

THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment Reserved on: 23.3.2011.
Judgment Pronounced on: 28.3.2011.

+ **CS(OS) No. 264/2008**

TATA SONS LTD.**Plaintiff**

- versus -

MANOJ DODIA & ORS.**Defendant**

AND

CS(OS) No. 232/2009

TATA SONS LTD.**Plaintiff**

- versus -

MR. MD. JAWED & ANR.**Defendants**

Advocates who appeared in this case:

For the Plaintiff: Mr. Pravin Anand and Mr. Reuben
Cheriyen.

For the Defendants: None.

CORAM:-

HON'BLE MR JUSTICE V.K. JAIN

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

V.K. JAIN, J

1. These are suits filed by Tata Sons Ltd. for

permanent injunction, damages, rendition of accounts and delivery of the infringing materials. The plaintiff company, which was established in the year 1917, is the principal investment holding company of the Tata Group which had a turnover of Rs.96,000 crores for the year 2005-2006 and is stated to be one of India's most trusted business houses. The name TATA is stated to have been derived from the surname of its founder Mr. Jamsetji Nusserwanji Tata. For the year 2006, Tata Group was also ranked as 20th amongst world's most reputed companies. The name TATA is being used by the plaintiff company since its inception in the year 1917 and it is claimed that on account of its highly descriptive nature and pioneering activities of the founder, the name TATA has consistently been associated with and exclusively denotes the conglomeration of companies forming the Tata Group, which is known for high quality of products manufactured and/or services rendered by it under the trade mark/name TATA. The House of Tatas comprises of over 100 companies of which over 50 companies use TATA as a key and essential part of their corporate name. It is claimed that being proprietor of the trade mark TATA, the plaintiff company enjoys exclusive

rights in the aforesaid mark. The plaintiff company claims to be owner of various trademarks which contain the name TATA as a part of the registered trademark. It is alleged that on account of continuance and extensive use of the plaintiff's trade mark TATA over a long period of time spanning a wide geographical area, coupled with vast promotion and publicity, the said trademark enjoys an unparalleled reputation and goodwill and has acquired the status of a "*well known*" trademark.

2. The defendants in Suit No.264/2008 Mr.Manoj Dodia and Mr. Manish Dodia are stated to be co-owners of M/s. Durga Scale Co., which is engaged in the business of manufacturing and selling weighting scales and spring balances under the trade mark A-One TATA. It is claimed that use of the aforesaid mark by the defendants amounts to infringement of plaintiff's registered trade mark TATA, granted wide various registrations in class 9. It is further alleged that the impugned mark is inherently deceptive and constitutes a misrepresentation to unwary consumers that goods of the defendants are either of the plaintiff company or approved by it. Such misrepresentation, according to the plaintiff, will inevitably lead to confusion or deception in the

mind of the unsuspecting buyers and will result in the defendants poaching on the plaintiff's business, goodwill and reputation, thereby amounting to passing off. The plaintiff has accordingly sought an injunction restraining the defendants from manufacturing, selling, offering for sale, advertising, and directly or indirectly dealing in weighting scales and springing balances or goods of any description bearing the trademark A-ONE TATA or any other mark confusingly similar to trade mark TATA amounting to passing off the defendants' goods as that of the plaintiff's. It has also sought delivery up of all the goods bearing the impugned mark, dies, blocks, cartons, labels and any other infringing material, to the authorized representatives of the plaintiff, for the purposes of destruction. The plaintiff company has also sought damages amounting to Rs.20,05,000/- besides rendition of accounts in respect of the profits earned by them from use of the trademark A-One TATA.

3. CS(OS) No.232/2009 has been filed by Tata Sons Limited against Mohd. Jawed and TATA Points. Mr. Mohd. Jawed is stated to be working under the name and style of TATA Points. In this case, it is also alleged that the name

`TATA' either singularly or in conjunction with other names as well as TATA device have been registered in the name of the plaintiff Company in respect of different products in Class 12. It is also alleged that besides the trade mark `TATA', the plaintiff company is also the proprietor of the device which contains 'T' in a circle (device).

The defendant in this suit is alleged to be engaged in the business of selling spare parts for automobiles. It is also alleged that the visiting cards of the defendants bears the trade mark `TATA' as also the device, which contains 'T' in a circle (device).

