

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

+ **CS(OS) No.1369/2006**

Date of decision: 18th August, 2011

CASTROL LIMITED & ANR. Appellant
Through Mr. Tejinder Singh, Adv.

Versus

MAHENDRA AUTOMOBILES & ORS. ...Respondents
Through None.

CORAM:
HON'BLE MR. JUSTICE J.R. MIDHA

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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 the Digest? | YES |

JUDGMENT (ORAL)

J.R. MIDHA, J.

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1. The plaintiffs have filed the suit for permanent injunction for restraining infringement of trademark, copyright, passing off and damages against the defendant with respect to plaintiffs' trademarks CASTROL, CASTROL CRB PLUS and CASTROL EXTREME PRESSURE GEAR OIL 90 EP.

2. Plaintiff No.1 is carrying on the business of manufacture, processing and marketing of high grade lubricating oil products in United Kingdom and in several other countries all over the world. Plaintiff No.2 is carrying on the aforesaid business in

India.

3. Plaintiff No.1 is the proprietor of the trademark CASTROL bearing registration No.1494 in Class 4 registered on 29th June, 1942 in respect of oils for heating, lighting and lubricating. The trademark CASTROL is also registered under registration No.260626 dated 17th November, 1969 in respect of industrial oils and greases (other than edible oils, fats and essential oils) hydraulic fluids being oils, lubricants, fuels and illuminants. It has a distinctive logo comprising a solid coloured circle across which is an irregularly shaped white portion occupying about one half of the total area of the mark. The trademark CASTROL CRB is registered in class 4 as No.421424 as of May 4, 1984 in the name of plaintiff No.1 in respect of industrial oils and greases (other than edible oils, fats and essential oils) and lubricants and fuels (including motor spirit) claiming to be the user since 1960. All the aforesaid trademarks have been renewed from time to time and are subsisting.

4. In April, 2006, the plaintiffs came to know that defendants were infringing the plaintiffs' trademark and copyright by manufacturing, packaging and selling counterfeit goods under the trademark CASTROL, CASTROL CRB PLUS and CASTROL

EXTREME PRESSURE GEAR OIL 90 EP whereupon the plaintiff filed the present suit.

5. Vide ex-parte interim order dated 7th July, 2006, the defendants were restrained from manufacturing, selling, marketing and distributing the goods under the trademark CASTROL, CASTROL CRB PLUS and CASTROL EXTREME PRESSURE GEAR OIL 90 EP. The said interim order is continuing till date.

6. The defendants were served by publication of summons on 6th May, 2008 but they failed to appear before this Court to contest this case. The defendants were, therefore, proceeded ex-parte by this Court on 8th August, 2008.

7. The plaintiffs have examined one witness namely PW-1 who filed his ex-parte evidence by way of affidavit and proved the documents Ex.PW-1/1 to Ex.PW-1/6. PW-1 has proved that the trademark CASTROL was registered under No.1494 in respect of lubricating oils in Class 4 on 29th June, 1942 and No.260626 in respect of industrial oils and greases on 17th November, 1969. The trademark CASTROL CRB has been registered in respect of industrial oils and greases in Class 4 on 4th May, 1984. All aforesaid trademarks are renewed from time

to time and are still subsisting. Plaintiff No.1 is the permitted user of the said trademarks in India. The plaintiff is also using the trademark EXTREME PRESSURE GEAR OIL 90 EP in respect of gear oil. The trademark certificates are Ex.PW-1/2 collectively. The packaging material of the plaintiffs' products bearing trademark CASTROL, CASTROL CRB PLUS and CASTROL EXTREME PRESSURE GEAR OIL 90 EP have unique colour scheme. The plaintiffs are the owners of the copyright in the artistic work on the packaging material and the said artistic work is the original artistic work produced by the plaintiffs and the plaintiffs have legal right in respect of the said artistic work and the copyright in them. The photographs of the plaintiff's products are Ex.PW-1/3 and Ex. PW-1/4.

8. Mr. Sushant Singh, learned counsel for the plaintiffs submit that the plaintiffs' trademark CASTROL is a well-known trademark under Section 2(1)(zg) read with Section 11(6) of the Trade Marks Act, 1999 and exclusive rights are conferred upon the plaintiffs under Section 28 of the Trade Marks Act. It is submitted that the defendants are guilty of the infringement of the said rights under Section 29 of the Trade Marks Act. The learned counsel refers to and relies upon the judgments of this

Court in the cases of **Rolex SA v. Alex Jewellery Pvt. Ltd., 2009 (41) PTC 284 (Del.)** and **Honda Giken Kogyo Kabushiki v. R.K.P. Patel, 131 (2006) DLT 618** in which the Court has declared the trademarks 'Rolex' and 'Honda' as well-known trademarks.

