

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

RESERVED ON : 28th OCTOBER, 2014

DECIDED ON : 20th NOVEMBER, 2014

+ CS (OS) 1438/2011 & I.A.No.3178/2014

M/S. HINDUSTAN PENCILS PVT. LTD. Plaintiff

**Through : Mr.Sushant Singh, Advocate with
Mr.P.C.Arya, Advocate.**

VERSUS

ANAND KUMAR BAJAJ & ORS. Defendants

Through : None.

**CORAM:
HON'BLE MR. JUSTICE S.P.GARG**

S.P.GARG, J.

1. M/s. Hindustan Pencils Pvt. Ltd. (hereinafter referred to as 'the plaintiff') has filed the present suit for permanent injunction restraining infringement of trademark, copyright, passing off, damages, delivery up, etc. against the defendants. The case set up by the plaintiff in the plaint is as under :

2. The plaintiff earlier a public limited company incorporated under the Indian Companies Act has been converted into a private limited company. Mr.Manoj Dabke is the authorized signatory of the plaintiff to

institute the present suit. It is further averred that the plaintiff is well established and is carrying on an old and established business of manufacturing, marketing and selling pencils, erasers, sharpeners, foot rulers and other items of stationery of day-to-day use since 1957. It has conceived, invented, designed and adopted the mark 'NATARAJ' along with a device of 'NATARAJ' in respect of their pencils, sharpeners, erasers and other stationery products in the year 1961 and since then, they have been using the said trademark 'NATARAJ' along with device of 'NATARAJ' in a particular design label having its colour scheme, get up, layout, background in red and black and having its particular characteristics and style continuously, perpetually uninterruptedly and without any hindrance with respect to their stationery items throughout the territory of India. The present action is concerned with the plaintiff's well known and extensively used 'NATARAJ' erasers having its particular get up, style, layout, design and artistic features in the label, which is of red and black colour scheme amongst other features. These are misused by the defendants by copying / reproducing the said colour scheme, get up, layout and distinct features by merely replicating the features. It is further averred that the plaintiff is a registered proprietor of the trademark 'NATARAJ' and the device of 'NATARAJ' in India. The details of the

trademarks applied have been reflected in para No.5 of the plaint. All these trademarks and their registration is valid and subsisting in the Registry of the Trade Marks. It is further stated that the plaintiff is also registered proprietor of the copyright under No.25427/79 in respect of carton and label containing the colour scheme, get up and layout of packaging of 'NATARAJ' with the device of 'NATARAJ' along with the various other registrations under the Copyright Act, 1857. The details of the sale figures of the products have been described in para No.7 of the plaint. In para No.8 of the plaint the description of the artistic features of the plaintiff's earlier carton and present carton used by it has been described in detail. All these features are artistic features and constitute the original artistic features within the meaning of Section 2(c) of the Indian Copyright Act. The plaintiff is the owner of the copyright therein and is using it continuously and regularly since the year 1989.

3. It is further pleaded that on account of superiority of the goods, long, extensive and continuous user and wide advertisement, the plaintiff's trademark 'NATARAJ' and device of 'NATARAJ' have become very popular with the stationery trade and members of the public associate the trademark 'NATARAJ' with the plaintiff and no one else.

The trademark, device and get up of the carton in which the products are

sold connote and denote the products manufactured by the plaintiff alone. Among the general purchasing public are the school going children who recognize the plaintiff's products by its trademark and get up of the carton in which these products are sold. The said get up, layout and artistic features of the plaintiff's label have become exclusive proprietary interest and have been associated with the plaintiff and no one else.

4. Grievance of the plaintiff is that in the first week of July, 2009 it came to its knowledge that the defendants have been selling the erasers under the trademark 'NAMRAAJ' by replicating the plaintiff's artistic features i.e. red and black colour scheme and also by aligning their products as nearly identical to that of the plaintiff. The defendants have copied the entire colour scheme including red and black colour scheme and the words of the trademark 'NAMRAAJ', which are also written in white colour as that of the plaintiff. Inside the boxes, the erasers are there which also contain the red and white background. The two rival products have been shown in para No.11 of the plaint. The comparative chart showing the similarities between the two rival products of the plaintiff and the defendants has been depicted in para No.12 of the plaint. Apparently, the plaintiff's label and the defendants' label are identical and is also aligned as closely as possible with that of the plaintiff. It is alleged that

the defendants intend to give the impression that their products are either originating from the plaintiff or are of the plaintiff's and are gaining unfair advantage over the goodwill and reputation of the plaintiff under the said packaging and label. Adoption of nearly identical packaging material for the similar colour erasers is a dishonest attempt made by the defendants to cause confusion in the mind of the public.