4. The defendants in both the suits are ex parte.

In Suit No.264/2008 the plaintiff has filed the affidavit of Mr. V. Gurumoorthi, Constituted Attorney of plaintiff No.1, by way of evidence. In his affidavit Mr. Gurumoorthi has stated that plaintiff Tata group had a turnover of Rs.2,51,543/- Crores for the year 2007-08 and is one of the most trusted business houses in the Country. He has claimed that the name/trademark TATA is a household name, synonymous with excellence in almost every field of business activity and the enterprises promoted by Tata operate in various core sectors, including iron and

steel, textile power, chemicals, hotel, automobile, computer, telecommunications, financial services and mutual funds, etc. and the use of trademark and the name TATA by predecessors of the plaintiff dates back to 1868. According to him, house of Tatas consists of over 100 companies of which more than 50 companies use TATA as a key and essential part of their corporate names. He claims that the plaintiffs are proprietors of the trademark TATA on account of priority in adoption, long, continuous and extensive use and advertising and the reputation accruing thereto in the course of trade. He has stated that the plaintiffs and its group companies use TATA as a trademark so as to indicate that these companies have been promoted by the house of Tatas. Similar affidavit has been filed by Mr. V. Gurumoorthi in suit No.232/2009.

5. A well known trademark is a mark which is widely known to the relevant general public and enjoys a comparatively high reputation amongst them. On account of advancement of technology, fast access to information, manifold increase in international business, international travel and advertising/publicity on internet, television, magazines and periodicals, which now are widely available

throughout the world, of goods and services during fairs/exhibitions, , more and more persons are coming to know of the trademarks, which are well known in other countries and which on account of the quality of the products being sold under those names and extensive promotional and marketing efforts have come to enjoy trans-border reputation. It is, therefore, being increasingly felt that such trademark needs to be protected not only in the countries in which they are registered but also in the countries where they are otherwise widely known in the relevant circles so that the owners of well known trademarks are encouraged to expand their business activities under those marks to other jurisdictions as well.

The relevant general public in the case of a well known trademark would mean consumers, manufacturing and business circles and persons involved in the sale of the goods or service carrying such a trademark.

6. The doctrine of dilution, which has recently gained momentum, particularly in respect of well known trademarks emphasises that use of a well known mark even in respect of goods or services, which are not similar to those provided by the trademark owner, though it may not cause confusion

amongst the consumer as to the source of goods or services, may cause damage to the reputation which the well known trademark enjoys by reducing or diluting the trademark's power to indicate the source of goods or services.

7. Another reason for growing acceptance of trans-border reputation is that a person using a well known trademark even in respect of goods or services which are not similar tries to take unfair advantage of the trans-border reputation which that brand enjoys in the market and thereby tries to exploit and capitalize on the attraction and reputation which it enjoys amongst the consumers. When a person uses another person's well known trademark, he tries to take advantage of the goodwill that well known trademark enjoys and such an act constitutes an unfair competition.

8. The concept of confusion in the mind of consumer is critical in actions for trademark infringement and passing off, as well as in determining the registrability of the trademark but, not all use of identical/similar mark result in consumer confusion and, therefore, the traditionally principles of likelihood of confusion has been found to be inadequate to protect famous and well known marks. The

world is steadily moving towards stronger recognition and protection of well known marks. By doing away with the requirement of showing likelihood of confusion to the consumer, by implementing anti-dilution laws and recognizing trans-border or spill over reputation wherever the use of a mark likely to be detrimental to the distinctive character or reputation of an earlier well known mark. Dilution of a well known trademark occurs when a well known trademark loses its ability to be uniquely and distinctively identify and distinguish as one source and consequent change in perception which reduces the market value or selling power of the product bearing the well known mark. Dilution may also occur when the well known trademark is used in respect of goods or services of inferior quality. If a brand which is well known for the quality of the products sold or services rendered under that name or a mark similar to that mark is used in respect of the products which are not of the quality which the consumer expects in respect of the products sold and/or services provided using that mark, that may evoke uncharitable thoughts in the mind of the consumer about the trademark owner's product and he can no more be confident that the product being

sold or the service being rendered under that well known brand will prove to be of expected standard or quality.

