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

+ **CS(OS) 3447/2012**

% ***Judgment dated 29.04.2014***

J & P COATS LTD & ANR Plaintiff

Through: Ms.Anuradha Salhotra and
Mr.Sumit Wadhwa, Advocates

versus

RAHUL GUPTA & ORS Defendant

Through: Mr.Sushant Singh and Mr.Tajinder
Singh, Advocates

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

G.S.SISTANI, J (ORAL)

1. Plaintiffs have filed the present suit for permanent injunction, infringement of trade mark, passing off, account of profits under the Trade Marks Act, 1999 against the defendants.
2. Defendant no.1 is present in court today submits that he has no objection if a decree is passed, provided only nominal damages are imposed. He also submits that he has stopped manufacturing the impugned goods and even changed his line of business. It is also submitted by the defendant no.1 that he is now working in a private firm and there is no question of his supplying any goods to defendants no.2 and 3. Defendant no.1 also states that he has not infringed the trademark of the plaintiff nor he will do so in future. The statement made by defendant No.1 is accepted and taken on record. Defendant No.1 shall remain bound by the statement made in court today. Defendant no.1 also agrees to pay Rs.50,000/- as damages

to the plaintiff within four weeks from today.

3. Learned counsel for the plaintiff on instructions from the authorised representative of the plaintiffs submits that offer of Rs.50,000/-, as damages, is not acceptable to the plaintiffs. A prayer is made for higher damages.
4. I have heard learned counsel for the parties and considered their rival submissions. The plaintiffs have filed the present suit for permanent injunction, infringement of trade mark, passing off, accounts of profits under the Trade Marks Act, 1999. The plaintiffs are the registered proprietor of the trade mark 'MOON'. The plaintiffs learnt that defendants had made an application for registration of the word 'MEEN' with respect to similar goods. The packaging material was also of identical blue colour.
5. While issuing summons in the suit and notice in the application for stay, a Local Commissioner was also appointed. As per the report of the Local Commissioner, no goods were found at the premises in question. Defendant no.1, who has appeared in person, has made a categorical statement that neither he has infringed the trade mark of the plaintiffs nor will he do so in future. Defendant no.1 has also agreed that the suit may be decreed in favour of the plaintiffs and against the defendants keeping in view his financial status and background and also the fact that the suit is at the initial stage, costs of Rs.50,000/- should be accepted for the act of passing off decree.
6. Section 135 (3) of the Trade Marks Act reads as under:

“(3) Notwithstanding anything contained in sub-section (1), the court shall not grant relief by way of damages (other than nominal damages) or on account of profits in any case—

(a) where in a suit for infringement of a trade mark, the infringement complained of is in relation to a certification trade mark or collective mark; or

(b) where in a suit for infringement the defendant satisfies the court—

(i) that at the time he commenced to use the trade mark complained of in the suit, he was unaware and had no reasonable ground for believing that the trade mark of the plaintiff was on the register or that the plaintiff was a registered user using by way of permitted use; and

(ii) that when he became aware of the existence and nature of the plaintiff's right in the trade mark, he forthwith ceased to use the trade mark in relation to goods or services in respect of which it was registered; or

(c) where in a suit for passing off, the defendant satisfies the court—

(i) that at the time he commenced to use the trade mark complained of in the suit he was unaware and had no reasonable ground for believing that the trade mark of the plaintiff was in use; and

(ii) that when he became aware of the existence and nature of the plaintiff's trade mark he forthwith ceased to use the trade mark complained of.”

7. Somewhat similar question had up for consideration before a Division Bench of this Court in the case of *Societe Des Products Nestle S.A. & Anr. V. Satya Prakash Maheshwari & Ors.*, reported at 2009 (39) PTC 129 (Del.)(DB), wherein a Division Bench of this Court held as under:

“14. A perusal of Section 135 (b) of the Trade Marks Act, 1999 lays down that if at the time of commencement of the use of trade mark in the suit, a party was unaware and had no reasonable ground for believing that the trademark of the plaintiff was on the register or when he becomes aware of the existence and nature of the plaintiff's right in the trade mark forthwith ceases to use the said trade mark in relation to such goods, the Court shall not grant relief by way of damages (other than normal damages) or on account of profits. Thus there is a clear mandate in a case of the present nature where the parties were not aware that there mark was offending a

registered trade mark of appellant and at the threshold admitted their mistake. The grant of damages even nominal or rendition of account would not only have been against the law but also unjustified and harsh. In our view, the respondent no.1 is only a small time operator who has accepted his mistake on the very first instance without wasting the time of the Court and therefore, we agree with the view of the learned Single Judge in not granting the damages nominal or punitive to the appellant on the basis of the admission of infringement of its trademark by respondent no.1. The judgment which has been relied upon by the learned counsel for the appellant in Hero Honda's case (supra) is distinguishable from the facts of the present case inasmuch as that was a case in which the respondent had not admitted that it had indulged in violation of any trademark and further the status of the parties would also not comparable with the status of parties in the present case and accordingly merely on account of the fact that damages to the tune of Rs.5,00,000/- (Rupees Five Lacs) had been granted in the said case, could hardly be said to be a ground for grant of damages in the present case. Similarly, the second judgment also cited by the learned counsel for the appellant is also not applicable in view of clear admission made by the Respondents on two different dates and Section 8 of The Evidence Act and Order 12 Rule 6 C.P.C. in the present case."

8. In my view, the case in hand is on a better footing as defendant no.1 has agreed to pay damages in the sum of Rs.50,000/-. Having regard to the status of the defendants, the statement made in Court that a decree be passed in the case, his having changed his line of business and having joined prime service, in the facts of this case I accept the offer of the defendants.
9. The suit is decreed in above terms, with damages of Rs.50,000/- to be paid within four weeks from today.

G.S.SISTANI, J

APRIL 29, 2014

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