

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

Judgment reserved on: 09.07.2013

% **Judgment delivered on: 19.08.2013**

+ **CS(OS) 157/2010**

EASYGROUP IP LICENSING LIMITED AND ANR

..... Plaintiff

Through: Mr. Amit Sibal, Mr. Udit Sood and
Prateek Chadha, Advocates

versus

EASYJET AVIATION SERVICES PVT LTD AND ANR

..... Defendant

Through:

**CORAM:
HON'BLE MR. JUSTICE VIPIN SANGHI**

J U D G M E N T

VIPIN SANGHI, J.

1. This suit for grant of permanent injunction restraining infringement of registered trademark, passing off, delivery up and damages has been filed by Plaintiffs no 1 and 2, which are companies incorporated under the laws of England and Wales against defendant no 1, a company incorporated under

the companies act 1956 and defendant no 2, who is the director of defendant no 1, in respect of the alleged infringement and passing off of the plaintiff's registered trademark "easyJet".

2. The plaintiff no 1 is the owner and plaintiff no 2 is the licensed user of the registered trademark "easyJet" (hereinafter referred to as the suit trademark). The suit trademark was adopted by plaintiff no 2- which is wholly owned by easyJet, plc, a company listed on the London Stock Exchange, in the year 1995 in respect of a low cost carrier airline operated by plaintiff no 2. In the year 2000, on account of reorganization of business, the suit trademark was assigned by plaintiff no 2 to plaintiff no 1. Subsequently via Brand License Agreement dated 05.11.2000, plaintiff no 1 licensed the use of the suit trademark to plaintiff no 2.

3. The plaintiffs allege that the defendant no. 1 company having its principal place of business in Mumbai, is trading in the name and style of 'EasyJet Aviation Services Limited'. It is engaged in facilitating air charters, air craft management as well as buying and selling of aircrafts as middlemen. The plaintiffs allege that defendant no 1 is malafidely using the aforesaid trademark "EasyJet" in relation to services that are identical to those covered by the classification in which the plaintiffs mark "easyJet" is registered.

4. Summons were issued in the suit vide order dated 24.02.2010. Though initial appearance was put in by the defendants, no written statement was filed and after repeated absence, the defendants were proceeded ex parte vide order dated 16.12.2010.

5. The plaintiff tendered the affidavit by way of evidence of Sh. Sudhir Thakur, the constituted attorney of the plaintiff no 1 as PW-1, which is Ex. PW-1A. This witness proved various documents on 05.08.2011, which are Ex. PW1/1 to PW1/46. The testimony of the plaintiffs witness has gone unrebutted and there is no reason not to accept the same. Some of the exhibited documents, which are considered relevant, shall be referred to hereinafter.

6. The first submission of learned counsel for plaintiffs is that the suit trademark is registered in England since 1995, and in India since 2001 onwards under multiple classes, the most important being class 39 - which registration was granted on 07.12.2004. Class 39 includes, but is not restricted to, transportation of goods, passenger and travelers by air; airline and shipping services; airport check in service; chartering of aircraft; rental and hire of aircraft etc. Learned counsel submits that the plaintiffs are the prior users of the suit trademark since 1995 - though later in India, as the defendants adopted the suit trademark in 2003 when the defendant company was incorporated.

7. Learned counsel for plaintiff relies on the decision in *N.R. Dongre v. Whirlpool Corporation*, AIR 1995 Del 300 and *Allergan Inc v. Milmet Oftho Industries*, 1997 2 CAL LT, to advance the submission that prior use of the trademark anywhere in the world, whose reputation has spilled over into India, is sufficient to maintain a suit for infringement of trademark and passing off. It is submitted that the plaintiffs first adopted the mark in 1995 i.e. much before the defendants, and on account of prior use from the year

1995, the plaintiffs are well within their rights to seek a restraint against the defendants from using the suit trademark.

8. Learned counsel submits that besides the suit trademark, the plaintiff no 1 has also secured trademark registrations for other easy group marks such as “easyCar”, “easyHotel”, “easyInternetcafe” amongst others. It is submitted that in respect of the suit trademark alone, the plaintiff has registrations in over 40 countries.

9. Learned counsel for the plaintiff submits the defendants infringement of the suit trademark is covered under Section 29 of the Trademarks Act, 1999 (hereinafter the ‘Act’). Section 29 of the Act reads as under –

Section 29 - Infringement of registered trade marks

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of--

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which--

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he--

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising--

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.