9. Article 6^{bis} of Paris Convention, 1967 enjoined upon the Countries of the Union, subject to their legislation so permitting or at the request of the interested parties, to refuse or to cancel the registration and to prohibit the use of trademark which constitutes a representation and imitation or translation liable to create confusion of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of Convention and used for identical or similar goods. This provision was also to apply when the essential part of the mark constituted a reproduction of any such well known mark or an imitation liable to create confusion therewith. The prohibition against use of a well known trademark, under Paris Convention, was, thus, to apply only when the impugned use was in respect of identical or similar goods. Vide Article 16 of TRIPS Agreement 1994, it was decided that Article 6^{bis} of Paris Convention, 1967 shall apply *mutatis mutandis* to services as well as to goods or services, which are not similar to those in respect of which a

trademark is registered, provided that the use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and the interests of the owner of the registered trademark and are likely to be damaged by the impugned use. It was further decided that in determining whether the trademark is well known, the members shall take account of the knowledge of the trademark in relevant sectors of the public, including knowledge in the member concerned which has been obtained as a result of the promotion of the trademark. Thus, the TRIPS Agreement, 1994 brought about a material change by prohibiting use which constitutes a representation or imitation and is likely to create confusion even if such use is in relation to altogether different goods or services, so long as the mark alleged to have been infringed by such use is a well known mark. This Article, thus, grants protection against dilution of a trademark, which may be detrimental to the reputation that the business carried under a well known trademark enjoys.

10. Well known marks and trans-border reputation of brands was recognized by Courts in India, even before Trade

Marks Act, 1999 came into force. In ***Daimler Benz. Akiengesellschaft v. Hybo Hindustan, AIR 1994 Del 239***, the manufacturers of Mercedes Benz sought an injunction against the defendants who were using the famous 'three pointed star in the circle' and the word 'Benz'. The Court granted injunction against the defendants who were using these marks for selling apparel. Similarly, in ***Whirlpool Co. & Another v. N.R. Dongre, (1996) PTC 415 (Del.)***, the plaintiff Whirlpool had not subsequently registered their trademark after the registration of the same in 1977. At the relevant time, the plaintiff had a worldwide reputation and used to sell their machines in the US embassy in India and also advertised in a number of international magazines having circulation in India. However, the defendant started using the mark on its washing machines. After an action was brought against them, the Court held that the plaintiff had an established 'transborder reputation' in India and hence the defendants were enjoined from using the same for their products. In the ***Kamal trading Co. vs. Gillette UK Limited, (1998 IPLR 135)***, injunction was sought against the defendants who were using the mark 'O Clock on their toothbrushes. This was further reaffirmed by the

Bombay High Court, which held that the plaintiff had acquired an extensive reputation in all over the world including India by using the mark 7'O Clock on razors, shaving creams. The use of an identical mark by the defendant would lead to the customer being deceived.

11. The Trade Marks Act, 1999 accords a statutory protection to well known marks, irrespective of whether they are Indian marks or foreign marks. Section 29(4) of Trade Marks Act, 1999, which is relevant in this regard, reads as under:-

29(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person. using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

Section 11(6) which deals with determination of trademark as a well known marks, reads as under:-

11(6) The Registrar shall, while determining whether a trade mark is a well-known trade mark, take into account any fact which he considers relevant for determining a trade mark as a well-known trade mark including -

(i) the knowledge or recognition of that trade mark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trade mark;

(ii) the duration, extent and geographical area of any use of that trade mark;

(iii) the duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trade mark applies;

(iv) the duration and geographical area of any registration of or any publication for registration of that trade mark under this Act to the extent they reflect the use or recognition of the trade mark;

(v) the record of successful enforcement of the rights in that trade mark, in particular, the extent to which the trade mark has been recognised as a well-known trade mark by any court or Registrar under that record.

Sub-Section (7) of Section 11 of the Trademarks Act, 1999 specifies the factors which the Registrar has to take into account while determining whether a trademark is known to the relevant section of the public or not and reads

as under:-

“(7) The Registrar shall, while determining as to whether a trade mark is known or recognised in a relevant section of the public for the purposes of sub-section (6), take into account-

- (i) The number of actual or potential consumers of the goods or services;
- (ii) The number of persons involved in the channels of distribution of the goods or services;
- (iii) The business circles dealing with the goods or services,

To which that trade mark applies.”

