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IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of decision: 22nd August, 2014

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CS(OS) 170/2012

AKTIEBOLAGET VOLVO & ORS.

.... Plaintiff

Through: Ms. Tanvi Misra, Advocate

versus

BABU LAL SHARMA & ANR

..... Defendant

Through: None

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

G.S.SISTANI, J. (Oral)

1. Present suit has been filed by the plaintiffs for permanent injunction restraining infringement of trademark, passing off, dilution of trademark, unfair competition, damages and delivery up.
2. Summons were issued in the suit on 23.01.2012. Defendants entered appearance on 15.03.2012 and sought time to file written statement and reply to the interim application but no written statement was filed. None appeared for the defendants on 30.05.2012 and on 01.06.2012, consequently defendants were proceeded ex parte vide order dated 01.06.2012 and the interim order dated 23.01.2012 was made absolute.
3. Plaintiffs have filed affidavit by way of evidence of the constituted attorney of plaintiffs, Col. (Retd.) J.K.Sharma (PW1). Affidavit of PW1 has been exhibited as **Ex. PW1/A**. He was authorized vide separate Powers of Attorney dated 12th December, 2003, 18th December, 2003 and 19th December, 2003 issued by the plaintiffs and the same have been exhibited as **Ex. PW1/1(colly)**.
4. PW1 has deposed in his affidavit that Aktiebolaget Volvo was

incorporated on 5th May 1915 and commenced the business of assembling cars in April, 1927 and of trucks in 1928. Plaintiff companies are organised under the laws of Sweden with their registered offices at the following address:

- a. Plaintiff No. 1- SE-405 08 GOTEORG, Sweden;
- b. Plaintiff No. 2- C/o AB Volvo, SE-405 08 GOTEORG, Sweden; and
- c. Plaintiff No. 3- SE-405 31 GOTEORG, Sweden.

Certified copies of Certificate of Incorporation of the three plaintiffs have been exhibited as **Ex. PW1/2**, **Ex. PW1/3** and **Ex. PW1/4** respectively.

5. He has further deposed that Volvo Trademark Holding AB, which was assigned all registered VOLVO trademarks and pending applications of Aktiebolaget Volvo, owns, maintains and manages these trademarks and has the right to license the same to any third party and to monitor and control the quality of the goods and services of its licensees. Under a Global License Agreement entered into with its shareholders namely, plaintiff no.1 and plaintiff no.3, the plaintiff no. 2 has licensed to them the use of the VOLVO trademarks within their respective business. Plaintiff no.2 has entered into Confirmatory License Agreements dated 30.05.2001 for the territory of India with plaintiff nos.1 and 3.
6. PW1 has also deposed that the plaintiff no.1 owns and controls shares in various corporations and companies, which are together referred to as the “Volvo Group of Companies”. Over the years Volvo Group of Companies has grown to be the largest Industrial Group in the Nordic countries. A list of companies forming the Volvo Group of Companies has been filed and the certified copy of the same has been exhibited as **Ex. PW1/7**.
7. PW1 has further deposed that the word Volvo forms a key, essential and dominant part of the corporate name and trading style of the majority of

the companies in the Volvo TM Companies. Volvo TM Companies include subsidiary companies in various countries inter alia, in India, the United States of America, Belgium, France, Norway, Singapore, Hong Kong, Ireland, Luxembourg, Mexico, Netherlands, Germany, Switzerland, Spain, Italy, United Kingdom, Poland, Peru, Brazil, Thailand, Japan. Plaintiff no. 3 occupies a prominent position as a car producer within its segment and plaintiff no. 2 is among the world leaders in heavy commercial vehicles such as trucks, buses and construction equipment, as well as in drive systems for marine and industrial applications. Printouts from the plaintiffs' website have been exhibited as **Ex. PW1/8**.

