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IN THE HIGH COURT OF DELHI AT NEW DELHI

CS(OS) 2380/2009

Judgment Delivered on: 29.02.2012

C & S ELECTRIC LIMITED

..... Plaintiff

Through : Mr.Manish Srivastava and Mr.Kapil
Gutpa, Advs.

versus

C & S SWITCHGEAR PRIVATE LIMITED & ORS

..... Defendants

Through

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

G.S.SISTANI, J. (ORAL)

1. Present suit has been filed by plaintiff seeking permanent injunction restraining infringement of trademark, infringement of copyright, passing off, damages, rendition of accounts of profits, delivery up.
2. By an order dated 4.11.2011, defendant no.1 was proceed *ex parte*, defendant no.2 was deleted from the array of parties and suit stands decreed against defendants no.3 and 4. Plaintiff has filed the *ex parte* evidence of PW-1, Mr.Lalit Khanna, the company secretary of the plaintiff company, who has deposed on the lines of the plaint. The affidavit of PW-1 has been exhibited as P-1/A.
3. In the affidavit, PW-1 has deposed that he is the Company Secretary of plaintiff company and is well conversant with the facts of the case and is competent to swear the present affidavit. He further deposed that he is the constituted attorney of the plaintiff and duly authorized to sign and verify the pleadings and institute the present suit on its behalf vide Board

Signature Not Verified

Digitally Signed

By:AMULYA

CS(OS) 2380/2009

Page 1 of 12

Resolution dated 24.11.2009 of the plaintiff company. Original Board Resolution dated 24.11.2009 has been exhibited as Exhibit PW-1/1.

4. PW-1 has further deposed that the present suit concerns the Plaintiff's intellectual property rights in the trademarks / trade names, C&S, C&S (logo), CS Control (logo), C&S Electric (logo), C & S Controls and Switchgear and the tag line, "We touch your electricity every day" (hereinafter together referred to as the "Suit Trademarks"). PW-1 has deposed that defendant has violated plaintiff's statutory and common law rights in the Suit Trademarks in view of the Defendants' unauthorized, unlicensed and mala fide use of the Suit Trademarks and/or parts thereof as the essential, distinctive and memorable portion of the Defendants' trade name/trademark and in relation to Defendants' identical business activities. PW-1 has next stated that the Plaintiff is amongst the leading suppliers of electrical equipment in India and is India's largest exporter of industrial switchgear. Plaintiff offers a wide range of electrical and electronic products that find application in power generation, distribution, control, protection and final consumption. The Plaintiff employs over 3000 people including 400 engineers, and has 16 state-of-the art manufacturing plants, the Plaintiff has 22 sales offices across India and its products are exported to 73 countries. The Plaintiff also has several joint venture companies and two 100% owned subsidiaries. PW-1 has also deposed that after graduating from IIT Kharagpur in 1962, and working with a leading German engineering company, FANAL, as a switchgear design engineer, Mr. R.N. Khanna founded a start-up entity known as Controls & Switchgear Company as a partnership concern. Soon thereafter younger brother of Mr. Ashok Khanna, who had graduated from IIT Madras joined the business. The said entity was converted into a private limited company, Controls & Switchgear Company Private

Limited in 1971 and thereafter, in 1988, it became a deemed public company and came to be known as Controls & Switchgear Company Limited. This company was the predecessor-in-interest of the Plaintiff and hereinafter, references to the Plaintiff shall include the said company. Certificate of Incorporation of Old Company is exhibited as **EXHIBIT PW-1/2.** Certificate of Incorporation of the new Company is exhibited as **EXHIBIT PW-1/3.**

5. PW-1 has also deposed that between 1966 and 1982, the Plaintiff, on account of investments, cutting edge technological improvements, research and development, etc., became amongst the largest low voltage ("LV") switchboards manufacturer in India. During the same period, the Plaintiff also entered the Busduct business under a technological partnership with Simelectro France, in order to leverage its strong relationships with power generation utilities. PW-1 has further stated that thereafter, between 1982 and 1985, the Plaintiff successfully entered the switchgear components business with technology transfer arrangements with major international players in different parts of the world, including Terasaki, Japan (For Air Circuit Breakers); ABB Stromberg, Finland (For Switches and Switch Fuse Units) and a French company (For Contactors, Overload Relays and Motor Starters). With effective utilization of opportunities arising from these arrangements, plaintiff became a major player in the LV Switchgear market. PW-1 has next stated that the Plaintiff's appetite to diversify continued to rise with three joint ventures with leading international players between 1992 and 1994 -- Wago, Germany (For Terminals), RS Components, U.K. (For Mail Orders) and AVK-SEG, Germany (For Alternator and Relays -- valid until 2004). In 1998 came the big thrust on exports. The Plaintiff, during 1998 and 2007 entered into Lighting and Wiring Accessories, established EOU and SEZ

39

facilities, grew almost 40% for three years in a row between 2005 to 2008, entered into another joint venture with Himoina of Spain (2007) to manufacture diesel generating sets and yet another joint venture with Efacec of Portugal (2008) to enter the medium voltage business. In addition to the above, the Plaintiff came to be recognized as the No.1 Busbar company in India. Memorandum and Articles of C & S Himoina Private Limited is exhibited as EXHIBIT PW-1/4. Memorandum and Articles of C & S Efacec MV India Limited is exhibited as EXHIBIT PW-1/5.