Sub-section 9 of Section 11 circumscribes the power of Registrar while determining whether the trademark is a well known trademark and reads as under:-

11(9) The Registrar shall not require as a condition, for determining whether a trade mark is a well-known trade mark, any of the following, namely: -

- (i) that the trade mark has been used in India;
- (ii) that the trade mark has been registered;
- (iii) that the application for registration of the trade mark has been filed in India;
- (iv) that the trade mark -

(a) is well known in; or

(b) has been registered in; or

(c) in respect of which an application for registration has been filed in, any jurisdiction other than India; or

(v) that the trade mark is well-known to the public at large in India.

12. The owner of a well known trademark may (i) seek cancellation or (ii) prevent registration of a trademark which is same or similar to the well known mark irrespective of whether the impugned mark is in relation to identical or similar goods or services or in relation to other categories of goods or services. He may also prevent others from incorporating the well known trademark as a part of their corporate name/business name. Even if a well known trademark is not registered in India, its owner may avail these rights in respect of the trademark registered/used or sought to be registered/used in India, provided that the well known mark is otherwise known to or recognized by the relevant section of public in India.

The existence of actual confusion or a risk of confusion is, however, necessary for the protection of a well known trademark, as a result of infringement.

13. Trademarks Act, 1999 does not specify the factors which the Court needs to consider while determining whether a mark is a well known mark or not, though it does contain factors which the Registrar has to consider whether a trademark is a well known mark or not. In determining whether a trademark is a well known mark or not, the Court needs to consider a number of factors including (i) the extent of knowledge of the mark to, and its recognition by the relevant public; (ii) the duration of the use of the mark; (iii) the extent of the products and services in relation to which the mark is being used; (iv) the method, frequency, extent and duration of advertising and promotion of the mark; (v) the geographical extent of the trading area in which the mark is used; (vi) the state of registration of the mark; (vii) the volume of business of the goods or services sold under that mark; (viii) the nature and extent of the use of same or similar mark by other parties; (ix) the extent to which the rights claimed in the mark have been successfully enforced, particularly before the Courts of law and trademark registry and (x) actual or potential number of persons consuming goods or availing services being sold under that brand. A trademark being well known in one

country is not necessarily determinative of its being well known and famous in other countries, the controlling requirement being the reputation in the local jurisdiction.

14. It is difficult to dispute that as far as India is concerned, TATA is almost a household name. The house of TATAs is one of the oldest business houses in our country and the group has substantial presence in a large number of sectors. In Class 9 alone, the plaintiff company owns a large number trademark registrations of TATA (word mark), TATA (device) and TATA in combination with other words in respect of various products, vide registration/application Nos. 1191250, 109358, 92645, 569377, 569381, 585717, 585718, 6089, 1191270, 1191260, 1191230, 1191240, 1191280, 1135862 and 1135860.

15. In class 12, there are as many as 23 registration of the mark TATA (word mark), TATA (device) and TATA in conjunction with other words in respect of various products coming in that class. These are registrations/application Nos. 108623, 108624, 108625, 180058, 569378, 569382, 585377, 585376, 838428, 839729, 1191263, 1191253, 1191273, 1191233, 1191243, 1191283, 1315215, 1315216, 1315217, 1501279, 1502954, 1533728 and 1536338 . The

additional affidavit filed by the plaintiff on 23rd March, 2011 shows that the word mark TATA alone has been registered in Class 1 to 16, 19, 20, 21, 22, 25, 26, 29 to 32 and 35 to 42 vide registration Nos. 92655, 92649, 131196, 569389, 6091, 92647, 585055, 92651, 92644, 362741, 450770, 362742, 569376, 585057, 558466, 92643, 585714, 6089, 92645, 569377, 585717, 1033579, 1033585, 1033588, 1033591, 1033597, 1033600, 1033603, 1033606, 585061, 585720, 299110, 92642, 562934, 838431, 839732, 585723, 585724, 585725, 752454, 1590660, 1033578, 1033581, 1033584, 1033590, 1033593, 1033596, 1033602, 1033605, 6090, 92646, 839737, 92652, 92652, 92648, 92653, 585066, 839739, 585383, 839743, 92652, 585728, 1033577, 1033580, 1033592, 1033595, 1033601, 1033604, 1033607, 907791, 92653, 569862, 585734, 1236890, 1236891, 1236892, 1236893, 1615092, 1615094, 1236894, 1236895, 1236896 and 1236897.

