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IN THE HIGH COURT OF DELHI AT NEW DELHI

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CS(OS) 421/2006

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Judgment Delivered on: 28.07.2011

CASIO KEISANKI KABUSHIKI KAISHA

..... Plaintiff

Through: Mr.Abhai Pandey and Ms.Swati Setia, Advs.

versus

SUSHIL GOYAL & ORS

..... Defendant

Through:

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

G.S.SISTANI, J (ORAL)

1. Plaintiff has filed present suit against the defendant for permanent injunction, restraining infringement of trade-mark, infringement of copyright, passing off, dilution of trademark, unfair competition, damages and delivery up. Despite service, none has appeared on behalf of defendants no.1, 2 and 5, neither the written statement has been filed. By order dated 21.10.2008 the said defendants were proceeded ex parte.
2. During the pendency of the suit, the defendants no.3 and 4 had filed their written statements and subsequently defendants no.3 and 4 entered into a settlement with the plaintiff. Consequent to which the suit was decreed qua defendants no.3 and 4, in terms of para 2 (a) to 2(d) of the application (IA.No.1822/2008) and the decree in terms of paragraphs 2(i) to 2 (d) of the application (IA.No.1822/2008) and paragraphs 28 Clause (i), (ii) and (iii) of the plaint was passed qua the said defendants.

3. On the first date of hearing, defendants were restrained from manufacturing, selling, offering for sale calculators or any other products under the trade mark CASIO in the packaging identical to that of the plaintiff or passing of their goods as that of plaintiff. This interim order dated 7th March, 2006 has been confirmed till the disposal of the suit.
4. Counsel for the plaintiff submits that plaintiff offers for sale a wide range of products (from consumer products to system equipments for businesses to electronic components). The plaintiff had developed world's first compact, fully electric calculator known as the 14-A in the year 1957 and since then the plaintiff has offered various products including electronic dictionaries, label printers, visual related products, digital cameras, electronic musical instrument, watches, mobile network solutions, cellular phones, electronic cash registers and various other products, as fully detailed in the plaint.
5. Counsel for the plaintiff submits that the plaintiff has built a enviable reputation as a company and is committed to revolutionizing existing ways of thinking, compounding fresh ideas with the latest technology and providing product value that continues to win people's hearts. Counsel next submits that CASIO conducts its business activities of seamless development, manufacturing and sales through a global network of operation centres and subsidiaries forming part of the CASIO group. It has research and development wing and production subsidiaries overseas sale network. It is submitted that plaintiff is the owner of the trademark CASIO that has been adopted and used by the plaintiff since the year 1957. Trademark CASIO is a coined trademark with no obvious meaning and it is not found in any authoritative dictionary of English language. It is submitted that the word CASIO has all trappings of an invented trademark and enjoys the highest degree of inherent distinctiveness and by

virtue of the same the trademark CASIO is exclusively and solely associated with the plaintiff. It is submitted that the world over including India recognize and associate the trademark/ corporate name CASIO as belong to the CASIO group. As a result its wide spread business activities all over the world including India and the painstaking efforts and superior quality of goods and services provided by them, the trademark CASIO has acquired most impeccable reputation and goodwill amongst the members of trade and general public. The plaintiff has extremely high worldwide sale figures. The plaintiff has also spend enormous resources in the promotion, publicity of its product under the trade name CASIO by all possible media. Advertisements pertaining to the plaintiff's product under the trade mark CASIO have featured regularly in magazines and newspaper with widespread international circulation and reach. Plaintiff has also developed extensive electronic medium having large scale viewership in India, consequent to which the trademark CASIO has achieved a strong identity and is instantly recognized all over the world, including in India in relation to which the plaintiff's goods and business. It is strongly urged before this court that by virtue of a bona fide and prior adoption of the trade mark CASIO, as also due to the long, extensive and continuous use of the said trade mark, the plaintiff is the proprietor of the trade mark CASIO and thus the plaintiff is entitled under common law to the sole and exclusive undisturbed use of the trade mark CASIO and the right to prevent the misuse of the said trade mark by other persons.

