

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

% Judgment delivered on: September 15, 2014

+ **CS(OS) 41/2008**

ROLEX SA ..... Plaintiff  
Through Mr.Sudhir Chandra, Sr. Adv. with  
Ms.Charu Mehta, Adv.

versus

ALEX JEWELLERY PVT . LTD & OTHERS ..... Defendants  
Through Mr.Yasar Arfat, Adv. for Mr.Mohit  
Saroha, Adv.

**CORAM:  
HON'BLE MR.JUSTICE MANMOHAN SINGH**

**MANMOHAN SINGH, J.**

1. Plaintiff has filed the instant suit seeking relief of permanent injunction against Defendants from committing infringement of plaintiff's registered trademark ROLEX, for passing off, unfair competition, delivery-up, accounts for profits/damages etc.
2. Defendant No. 1, Alex Jewellery Private Limited, carries on business of manufacturing, selling, distributing and trading in artificial jewellery under the mark ROLEX. Defendant Nos. 2 and 3, Mr. Ashish Kumar Ahuja and Mr. S. S. Kohli respectively, retail the said artificial jewellery. Defendant No. 2 also carries on business in the name and style of ROLEX Jewellery House and had also

registered the domain name [www.rolexjewelleryhouse.com](http://www.rolexjewelleryhouse.com) and operated a website under the said name.

3. As per the case of the plaintiff, the plaintiff adopted trade mark ROLEX in respect of its products and obtained the first trademark registration for the trade mark ROLEX in 1908 in Switzerland. The plaintiff changed its name to Rolex Watch Company and then to Montres Rolex SA and is now called Rolex SA and is headquartered in Geneva, Switzerland.

4. It has been stated by the plaintiff that the plaintiff's position as a leader in the industry has meant that its operations are not restricted to Switzerland alone and that the plaintiff's products are sold in almost every country of the world. To support its worldwide operations, the plaintiff has a widespread network of about 23 affiliated companies in several significant jurisdictions across the world, including Athens, Bangkok, Brussels, Buenos Aires, Caracas, Cologne, Hong Kong, Johannesburg, London, Madrid, Manila, Melbourne, Mexico City, Milan, Mumbai, New York, Paris, Sao Paulo, Seoul, Singapore, Taipei, Tokyo and Toronto. These affiliates monitor the distribution and maintenance of ROLEX time pieces and other products across the world. Further, the affiliates assure consistent quality standards in services of the plaintiff and uniform appreciation and respect for the plaintiff company's philosophy and tradition. These affiliates also represent invaluable source of information about the life of each ROLEX watch, which information is immensely useful for research, production and quality control.

5. Apart from extensive worldwide sales and distribution of its products, the plaintiff offers impeccable after-sales services across the globe through its affiliates as well as other after sales centers located in Beijing, Beverly Hills, Dallas, Jakarta, Kuala Lumpur, Shanghai, Sydney. The plaintiff has unparalleled after-sales service network of some 3,000 watchmakers present in more than 25 countries. The plaintiff itself trains each one of the technicians ensuring consistently high quality of service.



6. The plaintiff is stated to be a distinguished and worldwide well-known manufacturer and distributor of premium quality watches, horological and chronometric instruments, atomic clocks, chronographs, watch bands, watch cases, watch chains, watch glasses and related products including products containing precious metals and stones and jewels.


7. The plaintiff's history may be traced back to as long back as in 1905, when Mr.Hans Wilsdorf established a firm, Wilsdorf & Davis, specializing in the business of marketing and distribution of wristwatches. The plaintiff has been extensively used the trade mark/name ROLEX worldwide and in India and promotes its business *inter alia* through its website [www.rolex.com](http://www.rolex.com).

8. The plaintiff claims that its trade mark and trade name ROLEX is world renowned and famous. The products of the plaintiff sold under the trade mark and trade name ROLEX are renowned for their superior quality, innovative and timeless design concepts and cutting-edge technology.

9. It has been alleged that as the products, manufactured and marketed by the plaintiff conform to uncompromising standards, they command enviable international goodwill and reputation and the plaintiff takes every step necessary and possible to defend and enforce its intellectual property rights.

10. It has been stated that the trade mark ROLEX is registered in over 140 jurisdictions worldwide in favour of plaintiff who also has trade mark registrations for ROLEX in India *inter alia* in Class14 dating back to the year 1949. List for the trade mark registrations for ROLEX in India is given below:

<u>Registration No.</u>	<u>Trade Mark</u>	<u>Class</u>	<u>Date of Registration</u>
140529		14	September 23, 1949
153841	ROLEX	14	May 3, 1952
199375	ROLEX OYSTER PERPETUAL DATEJUST & CROWN DEVICE	14	May 12, 1960
199376		14	May 12, 1960

354110	 <b>ROLEX</b> OYSTER PERPETUAL DAY-DATE	9	October 3, 1979
1005276	ROLEX (In Hindi)	14	April 24, 2001

11. It has been stated that the plaintiff has been using the trade mark ROLEX in India ever since 1912 and has achieved considerable sales and an iconic status over the years. In fact, as per the then prevailing procedure, plaintiff submitted a “Declaration” dated 12<sup>th</sup> January, 1928 with the Registrar of Assurance, Kolkata stating that it is the owner of the trade mark ROLEX which has been used since 1912 in respect of watches, on which basis, registration of the mark in India was granted as far back as on 22<sup>nd</sup> February, 1928.

12. Plaintiff has advertised its business and products under the trade mark/name ROLEX extensively, not only in India but worldwide. Plaintiff has obtained various ROLEX formative domain name registrations in its favour.

13. It is averred that the plaintiff has been vigilant about its rights and has constantly opposed third party use of similar trade mark, trade name or domain name. ROLEX has been held to be a well-known trade mark deserving protection against misappropriation or unauthorized use even in respect of diverse goods/services by

various competent authorities and courts all around the world, including this Court on numerous occasions. ROLEX has consistently been held as one of the top brands in the world by reputed magazines etc. and featured in prestigious rankings.