(Emphasis supplied)

10. Learned counsel submits that the defendant is using the impugned trademark in relation to the same services as offered by the plaintiffs under the suit trademark. It is submitted that the plaintiff's trademark is registered

under Class 39 which includes chartering, buying/selling of aircrafts, which directly cover the activities undertaken by the defendants. Learned counsel submits that by virtue of Section 29(5), the defendants are in infringement of the suit trademark as they have adopted the same as part of their trade name 'EasyJet Aviation Services Limited'. Learned counsel submits that the trademark "easyJet" is not only used by the plaintiffs to distinguish their goods and services, but is also used by plaintiff no 2 as part of its company name, being a mark of repute which is well known in India for the goods and services provided in relation to the mark, as well as to the members of the aviation and travel industry.

11. Learned counsel for the plaintiff next submits that since the year 1995, the trademark of the plaintiffs has come to be associated with a significant amount of goodwill all over the world. Learned counsel submits that the defendant no 1, which was incorporated on 31.03.2003, is in the same line of business as plaintiffs i.e. providing air travel services and therefore the defendants would have been aware of the plaintiff's trademark owing to the plaintiff's popularity not just worldwide, but even in India. It is submitted that the advertising and publicity expenditure incurred by the plaintiffs for worldwide promotion was £ 38.1 million in 2009 alone.

12. Learned counsel submits that up till the year 2009, over 45 million people had travelled on the plaintiff no 2's airline. It is submitted that the website of the plaintiffs eayJet.com went live in the year 1995 and attracts immense traffic from Indians who travel abroad. Learned counsel submits that though the airline does not operate in India, many Indians books tickets on the plaintiff's website easyJet.com and easyJet.in for routes on which the

airline operates when Indians travel abroad. Learned counsel submits that the plaintiff need not carry on actual business in India or have any physical presence in India to maintain a suit for infringement as long the plaintiff either has customers in India, or has a strong reputation in India.

13. To support the aforesaid contention, reliance is placed on ***Caesar Park Hotels & Resorts v. Western Hospitality Services***, AIR 1999 Mad 396 and ***Rainforest Café v. Rainforest & Ors***, 2001 (91) DLT 508. In **Caesar Park** (supra), in action for passing off, the court observed “***Thus, it is manifestly clear that the plaintiff in order to get the relief of interim injunction restraining the defendant from using its service mark need not establish that they actually carry on business in this country. It is enough if they have got customers here. If they have got customers in India, it necessarily means that the plaintiff has got reputation in the general sense of the word in this country. The said reputation could be brought out by advertisement. Therefore, if the plaintiff had acquired ownership of the service mark in India, as a result of some business done in India and as a result of large scale advertisement made in foreign periodicals circulated in India and the periodicals issued in India, he would certainly be entitled to take passing off action in India.***” (emphasis supplied)

14. It is further submitted that between the period May1, 2008 – January 7, 2010 the website of the plaintiff www.easyJet.com received in excess of 3 lakh visitors from IP addresses in India. It is submitted that the website quotes prices in INR for the convenience of Indians and that during the aforesaid period, over 28000 bookings were made for easyJet flights by persons accessing the website from India. It is submitted that plaintiff no 1

in addition to easyJet.com owns various other domain names with the prefix easy for its other businesses.

15. Learned counsel submits that in addition to the above, the suit trademark had gained tremendous popularity in India on account of being featured in several leading publications such as “The Times of India”, “Hindu” and “Hindustan Times”. It is submitted that in addition to the aforesaid, several Management Research Centers have studied the plaintiff’s business model and operations and have authored reports and case studies on the same. Besides being featured in Indian newspapers, the plaintiff’s trademark has also been featured in international leading magazines such as “Time”, “Forbes”, and “Economist” etc. which are also available for circulation in India. Learned counsel further submits that since 1999, the plaintiffs have been conferred several awards and accolades over the years such as *“one of the greatest marketing moments of the 20th Century”* by “Marketing Magazine” in 1999, *“Best Low Cost Airlines- Business Traveller Magazine”* in 1999, *“Top Consumer Superbrand spot by Brand Council”* in 2003 for the second time, *“Best Airline website at TravelMole Web Awards”* in 2006 etc.

