

THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment Pronounced on: 16.12.2011

+ CS(OS) 1104/2008 and IA No. 13685/2008

TATA SONS LIMITED **Plaintiff**

Through Mr. Pravin Anand with Mr.
Achitan Sreekumar, Advs.

versus

HOOP ANIN & ORS **Defendants**

Through : Ms. Girija Krishnan Varma,
Advocate for defendant No.4

CORAM:-

HON'BLE MR JUSTICE V.K. JAIN

V.K. JAIN, J. (ORAL)

1. The plaintiff-company was established in the year 1917. It is the principal investment holding company of the Tata Group which had a turnover of Rs.96,000/- crore for the year 2006-2007 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 defendant no.1, which is carrying the business under and name and style of 'Tata Diamonds' is alleged to be engaged in the business of diamonds and diamond

jewellery. He has also registered a domain name "tatadiamonds.com". The defendant no.3, public domain registry is state to be the sponsoring Registrar of the domain name, whereas, defendant no.4 is stated to be providing web hosting service for the domain name.

3. The case of the plaintiff is that by using the word 'Tata', which is phonetically, visually and structurally similar to the plaintiff's registered trademark, the defendant is infringing its trademark nos. 562929, 562469, 562934, 563533, 563539, 563544, 563548, 563804, 562939 & 838430. It is also alleging that use of the word Tata as part of the trade mark/ trade name/web name is likely to cause confusion and deception in the mind of the public, which may be misled to assume that the defendant has a connection with the House of Tatas, in fact there being no connection or affiliation.

It is also alleged that these trade activities of defendant nos. 1 & 2 under the impugned name are likely to cause injuries in the business, goodwill and reputation, which the mark 'TATA' enjoys in a number of activities. The plaintiff has, therefore, sought an injunction restraining the defendant for using any trademark/trade name/web

name, of which word 'TATA' forms. The plaintiff has also sought an order directing transfer of domain name "tatadiamonds.com" to it. The plaintiff has also claimed damages amounting to Rs 20,05,000/- besides rendition of accounts in respect of damages caused to it on account of unauthorized use of the impugned business name and domain name by defendant no 1.

4. The defendant nos. 1 to 3 were proceeded ex-parte vide order dated 08.8.2008. However, during the pendency of the suit there was a settlement agreement dated 7th October, 2011 between plaintiff and defendant No.4 whereby defendant No.4 surrendered the domain name www.tatadiamonds.com and undertook not to use or tamper with the aforesaid domain name, subject to plaintiff not pressing for any damages or payment against it and not to press or continue the suit against it. In view of the settlement agreement, the name of defendant No.4 is deleted from the array of defendants.

5. The question whether 'TATA' is a well known mark or not came up for consideration before this Court in CS(OS) No. 264/2008 & CS(OS) No. 232/2009, decided on 28th March, 2011. This Court after consideration the law

relating to well known marks inter alia held as under:

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.

6. In the case before this Court, defendant No.1 Mr. Hoop Anin seems to be carrying business by selling diamonds and/or diamond jewellery under the name and style of M/s Tata Diamonds. The word mark 'TATA' is registered in favour of the plaintiff company vide registration No. 562469 in Class-14 (Exh. PW-1/16) and the products covered by registration include jewellery and precious metals. Defendant No.1 has also used the mark 'TATA' as a part of the domain name www.tatadiamonds.com and thereby infringed the registered trademark of the plaintiff. The plaintiff is entitled to injunction against use of the mark 'TATA' by the defendant for two reasons firstly because of 'TATA' being a registered trademark in Class-14 in respect of jewellery and precious metals and secondly because of 'TATA' being a well known mark. Defendant No.1 by using the name 'TATA DIAMONDS' as his business name and www.tatadiamonds.com as his web name has included the whole of the registered and well known trademark 'TATA' as a part of his business name and domain name. Mere suffixing the words 'Diamond' with 'Tata' would not take the

case of defendant No.1 out of purview of Sections 29 (1) (2) and (5) of the Trademarks Act. It can hardly be disputed that considering the extent to which the mark 'TATA' is known, not only in India but in other countries as well, anyone coming across the business name 'Tata Diamonds' and/or domain name www.tatadiamonds.com would assume that defendant No. 2 is a business entity from the House of Tatas, or defendant No.1 has either some business connection with the House of Tatas or that they have licensed him to carry the business which he carries on under the name M/s Tata Diamonds or that there is some kind of a collaboration between him and Tata Sons and that is why name 'Tata' is being used by him as a part of his business name and his domain name. Besides diluting the distinctiveness of the trademark 'TATA', this is also likely to cause confusion amongst the persons who come across the aforesaid business name and domain name and as regards source of the goods being sold under the name Tata Diamond, and/or on the website www.tatadiamonds.com, in fact, would amount to causing a deception on them by inducing them to believe that defendant No.1 has some kind of a business connection or association with the House of

Tatas. Since the defendant has not come forward to contest this suit, the presumption is that his use of the mark Tata as a part of his business name and web name is not bona fide and rather deliberate, intended to encash upon the brand equity and goodwill which the mark TATA enjoys in the market.

7. A perusal of Exh. PW-1/23 which is a print-out from the website page of defendant No.1 would show that defendant No.1 has given a hyperlink to the website of the plaintiff www.tata.com from his website and is also using the device containing the word Tata and 't' in a circle device both of which are registered marks of the plaintiff. The device of the plaintiff, which can be seen on the web site of defendant No.1 (Exh. PW-1/23), is registered in favour of plaintiff vide registration No.838430 (Exh. PW-1/14) in Class-14. Thus, defendant No.1 has gone to the extent of making use of the registered device of the plaintiff without any prefix or suffix to it. Defendant No.1 thus had indulged in, what the learned Counsel for the plaintiff terms as, "framing".

8. For the reasons given in the preceding paragraphs defendant No.1 needs to be restrained from using the

business name Tata Diamonds or any other business name which would constitute infringement of the trademark Tata. He also needs to be restrained from using the domain name www.tatadiamonds.com or any other web name which would constitute infringement of the trademark Tata of the plaintiff. Defendant No.1 has also to be restrained from using the 'T' in a circle device registered vide registration No. 838430 (Exh. PW-1/14).

9. The plaintiff has also claimed Rs.20,05,000/- as damages from defendants No. 1 & 2. Dealing with the damages, this Court in Tata sons Ltd. v. Manoj Dodia & Ors. (supra) inter alia observed as under:

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.

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.

10. In the facts and circumstances of the case, I feel that punitive damages amounting to Rs.5 lac should be awarded to the plaintiff company against defendant No.1.

As far as defendant No.2 is concerned, since it is not a legal entity but is only a trade name adopted by defendant No.2 its name is liable to be struck off from the array of defendants. No relief against defendant No.3 has been pressed.

ORDER

For the reasons given in the preceding paragraphs, defendant No. 1 is restrained from using the business name 'Tata Diamonds' or any other business name which would

constitute infringement of the trademark Tata. He is also restrained from using the domain name www.tatadiamonds.com or any other web name which would constitute infringement of the trademark TATA of the plaintiff. He is restrained from using the 'T' in a circle (device) registered vide registration No. 838430 (Exh. PW-1/14). The plaintiff is also awarded damages amounting to Rs 5 lac against defendant No. 1. The names of defendants No. 2 and 4 are deleted from the array of defendants. No relief is granted against defendant No. 3.

Decree sheet be prepared accordingly.

(V.K. JAIN)
JUDGE

DECEMBER 16, 2011
ka/vn