The plaintiff company claims to be having agreements called TATA Brand Equity and Business Promotion Agreements with a large number of group companies whereby a particular code of conduct needs to be followed by those companies in all their dealings. TATA

group of companies includes a number of large companies such as TISCO, Tata Motors Ltd., Tata Metaliks Limited, Tata Cummins Ltd., Tata Tea Limited, Tata Housing Development Company Ltd., Tata Finance Limited, Tata AIG Risk Management Services Ltd., Tata Consultancy Services (TCS), Tata Teleservices, Tata Honeywell Limited and Tata Infotech Limited.

16. In CS(OS) No.1922/2003 decided on 14th September, 2004, this Court observed that the trademark TATA has become a household name not only in India but throughout the world and, therefore, is well known as contemplated in Section 11 (6) of Trademarks Act, 1999. Interim orders have been passed by this Court in a number of cases upholding the trademark TATA of the plaintiff company. In ***Tatara Tea Company. Peshawar v. TATA Sons Ltd. & Registrar of Trade Marks, Karachi, IPLR 2005 October 221***, the High Court of Sindh upheld the order of Registrar of Trademarks, Karachi dismissing the application for registration of the appellant's trademark TATARA tea on label, when the proposed registration was opposed by Tata Sons Limited. The respondent before the High Court had contended that due to wide and extensive

use of its registered trademark for many years and wide publicity given in many countries, it had acquired immense popularity and valuable goodwill all over the world and its goods were known by the famous trademark TATA.

The documents filed by the plaintiff company show that TATA has been included amongst topmost valuable global brands and is the only Indian brand in the list. The brand TATA ranked 103 in the year 2007, secured rank 57 in the year 2008 and 51 in the year 2009. There was a slippage in the year 2010 and it came to rank 65 but it not only regained but also improved its position in the year 2011 by securing rank 50.

In CS(OS) No.842/2002 (**TATA Sons Ltd. v. A.K. Chaudhary & another**) decided on 6th April, 2009, this Court was of the view that the trademark TATA is a well known trademark within the meaning of Section 2(z)(b) of the Trade Marks Act, 1999, on account of its distinctiveness and residual goodwill and reputation and cannot be appropriated by any party in India in relation to any merchandise goods/services/trade name.

17. Considering that (a) the mark TATA whether word mark or device or in conjunction with other words is being

used for last more than 100 years, in respect of a large number of goods and services, (b) Tata Group, which is probably the oldest and largest industrial and business conglomerate having turnover of Rs.96,000 crores in the year 2005-06, Tata Group comprises a number of large companies, millions of consumers are using one or more Tata products throughout India, but also in other countries, (c) there are more than hundred registrations of the trademark TATA either by way of word mark or device or use of the name TATA with other words, (d) the Courts having in a number of judgments/orders recognized TATA as a well known mark, (e) there is no evidence of any other person holding registration of or using the trademark TATA and (f) the reputation which companies of TATA group enjoys not only in India but also in many other countries, it is difficult to dispute that the trademark TATA is a famous and well known brand in India. I, therefore, have no hesitation in holding that the mark TATA whether word mark or device or when use in conjunction with some other words is a well known trademark within the meaning of Section 2(z)(b) of the Trademarks Act, 1999. The use of the trademark TATA in relation to any goods or services is,

therefore, likely to be taken as a connection between house of TATAs and the goods or services, which are sold under this trademark or a trademark which is similar to it.

18. Section 29(1) of the Trademarks Act, 1999, to the extent it is relevant, provides that a registered trademark is infringed by a person, who is neither registered proprietor of the trademark nor has his permission to use the mark but still decides to use that mark or a mark which is identical or deceptively similar to the registered trademark in relation to goods or services in respect of which the trademark is registered and such use of the mark likely to be taken as use as a trademark. Sub-section 2 of Section 29, to the extent it is relevant, provides that if a registered trademark is used by a person, who is neither its proprietor nor has permission from the registered proprietor for its use, uses that mark in the course of a trade which because of its identity with the registered trademark and similarity of the goods or services covered by such registered trademark or its similarity to the registered trademark and the similarity of or identity of the goods or services covered by such registered trademark or its identity with the registered trademark and the identity of the goods or services covered

by such registered trademark is likely to cause confusion on the part of the public or have an association with the registered trademark, he infringes the registered trademark.