8. PW1, Col. (Retd.) J.K.Sharma, has also deposed that plaintiff nos. 1 and 3 and other companies of the Volvo TM Companies manufacture goods and provide related services, throughout the world under the trademark VOLVO. VOLVO TM Companies is an international automotive and transport vehicle group, with more than 70,000 employees world wide. The VOLVO TM Companies provide a wide spectrum of transportation-related products and services, with superior quality and high standards of safety and environmental care, to demanding customers in selected segments. The internet extract depicting the range of plaintiffs' buses bearing the trademark Volvo as unveiled in the 2010 Auto Expo in Delhi has been exhibited as **Ex. PW1/9**.
9. He has also deposed that plaintiff companies have taken necessary steps to record the Assignment of the trademarks from plaintiff no.1 to plaintiff no. 2 before the Registrar of Trade Marks and the subsequent licensing of the use of trademarks from plaintiff no. 2 to plaintiff nos. 1 and 3 by filing requests on form TM-24 and TM-28 respectively. Certified copy of the application on Form TM-24 filed before the Registrar of Trademarks to

bring on record plaintiff no. 2 as the assignee of the trademarks has been exhibited as **Ex. PW1/10** and the certified copy of the application of Form TM-28 filed before the Registrar of Trademarks to bring on record plaintiff nos. 1 and 3 as the licensees of the trademarks has been exhibited as **Ex. PW1/11**. Plaintiffs' application on Form TM-24 for assignment of the trademarks in favour of the plaintiff no.2 has been allowed.

10. He has further deposed that the trademark VOLVO is a rare Latin word which is owned, managed and maintained by the plaintiff no. 2, and which is used by the plaintiffs' and their related companies. As a trademark, VOLVO has all the trappings of an invented mark, as it has no obvious meaning and is not found in any of the authoritative dictionaries of the English language. It is in that sense a meaningless word and is therefore, inherently distinctive as trademark. The Trademark Registry of India has recognized the trademark VOLVO as a well-known trademark and has included this in a list of well known trademarks published on the website of the Registry. The printout of the list as downloaded from the website of the Trademark Registry has been exhibited as **Ex. PW1/12**.
11. Further, the earliest trademark registration of VOLVO in India dates back to the year 1975. A list of the countries where the trademark VOLVO is registered has been filed and a certified copy thereof has been exhibited as **Ex. PW1/13**. The certified copies of some of the international registrations have been exhibited as **Ex. PW1/14 (colly)**.
12. PW1, Col. (Retd.) J.K.Sharma, has also deposed that there are several trademarks registered in India for the VOLVO and the certified copies of a few have been exhibited as **Ex. PW 1/ 15 (colly)**. A few relevant registrations are as below and the same are duly renewed, valid and subsisting:

Sl. No.	Trade Mark	Class	Registration No.	Exhibit No.
1.	Volvo	12	361886	PW 1/15A
2.	Volvo	12	763280	PW 1/15B
3.	Volvo Penta	12	1384891	PW 1/15C

13. He has further deposed that the Plaintiffs have widespread business activities all over the world including in India. As a result of the painstaking efforts and the superior quality of goods and services provided by the plaintiffs under the trademark and trade name VOLVO, same is associated solely and exclusively with the Plaintiffs by the members of trade and public. It has also been deposed that the pervasive goodwill and reputation enjoyed by the Plaintiffs all over the world including in India is evident from the total sales figures of Volvo Group of Companies of Volvo marked products worldwide (in million Swedish Kroner). The copy authenticating the sales figures, advertising and promotional costs has been exhibited as **Ex. PW1/16**.
14. He has also deposed that VOLVO has been extensively advertised and publicized both as a trademark and a corporate name in various magazines, journals and newspapers of international repute and through the electronic media. The products bearing the trademark VOLVO are also advertised in specific journals which have a circulation in and are subscribed to by the worldwide mineral extraction and construction industries. Printouts of the various news-reports appearing in Internet/online editions of Indian newspapers pertaining to the Plaintiffs' business available on various websites have been exhibited as **Ex. PW1/17**. Some advertisements and newspaper articles of products bearing the trademark, corporate and trade name 'VOLVO', appearing in publications have been exhibited as **Ex. PW1/18(colly)**.

