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IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of decision: 27th July, 2011

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CS(OS) No. 1027/2007 & IA No.6585/2007

CASTROL LTD. & ANR Plaintiffs
Through Mr. Sushant Singh, Adv.

versus

M/S RAMJI TRADERS & ORS. Defendants
Through

**CORAM:
HON'BLE MS. JUSTICE GITA MITTAL**

1. Whether reporters of local papers may be allowed to see the Judgment? No
2. To be referred to the Reporter or not? No
3. Whether the judgment should be reported in the Digest? No

GITA MITTAL, J (Oral)

1. The plaintiffs have brought the instant suit complaining of infringement of their statutory rights in the registered trademarks CASTROL, CASTROL CRB & CASTROL ACTIV by the defendants. The plaintiffs have also claimed that they have common law rights in the said trademarks and that the defendants have dishonestly adopted the trademarks, copyright of the label of CASTROL ACTIV so as to pass off their goods as those of the plaintiffs.

2. It is pointed out that the plaintiffs are dealing in high grade automotive and industrial lubricants, greases, brake fluids, wood preservatives, metal cleaning compounds and various speciality products in India which are sold

after intensive processing and treatment. The plaintiffs are also traders in anti-freezing compounds, hydraulic fluids, dewatering fluids and like products in India and abroad.

3. The plaintiffs claim the registration of their following trademarks:-

Sl. No.	Trademark	Registration No.& Date	Class	Products
1.	CASTROL	260626 17 th November, 1969	4	Industrial oils and greases (other than edible oil, fats & essential oils) hydraulic fluids being oils, lubricants, fuels and illuminant.
2.	CASTROL	1494 29 th June, 1942	4	Oils for heating, lighting and lubricating.
3.	CASTROL CRB	421424 4 th May, 1984	4	Industrial oils and greases (other than edible oil, fats & essential oils) and lubricants and fuels (including motor spirit)

The trademark registration certificates have been produced on record as Exh.PW 1/2.

4. Rights have been claimed also in the trademark ACTIV which is used by the plaintiff no.1 in conjunction with their other afore-noticed trademarks. So far as the registration of the trademark ACTIV is concerned, the same was

applied for by the application registered at no.838183 in Class 4 in respect of industrial oils and greases; lubricants; lubricating oils and greases, fuels; non-chemicals additives for fuels, lubricants and greases, dust absorbing, wetting and binding compositions; illuminates; gear oils, transmission oils.

5. The products of the plaintiffs are sold under a label which has a unique design, layout, get up and colour scheme. There is no dispute on record to the plaintiffs' claim that it was the first person to use this label which is consequently original artistic work within the meaning of expression in section 2(c) of the Copyright Act. The plaintiffs have proved the said label on record as Exh.PW 1/3.

6. The plaintiffs have also proved that their products are packed in particular plastic containers which have a design, lay out and configuration which is unique to the containers of the plaintiffs. The plaintiffs' application for registration of the design of the containers is also stated to be pending consideration.

7. The plaintiffs have also adopted variations of the earlier label which is however substantially the same as earlier label of the plaintiffs. The plaintiffs' claim of propriety rights in both the labels has not been disputed. The labels of the plaintiffs are reproduced in para 9 of the plaint.

8. The instant suit has been necessitated because during the month of February, 2007, the plaintiffs came to know that the defendants are selling spurious/substandard lubricants in containers bearing the plaintiffs'

trademarks CASTROL ACTIV, CASTROL CRB PLUS, identical in get up, layout and design as used by the plaintiffs. The said defendants were also selling spurious multigrade engine oil in the said containers in Indore as well as other parts of the country.