19. In CS(OS) No.264/2008, a Local Commissioner was appointed by this Court to visit the premises of the defendant to search and seize the infringing material. The Local Commissioner accordingly visited the premises of the defendant on 15th February, 2008 and seized a large number of articles which include 1000 stickers, 400 aluminum strips (labels), 70 weighing scales and 1 die, all bearing the trademark TATA. The photographs of the products of the defendants, which are Exhibit PW1/22 show that the weighing machines and spring balance are being sold by the defendant under the name A-ONE TATA, the word 'A-ONE' being smaller than the word TATA. It is also noticed that the letter 'A' in the word TATA is not the regular letter 'A', horizontal bar in the regular letter 'A' having been removed, as has been done in the case of registered trademark of the plaintiff company, thereby giving an impression that the product being sold by the defendant was a TATA product or had an association with Tatas. The defendant in this suit has incorporated the whole of the

trademark of the plaintiff by using the word TATA along with the word A-ONE on the products being sold by him. The trademark TATA has been registered in favour of the plaintiff company, in respect of weighing scales vide registration No.1191250. The defendants, therefore, have used the mark of the plaintiff in respect of the same/identical/similar goods, which are covered by plaintiffs registered trademark TATA and such a use is likely to cause confusion in the mind of the consumers, as to the source of the product offered to them and also give an impression that the mark being used by the defendants was in some manner or the other associated with the registered trademark of the plaintiff company and, therefore, amounts to infringement within the meaning of Section 29(1) and 29(2) of the Trademarks Act, 1999. Use of the mark TATA even in conjunction with the word A-ONE on the products of the defendant is likely to give an impression to the customer that the product has been manufactured or is being sold in association with a company of TATA group and an unwary customer is likely to purchase the product of the defendants only on account of use of the mark TATA on it, in the belief that the product was in some manner or the other

connected with the house of Tatas. An unwary consumer while purchasing the goods of the defendants is likely to attach considerable importance to use of the mark TATA on the product and on account of connection of the trademark TATA with the house of Tatas, he may believe that the product was likely to be of superior quality and high standard which he expects in respect of products being sold by Tata group of companies. If it is later found that the quality of goods purchased by him is not as good as the quality of the goods being sold by house of Tatas, this may immensely damage the goodwill and brand equity which Tata group of companies enjoys in the market, besides adversely affecting the interest of the citizens who may pay for a product of high quality but may end up with getting a product of inferior quality. Thus, not only infringement, but also a case of passing off is clearly made out against the defendant, despite the fact that company of Tata Group is manufacturing and/or selling this product.

20. Since the trademark TATA is a well known trademark, use of the aforesaid mark by the defendant on the products being sold by him also constitutes infringement within the meaning of Section 29(4) of the

Trademarks Act, 1999 since by using the trademark TATA, he obviously has tried to take an unfair advantage by encashing upon the brand quality and goodwill, which the mark TATA enjoys in the market. Since the defendant has not come forward to contest the suit, the presumption is that use of the mark A-ONE TATA by him is not bona fide, but is deliberate, intended to encash the popularity and reputation, which TATA brand enjoys. Such use by the defendant is likely to be detrimental to the reputation and distinctive character of the registered trademark TATA of the plaintiff company because if this mark is allowed to be used on the products, which do not originate from TATA group of companies, that may diminish the ability of the trademark TATA to identify the source of the goods in respect of which this trademark is used, besides lowering its reputation in case the quality of the goods is not of expected standard.

21. In Suit No. 232/2009 Mr. Gaurav Barathi, Advocate was appointed as Local Commissioner vide order dated 4th February 2009. Mr. Barathi visited the premises of the defendant at Chatterjee Plaza Auto Market, Asansol, West Bengal on February 10, 2009 and met the defendant Mr. Mohd. Jawed. According to the Local Commissioner,

the defendant told him the he was using the trade name M/s TATA POINT until October 2008 and had since stopped using that name on receiving the legal notice. The Local Commissioner did not find the trademark/trade name TATA POINT anywhere in the premises of the defendant. Even his business card mentioned his trade name as 'M/s New Sangam Motors' though T in a circle (device) was found printed in a card. The cash memo/bill book of defendant was also found bearing device T in a circle. A perusal of the invoice and business card confirms the report of the Local Commissioner and shows that the stylized T in a circle (device) was found printed on the invoice of Sangam Motor. The invoice further shows that Sangam Motor deals in TATA SUMO, INDICA, MARSHAL, BOLERO, SCORPIO, Suspension and Engine Parts and Genuine and Spare Parts for TELCO. The business card of Sangam Motor also bears the same device.