6. PW-1 has next deposed that soon thereafter, the Plaintiff merged three main group companies, i.e., Controls & Switchgear Company Limited, Controls & Switchgear Contractors Limited and C & S Protection & Controls Limited, into a single entity, Controls & Switchgear Company Limited. This company was re-christened C & S Electric Ltd. and a fresh certificate of incorporation was issued in December, 2008. Further, in view of the fact that the Plaintiff has been identified as C&S and Control & Switchgear for the last over 40 years, the Plaintiff is still identified by its various clients, including government undertakings, as Control & Switchgear and C&S. Accordingly, these have become indications and/or badges of origin for the Plaintiff. Memorandum and Articles of C & S Electric Private Limited has been exhibited as EXHIBIT PW-1/6. Memorandum and Articles of C & S Contractors Limited has exhibited as EXHIBIT PW-1/7. PW-1 has further deposed that the Plaintiff, with a stated and consistent vision to be cited as a company that played an important role in making "Made in India" a label that is trusted and respected the world over, has been serving an entire range of businesses, including industries such as power, petrochemicals, metals, paper and food and beverage; building needs for IT parks, hotels, hospitals and

35

group housing; Infrastructure facilities such as the Indian Railways, water boards, telecom and Airports; OEMs such as material handling, lifts, compressors, telecom power supplies and machine tools, amongst others. Given the above background, it is only apt that the Plaintiff's seeks to identify itself through its corporate philosophy and tag line, "We Touch Your Electricity Everyday!" PW-1 has also stated that the Plaintiff has, itself and through its predecessors-in-interest, adopted and used the Suit Trademarks and variations thereof, at various points in time, both as trademarks as well as trade names / prominent parts of trade names since 1966.

7. Mr.Lalit Khanna, PW-1, has further deposed that the Plaintiff is the first to adopt the Suit Trademarks and has continuously used the Suit Trademarks as trademarks and also as trade names / prominent parts of trade names in relation to its products and business over the last more than 40 years. He has also deposed that the use by the Plaintiff and its group companies/joint ventures of the Suit Trademarks has generated huge revenues and its current annual revenue generation is approximately Rs.750 crores (Rupees seven hundred and fifty crores only). The Plaintiff has also invested substantial sums of money, amounting to approximately Rs.50 crores (Rupees fifty crores only) in promoting and publicizing the Suit Trademarks. PW-1 has next deposed that the plaintiff has acquired a huge goodwill and reputation associated with the Suit Trademarks, which attaches to the plaintiff, by virtue of Plaintiff's ownership of the Suit Trademarks which consequently allows the Plaintiff to enjoy the exclusive use thereof and as such has resulted in the Suit Trademarks becoming source identifiers of the goods and business in relation to which they are used as originating from a single source, i.e., the Plaintiff. It is further deposed that on account of this huge goodwill and reputation

56

vested in the Plaintiff, any unlicensed use of the Suit Trademarks or deceptively similar variations thereof, including but not limited to the logo/s used by the Plaintiff, whether as a trademark or as the trade name or part thereof, is also likely to be associated by the members of the trade and the public as use by the Plaintiff. As the Plaintiff would have no control over such use, the unlicensed use is not only likely to mislead the consuming public and members of the trade but also likely to injure the goodwill and reputation of the Plaintiff, which it has built so painstakingly over the last more than 40 years. Such an unlicensed use is actionable under common law theory of passing off.

8. PW-1 has further deposed that the plaintiff is the registered proprietor of the trademarks C & S Controls and Switchgear Group with device of a flower, under registration number 1318921 in class 9 for a wide variety of electrical goods ("Registered Trademark"). The said registration is valid and subsisting. The Plaintiff has also applied for registration of its corporate tag line, "We touch your electricity everyday". Registration Certificate for C & S Controls & Switchgear group logo on class 9 is exhibited as **EXHIBIT PW-1/8.** Extracts of the Trade Marks Journal is exhibited as **EXHIBIT PW-1/9.** Application for registration of the trademark "We touch your electricity Everyday" is exhibited as **EXHIBIT PW-1/10.** PW-1 has also deposed that the plaintiff enjoys protection for the C&S Controls & Switchgear Group logo and device as an artistic work under the Copyright Act, 1957 via registration No. A-77910/2006. Registration Certificate for the C & S Switchgear logo with the Registrar of Copyright is exhibited as **EXHIBIT PW-1/11.** He next deposed that the combination of the aforesaid first adoption of the Suit Trademarks, long and continued user, huge goodwill and reputation, registrations, etc., has contributed to the trademarks, C&S and Control &

Switchgear, becoming well known marks under Section 2(1)(zg) and also relevant provisions of section 11 of the Trade Marks Act, 1999, and are hence entitled to broader and stronger protection.