14. Prior to the institution of this suit, plaintiff filed opposition proceedings, *inter alia*, against Application Nos. 806729 and 996834 in Classes 14 and 26 respectively in the name of Joseph Jaganriath Mudaliyar or Joseph Enterprise or Rolex Industries or Alex Industries (related entities of defendant No. 1) before the Trade Marks Registry, and served a legal notice dated 22<sup>nd</sup> July, 2003 upon them through its other trade mark attorneys in India. Thereafter, the attorneys of Alex Industries had proposed to plaintiffs' attorneys that it would change the style of representation of its mark to ROLXES. The said proposal is stated to have been categorically rejected forthwith by plaintiff's attorney *vide* letter dated 18<sup>th</sup> September, 2003, stating that the proposed mark was deceptively similar to plaintiff's mark.

15. Defendant No. 1 and/or related entities also applied for registration of the trade mark 'Rotex Jewellery' under Application No.706527. This application was duly opposed by plaintiff whereupon the opposition was allowed by the Trade Marks Registry and the registration of the said trade mark refused *vide* order dated 18<sup>th</sup> February, 2008.

16. It is stated by the plaintiff that plaintiff could not incorporate such facts in the plaint, since the opposition proceedings and issuance of the legal notice dated 22<sup>nd</sup> July, 2003 were affected by law firm(s) engaged by plaintiff in India and Switzerland other than

those handling the instant legal proceedings. Plaintiff had filed opposition proceedings against Application Nos. 806729 and 996834 in the name of Joseph Jagnath Mudaliyar trading as Joseph Enterprise or Rolex Industries or Alex Industries (that too having different address from the one discovered in the course of the investigation) through its other trade mark attorneys in India, therefore when plaintiff discovered Alex Jewellery Pvt. Ltd., Mr. Ashish Kumar Ahuja trading as Rolex Jewellery House and Mr. S.S. Kohli trading as Kohli Sons, it could not *bona fide* relate or connect the said entities/defendants with the above-mentioned applicants. In any case, admittedly, all applications for ROLEX and/or deceptively similar marks in the name of defendant No.1's related parties have been duly opposed/challenged by plaintiff and plaintiff has been diligently prosecuting the said oppositions/actions giving no indication of approval or implied consent at any point in time to defendant No.1's unauthorised adoption/use of the trade mark ROLEX.

17. By order dated 9<sup>th</sup> April, 2009 this Court allowed plaintiff's application being I.A. No.279/2008 under Order 39 Rule 1 and 2 CPC restraining defendants from using ROLEX in any manner whatsoever, pending the disposal of the suit. Defendants filed an appeal being FAO (OS) No.217/2009 before the Division Bench of this Court impugning the said order dated 9<sup>th</sup> April, 2009.

18. In view of non-compliance and wilful disobedience by the defendants of the order dated 9<sup>th</sup> April, 2009 of the Court inasmuch as they were still offering/selling products under the trade mark ROLEX, plaintiff filed an application being CCP (OS) No.86/2009

under Order 39 Rule 2A with Section 151 CPC read with Sections 11 and 12 of the Contempt of Courts Act, 1971 read with Article 215 of the Constitution of India. The Court issued notice in the aforementioned Contempt Petition filed by plaintiff and appointed Local Commissioners to visit the premises of the defendants and certain identified distributors and inspect, make inventory of and seize the infringing goods bearing the trade mark ROLEX.

19. Issues were framed in the suit on 6<sup>th</sup> October, 2009 and additional issue was framed on 11<sup>th</sup> December, 2009.

20. On 15<sup>th</sup> March, 2010, Contempt Petition CCP(OS) No.86/2009 was disposed of by this Court in view of defendants, who were present in court, tendering an unconditional apology and undertaking that they will not use the trade mark ROLEX till the disposal of the suit. The appeal FAO (OS) No.217/2009, as filed by the defendants against the order dated 9<sup>th</sup> April, 2009 of this Court was dismissed by the Division Bench as withdrawn on 29<sup>th</sup> April, 2010.

21. An application I.A. No.13144/2011 was filed by defendants Nos.1 and 2 under Section 151, CPC seeking release of the goods/materials seized by the Local Commissioners on 17<sup>th</sup> July, 2009 pursuant to the order dated 6<sup>th</sup> July, 2009 passed by the Court in plaintiff's Contempt Petition being CCP (OS) No.86/2009.

22. The plaintiff led its evidence by way of affidavit of Mrs. Catherine O'Rourke an employee of the plaintiff as PW-1. Plaintiff's evidence was concluded on 30<sup>th</sup> November, 2012.

23. Due to non-appearance by defendants, the defendants were proceeded ex-parte vide order dated 30<sup>th</sup> November, 2012. PW-1



was discharged and matter was posted for final arguments. I.A. No.13144/2011 filed by the defendant Nos.1 and 2 under Section 151 CPC seeking release of goods/material seized by the Local Commissioner was also dismissed by this Court for non-prosecution.

24. As already mentioned, the defendants have been proceeded ex-parte. The defendants did not produce any evidence who have also failed to prove their defence in the matter. On the other hand, the plaintiff has established his case as per averment made in the plaint. The following documents have been proved by the plaintiff:

- (i) Certified copies of the English translations of the extracts of the commercial register pertaining to plaintiff evidencing that the deponent was able to represent plaintiff in 2007.
- (ii) The power of attorney dated 29<sup>th</sup> November, 2007 marked as Ex.PW-1/2.
- (iii) Original power of attorney dated 5<sup>th</sup> October, 2009 whereby the plaintiff authorized Mr.Arun Sehgal to prosecute the present suit on its behalf, empowering him to this effect.
- (iv) The original representative list of jurisdictions wherein the trade mark(s) consisting of and/or containing ROLEX is registered, exhibited as Ex.PW-1/14.
- (v) Original printouts from the official websites of the respective intellectual property offices evincing the registrations for ROLEX trade mark(s) in various jurisdictions such as

Australia, Canada, New Zealand, Great Britain, Malaysia and Singapore, exhibited as Ex.PW-1/5 (colly).