22. Section 29 of Trade Marks Act, 1999, to the extent it is relevant, provides that a registered trademark is infringed when either that mark or a mark which is identical or deceptively similar to that mark is used in the course of a trade, in relation to goods or services. Section 2(2) of the

Act provides that in reference to the use of a mark 'in relation to goods' shall be construed as a reference to the use of the mark upon or in any physical or in any other relation whatsoever to such goods. When a trade mark is used on an invoice issued for selling the goods, it does indicate connection between the goods being sold under the invoice and the trade mark which the invoice bears, and therefore, amounts to use of the mark in relation to the goods, which are sold under that invoice.

In ***Natural Chemicals Ltd.v. Amblins (Chemists) Ltd., (1940) 57 RPC 323***, the trademark Phyllosan was found displayed on a few invoices of the defendant. Section 3 of Trademarks Acts (1905 to 1919) which governed the case before the Court, defined the trademark to mean as a mark used or proposed to be used upon or in connection with goods for the purpose of indicating that they are the goods of the proprietor of such trademark by virtue of manufacture, selection, certification, dealing with or offering for sale. It was held that though use of the word Phyllosan on the invoices was not a use of the trademark 'upon' the goods in respect of which it was registered, it was clearly or reasonably clearly a use in connection with the goods

because the defendant sending or giving the invoice to a person, who had bought goods was stating that those were the goods which he had bought and had stated that the goods were phyllosan. The expression in connection with the goods, which were found used in Section 3 of the Trademarks Acts (1905 to 1919) having been used also in Section 2(2) of the Trademarks Act, 1999. It is, therefore, difficult to dispute that use of a trademark belonging to another person on the invoices would constitute use of that mark within the meaning of Section 2(2)(c)(i) of the Trademarks Act, 1999. In fact, the expression used in Section 2(2)(c)(i) being “in any other relation whatsoever to the goods”, the scope of use under trademarks Act, 1999 is wider than that in the Act, which was applicable in the case of ***Natural Chemicals (supra)***.

By using the T in a circle (device) which is a registered trademark of the plaintiff in relation to number of goods, on his invoice, the defendant represents to the customer that he was commercially connected to the house of Tatas on account of being their distributor/agent or having been licensed by them to use the aforesaid trade mark. The trade mark stylized T in a circle along with

stylized TATA device is registered in the name of the plaintiff company vide registration No.838428 in Class 12 in respect of vehicles, apparatus for locomotion by land, air or water, vide registration No.1247047, in Class 37 in respect of construction and repair of power stations, power generating apparatus and of machinery, installation of electrical and generating machinery, information services relating to repair or to installations, providing on-line from a computer database or the Internet, building construction, repair and installation Services. Since the defendant is not a distributor/agent of any company belonging to Tata Group nor has he been permitted to use the aforesaid trade mark owned by the plaintiff company, use of that mark by him on his invoice would constitute infringement of the trademark.

23. As per fourth schedule of Trade Marks Act, 1999, parts of an article or apparatus are, in general, classified with the actual article or apparatus, except where such parts constitute articles included in other classes. Since there is no specific classification of auto parts, registration of the aforesaid device in respect of vehicles would also include registration in respect of parts of vehicle. Therefore, this registered trade mark of the plaintiff covers auto parts

as well. Since the defendant is dealing in auto parts and the registered trade mark of the plaintiff has been printed on his invoice, his act amounts to infringement within the meaning of sub-Section 1 of Section 29 of Trade Marks Act. Since use of the aforesaid registered trade mark of the plaintiff on the invoices of the defendant is likely to cause confusion to the customers by making them believe that the defendant was commercially connected with TATA company being its distributors/agent/licensee, it also amounts to infringement within the meaning of sub-Section 2 of Section 29 of Trade Mark Act. In any case, the TATA being a well known mark, use of the aforesaid mark on the invoices of the defendant whether in relation to auto parts or in relation to some other goods would constitute infringement within the meaning of sub-Section 4 of Section 29 of Trade Mark Act.