15. Further, the goodwill and reputation enjoyed by the Plaintiff No. 3 all over the world including in India is evident from the number of cars sold by Plaintiff No. 3. Certificate authenticating total number of cars sold by plaintiff no. 3 has been exhibited as **Ex. PW 1/19**. Copies authenticating the worldwide advertising promotional expenditure of Plaintiff No.3 of Volvo marked products has been exhibited as **Ex. PW 1/20**.
16. He has also deposed that the Plaintiff No. 1 has recently been awarded the '*Commercial Vehicle Manufacturer*' of the Year Award by a well-known Indian business magazine Auto Monitor for the automotive segment. A certified copy of the article has been exhibited as **Ex. PW1/21**. Additionally, the two reputed authorities on brands i.e. 'The World's Greatest Brands' edited by Nicholas Kocham and published by Interbrand plc. and 'Brands, An International Review' by Interbrand plc., rank the Plaintiffs' trademark 'VOLVO' amongst the few well known trademarks of the world. Copies of the relevant extracts from these authorities on Brands have been filed and the certified copies of the same have been exhibited as **Ex. PW1/22** and **Ex. PW1/23** respectively.
17. PW1 has further deposed that in the month of February 2010, the Plaintiffs came to know about the Defendants unauthorized use of the trademark VOLVO on their buses, thereby misrepresenting to consumers that they are affiliated with the Plaintiff. The photographs of Defendants' buses bearing the trademark VOLVO have been exhibited as **Ex. PW1/24**. Thereafter, the Plaintiffs sent a cease and desist notice dated March 11, 2011 to the Defendants requesting them to immediately cease and desist from using the trademark VOLVO on their buses and furnish an unconditional undertaking in favour of the Plaintiffs. The office copy of the said cease and desist notice dated March 11, 2011 has been exhibited as **Ex. PW1/25**.

18. PW1 has also deposed that the Defendant No. 1 furnished an unconditional undertaking in favour of the Plaintiffs. The undertaking dated 22nd March 2011 was signed by Defendant No.1 in his personal capacity as well as the owner of Defendant No.2. The handwritten undertaking in Hindi accompanying the signed undertaking has been exhibited as **Ex. PW1/26(colly)**.
19. He has further deposed that in order to determine whether the Defendants were complying the terms of their undertaking, the Plaintiffs conducted another investigation into the activities of the Defendants in October 2011. The investigation revealed the following:-
- i. Defendant No. 2 is an entity engaged in providing the services of tours and travels to various parts of India and also to neighboring countries including Nepal. A brochure of the Defendant along with its English translation has been exhibited as **Ex. PW1/27**.
 - ii. Defendant No. 1 is one of the owners of Defendant No. 2. The visiting card of the Defendant No. 1 has been exhibited as **Ex. PW1/28**. The visiting card of the Defendant contains a sketch of a bus which is near identical to the buses belonging to the Plaintiffs.
 - iii. The Defendants were continuing to use the trademark VOLVO on their buses despite furnishing an unconditional undertaking in favor of the Plaintiffs. A photograph of the Defendants' bus bearing the trademark VOLVO has been exhibited as **Ex. PW1/29**.
- An affidavit of the investigator has been exhibited as **Ex. PW1/30**.
20. He has also deposed that despite being served with the cease and desist

notice sent by the Plaintiff and despite being fully aware that they have no right to the use the trademark VOLVO in any manner without due authorisation, the Defendants are still continuing to use the Plaintiff's well known and registered trademark VOLVO on their buses. The Defendants are acting in complete violation of the undertaking dated March 22, 2011 previously signed and provided by them.

21. PW1 has further deposed that Plaintiffs have been vigilant in protecting and safeguarding its rights and interests in the trade mark VOLVO. They have filed number of proceedings and suits against various persons and companies in India who have admitted to use the VOLVO mark or deceptively similar trademarks. Various orders have been passed by various courts in India protecting the Plaintiffs' famous and well-known trade mark 'VOLVO', even in relation to different goods thereby preventing attempts of diluting and tarnishing the exclusivity attached therewith. Certified copies of orders passed in favor of the Plaintiffs have been exhibited as **Ex. PW1/31(colly)**. A certified copy of the list of WIPO decisions where the trademark VOLVO has been held to a famous and well-known trademark has been exhibited as **Ex. PW1/32**.
22. Further, the illegal trade activities of the Defendants have caused incalculable harm and injury to the business, goodwill and reputation of the Plaintiffs. The Plaintiffs have suffered dilution and debasement of the goodwill, reputation and positive associations linked to the Plaintiffs' trademark occasioned by the loss of distinctiveness, uniqueness and exclusivity attached thereto.
23. He has also deposed that the damage that has already been inflicted on the Plaintiffs' business, goodwill and reputation is incapable of being calculated. Therefore damages alone would not be an adequate remedy as the injury caused to the Plaintiffs' intangible property in its reputation

and goodwill is not capable of being accurately assessed in monetary terms.