- (vi) Original printouts from the records of the Trade Marks Registry available on the website [www.ipindiaonline.gov.in](http://www.ipindiaonline.gov.in)., evincing the registrations for ROLEX in favour of plaintiff company, exhibited as Ex.PW-1/6 (colly).
- (vii) The true copies of the registration/renewal certificates issued in respect of such registrations endorsed as Mark B (colly).
- (viii) Certified copies pertaining to the registrations on 5<sup>th</sup> October, 2007 and 26<sup>th</sup> November, 2007, marked as Ex.PW-1/7 (colly).
- (ix) A notarized copy of the Declaration dated 12<sup>th</sup> January, 1928 submitted by the plaintiff with the Registrar of Assurances, Kolkata stating that it is the owner of the trade mark ROLEX which is used and has been used since 1912 in respect of watches, on which basis, registration of the mark in India was granted as far as back as on 22<sup>nd</sup> February, 1928, marked as Ex.PW-1/8 (colly).
- (x) The original brochure of the plaintiff company's exquisite and bejeweled ROLEX, marked as Ex.PW-1/9.
- (xi) The duly notarized copies of various illustrative advertisements and promotional materials/brochures circulated worldwide and in India featuring such watches, marked as Ex.PW-1/10 (colly).

- (xii) Few original illustrative articles showing the worldwide popularity and fame of plaintiff company's ROLEX watches, in particular ROLEX gold oyster watch with the map of India inscribed thereon as owned by Dr.Rajendra Prasad, the first President of India, marked as Ex.PW-1/11 (colly).
- (xiii) Original illustrative printouts regarding information about its ROLEX watches and their wide range and availability all over the world inter alia through its website [www.rolex.com](http://www.rolex.com), marked as Exhibit PW-1/12 (colly).
- (xiv) Original list of such registered domain names in favour of plaintiff having ROLEX as the foremost feature thereof, marked as Exhibit PW-1/13 (colly).
- (xv) Original printouts downloaded from the online records of registered domain names available at [www.registry.in](http://www.registry.in) evincing registration of the said domain names in the name of the plaintiff including rolex.com, marked as Exhibit PW-1/14 (colly).
- (xvi) Originals of a few illustrative undertakings/letters furnished by entities assuring giving up of ROLEX in all respects and also the Notification in the Official Gazette to the effect that the company name ROLEX FINCAP PRIVATE LIMITED has been struck off from the Register of Companies, marked as Exhibit PW-1/15 (colly).

- (xvii) Certified copies of the decisions of this Court upholding the plaintiff-Company's proprietary rights in the trade mark ROLEX, marked as Exhibit PW-1/16 (colly).
- (xiii) The original printouts of the decisions issued by WIPO Arbitration and Mediation Center available at its website [www.wipo.int](http://www.wipo.int), which have already been filed, marked as Exhibit PW-1/17 (colly).
- (xvi) The original list of about more than 1100 such then prevailing opposition proceedings, marked as Exhibit PW-1/18 (colly).
- (xvii) The original printouts of the 'Rankings' published by Interbrand/ Business Week featuring ROLEX as a top brand for the years 2006 and 2007 available on the website [www.interbrand.com](http://www.interbrand.com), marked as Exhibit PW-1/19 (colly).
- (xviii) The original printouts of the "Superbrands" 2012 index placing ROLEX as the top brand among various international consumer brands, marked as Exhibit PW-1/20.
- (xix) A certified copy of the appeal filed by the defendants on 20<sup>th</sup> May, 2009 marked as Exhibit PW-1/21.
- (xx) Original printout of extracts from the website [www.rolexjewellery.com](http://www.rolexjewellery.com), marked as Exhibit PW-1/22.
- (xxi) The Notarial Report vis-à-vis defendant No.2 along with the said products, which is filed by the defendants, marked as Exhibit PW-1/23.

- (xxiii) The Notarial Report vis-à-vis defendant No.3 along with the said products, which is filed by the defendants, marked as Exhibit PW-1/24.
- (xxiv) A true copy of the letter dated 18<sup>th</sup> September, 2003, marked as Exhibit PW-1/25.
- (xxv) The certified copy of the said order recording the appearance of the advocate for the applicant and directing cancellation of registration under No.657399, marked as Exhibit PW-1/26.
- (xxvi) The original list containing a summary of all actions filed by plaintiff against the impugned marks of defendant No.1 and/or related entities and the status thereof, marked as Exhibit PW-1/27.
- (xxvii) The details and action taken at all levels by plaintiff which are either ongoing or deemed to be admitted by the defendants vide order dated 28<sup>th</sup> August, 2009, marked as Exhibit PW-1/28.
- (xxviii) The original extract of the advertisement of application No.706527 in the Trade Marks Journal depicting the relevant details and representation of the mark applied for along with the order dated 18<sup>th</sup> February, 2008 of the Trade Mark Registry, marked as Exhibit PW-1/29.
- (xxix) An original list of the said marks along with their latest status and/or the relevant documents evincing the same as extracted

from the online records of the Trade Marks Registry available at [www.ipindia.nic.in](http://www.ipindia.nic.in), marked as Exhibit PW-1/30 (colly).

(xxx) An original list of the said marks along with their latest status and/or the relevant documents evincing the same as extracted from the online records of the Trade Marks Registry available at [www.ipindia.nic.in](http://www.ipindia.nic.in), marked as Exhibit PW-1/31 (colly).

(xxxi) Original extracts from the websites of a few official ROLEX dealers/distributors such as Johnson Jewellers and Austen Jewellers (UK), Hartmanns of Galway (Ireland) and Mansors Jewellers (New Zealand) and Cristiani's Jewelers (USA) selling ROLEX watches as well as jewellery, marked as Exhibit PW-1/32.

25. Though the defendants alleged that the mark ROLEX under Application No.657399 is "registered" by defendant No.1 and produced a registration certificate in respect thereof in the course of the hearing on 1<sup>st</sup> February, 2008, but ultimately, it has come on record that such registration has been issued erroneously and cancelled vide order dated 2<sup>6th</sup> September, 2007, prior to the institution of the suit, with such order duly sent by the Trade Marks Registry to both parties.