24. For the reasons given in the preceding paragraphs, Mr. Jawed Ahmed defendant in Suit No. 232/2009 is restrained from using the mark stylized T in a circle (device) or any other registered trade mark of the plaintiff company or a mark identical or deceptively similar to any of the registered trade mark of the plaintiff company either on his

invoice, business card or in any other manner. Since TATA Point, which has been impleaded as defendant No.2 in the suit is not a legal entity and is only a trade name adopted by Mohd. Jawed, the name of TATA Point is struck off the array of defendants. No other relief was pressed by the learned counsel for the plaintiff during the course of arguments.

25. Mr. Manoj Dodia defendant in Suit No.264/2008 is restrained from using the registered trade mark TATA or any other registered trade mark of plaintiff company or a mark identical to or similar to any of the registered trade mark of the plaintiff company either on the weighing machines and spring balances or in relation to any other product. He is also restrained from manufacturing and/or selling, storing or marketing any product bearing any of the registered trademarks of the plaintiff company or a mark identical or similar to the aforesaid marks either on the product or on their packaging/containers.

26. During the course of arguments, the learned counsel for the plaintiff also pressed for award of punitive damages the defendant in CS(OS) No.264/2008. It appears from the documents filed by the plaintiff that defendant in

the case has been manufacturing and selling weighing machines and spring balances bearing the trade mark TATA of the plaintiff company.

27. The promotion and building of a Trade Mark, particularly a mark which is used in relation to a variety of good and/or services, requires considerable efforts, skill and expenses. The brands are not built in a day, it takes years to establish a brand in the market. Moreover, brand equity can be earned only if the quality of the product sold and/or services provided under that name are consistently found to be of superior quality. No amount of marketing efforts and promotional expenditure can build a brand, particularly in the long run, if the quality of the product/service does not commensurate with the marketing efforts. The brands, particularly well known brands, themselves are now becoming highly valuable and in fact are being sold as standalone products. The companies which invest heavily in brand building and back them up by quality products are bound to suffer not only in reputation but also in financial terms, on account of diminution in the value of the brand as well as sale of their products/services, if the brands are not given adequate protection by the Courts, by awarding

punitive damages against the infringers. Also, a soft or benevolent approach while dealing with such persons, is also likely to prejudicially affect the interests of the consumer, who may pay the price which a premium product commands in the market, but may get an inferior product on account of such unscrupulous persons using trademarks of others for their own commercial benefit, at the cost not only of the trade mark owner, but also the consumer who purchases their product.

Another purpose behind awarding punitive damages is to deter those who may be waiting in the wings and may be tempted to imitate the trade mark of others, in case those who are sued before the Courts are not made to pay such damages as would really pinch them. Awarding token damages may, therefore, not serve the desired purpose.

28. Our country is now almost in the league of advanced countries. More and more foreign companies are entering our markets, with latest products. They would be discouraged to enter our country to introduce newer products and make substantial investments here, if the

Courts do not grant adequate protection to their intellectual property rights such as patents, trademarks and copyright. Most of the products sold by these companies are branded products, the marks on them having trans-border reputation and enjoying tremendous brand equity. It is, therefore, becoming increasingly necessary to curb such trade mark piracies lest they drive away the huge foreign investment our country is attracting. The Court should not give premium to dishonesty and unfair practices by those who have no compunctions in blatantly using the trademark of others for making unearned profits.

29. In the facts and circumstances of the case, in CS(OS) No.264/2008, punitive damages amounting to Rs.2 Lacs are awarded to the plaintiff company against defendant Manoj Dodia. Since, Durga Scale Company is not a legal entity and is only a trade name adopted by Manoj Dodia, the name of Durga Scale Company is struck off the array of defendants. Since it is Manoj Dodia, who was carrying business under the name and style of Durga Scale Company as its proprietor and there is no evidence indicating any connection between Manish Dodia, who has been impleaded as defendant No.2, and Durga Scale Company, the name of

defendant No.2 Manish Dodia is also struck off the array of defendants.

Decree sheet be drawn accordingly.

(V.K. JAIN)
JUDGE

MARCH 28, 2011
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