16. Learned counsel for the plaintiff submits that due to the aforementioned popularity of the plaintiffs mark since, at least since the year 2000 in India, the easy group of trademarks have come to be associated exclusively with the plaintiffs and the adoption by the defendants of the suit trademark has a strong likelihood of confusing the public, since the consumer base and services offered by the parties are the same. It is submitted that the trademark is a “well-known trademark” within the

meaning of Section 2(zg) of the Act. However, at this stage, counsel for plaintiffs submits that it is not necessary for him to go into the aforesaid submission regarding the suit trademark's status as a "well-known trademark".

17. Learned counsel next submits that suit trademark is a coined word, coined by the Sir Stelios Haji-laonnou, the promoter of plaintiff no 2 airline and has no natural connotation. It is submitted that the trademark has all the trappings of an invented word and, therefore, is inherently distinctive in as much, as, there is no gap between the words "easy" and "Jet" and the first letter of the prefix "easy" is in small case, whereas the first letter of the suffix is in upper case. It is submitted that the various other trademarks of the plaintiffs such as easyHotel, easyCar, easyMoney all have the first letter of the prefix in lower case and no space between the two words. Learned counsel submits that by virtue of having acquired distinctiveness through use, the suit trademark qualifies for protection under the Act.

18. Learned counsel for plaintiff submits that the mark of the defendants "EasyJet" is a blatant copy of the plaintiff's mark "easyJet" in as much, as, there is no space between the prefix and suffix and furthermore the first letter of the suffix has been capitalized to imitate the plaintiff's mark. It is submitted that the defendants are passing off their services as those of the plaintiff and the same will cause a threefold injury to the plaintiffs i.e. 1) Confusion in public, 2) Adverse affect to plaintiff's reputation if the defendant indulges in acts injurious to the reputation of the trademark, and 3) Dilution i.e. the source of the goodwill and profits of the plaintiffs stand likely to get diluted on account of the infringement. In support of the

aforesaid submission, learned counsel relies on the decision in ***B.K Engineering v. U.B.H.T. Enterprises***, AIR 1985 Del 210 and ***Ellora Industries v. Banaraasi Das***, AIR 1980 Del 254.

19. Learned counsel submits that by dishonestly adopting the mark of the plaintiffs, there is a high likelihood of the members of the public engaging with the defendants under the misapprehension that they are dealing with the plaintiffs. Learned counsel further submits that under Section 27(2) of the Act, an action for passing off can be maintained in a suit for infringement.

20. Learned counsel for plaintiffs next submits that the plaintiff's rights in the easy group of trademarks/service marks have been protected by various international tribunals such as the domain name dispute resolution panel- namely WIPO, which is constituted under the aegis of the United Nations. Learned counsel submits that the aforesaid demonstrates that judicial pronouncements have consistently recognized the plaintiff's rights in "easyJet" and the easy family of trademarks.

21. The next submission of learned counsel is that the defendants have steered clear of the court so that this court cannot access the books of accounts of the defendants to analyse the profits made by the defendants on account of passing off its services as those of the plaintiffs. Learned counsel submits that the plaintiff's are entitled to damages on account of the defendant's infringement and passing off, of the suit trademark. On the aspect of quantum of damages to be awarded to the plaintiffs, reliance is placed on ***Time Incorporated v. Lokesh Srivastava & Anr***, 2005 DLT (116) 599, ***Microsoft Corporation v. Mr. Yogesh Paprt & Anr.***, 2005 (118) DLT

580 and *Hero Honda Motors Ltd. v. Shree Assuramji Scooters*, 2005 (125) DLT 504. Learned counsel submits that in *Time Incorporated* (supra), a decree of Rs. 5 lacs on account of damages to goodwill and reputation and Rs 5 lacs on account of punitive damages were awarded to the plaintiff, as far back as the year 2005. It is submitted that the prayer of the plaintiffs in the present suit for award of damages worth Rs. 20,05,5000 is fair, keeping in mind that even as far back as eight years ago, courts were inclined to grant damages to the tune of Rs. 10 lacs.

22. A perusal of the trademark registration certificate, Exhibit PW1/36, of the plaintiffs' reveals that the plaintiff's mark "easyJet" was first registered in the United Kingdom in 1995 in respect of class several classes including class 39 which covers the services offered by the plaintiffs and the defendants. Subsequently, the suit trademark was granted registration in India in various classes from 2001 onwards- in class 16 vide Exhibit PW 1/44 dated 07.02.2001 and the most important for the purpose of this suit being class 39, registration whereof was granted on 07.12.2004 vide Exhibit PW1/41. As aforementioned, class 39 includes, but is not restricted to transportation of goods, passenger and travelers by air; airline and shipping services; airport check in service; chartering of aircraft; rental and hire of aircraft etc.