9. In this background, the plaintiffs have brought the instant suit seeking the following prayers:-

“a) A decree for permanent injunction restraining the defendants, their partners or proprietors as the case may be, their servants, agents, stockiest from manufacturing, selling, offering for sale, advertising directly or indirectly dealing in Multigrade engine oil, lubricants and gear oil or any other cognate and allied goods under the Trade Mark CASTROL, CASTROL CRB, CASTROL ACTIV or any other trade mark which deceptively similar to the plaintiffs’ trade mark.

b) A decree for permanent injunction restraining the defendants, their partners or proprietors as the case may be, their servants, agents etc. from manufacturing, selling, offering for sale, advertising directly and indirectly dealing in multi-grade engine oil, lubricants, gear oil or any other cognate and allied goods as well as packing material, similar to the plaintiffs’ packing material bearing the trade marks mentioned in (a) above.

c) A decree for permanent injunction restraining the defendants, their partners or proprietors as the case may be, their servants, agents etc. from manufacturing, selling, offering for sale, advertising directly and indirectly, dealing in Multigrade engine oil, lubricants, gear oil or any other cognate and allied goods packed in the packing material which is infringement of copyrights of the plaintiffs and reproduction of plaintiffs’ copyright on the tin, containers, plastic containers as well as cardboard packing or any other

packing material which is deceptively similar with the packing material of the plaintiffs.

d) A decree for damages suffered by the plaintiffs on account of the illegal business of the defendants by infringing the registered trade mark of the plaintiffs to the tune of Rs.20 lac.

e) For delivery upon affidavit by the defendants to the plaintiffs all the offending infringing containers, blocks, dies, packing material, advertising material and stationery articles for the purposes of destruction and/or erasure.

f) An order for cost of the proceedings.”

10. The defendants were duly served with the summons in the suit. In fact, the defendants avoided service and had to be served through publication which was effected on 13th February, 2009. Despite publication of the citation, the defendants opted not to appear in the court. Consequently, by an order dated 20th July, 2011, the defendants were set down ex parte. On the same date, the plaintiffs’ application under Order 39 Rule 1 & 2 being IA No.6585/2007 was allowed by this court and defendants were prohibited from their illegal actions.

11. In this background, there is no dispute to the case of the plaintiffs.

12. The plaintiffs have filed their ex-parte evidence by way of affidavit which has been sworn by Shri Murlidhar Balasubramanian, the constituted attorney of the plaintiff no.1 and head of the Trademarks Division of the plaintiff no.2 who has proved the case of the plaintiff.

13. It is established before this court that the defendants are infringing the rights of the plaintiffs in the trademarks CASTROL, CASTROL CRB & CASTROL ACTIV with regard to their products and copyright in the labels.

14. The details of the products of the plaintiffs have been set out in para 22 & 24 of the plaint as well as the evidence of Shri Murlidhar Balasubramanian. In support of their claim of goodwill attached to the said trademarks as well as the fact that these trademarks are well known in the trade, the plaintiffs have proved on record extensive advertisements published in print media including newspapers, magazines, trade journal, leaflets and other promotional literature depicting the said trademarks. The details of the advertisements and publicity undertaken with regard to the products of the plaintiffs between the year 1984 till recently have been pleaded in para 15 of the plaint. The plaintiffs have also relied upon the annual turnover of the goods sold by the plaintiff no.2 which has been detailed in para 13 of the plaint. The turnover of Rs.47,11,61,115.00 of plaintiff no.2 in June, 1983 has increased to Rs.13,60,51,00,000.00 in December, 2003. It is established by the plaintiffs that the same has only increased in the interregnum. In this background, there is substance in the plaintiffs' claim that in its 85 years of existence, it has an unparalleled reputation and goodwill in the said trademark and tradename. The products carrying the said trademarks are instantly identified and recognized as emanating from the plaintiffs.

15. In view of the goodwill, reputation and the distinctiveness attached to plaintiffs' trademarks, the same are covered within the definition of well known trademarks within the expression of Section 2(1)(zg) of the Trademarks Act, 1999.

16. The plaintiffs have also claimed common law rights by virtue of their prior adoption, and use of the said trademark coupled with the popularity attached to them in addition to the statutory rights by the registration of the marks.

17. The above discussion would show that the plaintiffs have satisfied the criterion stipulated under Section 11(6) of the Trademarks Act, 1999 that its trademarks being well known trademarks are entitled to a protection by this court.

18. To manifest the dishonest and illegal actions of the defendants, the plaintiffs have proved before this court Exh.PW 1/5 which are receipts of the products purchased from the premises of the plaintiffs. The plaintiff has also proved the report of the laboratory test conducted thereon. It is evident therefrom that spurious products were being sold by defendants in containers which were similar in design to those in which the plaintiffs sell their products. These products were being sold also in a get up similar to and bearing labels which were the same as those of plaintiffs.