The explanation given by defendant No.1 about the adoption of the trade mark ROLEX to the effect that 'ROL' is derived from rolled gold used for manufacturing its products and 'EX' is derived from the suffix of Mr. Joseph Mudaliyar's son Alex (Mr. Mudaliyar being the

director of Defendant No.1) is false. Such an explanation is absolutely an afterthought and without any basis and reason. The fact that ROLEX is an invented trade mark adopted and extensively used worldwide and in India by plaintiff much prior to defendant No. 1. Such adoption/use of the trade mark ROLEX is dishonest, tainted and cannot be of any avail to defendants or justify their continued use of the trade mark/name Rolex. Using the said highly reputed trademark is a fraud itself within the knowledge of the defendants. No amount of user, justification or explanation can purify the bad intention of the defendants. It is a matter of fact that despite having knowledge of and in any event being put on notice of plaintiff's prior statutory and proprietary rights in the registered and reputed trade mark ROLEX, defendant No.1 has with impunity continued to violate the rights of plaintiff. Such continued misuse of the defendant No. 1 is at its own peril and any claims on such basis are unsustainable. Defendant No. 1 cannot be permitted to take advantage of its dishonest adoption and continued unauthorized use of the trade mark ROLEX despite knowledge of plaintiff's rights.

26. The defendants' subsequent pleas of the ignorance of the order dated 26<sup>th</sup> September, 2007 of the Trade Marks Registry whereby such registration was cancelled are baseless, inasmuch as the said order was passed pursuant to a hearing appointed in the matter duly attended by the attorney of the defendants, viz., Joseph Jagannath Mudaliyar Trading as M/s Joseph Enterprises also as M/s Allex Industries.

27. The jewellery and watches are allied/cognate or similar products, more so since both are items of adornment and are typically sold to customers through common trade channels of retail, etc. In fact, there are many prominent entities such as TITAN, HARRY WINSTON, SEIKO, CARTIER and Chopard which are in the business of watches and have ventured into jewellery or *vice versa*. The plaintiff has used the trade mark ROLEX in respect of jewellery since 1990 as mentioned in the Registration Certificate in Canada filed with the plaint. Furthermore, ROLEX watches are indeed sold by jewellers as the official distributors thereof alongside jewellery in many jurisdictions of the world such as the United Kingdom, Ireland, New Zealand and the United States of America. Evidence of the plaintiff has not been rebutted by the defendants.

28. It is established on record that the plaintiff coined mark ROLEX, and on account of extensive use spanning across a century and with considerable expense incurred, the plaintiff has acquired substantial goodwill and reputation and the trade mark ROLEX is associated with plaintiff. The use by the defendants of ROLEX without any connection/association with plaintiff for jewellery being offered by them is liable to cause serious prejudice and irreparable harm to plaintiff including dilution of the distinctive character of its immensely well-recognized and distinguished mark ROLEX and irretrievable damage to the repute thereof. The intention of the defendants in using the identical mark is to merely ride upon plaintiff's goodwill and popularize their products at the expense of plaintiff's reputation in the



trade mark ROLEX as it has been established by the plaintiff. On the date of adoption of the mark, the defendants must be aware about the goodwill and reputation of the trademark ROLEX. Therefore under no circumstance, the proprietorship can be claimed by the defendants or any third party.

29. The reason adopted by defendant No.1 for the adoption of the trade mark ROLEX to the effect that 'ROL' is derived from rolled gold used for manufacturing its products and 'EX' is derived from the suffix of Mr. Joseph Mudaliyar's son Alex is flimsy and without any force as the explanation is an afterthought and it does not help the case of the defendants in view of well-known trade mark of the plaintiff. The discussion on the aspect of well-known trade mark has been done in the later part of this judgment.

30. The law relating to infringement of a registered trademark has been envisaged under Section 29 of the Trade Marks Act, 1999 and exclusive rights granted by virtue of registration under Section 28 which reads as under:-

**“28. Rights conferred by registration –**

*(1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.*

*(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.*

*(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks 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 person as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.”*

31. It is settled law that in order to prove the case for infringement of trade mark, the plaintiff has to show that the essential features of the registered trade mark which has been adopted by the defendant has been taken out from the plaintiff's registration. Only the marks are to be compared by the Court and in case the registration is granted in favour of the plaintiff, he acquires valuable right by reason of the said registration. The following are the judgments which are relevant to be referred for the purpose of infringement of the trade mark:

- i. **Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories AIR1965SC980 – at 989-990 page wherein it was held that:***

*“The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods”*

*“if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his*

*goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the make would be immaterial”*

- ii. In the case of **American Home Products v. Mac Laboratories** AIR 1986 SC 137 in Para 36 it was held as under:

*“When a person gets his trade mark registered, he acquires valuable rights by reason of such registration. Registration of his trade mark give him the exclusive right to the use of the trade mark in connection with the goods in respect of which it is registered and if there is any invasion of this right by any other person using a mark which is the same or deceptively similar to his trade mark, he can protect his trade mark by an action for infringement in which he can obtain injunction....”*

- iii. In the case of **National Bell Co. v. Metal Goods Mfg. Co.** AIR 1971 SC 898 at page 903 it was held as under:

*“On registration of a trade mark the registered proprietor gets under Section 28 the exclusive right to the use of such trade marks in relation to the goods in respect of which the trade mark is registered and to obtain relief in respect of any infringement of such trade mark.”*

32. By mere reading of these provisions, it is clear that a registered trademark is infringed by a person who not being a registered proprietor, uses in the course of trade a mark which is identical or deceptively similar in relation to the goods or services which are identical or similar to that in respect of which the trademark is registered without the permission of the trademark owner.

33. So far as infringement *qua* different goods is concerned, separate enactment of Section 29(4) makes it clear that the strict rigors are prescribed as against the ordinary case of similar goods wherein a registered proprietor has to establish that the registered trademark has reputation in India and is of such a nature wherein the use of the mark by the other side without due cause would tantamount to taking unfair advantage or detrimental to the distinctive character or repute of a trademark.

34. A reading of Section 29(4) of the Act would reveal that the said protection *qua* different goods is earmarked by the Legislature for the trademarks which are either highly reputed or well known or famous trademarks and enjoy either high level of distinctiveness or the marks which are inherently distinctive in nature or has become distinctive due to their repute; the use of which will cause detrimental to the distinctive character and repute of the trademark only when the ingredients of Section 29(4) are satisfied conjunctively which is sub sections (a), (b) and (c) the infringement *qua* Section 29(4) in relation to different goods is attracted.