23. The plaintiff's website www.easyJet.com, went live in 1995. The said website has been accessible to Indians who wish to travel on the plaintiff no 2's airline on its operational routes abroad since 1998. A significant aspect of the plaintiff's business model is its elimination of ticketing agents through its website that provides customers the convenience of booking

tickets online as far back as 1998. Exhibit PW1/15 is an article dated 08.03.2001 in the magazine “Economist” stating that several airlines, including the plaintiff no 2’s airline, sell up to 90% of their tickets online.

24. Exhibit PW 1/29 is a printout from an Indian online travel portal www.cleartrip.com showing the details, routes, destinations, flights and company information of the plaintiff’s operations. The website cleartrip.com also provides a link to the plaintiff’s website. This evidences the fact that even besides the plaintiff’s own website, Indians can book tickets on the plaintiff no 2’s airline via Indian online travel portals too. Exhibit PW1/10 is a summary of visits from Indian IP addresses to the plaintiff no 2’s website. The same shows that between 2008-2010, 28416 bookings were made by clients accessing the website from India.

25. Furthermore, Exhibit PW1/14 is an article dated 16.11.2000 in the magazine “The Economist” referring to several low cost airlines including plaintiff no 2 and its plan to increase the density of its flights. Exhibit PW 1/19 is a list of top 5 best companies in marketing according to “FORBES Asia” magazine featuring the plaintiff no 2 at fifth position. Exhibit PW1/21 is an article dated 23.07.2001 in International magazine “TIME” discussing the easy group’s successful marketing strategy. Similarly exhibits PW1/22, PW1/23 and PW1/24 are write ups in “TIME” magazine about low cost carriers and the plaintiff no 2 airline dated 26.11.2001, 22.05.2002 and 04.08.2002 respectively. The aforesaid demonstrates that the plaintiff no 2 has consistently been covered in international news and magazines as a successful marketing phenomenon. In *Allergan Inc* (supra), it was held that

internationally established reputation is enough to entitle the plaintiff to sue in India, even if he has no business in India.

26. In **N.R. Dongre** (supra), a Division Bench of this court held *“dissemination of knowledge of a trademark in respect of a product through advertisement in media amounts to use of the trademark whether or not the advertisement is coupled with the actual existence of the product in the market”*. Besides being featured in international magazines as mentioned hereinabove, the plaintiff no 2 has also been covered by several leading Indian publications. Exhibit PW1/25 is an article dated 06.12.2004 from “The Times of India” stating that the plaintiff no 2 seeks to expand its operations to India. The aforesaid coverage of the plaintiff in Indian news and media clearly demonstrates that the reputation of the plaintiff had successfully spilled over into India.

27. Keeping in view the aforesaid, I am of the view that the plaintiffs have established prior use of the trademark since 1995 - when it was first registered, and since 1998 when their services became accessible to Indians via their website. In **Caesar Park** (supra), it was held that if the plaintiffs have customers in a country, it can be presumed that they enjoy a reputation in that country. Owing to the fact that Indians could access the plaintiff no 2’s services through its website as far back as in 1998, I am of the view that the same is sufficient to constitute prior use. By virtue of Section 28 of the Act, a registered proprietor of the trademark has the exclusive right to the use of the trademark in relation to the goods and services in respect of which the trademark is registered and to obtain relief against infringement of the trademark.

28. The plaintiff has filed with the present suit a transcript of conversation between a private investigator Mr. Anil Kumar and the defendant no 2 discussing the services offered by defendant no 2. Since the affidavit of Mr. Anil Kumar same has not been tendered in evidence, this court cannot look into the same. However, that aside, PW1 has tendered in evidence exhibit PW1/46 which is a copy of the business card of the defendant no 2 which reads as Sunil Nair, Director, EasyJet Aviation Services Pvt Ltd. which shows that the trade name adopted by the defendants is identical to the plaintiff's trademark thereby infringing the plaintiff's mark under Section 29(5) of the Act. Furthermore, Exhibit PW1/45 is a printout from the website justdial.com showing the defendants as listed for providing helicopter charter services, aircraft charter services and air ambulance services.

29. The defendants are using the impugned trademark in respect of identical services covered under class 39 in which the plaintiffs enjoy their registration. Therefore, the action of the defendants squarely amounts to infringement under Section 29. Having already established that the plaintiffs enjoy a considerable amount of reputation, there is no iota of doubt that the use of the suit trademark by the defendants in respect of identical services is likely to cause confusion and mislead the public into believing that the services of the defendant are associated with the plaintiff no 2's airline.

