

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

Pronounced on : 18.08.2009

+ CS(OS) 781/2007 & IA 4930/2007

M/s Castrol Limited & Anr.

..... Plaintiffs

Through : Mr. Shushant Singh with Ms. Neha Kapoor, Advocates

versus

Mr. Jatinder Singh & Anr.

..... Defendants

Through : None

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

1. Whether the Reporters of local papers may be allowed to see the judgment?
2. To be referred to Reporter or not?
3. Whether the judgment should be reported in the Digest?

HON'BLE MR. JUSTICE S.RAVINDRA BHAT (OPEN COURT)

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1. This suit is filed by the plaintiffs i.e. M/s Castrol Ltd. (first plaintiff) and M/s Castrol India Ltd. (second plaintiff) against the defendants seeking permanent injunction restraining them, their officers, servants, agents and representatives from reproducing printing or publishing, selling or offering for sale any label or packaging which is a colourable imitation or substantial reproduction of the plaintiffs' "CASTROL SUPER TT" / "CASTROL 2T" packaging and delivery-up of any infringing material along with damages of Rs. 20,00,000/-.

2. The first plaintiff is a company incorporated under the laws of England and *inter alia*, carrying on business in the manufacture, processing and marketing of high-grade lubricating oil products in the UK and several countries all over the world. The second plaintiff is and incorporated company under the 1956 Act having its registered office in Mumbai and regional office at New Delhi. It carries on business in processing and trading in high-grade automotive and industrial lubricants, greases, brake fluids, wood preservatives, metal cleaning compounds and various products in India. It also trades in anti-freezing compounds, hydraulic fluids and like products. The plaintiffs claim to have acquired knowledge around March, 2007 that the defendants are manufacturing and / or packaging and / or selling the engine oil of scooter and other vehicles under the name M/s. Mulex Lubricant used for 2T and two-stroke engine packed in plastic pouch, which is deceptively similar to the plaintiff's 2T packaging pouch [annexed as Annexure X (Ex.

PW-1/3) and X-1 (Ex. PW-1/4)]; the specimen of the defendant's product is submitted as Annexure Y (Ex. PW-1/5).

3. The plaintiffs' state that in or about 1997 they started packing and selling 40 ml engine oil in easy to display, store and use plastic pouches and in respect thereof conceived and adopted the trade mark label having a unique design, layout, set-up and colour scheme. In the upper half of the label on front side of the said pouch appears the word "Castrol" in red, below which appears the word "Scootek" with "2T" in black. Below "Scootek" appear two horizontal parallel bands ("Hockey Sticks") upper one in red and lower in green, turning to the right upwards, the bands taper and terminate. The lower half of the label consists of the unique device of a Scooter Rider, as appears on the packaging. The background colour of the pouch is silver-white. On the back of the pouch appear the words "with carbon busters" with green diagonal band (marked as Annexure X to the plaint and exhibited as Ex. PW-1/3). It is claimed that the said trade mark label has acquired distinctiveness in respect of the plaintiffs' products. It is further stated that in October 2005, although the packaging (Ex. PW-1/3) was still in market, the second plaintiff introduced a new packaging for the same product- this distinctive pouch is of silver colour base having the device of motorcycle and "hockey sticks" which is prominently shown on the packaging (marked as Annexure X1 to the plaint and exhibited as Ex. PW-1/4). Plaintiffs claim that they are the owners and have exclusive legal and equitable rights in the said artistic works and claim copyright in them. The first plaintiff claims to be *inter alia*, registered owner in mark Castrol under class 4 w.e.f. 29.06.1942 and mark Castrol in India w.e.f. 17.11.1969 this apart they have following pending applications in the name of first plaintiff- "Hockey Sticks", under no. 484451 as of 20.01.1988 in class 4; device of "Motor Cycle Rider", under no. 632159 as of 28.06.1994 in class 4.

