

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

+ CS(OS) 3690/2014

KEYENCE CORPORATION Plaintiff

Through: Mr. Aditya Gupta, Adv.

versus

VACHHANI JALPA PANKAJ Defendant

Through: None.

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Reserved On : 19th May, 2015

Date of Decision: 29th June, 2015

CORAM:

HON'BLE MR. JUSTICE MANMOHAN

J U D G M E N T

MANMOHAN, J:

1. Present suit has been filed for permanent injunction for infringement and passing off of plaintiff's trademark KEYENCE as well as unfair competition, dilution, damages, etc. The prayers in the plaint are reproduced hereinbelow:

“a. An order for permanent injunction restraining the defendant, its principal officers, servants, agents, their affiliates, subsidiaries, distributors, and all other acting for and on their behalf from using the impugned mark KEYENCE WATER SYSTEM including as a trademark, trade name, domain name, and/or any other name, word, domain name or mark which is deceptively or confusingly similar to the plaintiff's registered trademark KEYENCE in any manner for any and services so as to cause confusion or deception

leading to infringement of plaintiff's registered trademark KEYENCE;

b. An order for permanent injunction restraining the defendant, its principal officers, servants, agents, their affiliates, subsidiaries, distributors, and all other acting for and on their behalf from using the impugned mark KEYENCE WATER SYSTEM including as a trademark, trade name, domain name, and/or any other name, word, domain name or mark which is deceptively or confusingly similar to the plaintiff's trademark KEYENCE in any manner for any goods and services so as to cause confusion or deception leading to passing off of the defendant's goods or services as those of the plaintiff or associated with the plaintiff;

c. An order for permanent injunction restraining the defendant, its principal officers, servants, agents, their affiliates, subsidiaries, distributors, and all other acting for and on their behalf from using the impugned mark KEYENCE WATER SYSTEM including as a trademark, trade name, domain name, and/or any other name, word, domain name or mark which is deceptively or confusingly similar to the plaintiff's registered trademark KEYENCE in any manner for any goods and services so as to cause dilution of the plaintiff's trademark KEYENCE;

d. An order of rendition of accounts of profit illegally earned by the defendant on account of use of the impugned mark KEYENCE WATER SYSTEM and a decree be passed in favour of the plaintiff with regard to the amount so ascertained;

e. An order directing the defendant to destroy all catalogues, brochures, publicity materials, stickers, infringing products, whether in its possession or in the

market and all other material bearing the impugned mark KEYENCE WATER SYSTEM which is identical and deceptively similar to the plaintiff's registered trademark KEYENCE;

f. An order directing the defendant to pay a sum of Rs. 20,00,000/- towards damages which is the estimated loss of revenue by the plaintiff as also the loss of reputation and goodwill owing to the illegal activities of the defendant;

g. An order for costs; and

h. Any further order as this Hon'ble Court may deem fit and proper under the facts and circumstances of the case may also be passed in favour of the plaintiff and against the defendant."

2. At the outset, learned counsel for the plaintiff stated that the plaintiff gave up prayers d, e and f of the plaint.

3. The relevant facts of the present case are that plaintiff Company, a developer and manufacturer of automation equipment, is the registered proprietor for the trademark KEYENCE in India since 1984 vide registration numbers 422288, 980857, 1874817 and 2191110. Plaintiff has been operating in India since the year 1996 through its authorized distributor, Toshni-Tek International and through its subsidiary in India, Keyence Pvt. Ltd. since 2011. Plaintiff's trademark KEYENCE also forms an essential part of its domain names such as www.keyence.co.in, www.keyence.com, www.keyence.co.jp, etc.

4. In the plaint it is stated that in April 2015, plaintiff learnt through defendant's advertisement in the trademark journal that the defendant had filed an application for the KEYENCE WATER

SYSTEM bearing application no. 2301599. In order to confirm defendant's use of the trademark KEYENCE, plaintiff appointed an investigator and learnt that defendant was using the mark KEYENCE both as a trading name as well as a trade mark for its water related products. Plaintiff also learnt that defendant was using the website www.keyencewatersystem.com for promoting, advertising and selling its products.