9. It is deposed by PW-1 that sometime on or around the last week of October, 2009, the Plaintiff received a query from the South Central division of the Indian Railways (which is one of Plaintiff's leading clients), seeking clarification on whether one C & S Switchgear Private Limited, Defendant No.1 herein, is a company operated by the Plaintiff. The said query was accompanied by a letter dated August 25, 2009 purportedly from the said entity claiming to be C & S Switchgear Private Limited. Letter dated 01.04.2009 of the South Central Railway is exhibited as **EXHIBIT PW-1/12**. Letter dated 11.04.2009 of the defendant No.1 is exhibited as **EXHIBIT PW-1/13**. Letter dated 13.08.2009 of the South Central Railway is exhibited as **EXHIBIT PW-1/14**. Letter dated 25.08.2009 of the defendant No.1 is exhibited as **EXHIBIT PW-1/15**. Certificate of Dealership of Defendant No.2 issued by Defendant No.1 is exhibited as **EXHIBIT PW-1/16**. PW-2 has further deposed that the Plaintiff's representatives were shocked to view and peruse the said letter. Not only did the letter bear a letterhead containing the name, C & S Switchgear Private Limited, but it was accompanied by the logo device which is used by the Plaintiff and also registered in the name of the Plaintiff before the Trade Marks Registry and the Copyright Office. PW-1 has also deposed that on making inquiries, the Plaintiff's representatives confirmed that the said entity has no relation to the Plaintiff or any of its group companies, joint ventures and that the said entity is also not a dealer/distributor or agent of the Plaintiff. Further inquiries with the Indian Railways revealed that Defendant No.1 has not only made proposals to the Indian Railways to supply the same goods that

38

the Plaintiff manufactures and supplies to the Railways, but has also represented that Defendant Nos.2 and 3 are its dealers/agents in Hyderabad. A perusal of the alleged dealership certificate which was also forwarded by the Indian Railways to the Plaintiff, reveals the extent of mala fide of the Defendants, inasmuch as the Defendants are using not only the trade name, C & S Switchgear Private Limited, as well as the logo of the Plaintiff, but also the corporate tag line, "We touch your electricity everyday". Hence every attempt has been made by the Defendants to copy all aspects of the Plaintiff's distinctive, reputable and protected indications of origin. PW-1 has also deposed that the Plaintiff then carried out further investigations only to find that no entity by the name "C & S Switchgears Pvt. Ltd." appears in the records of the Registrar of Companies. Further, the address reflected on the letterhead of Defendant no.1 is that of Defendant no.4 who claims to be a doctor. Though, on enquiry, Defendant no.4 claims that Defendant no.1 has nothing to do with his address, yet all letters written to Defendant no.1 at that very address are received and answered.

10. PW-1 has also deposed that as the Defendants are using C & S Switchgear ("Impugned Mark") as the most prominent /distinctive and memorable part of their trade name, in addition to a logo which is identical to the Plaintiff's statutorily protected logo device as also a tag line that is identical to the Plaintiff's corporate tag line, without permission or license from the Plaintiff, in the course of their business, and in relation to goods and business that are identical to the goods for which the Plaintiff owns a registered trademark and has also used the Suit Trademarks, the said use by the Defendants amounts to infringement of the Registered Trademark and also amounts to passing off in relation to the Suit Trademarks and also amounts to dilution of the goodwill and reputation associated with

the Suit Trademarks.