5. It is further averred that the defendants No.1, 3 & 4 are manufacturers of the infringing goods. Defendant No.2 is marketing those products. The mala fide and dishonest intention of the defendants is apparent from the fact that they have not stopped at merely adopting the identical / deceptively similar trademark and packing but have filed the trademark application for the registration of the mark 'ANAND NAMRAAJ' under application No.1425977, which was opposed by the plaintiff. By virtue of the prior adoption, prior user and extensive publicity and promotion, the packing material, which is the distinctive pack and unique combination of arrangement of features, get up, layout and colour scheme have earned substantial goodwill and reputation to the plaintiff. The defendants have attempted to make a deliberate misrepresentation to the purchasing public and it is bound to cause confusion and deception in the mind of the purchasing public.

6. It is further averred that earlier also CS (OS) 262/2006 was instituted against the defendants. Despite permanent injunction in the said civil suit, the defendants have not stopped infringing the trademark and device of the plaintiff. Hence, the present suit.

7. By an order dated 01.06.2011 in I.A.No.9506/2011 (u/O XXXIX R 1 & 2 CPC), the defendants, their directors, partners, proprietors, agents and representatives and all others acting on their behalf were restrained from manufacturing, selling, offering for sale and marketing the erasers and using the trademark 'NAMRAAJ' or any other mark which was deceptively similar to the plaintiff's registered trademark 'NATARAJ'.

8. Defendants No.1 and 4 did not appear despite service and were proceeded ex-parte by an order dated 30.08.2011. Defendant No.3 expired during the pendency of the suit. No application to bring on record his legal heirs was moved on record. Defendant No.2 was also proceeded ex-parte by an order dated 31.05.2013. The amended memo of parties was filed excluding the name of defendant No.3. The plaintiff was permitted to file affidavit by way of evidence by an order dated 22.05.2014.

9. I have heard the learned counsel for the plaintiff and have examined the file. As observed above, none appeared on behalf of the

defendants despite service and they were proceeded ex-parte. Adverse inference is to be drawn against the defendants for not appearing and contesting the claim of the plaintiff. In its ex-parte evidence, the plaintiff has filed on record the detailed affidavit sworn by Mr. Manoj Dabke, Constituted Attorney of the plaintiff who is well conversant with the facts of the case and is competent to swear the affidavit. Mr. Manoj Dabke has proved the copy of resolution in his favour (Ex.PW-1/1); copy of the Power of Attorney (Ex.PW-1/2) and Certificate consequent to the change of name of the plaintiff (Ex.PW-1/3). He has deposed on oath that the plaintiff company is carrying on the old and established business of manufacturing and marketing stationery items including pencils, erasers and sharpeners. It had conceived, invented, designed and adopted the mark 'NATARAJ' along with device of 'NATARAJ' in respect of their stationary articles since 1961. These have been used in a particular design label having its colour scheme, get up, layout, background in red and black and having its particular characteristics and style continuously, perpetually, uninterruptedly and without any hindrance throughout the territory of India. PW-1 (Mr. Manoj) has reiterated and proved the version detailed in the plaint. The testimony of the witness has remained unchallenged and unrebutted. He has proved the copies of the relevant

Copyright Certificate collectively exhibited as Ex.PW-1/5 to show that the plaintiff is the registered proprietor under No.25427/79 in respect of carton and label along with various other registrations under the Copyright Act. Ex.PW-1/6 is the details of the sales figures for the last 46 years. Original invoices of the plaintiff's company have been collectively exhibited as Ex.PW-1/7. Ex.PW-1/8 is the packaging of the 'NATARAJ' of the plaintiff. Copies of the advertisement of the plaintiff's company have been collectively exhibited as Ex.PW-1/9. The packaging material carton used by the defendants are Ex.PW-1/10. Copy of opposition filed by the plaintiff for mark 'ANAND NAMRAAJ' under application No.1425977, in the office of Registrar of Trade Marks, is Ex.PW-1/11. Copy of the FIR No.300/09 along with photographs taken during the raid is Ex.PW-1/12.

10. From the unchallenged and unrebutted testimony of the plaintiff, it can safely be concluded that the defendants without any plausible reasons and prior permission or authority of the plaintiff have infringed the trademark 'NATARAJ' and its device 'NATARAJ' by using identical / deceptively similar trademark 'NAMRAAJ 721 PLASTO ERASERS' having red colour predominantly black lines on each side of the packaging carton like that of Annexures 'F' & 'G' which is a

colourable imitation or substantial reproduction of the plaintiff's mark 'NATARAJ' along with the device of 'NATARAJ'. On a comparison made between the plaintiff's and defendants' products / carton, the submissions advanced by the learned counsel for the plaintiff are found to be correct as much as the defendants have blindly copied various features of the product of the plaintiff which are deceptively similar.