5. Upon the present suit being filed, this Court on 1st December, 2014 restrained the defendant, its principal officers, servants, agents, subsidiaries, distributors, or anyone acting for and on behalf of the defendant from using the mark KEYENCE WATER SYSTEM or any other deceptive and similar mark as that of the plaintiff's trademark KEYENCE.

6. Since defendant failed to appear in the present proceedings despite affidavit of compliance and service, he was proceeded ex-parte vide order dated 29th January, 2015. Vide the same order, the ex-parte ad interim injunction granted on 1st December, 2014 was also made absolute till the disposal of the suit.

7. While disposing of I.A. No. 7161/2015 under Order 26 Rule 9 of the Civil Procedural Code, the Court vide order dated 10th April, 2015 appointed a Local Commissioner to visit the premises of the defendant and perform the following functions:

“i. Search the defendant's aforesaid premises for the infringing products.

ii. Make an inventory of and take into custody all the infringing goods including products, brochures,

visiting cards, blank invoices, blank letter heads labels packaging materials, promotional material, etc. bearing the impugned trademark KEYENCE or any other deceptively similar mark thereto; pack and seal the same and return these on Superdari to defendants with direction to produce these before this court as and when directed;

iii. Take copies of all books of accounts including ledgers, cash books, purchases and sales records, etc.;

iv. Remove all billboards, signage and/or hoardings bearing the impugned mark KEYENCE;

v. Break open the locks in furtherance of the aforesaid purpose.”

8. Pursuant to order dated 10th April, 2015, the Local Commissioner executed the commission on 17th April, 2015 and submitted his report dated 23rd April, 2015. In the said report, he stated that on investigation of the defendant's premises he found that the name of the company had been changed from 'KEYENCE WATER SYSTEMS' to 'KEY ENVIRON PROJECTS'. He also stated that Mr. Pankaj Ramjibhai Vachani, owner of defendant company assured the Local Commissioner and gave him a written undertaking that he will not use the Plaintiff's trademark in future, in any manner. Mr Pankaj further proved that Plaintiff had stopped using the trademark KEYENCE since December 2014(Annexure C to Local Commissioner's report dated 23rd April, 2015).

9. Mr. Ryoichi Yamamoto, PW-1 in his evidence has deposed that Plaintiff company has over 200 offices in more than 40

countries across the world and that plaintiff has been operating in India since 1996. PW-1 has proved that Plaintiff is the registered proprietor of the trademark KEYENCE in India since 1984 and in USA since 1986. PW-1 has deposed that Plaintiff enjoys exclusivity with its use of the trademark KEYENCE across the globe.

10. PW-1 deposed that KEYENCE is an original, coined word that has no natural meaning in the English or Japanese language and was derived by the Plaintiff from “KEY of sciENCE”. He deposed that by virtue of the long, continuous and extensive use of the KEYENCE trademark, Plaintiff has garnered a goodwill and reputation and KEYENCE has come to be exclusively associated with goods originating from the Plaintiff. PW-1 has put on record the following table to show plaintiff’s revenue from sales and expenditure on promotion:

YEAR	AMOUNT OF SALES WORLDWIDE (IN YEN)	PROMOTIONAL EXPENDITURE INCURRED WORLDWIDE (IN YEN)
2012-2013	OVER 1,78,079 MILLION	2,539 MILLION
2013-2014	OVER 2,13,177 MILLION	2,462 MILLION

11. Upon a perusal of the evidence on record including the documentary evidence and the unambiguous undertaking given by the defendant in the local commissioner’s report, this Court is of the view that plaintiff has proved its case. It is pertinent to mention

that whatever evidence has been led by the plaintiff in the present case has gone unrebutted and unchallenged.

12. Accordingly, the use of the mark KEYENCE by the defendant in relation to water system being without any due cause is detrimental to the goodwill and reputation as well as distinctive character of the said trademark. It also amounts to dilution of mark KEYENCE.

13. Consequently, the suit is decreed in terms of the prayers (a), (b) and (c). Registry is directed to prepare decree sheet accordingly.

MANMOHAN, J

JUNE 29, 2015

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