35. The aspect of determination of well-known trade mark has been considered by this Court in some recent cases.

36. In the case of ***Bloomberg Finance LP vs. Prafull Saklecha & Ors.*** 2013 (56) PTC 243 (Del), it was observed in Para 32-44, 48-51 that:

“32. Section 29 of the TM Act contemplates the owner/proprietor of the registered trade mark alleging infringement of the said mark by another person who is

neither a registered proprietor in relation to the goods and services for which the mark is registered, nor has permission to use such mark in the course of his trade. Under Section 29(1) infringement results if the mark is "identical with or deceptively similar to" the registered trade mark and is in relation to the goods and services for which the trademark has been registered. The use of infringing or impugned mark must render it "likely to be taken as being used as a trade mark".

33. Under Section 29(2)(a) infringement occurs where the impugned mark is identical with the registered trademark and the goods or service for which the impugned mark is being used is similar to the goods and services covered by the registered mark. Under Section 29(2)(b) infringement occurs where the impugned mark is similar to the registered mark and the goods and the services for which is used is identical with or similar to the goods and services for which the registered mark is used. Under Section 29(2)(c) infringement occurs where the impugned trade mark is identical to the registered trade mark and the goods or services for which the impugned mark is used is also identical to the goods/services covered by the registered trade mark.

34. An additional requirement in the above three situations for infringement to result is that the use of the impugned trademark "is likely to cause confusion on the part of the public" or "is likely to have an association with the registered trade mark". Under Section 29(3) when the impugned trademark is identical to the registered trademark and the goods/services for which it is used are also identical to the goods or services for which the registration has been granted then "the Court shall presume that it is likely to cause confusion on the part of the public".

35. Therefore, under Section 29(1), (2) and (3) for infringement to result (i) the impugned mark has to be either similar to or identical with the registered mark and (ii) the

goods or services for which the impugned mark is sued has to also either be identical with or similar to the goods or services for which registration has been granted. The scenario is different as regards Section 29(4) of the TM Act 1999. For infringement to result under Section 29(4), the following conditions are required to be fulfilled:

(i) the person using the impugned mark is neither a registered proprietor in relation to the goods and services for which the mark is registered nor is using it by way of permitted use

(ii) the impugned mark must be used in the course of trade

(ii) the impugned mark has to be either similar to or identical with the registered mark

(iii) the impugned mark is used for goods or services different from those for which registration has been granted;

(iv) the registered trade mark has a reputation in India;

(iv) the use of the impugned mark is without due cause, and takes unfair advantage of or is detrimental to,

(a) the distinctive character of the registered trade mark; or

(b) the reputation of the registered trade mark.

36. The expression 'mark' has been defined in Section 2(m) of the TM Act to include "a device brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof."(emphasis supplied) Therefore, for the purpose of Section 29(4), the use of a mark as part of a corporate name would also attract infringement. In other words, if the registered mark is used by a person, who is not the registered proprietor of such mark or a permitted user, as part of the corporate name under which he trades then also infringement

would also result. What is however important is that the registered trade mark must be shown to have a reputation in India and should be shown to have been used by the infringer 'without due cause'. Further, it should be shown that such adoption or use has resulted in the infringer taking unfair advantage of the registered mark or is detrimental to the distinctive character or repute of the registered trade mark.

37. Section 29(4) is also distinct from Section 29(1) to (3) of the TM Act in another important aspect. The element of having to demonstrate the likelihood of confusion is absent. Perhaps to balance out this element, the legislature has mandated the necessity of showing that (a) the mark has a reputation in India (b) that the mark has a distinctive character (c) the use by the infringer is without due cause. In other words, the legislative intent is to afford a stronger protection to a mark that has a reputation without the registered proprietor of such mark having to demonstrate the likelihood of confusion arising from the use of an identical or similar mark in relation to dissimilar goods and services. The words 'detriment' in the context of the 'distinctive character' of the mark brings in the concept of 'dilution' and 'blurring'. In the context of 'repute' they are also relatable to the concept of 'tarnishment' and 'degradation'. The words "takes 'unfair advantage" refers to 'free-riding' on the goodwill attached to mark which enjoys a reputation. The disjunctive 'or' between the words 'distinctive character' and 'repute' is designedly inserted to cater to a situation where a mark may not have a distinctive character and yet may have a reputation.

38. Section 2(zg) of the TM Act defines a 'well known trade mark' in relation to any goods or services to mean 'a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or service would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-

mentioned goods or services.' Under Section 11(9)(i) and (v), for the purposes of registration of a well-known mark it is not necessary for such mark to have been used in India or be well-known to the public at large in India. It must be well known to a substantial segment of the relevant public.

39. It may not be necessary for the proprietor of a registered mark to show that it is a 'well-known trademark' as defined in Section 2(zg) although if in fact it is, it makes it easier to satisfy the 'reputation' requirement of Section 29(4) of the TM Act. The presumption of distinctiveness attached to a registered mark is a rebuttable one. At the interim stage, either of these elements should be shown prima facie to exist. Whether in fact these elements are satisfied would depend on the evidence led by the parties at trial.

40. It may be noticed at this stage that even prior to the TM Act 1999 the Supreme Court in *N.R. Dongre v. Whirlpool Corporation* 1996 PTC (16) recognised the concept of cross-border reputation when it upheld the decision of the Division Bench of this Court which granted a temporary injunction in favour of a Plaintiff based abroad. The Division Bench of this Court followed the decision in *Apple Computer Inc. vs. Apple Leasing & Industries* 1992 (1) ALR 93, and held that it was not necessary to insist that a particular plaintiff must carry on business in a jurisdiction before improper use of its name or mark can be restrained by the court. The main consideration was "the likelihood of confusion and consequential injury to the plaintiff and the need to protect the public from deception. Where such confusion is prima facie shown to exist, protection should be given by courts to the name or mark".

41. Turning to Section 29(5) of the TM Act 1999, it is seen that it relates to a situation where (i) the infringer uses the registered trademark "as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern" and (ii) the business concern or trade is in the same goods or services in respect of which the



trade mark is registered. If the owner/proprietor of the registered trade mark is able to show that both the above elements exist then an injunction restraining order the infringer should straightway follow. This is in the nature of a per se or a 'no-fault' provision which offers a higher degree of protection where both the above elements are shown to exist. For the purpose of Section 29(5) of the TM Act 1999, there is no requirement to show that the mark has a distinctive character or that any confusion is likely to result from the use by the infringer of the registered mark as part of its trade name or name of the business concern.