6. Learned counsel has drawn the attention of the court to the fact that plaintiff is also the registered proprietor in India of the trademark CASIO and has secured registrations of the said trademark in respect of various goods as detailed, and has the necessary registration of trademark in class

9 bearing No.27782. The plaintiff's trademark registration certificate dated 27.09.1971 in class 16 and its renewal certificate has been exhibited as PW-1/2, registration certificate No.27781 dated 20.01.1972 in class 7 and its renewal certificate is exhibited PW-1/4. Various other certificates have also been exhibited as PW-1/5 to PW-1/12. As per PW-1, the plaintiff has secured registration for his trademark CASIO inasmuch as 182 countries around the world. The plaintiff has placed on record advertisement and promotional material pertaining to the plaintiff's product bearing the trademark CASIO and the same have been collectively exhibited as Ex.PW-1/13. Plaintiff has also placed on record the consumer information product's price list and the plaintiff's electronics calculator general catalogue and the same are exhibited as PW-1/15 and PW-1/16.

7. Counsel for the plaintiff has also submitted that CASIO calculators are sold in a product packaging bearing a distinctive and artistic trade dress. The plaintiff's product packaging / trade dress is an original artistic work and the plaintiff is the owner of the copyright thereto and exclusively entitled to use and reproduce the same. PW-1 has also deposed that the plaintiff is the owner of the copyright in the literary works comprising of the User's Guide as well as literary content printed on the plaintiff's product packaging. The plaintiff has placed on record the user's guide for CASIO calculators prepared by the plaintiff as also prepared by the defendants, which are exhibited as Ex.PW-1/17 and PW-1/18. It is contended that in December, 2005 a survey was conducted at the behest of the plaintiff in New Lajpat Rai Market in Delhi which revealed that defendant was selling counterfeit scientific calculators bearing the trade mark CASIO, which also look-alike of the plaintiff's CASIO's S-V.P.A.M. scientific calculators. Photographs of the samples of defendant No.1's

counterfeit calculator along with their packaging has been exhibited as Ex.PW-1/19. Photographs of the samples of defendant no.2's counterfeit calculator along with its packaging has been exhibited as Ex.PW-1/20 and photographs of defendant no.5's counterfeit calculator along with his packaging has been annexed and exhibited as PW-1/21. The photographs of defendant no.1, 2 and 5's calculators and defendant no.2 and 5's business cards have been exhibited as Ex.PW-1/22. It is contended that the plaintiff had filed a criminal complaint under sections 63 and 65 of the Copyright Act, 1957, sections 103 and 104 of the Trademarks Act, 1999 and sections 420 read with section 120-B/34 of the Indian Penal Code, 1860 before Assistant Commissioner of Police (North District). The witness has deposed that on the basis of the complaint, the district investigation unit conducted raids on 17.2.2006 at defendant no.1's shop and godown at 323/4, New Lajpat Rai Market Chandni Chowk and at 288, New Lajpat Rai Market, Chandni Chowk, and at defendant no.2's shop at 18B, Paharganj Market, New Gauri Shankar Mandir, New Lajpat Rai Market, Chandni Chowk and seized counterfeit calculators bearing the plaintiff's trademark CASIO. Subsequently FIR No.78/2006 was registered with the Police Station Kotwali against defendants no.1 and 2 and a copy of the FIR registered at Police Station Kotwali has been exhibited as Ex.PW-1/23. It has been deposed that the quality and packaging of the defendant's counterfeit calculators available, clearly demonstrates that the said calculators do not originate from the plaintiff. The deponent has also deposed that plaintiff has always been diligent and proactive in protecting its intellectual property rights and has successfully taken legal actions against other third parties for violating plaintiff's exclusive rights in registered trademark CASIO. Copies of orders passed have also been placed on record and exhibited as Ex.PW-1/24 and

undertakings given by various third parties misusing plaintiff's trademark CASIO has also been exhibited as Ex.PW-1/25.