19. The above discussion would show that by adoption and use of the trademarks CASTROL, CASTROL ACTIV & CASTROL CRB PLUS, utilization of

containers identical to those under which the plaintiffs sell similar products as well as use of the labels which are certainly deceptively similar, if not identical, to those of the plaintiffs, would show that the defendants are making a misrepresentation to the trade and public at large and that the products being sold by them have emanated from the plaintiffs or in any case have association with them.

20. It has been pointed out that the sales of such products also damage the reputation attached to the quality of products sold by the plaintiffs inasmuch as the defendants are selling inferior quality products under the plaintiffs' well known trademark and thereby passing off their inferior products as those of the plaintiffs. The misrepresentation by the defendants is not only of the origin but also to the quality of the products being sold by them.

21. The plaintiffs have categorically proved that the defendants are neither their agents, stockiest, dealers nor have been authorized by the plaintiffs to deal with their products in any manner. The above narration would show that the action of the defendants is dishonest and motivated by the desire to usurp the vast reputation and goodwill enjoyed by the plaintiffs not only in India but globally.

22. Learned counsel for the plaintiffs has also drawn my attention to the actions initiated against third parties by the plaintiffs for protecting their rights in the said trademarks. Extensive material has been placed on the

record of the present case which shows that the plaintiffs have instantly reacted upon receipt of any information of violation of its rights and have taken legal steps for protecting the same. In this regard, reliance has been placed by the plaintiffs on the pronouncements of the court reported at **2009 (41) PTC 284 (Del.) Rolex SA Vs. Alex Jewellery Pvt. Ltd. & Ors.** and the order of learned Single Judge of this court passed in **CS (OS) No.488/2005** entitled **Castrol Limited & Ors. Vs. Mr. Rajinder Kumar Gupta & Ors.** The principles laid down in these judgments squarely apply to the present case.

23. The plaintiffs have prayed for a decree of permanent prohibitory injunction against the defendants. A further prayer for payment of damages by the defendants for their illegal actions to the tune of Rs.20,00,000/- is made.

24. The defendants have not disputed the assertions or the claims of the plaintiffs in the instant case. However, as a result of the failure of the defendants to put in appearance before this court, it has not been possible to obtain information with regard to the quantum of sales of such infringing products by the defendants which would enable the plaintiffs to establish their claim of damages. In this background, a notional decree for damages would require to be made.

25. In similar circumstances, reference can be made to the decision in CS (OS) No.1385/2005 entitled *The Heels Vs. Mr. V.K. Abrol & Anr.*, in which the

court has taken a view that where a defendant deliberately stays away from the proceedings so that the rendition of its accounts becomes difficult and it is not possible to give an exact figure of damages on the basis of actual loss, then in that case, certain token amount on the basis of the sales/turnover of the plaintiff can certainly be made. The material placed before this court would show that the plaintiffs have claimed extensive sales and turnover in the instant case. The plaintiff is entitled to a decree of notional damages of Rs.5,00,000/-.

26. In view of the above, a decree of permanent injunction is passed against the defendants restraining the defendants, their partners or proprietors as the case may be, their servants, agents, stockiest from manufacturing, selling, offering for sale, advertising directly or indirectly dealing in Multigrade engine oil, lubricants and gear oil or any other cognate and allied goods under the Trade Mark CASTROL, CASTROL CRB, CASTROL ACTIV or any other trade mark or packing material which is deceptively similar to the plaintiffs' trademark.

The defendants, their partners or proprietors as the case may be, their servants, agents etc. are further restrained from manufacturing, selling, offering for sale, advertising directly and indirectly, dealing in Multigrade engine oil, lubricants, gear oil or any other cognate and allied goods packaged in material which is infringing copyrights of the plaintiffs and from reproduction of plaintiffs' copyright on the tin, containers, plastic containers

as well as cardboard packing or any other packing material which is deceptively similar with the packing material of the plaintiffs.

The plaintiffs shall be entitled to the notional damages of Rs.5,00,000/- and costs which are quantified at Rs.50,000/-.

JULY 27, 2011
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GITA MITTAL,J