42. However, in a situation where the first element is present and not the second then obviously the requirement of Section 29(5) is not fulfilled. The question is whether in such a situation the owner or proprietor of the registered trade mark is precluded from seeking a remedy under Section 29(4) of TM Act, 1999 if the conditions attached to Section 29(4) are fulfilled.

43. In the considered view of this Court, given the object and purpose of Section 29(1) to (4), Section 29(5) cannot be intended to be exhaustive of all situations of uses of the registered mark as part of the corporate name. Section 29(5) cannot be said to render Section 29(4) of the TM Act, 1999 otiose. In other words, the legislature may not be said to have intended not to provide a remedy where the registered trade mark is used as part of the corporate name but the business of the infringer is in goods or services other than those for which the mark is registered.

44. The Statement of Objects and Reasons of the TM Act 1999 explain that sub-section (5) of Section 29 "seeks to prevent a person from adopting someone else's trade mark as part of that person's trade name or business name by explicitly providing that such action shall also constitute an infringement under this Act. This provision will bring this clause in harmony with the proposed amendments to Sections 20 and 22 of the Companies Act, 1956."

Sections 20 and 22 of the CA have been amended to provide that where the name of a company resembles a registered trade mark, then the registration of the company in that name can be refused. The ROC is expected to gather information from the TM Registry. Under Section 22(5) of the CA, the owner of the registered trade mark can apply to have the name of a company that is purportedly infringing the mark cancelled. All of this only strengthens the conclusion that where Section 29(5) offers a high degree of protection where both the elements envisaged in that provision exist, it is not meant to preclude the owner of a registered mark remediless when only the first and not the second element exists.”

“48. In *Mahendra & Mahendra Paper Mills Limited v. Mahindra & Mahindra Limited* (2002) 2 SCC 147, the case before the Supreme Court pertained to the grant of an injunction against the Defendant using, in any manner, as a part of its corporate name or trading style the words Mahindra & Mahindra or any word(s) deceptively similar to Mahindra or and/or Mahindra & Mahindra so as to pass off or enable others to pass off the business and/or services of the Defendant as those of the Plaintiffs or as emanating from or affiliated or in some way connected with Plaintiffs. The Defendant contended that its products were in no way similar to that of the Plaintiffs and that the business carried on by it did not overlap with the business of any of the companies enlisted by the Plaintiffs. The Supreme Court held that by using the Plaintiffs trademark as a part of its corporate name, the Defendant had committed the fraud of passing off its business and/or services as that of the Plaintiffs.

49. In *Kalpataru Properties Private Limited v. Kalpataru Hospitality & Facility Management* 2011 (48) PTC 135 (Bom.), the issue was whether an action in passing off was maintainable where the Plaintiff's registered mark was used as part of the Defendant's corporate name and the goods and services dealt with by the parties were in different classes. Following *Mahendra and Mahendra*, the Court held that a

passing off action was maintainable in the case of a well known mark even if the goods and services being dealt with by the parties are not similar.

50. Recently, in *Red Hat Inc. v. Mr. Hemant Gupta* 2013 1 AD (Delhi) 130, this Court, while dealing with a case which involved the use of a registered trademark as part of its corporate name by the Defendant, held that the Plaintiff could seek a remedy for an infringement under Section 29(4) as well as Section 29(5) of the TM Act 1999.

51. The legal position emerging as a result of the above discussion may be summarised as under:

(a) Section 29(5) of the TM Act 1999 relates to a situation where (i) the infringer uses the registered trademark "as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern" and (ii) the business concern or trade is in the same goods or services in respect of which the trade mark is registered.

(b) This is in the nature of a per se or a 'no-fault' provision which offers a higher degree of protection where both the above elements are shown to exist. If the owner/proprietor of the registered trade mark is able to show that both the above elements exist then an injunction order restraining the infringer should straightway follow. For the purpose of Section 29(5) of the TM Act 1999 there is no requirement to show that the mark has a distinctive character or that any confusion is likely to result from the use by the infringer of the registered mark as part of its trade name or name of the business concern.

(c) However, in a situation where the first element is present and not the second then obviously the requirement of Section 29(5) is not fulfilled. Where the registered trade mark is used as part of the corporate name but the business of the infringer is in goods or services other than those for which the

mark is registered, the owner or proprietor of the registered trade mark is not precluded from seeking a remedy under Section 29(4) of TM Act 1999 if the conditions attached to Section 29(4) are fulfilled.

(d) Given the object and purpose of Section 29(1) to (4), Section 29(5) cannot be intended to be exhaustive of all situations of uses of the registered mark as part of the corporate name. Section 29(5) cannot be said to render Section 29(4) otiose. The purpose of Section 29(5) was to offer a better protection and not to shut the door of Section 29(4) to a registered proprietor who is able to show that the registered mark enjoying a reputation in India has been used by the infringer as part of his corporate name but his business is in goods and services other than that for which the mark has been registered.

(e) A passing off action is maintainable in the case of a well known mark even if the goods and services being dealt with by the parties are not similar.”

37. Even in the present case, while disposing of interim application, the order was passed between parties and reported as 2009 (41) PTC 284 (Del), it was observed as under:

“15. Section 2(4)(c) defines a well known trademark as the one which in relation to any goods, means a mark which has become so to the substantial segment of the public which uses such goods that the use of such mark in relation to other goods would be likely to be taken as indicating a connection in the course of trade between those goods and a person using the mark in relation to the first mentioned goods. In my view the segment of the public which uses the watches of the category/price range as the watches of the plaintiff, ROLEX is a well known trademark. The said segment of the public if comes across jewellery/artificial jewellery also bearing the

trademark ROLEX is likely to believe that the said jewellery has a connection to the plaintiff.

16. Yet another provision in the Act, though for the guidance of the Registrar but in relation to well known trademarks is to be found in Section 11(6) of the Act. Upon testing the trademark of the plaintiff on the touchstone of the ingredients of the said provision also, I find the said trademark of the plaintiff to be satisfying the test of a well known trademark. The documents filed by the plaintiff i.e., the advertising done in the media in India since 1947 and particularly in years immediately preceding the suit, registrations obtained show that relevant section of the public in India had knowledge of the trademark ROLEX in relation to the watches. The pleadings of the plaintiff and which are not contested also show that the plaintiff for the last nearly one century has been using the said trademark spread over nearly the entire developed/developing world. The advertisements of the plaintiff had appeared in the magazines in this country even when there were import restrictions. The plaintiff has filed documents to show registration of the trademark in a large number of countries and also to show successful enforcement of its rights with respect to the said trademark.”