8. On the basis of the documents filed and taking into consideration that neither any written statement was filed nor any evidence to rebut the evidence of the witness of the plaintiff has been placed on record. It is prayed by plaintiff that the present suit may be decreed.
9. I have heard counsel for the plaintiff, perused the documents as also the affidavit by way of evidence of PW-1. Ex.PW-1/2 to Ex.PW-2/12 would show that the plaintiff is the registered owner of the trade mark CASIO which stands registered and renewed till date. Taking into consideration that the advertisement and other promotional material of the plaintiff's trademark bearing the trademark would show that the plaintiff has been spending substantial amounts for advertising and promoting its product. A careful reading of the plaint and the affidavit on record as also the material placed on record would show that the trademark of the plaintiff CASIO has become a well known mark within the meaning of Section 2(i) (z) (g) of the Trade Marks Act.
10. Having regard to the fact that the price at which the defendants are selling the calculators under the trade-name CASIO is also clear indicator that defendant's calculators are counterfeit calculators and not genuine CASIO calculators manufactured by the plaintiff. I have no hesitation to disbelieve the evidence led by the plaintiff to the effect that the calculators purchased from the defendants are not of the same quality as that of the plaintiff and various important features are missing. A mere comparison of the material placed on record would show that defendants are using the mark i.e. identical to the plaintiff's registered trade mark in relation to calculators and thus it would amount to infringement of the registered trademark CASIO and also passing off by the defendants, as per the

provisions of the Trademark Act, 1999. I am also satisfied that the selling of the defendant's identical goods as that manufactured by the plaintiff with the identical name, will cause confusion in the minds of the public and the defendants are liable to take unfair advantage which would be detrimental to the distinctive character and reputation of the registered trademark of the plaintiff. The defendants while using the plaintiff's reputation and well known trade mark CASIO in relation to calculators cannot be permitted to blatantly pass off their products as that of the plaintiff and allowing such use to the defendants in relation to look wise counterfeit calculators would certainly lead to confusion amongst the consumers. The general public would be deceived to believe that look wise calculators being sold by the defendants under the trademark CASIO originate from the plaintiff. Examination of the packaging and literary works would show that the defendants are also guilty of infringing the plaintiff's copyright in the artistic trade dress of the plaintiff's packaging and their literary work comprising of user's code and literary content on the packaging. The defendants have blatantly reproduced the plaintiff's trade dress including the literary content and user's guide without plaintiff's consent or permission and accordingly, such acts of the defendants are in violation of the plaintiff's rights under the Copyright Act, 1957 and also would amount to infringement of the plaintiff's Copyright under Section 51 of the Act. The illegal trade activities of the defendants are causing and likely to cause irreparable harm and injury to the business, goodwill and reputation of the plaintiff. The plaintiffs are being deprived of selling genuine CASIO calculators in India, and permitting defendants to sell the counterfeit calculators, will adversely impact the plaintiff's trade mark and lower their reputation.

11. In view of above, the plaintiff is entitled to a decree of permanent

injunction against the defendants no.1, 2 & 5. Accordingly, a decree of permanent injunction is passed in favour of the plaintiff and against the defendants no.1, 2 & 5, their principal, officers, partners, servants in terms of paragraph 28 (i), (ii) and (iii) of the plaint.

12. The last aspect to be considered is the issue of damages for loss of reputation and business as also the cost of the present proceedings. It is trite to say that the defendant has deliberately stayed away from the present proceedings with the result that an enquiry into the accounts of the defendant for determination of damages cannot take place. However, the infringement of the trademark of the plaintiff is not in dispute. The plaintiff has claimed damages for loss of sale and reputation payable to the plaintiff. The attention of this Court has been drawn to a number of judgments in this behalf where dealing with similar situations, damages have been awarded.
13. In the case of 'M/s L.T. Overseas Ltd. v. M/s Guruji Trading Co. and Anr. [CS (OS) No. 2711/1999] decided on 07.09.2005 this court had granted Rs.3 lakhs damages to the plaintiff. In the case of Relaxo Rubber Limited and Anr. v. Selection Footwear and Anr., 1999 PTC 578, the defendant did not file the written statement after taking time for the same and a decree was passed under Order VIII Rule 10 of the Code of Civil Procedure, 1908. Against the claim of tentative damages of Rs.5 lakhs, Rs.3 lakhs was awarded as damages. In another case of Hindustan Machines v. Royal Electrical Applies, 1999 PTC (19) 685, a sum of Rs.3 lakhs was awarded.
14. In the case of Time Incorporated v. Lokesh Srivastava and Anr., 2005 (30) PTC 3 (Del) where apart from compensatory damages of Rs.5 lakhs, punitive damages have also been awarded. It would be useful to reproduce paras 7 and 8 of the said judgment, which are as under :-

