which STRONG INC, USA'S trademark was applied.

27 December 2021 - STRONG INC USA issued a Reply to this Rejoinder stating that:

- i. STRONG MILK PRODUCTS PRIVATE LIMITED'S explanation regarding coining of and derivation of the word STRONG was an afterthought. Rather STRONG INC USA was clearly the rightful owner of the brand STRONG for milk and allied products, the use of its founder's surname as the mark being clearly known to the public.
- ii. assuming arguendo that the use of the mark STRONG by STRONG MILK PRODUCTS PRIVATE LIMITED was only on allied milk products and not on milk, even this would dilute the brand and damage the global goodwill and reputation enjoyed by STRONG INC, USA.

### PRESENT SUIT

4 January 2022, STRONG INC, USA filed an infringement suit C.S. (Commercial) 12/2022 before the Hon'ble High Court of Sardam (vested with jurisdiction identical to that of the High Court of Madras) against STRONG MILK PRODUCTS PRIVATE LIMITED and sought:

- i. an interim order of injunction IA 1/2022 restraining use of registered trademark by the Defendant, pending decision of the Trade Mark Registrar on Rectification Petition filed by STRONG INC, USA against STRONG MILK PRODUCTS PRIVATE LIMITED'S trademark.

STRONG MILK PRODUCTS PRIVATE LIMITED raised a counter claim under S. 29(8) r/w S.142 of the Trade Marks Act, 1999 and sought:

- i. an interim order of injunction IA 2/2022 restraining the screening of the impugned advertisement by the Defendant, pending final disposal of the suit.



- ii. an interim order of injunction IA 3/2022 restraining use of registered trademark by STRONG IN, USA, pending decision of the Trade Mark Registrar on Rectification Petition filed by STRONG MILK PRODUCTS PRIVATE LIMITED against STRONG INC, USA's trademark.

The 3 IAs will taken up for hearing before the High Court of Sardam on ..... January 2022.