“20. Over the years and very quickly in recent times, the international boundaries are disappearing. With the advent of the internet in the last over ten years it cannot now be said that a trademark which is very well known elsewhere would not be well known here. The test of a well known trademark in Section 2(zg) is qua the segment of the public which uses such goods. In my view any one in India, into buying expensive watches, knows of ROLEX watches and ROLEX has a reputation in India. Not only so, to satisfy the needs/demands of consumers in different countries, the well known international brands which were earlier available at prices equivalent to prices in country of origin and which owing to the exchange rate conversion were very high, have adapted to the Indian situation and lowered prices. A large

number have set up manufacturing facilities here and taken out several variants. Thus, merely because today the price of a ROLEX watch may be much higher than the price of items of jewellery of the defendants as argued, cannot come in the way of the consumer still believing that the jewellery is from the house of the plaintiff. Also, there can be no ceiling to the price at which the defendants will continue to sell their jewellery. The defendants have claimed to be selling rolled gold jewellery; with the price of gold soaring, there is no certainty that the pieces of artificial jewellery of the defendants would not also be in the same range as the watches of the plaintiff. Even otherwise, the trend in modern times has been towards artificial/semi precious jewellery. In fact, the attraction to gold is confined to this part of the world only. In India also today there are several brands of artificial jewellery/semi precious jewellery whose brand value and/or prices are quite comparable to the gold jewellery of the conventional gold smiths”

“24. The goods of the plaintiff may lose their sheen to the strata of the society for which they are intended if such strata finds the goods in the same brand name even though not from the house of the plaintiff being available for a much lower price. The goods of the plaintiff would then cease to be a status symbol or a fashion statement. Undoubtedly, the same would be to the detriment of the plaintiff. Having found a prima facie case in favour of the plaintiff and irreparable injury to be caused to the plaintiff by allowing the defendant to continue using the trademark, I also find the element of balance of convenience to be satisfied in the present case. The registration of the mark of the plaintiff is over 90 years prior to the claimed commencement of the use by the defendant. Even if the defendant, at the time of commencing the use, did not know of the inherent risk in adopting the well known trade mark, the defendant, at least, immediately on applying for registration and on opposition being filed by the plaintiff became aware of the perils in such use. Thus, use by the defendant of the mark is for short time only and use

during the period of opposition is of no avail. The mark has got no relation to the jewellery being marketed by the defendants. Unless the defendant is deriving any advantage of the goodwill/brand value of the plaintiff and which it is not entitled to, it ought not to make any difference in the business of the defendants if the said jewellery is sold under a mark other than ROLEX.”

The said order has been confirmed by the Division Bench of this Court.

## **PASSING OFF**

38. The following are the essential characteristics of an action of passing off:-

(A) In Erven **Warnink B.V. v. J. Townend & Sons (Hull) Ltd.**, 1980 RPC 31, Lord Diplock stated the essential characteristics of a passing off action as under:

(1) misrepresentation, (2) made by a person in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.

(B) The essentials of passing off action in Halsbury's Laws of England Vol. 38 (3rd Edition) para 998 as given below are worth noting:

998. Essentials of the cause of action

The plaintiff must prove that the disputed name, mark, sign or get up has become distinctive of his

goods in the sense that by the use of his name or mark, etc in relation to goods they are regarded, by a substantial number of members of the public or in the trade, as coming from a particular source, known or unknown; it is not necessary that the name of the plaintiff's firm should be known..... The plaintiff must further prove that the defendant's use of name or mark was likely or calculated to deceive, and thus cause confusion and injury, actual or probable, to the goodwill and the plaintiff's business, as for example, by depriving him of the profit that he might have had by selling the goods which ex hypothesi, the purchaser intended to buy. Thus, the cause of action involves a combination of distinctiveness of the plaintiff's name or mark and an injurious use by the defendant of the name or mark or a similar name or mark, sign, picture or get-up does or does not amount to passing off is in substance a question of evidence; the question whether the matter complained of is likely to deceive is a question for the Court.

39. The test of confusion and deception in order to prove the case of passing off has been very well discussed in the case of ***Laxmikant V. Patel vs. Chetanbhai Shah And Another***, a judgment delivered by the Supreme Court, reported in (2002) 3 SCC 65, wherein the Apex Court while considering a plea of passing off and grant of ad interim injunction held that a person may sell his goods or deliver his services under a trading name or style which, with the passage of time, may acquire a reputation or goodwill and may become a property to be protected by the Courts. It was held that a competitor initiating sale of goods or services in the same name or by imitating that name causes injury to the



business of one who has the property in that name. It was held that honesty and fair play are and ought to be the basic policy in the world of business and when a person adopts or intends to adopt a name which already belongs to someone else, it results in confusion, has the propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury. It was held that the principles which apply to trade mark are applicable to trade name also.

Relevant para 10 of the aforesaid judgment reads as under:-

“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 his 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 results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.”

In this case, the Apex Court further observed that:

“Where there is probability of confusion in business, an injunction will be granted even though the defendants adopted the name innocently.”

40. In another case of passing off, a Division Bench of this Court in the case of ***B.K. Engineering Co. vs. Ubhi Enterprises and Anr.***, reported in 1985 PTC 1, in para-57 inter alia it is held that trading must not only be honest but must not even unintentionally be unfair.

41. In the case of ***Essel Packaging Ltd. v. Essel Tea Exports Ltd.***, 1999 PTC (19) 521, the High Court of Bombay held that common field of activity is not conclusive for deciding whether there can be passing off action, although at one point of time the said test was treated as conclusive. It was held that with the passage of time the law of requirement of common field of activity in a passing off action has undergone a radical change and as such there was no requirement for a common field of activity to found a claim on passing off action, because the real question in each of such cases is, whether there is, as a result of mis-representation, a real likelihood of confusion or deception of the public and consequent damage to the plaintiff is likely to be caused and if that is taken to be the test then the focus is shifted from the external objective test of making comparison of activities of the parties, to the state of mind of public, in deciding whether it will be confused. Applying these principles the injunction in favour of the plaintiff was granted.