“7. Coming to the claim of Rs.5 lacs as punitive and exemplary damages for the flagrant infringement of the plaintiff's trade mark, this Court is of the considered view that a distinction has to be drawn between compensatory damages and punitive damages. The award of compensatory damages to a plaintiff is aimed at compensating him for the loss suffered by him whereas punitive damages are aimed at deterring a wrong doer and the like minded from indulging in such unlawful activities. Whenever an action has criminal propensity also the punitive damages are clearly called for so that the tendency to violate the laws and infringe the rights of others with a view to make money is curbed. The punitive damages are founded on the philosophy of corrective justice and as such, in appropriate cases these must be awarded to give a signal to the wrong doers that law does not take a breach merely as a matter between rival parties but feels concerned about those also who are not party to the lis but suffer on account of the breach. In the case in hand itself, it is not only the plaintiff, who has suffered on account of the infringement of its trade mark and Magazine design but a large number of readers of the defendants' Magazine 'TIME ASIA SANSKARAN' also have suffered by purchasing the defendants' Magazines under an impression that the same are from the reputed publishing house of the plaintiff company.

8. This Court has no hesitation in saying that the time has come when the Courts dealing actions for infringement of trade marks, copy rights, patents, etc. should not only grant compensatory damages but award punitive damages also with a view to discourage and dishearten law breakers who indulge in violations with impunity out of lust for money so that they realize 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. In Mathias v. Accor Economi Lodging, Inc., 347 F.3d 672 (7th Cir. 2003) the factors underlying the grant of punitive damages were discussed and it was observed that one function of punitive damages is to relieve the pressure on an overloaded system of criminal

justice by providing a civil alternative to criminal prosecution of minor crimes. It was further observed that the award of punitive damages serves the additional purpose of limiting the defendant's ability to profit from its fraud by escaping detection and prosecution. If a tortfeasor is caught only half the time he commits torts, then when he is caught he should be punished twice as heavily in order to make up for the reason that it is very difficult for a plaintiff to give proof of actual damages suffered by him as the defendants who indulge in such activities never maintain proper accounts of their transactions who they know that the same are objectionable and unlawful. In the present case, the claim of punitive damages is of Rs.5 lacs only which can be safely awarded. Had it been higher even this court would not have hesitated in awarding the same. The Court is of the view that the punitive damages should be really punitive and not flee bite and quantum thereof should depend upon the flagrancy of infringement.”

15. Learned counsel for the plaintiff prays that the damages be awarded for the loss of reputation and business as also the cost of the present proceedings. I am in agreement with the aforesaid submission of learned counsel for the plaintiff that damages in such cases must be awarded and a defendant, who chooses to stay away from the proceedings of the Court, should not be permitted to enjoy the benefits of evasion of court proceedings. Any view to the contrary would result in a situation where the defendant who appears in Court and submits its account books would be liable for damages, while a party which chooses to stay away from court proceedings would escape the liability on account failure of the availability of account books. A party who chooses to not participate in court proceedings and stays away must, thus, suffer the consequences of damages as stated and set out by the plaintiff. There is a larger public purpose involved to discourage such parties from indulging in such acts of deception and, thus, even if the same has a punitive element, it must be

granted. R.C. Chopra, J. has very succinctly set out in *Time Incorporated's case (supra)* that punitive damages are founded on the philosophy of corrective justice. That was the case where the publishers of Time Magazine had come to Court and one of the factors which weighed while awarding punitive damages was that the readers had been sufferers of the infringement of the mark of the plaintiff. The only difference is that in the present case it is the consumer of the products of the plaintiff, who have suffered, as a consequence of the infringement of the mark of the plaintiff by the defendant. In view of profits earned by the defendants in pursuance of the illegal activities would amount to plaintiff's loss and would amount to their unjust enrichment, and thus, the plaintiff would be entitled to damages as prayed.

16. For the reasons stated above, the plaintiff has made out a case for grant of decree as prayed in the plaint. Accordingly, order dated 07.03.2006 is confirmed against the defendants no.1, 2 & 5 and the suit is decreed in favour of the plaintiff and against the defendants No.1, 2 and 5. Plaintiff is also entitled to the damages to the tune of Rs.1.0 lacs.

JULY 28, 2011
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G.S.SISTANI,J