11. PW-1 has stated that the adoption by the Defendants, on and in relation to their goods and business, of virtually identical trademarks/ trade name to the one for which the Plaintiff owns statutory rights amounts to a violation of Plaintiff's rights. As such use of the Impugned Mark by the Defendants is without consent, authorisation or license from the Plaintiff, the said unauthorized use in the course of trade, amounts to infringement of the Plaintiff's trademarks. PW-1 has further deposed that the overall conduct and imitation of the Plaintiff's mark clearly shows the dishonest and mala fide intentions of the Defendants who, being in the same business line, have knowingly and willfully adopted virtually identical marks for his business thus passing off the same as one originating from the Plaintiff. It is submitted that such misrepresentation also leads to diluting the distinctiveness and ownership of the Plaintiff's famous Suit Trademarks. Brochure of the Plaintiff company regarding its activities exhibited as **EXHIBIT PW-1/17**. Annual Report of the Plaintiff for the year 2007-08 exhibited as **EXHIBIT PW-1/18**. Annual Report of the Plaintiff for the year 2007-08 exhibited as **EXHIBIT PW-1/19**. Promotional Material and Advertisements of the Plaintiff Company are exhibited as **EXHIBIT PW-1/20** to **EXHIBIT PW-1/24**. The unlicensed reproduction, adaptation, issuance of copies and communication to the public of a work that is identical to the Plaintiff's copyrighted work also amounts to infringement of Plaintiff's copyright therein. PW-1 has next deposed that in view of the fact that the Plaintiff's goods sold under the Suit Trademarks enjoy huge reputation, the said trademarks have attained a high degree of distinctiveness and "secondary meaning", which spans a wide geographical area.

12. PW-1 has further deposed in the affidavit that it is apparent from a mere

look at the Impugned Mark, that the Defendants have tried their utmost to come as close to the look and feel of the Plaintiff's Suit Trademarks and trade name. The adoption of a virtually identical trademark and trade name, an identical device as well as the identical corporate tag line by the Defendants is in utter bad faith inasmuch as the Defendants have attempted to give an impression that the Defendants are associated or connected with or affiliated to the Plaintiff. It is evident that the Defendants have adopted the Impugned Mark with a view to derive pecuniary benefit for itself. The Defendants cannot be allowed to take a 'free ride' on the goodwill and reputation that the Plaintiff's Suit Trademarks have achieved. The Defendants' aforesaid activities have clearly damaged and injured the Plaintiff's business and reputation which is unquantifiable and irreparable.

13. PW-1 has also deposed that the Plaintiff will suffer incalculable harm and injury to its goodwill, reputation and business if the Defendants are allowed to carry on the aforesaid illegal activities, including promoting the same through proposals to various parties, including the Indian Railways. Such debasement and erosion of the Plaintiff's reputation and goodwill strikes at the very root of the Plaintiff's existence and is not measurable in terms of money and cannot be adequately compensated monetarily. Thus, the Defendant's use of the Impugned Mark is liable to be restrained forthwith.
14. I have heard counsel for the plaintiff and examined the evidence, which has gone unrebutted. The plaintiff has filed the registration certificate for C & S Controls and Switchgear group logo in Class 9, which has been exhibited as PW-1/9. Plaintiff has also placed on record the application for registration of the trade mark 'We touch your electricity everyday', which has been exhibited as Ex.PW1/10. Plaintiff has also filed on record

41

the Registration Certificate for the C & S Switchgear logo with the Registrar of Copyright, which has been exhibited as Ex.PW1/11. The plaintiff has been able to show that the plaintiff was the first to adopt the suit trade marks; plaintiff has a long and continues user; the plaintiff has huge goodwill and reputation; and registrations, which have all contributed to the trade marks C & S and Control and Switchgear becoming a well known mark within the meaning of Section 2 (1) (zg) and Section 11 of the Trade Marks Act, 1999 and by virtue of the same the plaintiff is entitled to broader and stronger protection. Copies of letters, Exhibit PW1/12 to PW1/16, which were written by the defendant to the South Central Division of the Indian Railways is an example as to how the defendants are trying to mislead and defraud the public that defendants are in some way connected with the plaintiff. Defendants have not only copied the trade marks of the plaintiff but also the logo and the tag line of the plaintiff 'We Touch Your Electivity Everyday' with a view to derive pecuniary benefit for itself and in an attempt to ride on the goodwill and reputation of the plaintiff's trade mark. The adoption by the defendants of the plaintiff's trade marks is malafide as the defendants have attempted to give an impression that defendants are associated or connected or affiliated to the plaintiff. The plaintiff has established a *prima facie* case based on statutory and common law rights and the defendants cannot be permitted to tarnish the reputation of the plaintiff, which the plaintiff has earned over the past 40 years. Accordingly, the present suit is decreed in favour of the plaintiff in terms of para 35 (i) (a), (b) and (c); (ii) (a), (b) and (c); and (iii) of the plaint. All other claims have been given up by the plaintiff.

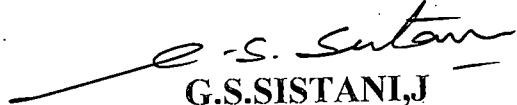
I.A. 16172/2009 (O XXXIX R 1 & 2 CPC)

15. Application stands allowed in view of the decree passed in the suit.

92

I.A.16173/2012 (O XXVI R 9 CPC – for appointment of Local Comm.).

16. Application stands dismissed in view of the order passed in the suit.


G.S.SISTANI, J

FEBRUARY 29, 2012

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