24. I have heard counsel for the plaintiffs and carefully perused the documents which have been placed on record along with the affidavit by way of evidence which has been filed. Evidence of the plaintiffs has gone unchallenged and un-rebutted. Copies of few registrations for the plaintiffs' trademark VOLVO have been exhibited as **Ex. PW1/15(colly)**. A list of countries where trademark VOLVO is registered and certified copies of some of the international registrations have been exhibited as **Ex. PW 1/13** and **Ex. PW 1/14**, respectively. Copy authenticating the sales figure, advertising and promotional cost of Volvo Group of companies of VOLVO marked products worldwide has been exhibited as **Ex. PW 1/16**. Certificate authenticating total number of cars sold by plaintiff no. 3 under the trademark VOLVO has been exhibited as **Ex. PW 1/19**. Photographs of defendants' buses bearing trademark VOLVO has been exhibited as **Ex. PW 1/24**. Undertaking signed by defendant no.1 alongwith handwritten undertaking in Hindi has been exhibited as **Ex. PW 1/26(colly)**. Affidavit of the investigator has been exhibited as **Ex. PW 1/30**.
25. On the basis of the documents placed on record plaintiffs have been able to establish that plaintiff no. 1 is the owner of the trademark VOLVO which was subsequently assigned to plaintiff no. 2 and further plaintiff no. 2 gave license to plaintiff nos. 1 and 3 for use of the trademark VOLVO. Plaintiffs have also established that, as a result of painstaking efforts and the superior quality of goods and services provided by the plaintiffs under the trademark and trade name VOLVO, same is associated solely and exclusively with the Plaintiffs by the members of trade and public. Plaintiffs have also established that on account of enormous amount spent

on advertising and promotion of the goods under the trademark VOLVO, plaintiffs have been able to generate huge sales and further built an unparalleled goodwill and reputation with respect to the trademark VOLVO. Plaintiffs have further established that the trademark VOLVO has been recognized as a well-known trademark by the Trademark Registry of India. Plaintiffs have also established that defendants by using the trademark VOLVO, which is identical to plaintiffs' trademark, with respect to identical goods i.e. buses, are causing infringement of rights in the trademark of plaintiffs.

26. In another case, *Atlas Cycles Industries Ltd. Vs. Hind Cycles Ltd* reported at (1973)ILR 1Delhi393, it was observed as under:

“(21) The principles which emerge from the above decisions may be stated as follows:

"In an action for an alleged infringement of a registered trade mark, it has first to be seen whether the impugned mark of the defendant is identical with the registered mark of the plaintiff. If the mark is found to be identical, no further question arises, and it has to be held that there was infringement. If the mark of the defendant is not identical, it has to be seen whether the mark of the defendant is deceptively similar in the sense that it is likely to deceive or cause confusion in relation to goods in respect of which the plaintiff got his mark registered. For that purpose, the two marks have to be compared, "not by placing them side by side, but by asking itself whether having due regard to relevant surrounding circumstances, the defendant's mark as used is similar to the plaintiff's mark as it would be remembered by persons possessed of an average memory with its usual imperfections", and it has then to be determined whether the defendant's mark is likely to deceive or cause confusion. For such determination, the distinguishing or essential features (and not every detail) of the two marks and the main idea, if any, underlying the two marks which a purchaser of average intelligence and imperfect memory would retain in his mind after seeing the

marks, have to be noticed. It has then to be seen whether they are broadly the same or there is an overall similarity or resemblance, and whether the resemblance or similarity is such that there is a reasonable probability of deception or confusion. In doing so, the approach has to be from the point of view of purchaser of average intelligence and imperfect memory or recollection, and not an ignorant, thoughtless and incautious purchaser.”