30. In *Allergan Inc* (supra), the appellant and respondent were both manufacturing medicinal preparations relating to the eye under the mark 'Ocuflox'. The Supreme Court in Para 9 observed "*In the present case, the marks are the same. They are in respect of pharmaceutical products. The*

mere fact that the Respondents have not been using the mark in India would be irrelevant if they were first in the world market. The Division Bench had relied upon material which prima-facie shows that the Respondents product was advertised before the Appellants entered the field. On the basis of that material the Division Bench has concluded that the Respondents were first to adopt the mark. If that be so then no fault can be found with the conclusion drawn by the Division Bench.”

31. It is also pertinent to note that the suit trademark is a coined word. No explanation has been offered by the defendants as to why they chose the suit trademark. The defendants have chosen not to contest the present proceedings and, therefore, the only valid inference that can be drawn is that the defendants adopted the impugned trademark to ride on the plaintiffs’ goodwill and popularity.

32. In ***Playboy Enterprises*** (supra), the plaintiff was the publisher of a widely known magazine under the trademark ‘Playboy’. The defendants were publishing a magazine under the mark ‘Playway’. The defendants were proceeded ex parte and were permanently restrained by the court from using the mark ‘Playway’. The court observed “*There is not a scintilla of doubt that the defendants have adopted the word "PLAY" with sole object to exploit and trade on its goodwill and widespread reputation. There is no credible Explanation as to why the word "PLAY" was chosen.*” In the present case, not only has the prefix ‘easy’ been adopted, save the capital ‘E’, the entire trademark of the plaintiffs has been appropriated by the defendants as their trade name. In the present case too, no explanation has

been offered by the defendants as to why they adopted the impugned trademark.

33. In *Yahoo.com v. Akash Arora*, 1999 II AD(Delhi)229, it was observed that *“Therefore, it is obvious that where the parties are engaged in common or overlapping fields of activity, the competition would take place. If the two contesting parties are involved in the same line or similar line of business, there is grave and immense possibility for confusion and deception and, Therefore, there is probability of sufferance of damage.”*

34. In the present case too, the plaintiff no 2 and the defendants are operating in the same sphere of activity. The services provided by the plaintiff no 2 and defendants are identical in nature. Therefore, the likelihood of confusion and deception is strong on account of the public at large associating the defendants services to be those offered by the plaintiff no 2. The acts of the defendants in using the impugned trademark coupled with a lack of plausible explanation offered by the defendants for the same, leads to the conclusion that the defendants are in fact passing off their services as those of the plaintiffs in an attempt to cash in on the plaintiff's reputation worldwide as well as in India.

35. Furthermore, the plaintiff has been vigilant about protecting and defending its intellectual property rights. The plaintiff's intellectual property rights have also been protected by international dispute resolution bodies such as WIPO. Exhibit PW1/30 is a WIPO administrative panel decision dated 18.03.2003 wherein the respondent was ordered to transfer the domain name easyjets.com to the plaintiff no 1 in the present suit on the

grounds that it was confusingly similar to the trademark in which the plaintiff no 1 has rights. Exhibit PW1/30 is an order by the Royal Courts of Justice in London upholding the plaintiff no 1's rights in the easy family of trademarks. Similarly, exhibit PW 1/32 is an opposition filed by the plaintiff no 1 in respect of a trademark application filed by a corporation in respect of the mark easy. The decision dated 31.05.2006 upholds the opposition of the plaintiff no 1 herein.

36. Under the aforesaid circumstances, the plaintiffs have successfully established prior use of the suit trademark from the year 1995. Furthermore, the reputation of the plaintiff has spilled over into India, as is evident from the coverage given to the plaintiff no 2 airline by Indian publications and the business generated by the plaintiffs from customers in India. This coupled with the fact that the defendants are using the plaintiff's coined trademark in respect of services that are covered under Class 39, for which the plaintiffs hold a valid and subsisting registration, I am of the view that the defendants must be permanently restrained from using the plaintiff's trademark easyJet or any other deceptively similar mark.

37. Accordingly, the suit is decreed in favour of the plaintiffs to the extent of prayers A to C made therein. The plaintiffs are also entitled to damages to the tune of Rs. 5 lacs in addition to costs of the suit to be borne by the defendants.

VIPIN SANGHI, J

AUGUST 19, 2013