4. The defendants in the matter, despite being served through affixation on court's notice board and publication dated 10.10.2008, failed to enter appearance as such, were set down *ex-parte* on 13.04.2009 and the plaintiffs were directed to file their *ex-parte* evidence by way of affidavit. PW-1, Mr. Murlidhar Balasubramanian, constituted attorney of the plaintiffs filed his *ex-parte* evidence by way of affidavit on 30.04.2009. The plaintiffs claims having generated enormous sales all over the world including India since its inception and being well known and highly reputed in trade circles, and that further huge monies have been spent on marketing and advertising of its products, by them. It is claimed that the defendants' product and packaging so closely resembles that of the plaintiffs' that it is bound to result in confusion and deception in the mind of an average consumer. Moreover, the process through which this product reaches the end user i.e. the product is sold at filling stations in pouches hanging at a distance and the sales person himself picks a pouch and mixes it with petrol whenever any motorcycle or

scooter rider comes for re-fill of fuel in his vehicle, has significant bearing as in the circumstances confusion and deception between the rival pouches will inevitably take place. Thus, the defendants are guilty of infringing copyright and passing off. Apart from the financial loss that is claimed to have occurred on account of diversion of sales, it is claimed that the plaintiffs' reputation has also suffered as the product of the defendants is of inferior quality. Thus the plaintiffs have claimed perpetual injunction and damages.

5. The court, after perusing the pleadings and the *ex-parte* evidence filed by the plaintiff, is of the considered opinion that the plaintiffs have been able to establish a case for passing off and infringement of copyright in the two labels marked as Ex. PW-1/3 and PW-1/4. The two competing products with their similar packaging is more than likely to be confused. Although the trade names under which the two competing products are sold are different words i.e. CASTROL and MULEX, the overall appearance of the pouches are similar- the most prominent common feature is the device of "Hockey Sticks", which is popular and is distinctive of the plaintiffs' products, although in the plaintiffs' product the upper band is in red and the lower one in green and vice versa in the defendants' product but it still more or less appears to be the same. The colour scheme used by the defendants is similar to that used on the plaintiffs' product. The plaintiffs' have been able to show that they are the prior users and adopters of the said device. The court has to also bear in mind the sale process as mentioned aforesaid, due to which the likelihood of confusion increases. The consumer in such purchase will barely examine the packaging closely while purchasing the same as the product is hanging at a distance from the consumer and it is a small price item i.e. Rs. 5/-, where two such similar products bear an overall resemblance. The plaintiffs are thus, held entitled for a decree of injunction as is claimed.

6. On the question of damages it is settled that the assessment of damages has to be based on cogent evidence furnished for the purpose. In its additional evidence by way of affidavit the plaintiff has not provided any record of the business procured by the defendants as being detrimental to the business of the plaintiff nor has it annexed a statement of loss of profits suffered by it on account of business diversion due to the defendants using the mark. All that is stated by the plaintiff is that the profits made by the defendants by misappropriating the goodwill and reputation, as well as on account of business diversion is the loss suffered by the plaintiff and that as it has no access to the accounts of the defendants, it is unable to assess the profits made by them. In *Infosys Technologies Ltd. v. Park Infosys and Ors.*, 2007 (34) 178 (DEL), the court after noticing the observations of the court in *Microsoft Corporation v. Yogesh Popat and Anr.* 118 (2005) DLT 580, *The Heels v. V.K. Abrol and Anr.* CS (OS) No. 1385/2005, *Hindustan Pencils Ltd. v. Aparna Enamel Industries* 131 (2006) DLT 65 and *Hero Honda Motors Ltd. v. Shree Assuramji Scooters* 125 (2005) DLT 504 and discussing the reasoning of the court in detail and distinguishing the facts and law cited in those cases from the case for consideration before the court held as under:

“42. Upon a consideration of the plaint and the affidavit by way of the evidence filed before this court, I find that the plaintiff has failed to prove either the profits derived by the defendant from its illegal activities or such sales record to establish the loss which has resulted to the plaintiff by establishing a decline in the value of its business or a fall in the percentage increase in the business as compared to preceding years. The only material which has been placed by the plaintiff on record is the value of its international sales over different years. Bald figures without even an assertion of loss or diminution in business and without any submission in this behalf do not establish the essential features noticed above which would have entitled the plaintiff to damages. Therefore, while holding that the defendants cannot be permitted to continue with its illegal activities, however, I find that no award of damages can be made in favor of the plaintiff.”

The court concerns with the above observations; the plaintiff cannot claim anything more than costs of these proceedings.

7. In view of the above discussion, the suit is entitled to succeed in so far as the claim for permanent injunction is concerned. Accordingly, the suit is decreed in terms of Para 25 (i) and (ii); with costs. Counsel's fee is quantified at Rs.25,000/-. Let decree be drawn in these terms.

AUGUST 18, 2009

(S. RAVINDRA BHAT)
JUDGE