27. In a very recent judgment delivered by another bench of this court, ***The Indian Hotels Company Ltd. Vs. Ashwajeet Garg and Ors.*** CS(OS) 394/2012, decided on 01.05.2014, following observations were made:

“23. In *Kaviraj Pandit Durga Dutt Sharma vs. Navaratna Pharmaceutical Laboratories* 1965 SCR (1) 737, the Hon'ble Apex Court in the following paras held as under: "In an action for infringement, the Plaintiff must, no doubt, make out that the use of the Defendant's mark is likely to deceive, but where the similarity between the Plaintiffs and the Defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the Plaintiffs rights are violated. Expressed in another way, if the essential features of the trade mark of the Plaintiff have been adopted by the Defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial;..... When once the use by the Defendant of the mark which is claimed to infringe the Plaintiffs mark is shown to be "in the course of trade", the question whether there has been an infringement is to be decided by comparison of the two marks. Where the two marks are identical no further questions arise; for then the infringement is made out...."

28. In the case of ***Laxmikant V. Patel Vs. Chetanbhai Shah And Another***, reported at (2002) 3 SCC 65, Apex court made following observation:

“.....The law does not permit any one to carry on his business in such a way as would persuade the customers or clients in believing that his goods or services belonging to someone else are

his or are associated therewith. It does not matter whether the latter person does so fraudulently or otherwise. The reasons are two. Firstly, honesty and fair play are, and ought to be, the basic policies in the world of business. Secondly, when a person adopts or intends to adopt a name in connection with his business or services which already belongs to someone else it results in confusion and has propensity of diverting the customers and clients of someone else to himself and thereby resulting in injury.”

29. I am of the view that the impugned trademark is identical to the plaintiffs’ registered trademark VOLVO and the use of the said trademark in respect of identical goods by the defendants is causing injury to the business, goodwill and reputation of the plaintiffs. Further, the use of the trademark VOLVO by defendants is likely to dilute and debase the distinctiveness, uniqueness and exclusivity attached to plaintiffs’ trademark VOLVO. The adoption and use of the identical trademark by the defendants in relation to identical goods amounts to infringement of the plaintiffs’ statutory rights in the registered trademark VOLVO.
30. In view of the above, the plaintiffs are entitled to a decree of permanent injunction against the defendants from dealing, directly or indirectly, in buses and/or any other products and services or in any other manner, under the trademark or trade name VOLVO or any other trademark deceptively similar thereto, in terms of prayer (i), (ii) and (iii) in paragraph 32 of the plaint.
31. The plaintiffs have also claimed damages on account of illegal activities of the defendants along with delivery up of all the products bearing the mark VOLVO or any other trademarks deceptively similar thereto. However, plaintiffs have limited their claim to punitive damages.
32. In *Microsoft Corporation v. Deepak Raval* reported at MIPR 2007 (1) 72, this Court observed that in our country the Courts are becoming sensitive

to the growing menace of piracy and have started granting punitive damages even in cases where due to absence of Defendant, the exact figures of sale made by them under the infringing copyright and/or trademark, exact damages are not available. The justification given by the Court for award of compulsory damages was to make up for the loss suffered by the plaintiff and deter a wrong doer and like-minded from indulging in such unlawful activities.

33. In *Larsen and Toubro Limited v. Chagan Bhai Patel* reported at MIPR 2009 (1) 194, this Court has observed that it would be encouraging the violators of intellectual property, if the Defendants notwithstanding having not contested the suit are not burdened with punitive damages.
34. In case of *Time Incorporated v. Lokesh Srivastava and Anr.*, reported at 2005 (30) PTC 3 (Del), the court has recognized third type of damages as punitive damages apart from compensatory and nominal damages. The court has held that:

“The award of compensatory damages are aimed at deterring a wrong doer and the like minded from indulging in such unlawful activities.”

"This Court has no hesitation in saying that the time has come when the Courts dealing actions infringement of trademark, 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."

35. For the reasons stated above, the plaintiffs have made out a case for grant of decree as prayed in the plaint. Accordingly, the order dated 23.01.2012 is confirmed and the suit is decreed in favour of the plaintiffs and against

the defendants. Plaintiffs are also entitled to damages to the tune of Rs.2.00 lacs.

36. Decree sheet be drawn up accordingly.

(G.S.SISTANI)
JUDGE

AUGUST 22, 2014