42. As already held that the defendants are guilty of infringement of trade mark, it is also clear that the defendants are passing off their goods as that of the plaintiff. The fact remains that the descriptions of goods of both the parties are same and allied cognate goods. As the defendants are using the identical trade mark ROLEX for artificial jewellery, it may create confusion and deception if the defendants are allowed to use the trade mark ROLEX in relation to artificial jewellery. The adoption and use of the name ROLEX is not bonafide. It is also pertinent to mention that on the date of adoption of the trade mark

ROLEX the defendants were fully aware about the trade mark and trading style of the plaintiff as the said name was extensively advertised in India. The trademark ROLEX is so highly reputed, well-known, famous and distinctive that it cannot be used by the defendants or any other party in respect of any goods or services falling in Schedule IV of the classification of goods and services.

### **DELAY**

43. One of the defences taken by the defendants in the present matter was that of delay. It was averred in the written statement that plaintiff has knowledge about the defendants since year 2003 but they chose not to take any action and acquiesced and allowed defendants to develop their business. It has been averred that the present suit is time barred and without any cause of action. The aspect of delay has been discussed in various following cases. However, the said defence therefore has no force.

- a) In the case of ***Midas Hygiene Industries Pvt. Ltd. vs. Sudhir Bhatia and Others***, 2004 (Vol.28) PTC 121, relevant para-5 of the said judgment is as under:

“5. The law on the subject is well settled. In cases of infringement either of Trade Mark or of Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the Mark was itself dishonest.”

- b) In the case of **Swarn Singh vs. Usha Industries (India) and Anr.**, AIR 1986 Delhi Page No.343 (DB) it was held as under :

“There is then the question of delay. Learned counsel for the respondents had urged that the delay is fatal to the grant of an injunction. We are not so satisfied. A delay in the matter of seeking an injunction may be a ground for refusing an injunction in certain circumstances. In the present case, we are dealing with a statutory right based on the provisions of the Trade and Merchandise Marks Act, 1958. An exclusive right is granted by the registration to the holder of a registered trade mark. We do not think statutory rights can be lost by delay. The effect of a registered mark is so clearly defined in the statute as to be not capable of being misunderstood. Even if there is some delay, the exclusive right cannot be lost. The registered mark cannot be reduced to a nullity.....”

- c) In the case of **Hindustan Pencils Pvt. Ltd. Vs. M/s India Stationery Products Co.**, AIR 1990 Delhi 19 it was held as under :

“It was observed by Romer, J. in the matter of an application brought by J.R. Parkinson and Co. Ltd., (1946) 63 RPC 171 at page 181 that “in my judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently”. It was further noted by the learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history.”

- d) In the case of ***M/s. Bengal Waterproof Lim. Vs. M/s. Bombay Waterproof Manufacturing Co.***, AIR 1997 SC 1398 it was held as under :

“20. It is now well settled that an action for passing off is a common law remedy being an action in substance of deceit under the Law of Torts. Wherever and whenever fresh deceitful act is committed the person deceived would naturally have a fresh cause of action in his favour. Thus every time when a person passes off his goods as those of another he commits the act of such deceit. Similarly whenever and wherever a person commits breach of a registered trade mark of another he commits a recurring act of breach or infringement of such trade mark giving a recurring and fresh cause of action at each time of such infringement to the party aggrieved. It is difficult to agree how in such a case when in historical past earlier suit was disposed of as technically not maintainable in absence of proper relief, for all times to come in future defendant of such a suit should be armed with a license to go on committing fresh acts of infringement and passing off with impunity without being subjected to any legal action against such future acts.”

44. Considering the overall facts and circumstances, the plaintiff is entitled for a decree for permanent injunction in terms of prayer clause (a), (b) (c) and (d) of the plaint.

45. As regards the reliefs claimed in other prayer clauses (e) and (f) are concerned, the plaintiff has prayed for rendition of accounts and damages to the tune of Rs.25,00,000/- to be paid by the defendants.

46. There are various judgments pertaining to the aspect of damages where this Court has granted previously granted both

exemplary and punitive damages against the defendants in *ex-parte* matters of similar nature in various industries ranging from software to automotives, chocolates to pharmaceuticals, stationary to luxury brands, etc. Some of such decisions are as under:

- (i) In ***Time Incorporated Vs. Lokesh Srivastava & Anr., 2005 (30) PTC 3 (Del.)*** while awarding punitive damages of Rs. 5 lakhs in addition to compensatory damages also of Rs. 5 lakhs, Justice R.C. Chopra observed that *“time has come when the Courts dealing in actions for infringement of trademarks, copyrights, patents etc., should not only grant compensatory damages but also award punitive damages with a view to discourage and dishearten law breakers who indulge in violation with impunity out of lust for money, so that they realise that in case they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them.”*
  
- (ii) In ***Microsoft Corporation Vs. Rajendra Pawar & Anr., 2008 (36) PTC 697 (Del.)*** decided on 27th July, 2007, this Court held that *“Perhaps it has now become a trend of sorts, especially in matters pertaining to passing off, for the defending party to evade court proceedings in a systematic attempt to jettison the relief sought by the plaintiff. Such flagrancy of the Defendant’s conduct is strictly deprecatory, and those who recklessly indulge in such shenanigans must do so at their peril, for it is now an inherited wisdom that evasion of court proceedings does not de facto tantamount to escape from liability. Judicial process has its own way of bringing to tasks such erring parties whilst at the same time ensuring that the aggrieved party who has knocked the doors of the court in anticipation of justice is afforded with adequate*

*relief, both in law and in equity. It is here that the concept of awarding punitive damages comes into perspective.”*

47. Keeping in view the infringement committed by the defendants, I am of the opinion that a sum of Rs.5,00,000/- can be reasonably awarded to the plaintiff as compensatory damages and a sum of Rs.3,00,000/- as punitive/exemplary damages as well as damages on account of loss of reputation and goodwill of the plaintiff. The prayer made in prayer clauses (e) and (f) is granted to the above extent. With regard to prayer clause (g), the plaintiff is awarded Rs.50,000/- as costs of the suit.

48. The decree be drawn accordingly. The suit is disposed of accordingly.

**(MANMOHAN SINGH)  
JUDGE**

**SEPTEMBER 15, 2014**

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