9. On the basis of the unrebutted testimony of the plaintiffs' witness, the plaintiffs have succeeded in proving their case. The plaintiffs are the registered proprietor of the trademark CASTROL. The plaintiffs have placed on record the list of 126 cases for successful enforcement of the plaintiff's trademark Castrol. The plaintiffs have acquired immense reputation and goodwill amongst the trade and public. The plaintiffs have given the particulars of the sales of the plaintiffs products during the period of 1983 to 2003. The annual turnover of plaintiff No.2 in December, 2003 was Rs.13,60,51,00,000/-. The annual expenditure of plaintiff No.2 in December, 2003 was Rs.54,33,00,000/-. The plaintiffs have given the annual expenditure of plaintiff No.2 in India on advertising and publicity for the last 20 years. Considering the record of successful enforcement of the trademark CASTROL by the plaintiffs and the duration, extent and geographical area of use

as well as promotion of the said trademark, this Court is satisfied that the plaintiff's trademark CASTROL is a well-known trademark within the meaning of Section 2(1)(zg) read with Section 11(6) of the Trade Marks Act, 1999 and the plaintiffs are entitled to the protection against the infringement of their well-known trademark.

10. The defendants are infringing the plaintiff's trademark and copyright by manufacture and sale of their products by using the trademark CASTROL, CASTROL CRB PLUS and CASTROL EXTREME PRESSURE GEAR OIL 90 EP. The defendants are also indulging in counterfeit products. The comparison of the plaintiffs' trademark and copyright in Ex.PW-1/4 with that of defendants in Ex.PW-1/5 and Ex.PW-1/6 show that all the defendants are infringing the plaintiffs' trademark as well as copyright and are also selling counterfeit/spurious products. Plaintiff No.2 also tested the samples purchased by the defendant in its laboratory. The laboratory test report dated 9th June, 2006 indicates that the material contained in the defendants' packaging is sub-standard and counterfeit. The defendants are selling spurious goods to the public at large. The defendants have infringed the plaintiffs' well-known

trademark and, therefore, the plaintiffs are entitled to the decree of permanent injunction.

11. The plaintiffs have sought punitive damages from the defendants. The learned counsel for the plaintiffs have referred to and relied upon the judgments of ***Intel Corporation vs. Dinakaran Nair, 2006 (33) PTC 345 (Del)***, ***Time Incorporated vs. Lokesh Srivastava, 2005 (30) PTC 3 (Del)***, ***Adidas – Salomon AG vs. Jagdish Grver, 2005 (30) PTC 308 (Del)*** and ***Microsoft Corporation vs. Yogesh Papat, 2005 (30) PTC 245 (Del)***. The findings of this Court in the case of ***Intel Corporation vs. Dinakaran Nair*** (supra) are as under:-

“13. The only other question to be examined is the claim of damages of Rs.20 lakh made in Para 48 (iii) (repeated) of the plaint. In this behalf, learned counsel has relied upon the judgments of this Court in ***Relaxo Rubber Limited & Anr. v. Selection Footwear Anr., 1999 PTC (19) 578***, ***Hindustan Machines v. Royal Electrical Appliances, 1999 PTC (19) 685*** and ***CS(OS) 2711/1999 M/s. L.T. Overseas Ltd. v. M/s. Guruji Trading Co. & Anr.*** decided on 7.9.2003. In all these cases, damages of Rs.3 lakhs were awarded in favour of the plaintiff. In ***Times Incorporated v. Lokesh Srivastava & Anr., 2005 (30) PTC 3 (Del)*** apart from compensatory damages even punitive damages were awarded to discourage and dishearten law breakers who indulge in

violation with impunity. In a recent Judgment in **Hero Honda Motors Ltd. v. Shree Assuramji Scooters, 125 (2005) DLT 504: 2006(32) PTC 117 (Del)** this Court has taken the view that damages in such a case should be awarded against defendants who chose to stay away from proceedings of the Court and they should not be permitted to enjoy the benefits of evasion of Court proceedings. The rationale for the same is that while defendants who appear in Court may be burdened with damages while defendants who chose to stay away from the Court would escape such damages. The actions of the defendants result in affecting the reputation of the plaintiff and every endeavour should be made for a larger public purpose to discourage such parties from indulging in acts of deception.

14. A further aspect which has been emphasised in **Time Incorporated** case (supra) is also material that the object is also to relieve pressure on the over-loaded system of criminal justice by providing civil alternative to criminal prosecution of minor crimes. The result of the actions of defendants is that plaintiffs, instead of putting its energy for expansion of its business and sale of products, has to use its resources to be spread over a number of litigations to bring to book the offending traders in the market. Both these aspects have also been discussed in **CS (OS) No.1182/2005** titled **Asian Paints (India) Ltd. v. Balaji Paints and Chemicals & Ors.** decided on 10.03.2006. In view of the aforesaid, I am of the considered view that the plaintiff would also be entitled to damages which are quantified at Rs.3 lakhs.

15. A decree is thus passed in favour of the plaintiff and against the defendants in terms of

the para 48(i) to (iii) of the plaint and the plaintiff is also entitled to a decree for damages for a sum of Rs.3 lakh against the defendants jointly and severally.”

12. In the facts and circumstances of the case, the suit is decreed in favour of the plaintiffs and against the defendants in terms of prayer Clause 32(a), (b) & (c). Following the aforesaid judgments, a decree of punitive damages in the sum of Rs.5 lakhs is also passed in favour of the plaintiffs and against the defendants. The plaintiffs shall also be entitled to future interest on the said damages at the rate of 7.5% per annum from the date of the judgment till realization. The plaintiffs shall also be entitled to the costs. The decree sheet be drawn accordingly.

J.R. MIDHA, J

AUGUST 18, 2011