11. In '*Laxmi Kant Patel vs. Chetanbhat Shah & Anr.*', AIR 2002 SC 275, the Supreme Court held :

"A person may sell his goods or deliver his services such as in case of a profession under a trading name or style. With the lapse of time such business or services associated with a person acquire a reputation or goodwill which becomes a property which is protected by courts. A competitor initiating sale of goods or services in the same name or by imitating that name results in injury to the business of one who has the property in that name. 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 he 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.

In an action for passing off it is usual, rather essential, to seek an injunction temporary or ad-interim. The principles for the grant of such injunction are the same as in the case of any other action against injury complained of. The plaintiff must prove a prima facie case, availability of balance of convenience in his favour and his suffering an irreparable injury in the absence of grant of injunction. According to Kerly (ibid, para 16.16) passing off cases are often cases of deliberate and intentional misrepresentation, but it is well-settled that fraud is not a necessary element of the right of action, and the absence of an intention to deceive is not a defence though proof of fraudulent intention may materially assist a plaintiff in establishing probability of deception. Christopher Wadlow in Law of Passing Off (1995 Edition, at p.3.06) states that the plaintiff does not have to prove actual damage in order to succeed in an action for passing off. Likelihood of damage is sufficient. The same learned author states that the defendant's state of mind is wholly irrelevant to the existence of the cause of action for passing off (ibid, paras 4.20 and 7.15). As to how the injunction granted by the Court would shape depends on the facts and circumstances of each case. Where a defendant has imitated or adopted the plaintiff's distinctive trade mark or business name, the order may be an absolute injunction that he would not use or carry on business under that name, (Kerly, ibid, para 16.97)”.

12. Having regard to the un rebutted testimony of the plaintiff, on account of superiority of goods, long, extensively and continuous user and advertisement by way of print and audio-visual media of the said trademark in India as well as abroad, I am of the view that the plaintiff has

succeeded in proving its case in respect of the product mentioned in Ex.PW1/4 that the same has become popular in the stationary trade and members of the public associate them with the goods of the plaintiff and none else. The said packing material (Ex.PW-1/8), in which the erasers are sold, denote and connote the items manufactured by the plaintiff alone. The device in question is used by the plaintiff for the last more than four decades. The registration granted in favour of the plaintiff under Section 31 of the Trademarks Act is a prima facie evidence and it has become conclusive under Section 32 of the said Act. It is evident that the defendants, by taking advantage of the renowned products of the plaintiff, have tried to take undue advantage of the goodwill and reputation being enjoyed by the plaintiff and have tried to pass off their products as that of the plaintiff. By adopting the colour scheme, get up, etc. of the plaintiff's products, deliberately and dishonestly, the defendants have infringed the registered trademark / copyright of the plaintiff and are guilty of such infringement under Section 29 of the Act. Section 28 of the Act confers exclusive rights in favour of the plaintiff. It is certain that the defendants by using the packing materials (Ex.PW-1/8) in respect of same product i.e. erasers are bound to create an impression in the mind of general purchasing public particularly the school-going children that these erasers

originate from the plaintiff. The plaintiff, therefore, is entitled for the decree of injunction as prayed for.

13. Insofar as claim for damages is concerned, as the defendants chose to remain ex-parte and in the absence of exact figures of sales, etc. of the defendants' products under the infringing trademark, the exact damages are not quantified and proved. However, the plaintiff can be benefited by awarding punitive damages in view of the principles laid down in '*Time Incorporated vs. Lokesh Srivastava*', 2005 (30) PTC 3 and '*Hero Honda Motors Ltd. vs. Shree Assuramji Scooters*', 2006 (32) PTC 117 (Delhi).

14. Perusal of the record reveals that earlier also CS (OS) 262/2006 was filed against the defendants - (1) Jain Pencils Associates and (2) Anand Stationer, which was decreed on 21.02.2007 by this Court. It appears that despite issuance of restraint order and award of punitive damages to the tune of ₹ 1,00,000/-, the defendants did not stop infringing the trademark of the plaintiff. Accordingly, the defendants can be directed to pay punitive damages to the tune of ₹ 3,00,000/-.

15. In the light of above discussion, the suit of the plaintiff is decreed with costs and the defendants, their servants, officers, agents and representatives are restrained from manufacturing, selling, offering for

sale or marketing the erasers using identical / deceptively similar trademark 'NAMRAAJ 721 PLASTO ERASERS' or any other mark which is deceptively similar to the plaintiff's trademark 'NATARAJ'. They are further restrained from using the trademark 'NAMRAAJ 721 PLASTO ERASERS' having red black predominantly black lines from each side of the packaging carton like Annexures 'F' & 'G' which is a colourable imitation or substantial reproduction of the plaintiff's mark 'NATARAJ' along with the device of 'NATARAJ' packaging. The plaintiff shall also be entitled to punitive damages to the tune of ₹3,00,000/-. Pending I.A. also stands disposed of.

16. Decree-sheet be prepared accordingly.

(S.P.GARG)
JUDGE

NOVEMBER 20, 2014 / tr