

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

% **Order Pronounced on: 16th November, 2015**

+ **CS (OS) No.383/2012**

DUNLOP INDIA LTD Plaintiff
Through Mr.C.Mukund, Adv. with
Mr.Ashok Jain, Adv.

versus

FORECH INDIA LIMITED Defendant
Through Mr.Siddhant Chamola, Adv.

**CORAM:
HON'BLE MR.JUSTICE MANMOHAN SINGH**

MANMOHAN SINGH, J.

**CS(OS) No.383/2012 and I.A. No.18804/2015 (u/s 151 CPC,
by defendant)**

1. The plaintiff filed the suit for permanent and mandatory injunction, declaration, rendition of accounts and damages relating to infringement of the plaintiff's trademark and passing off against the defendant restraining it from using the trademark DUNLOP and "D" device in respect of its products. The plaintiff has also claimed damages to the tune of Rs.20,00,500/- for loss of business, reputation and goodwill caused to the plaintiff as well as the reliefs of renditions of accounts, punitive damages to the tune of Rs.5 lac and costs of the suit.

2. At the outset, the learned counsel for the defendant, upon instructions, has made the statement that the defendant has no objection if a decree for permanent injunction be passed in favour of the plaintiff and against the defendant in terms of prayer clause (a), (b) and (c) of the plaint. With regard to the other prayers, the learned

counsel for the defendant submits that the said prayers are not sustainable in law. Therefore, the plaintiff is not entitled for the decree as claimed.

3. By this order, I propose to decide the application filed by the defendant under Section 151 CPC, being I.A. No.18804/2015.

4. The case of the defendant is that the defendant-Company engages in the manufacture and sale of Steel Cord Conveyor Belts. In the year 2009, the defendant entered into a Technology Licensing Agreement with Dunlop Belting Products (Pty.) (hereinafter referred to as "Dunlop S.A."). In order to indicate this particular relationship, the defendant had made use of the trademark DUNLOP and "D" Device along with the words in its brochure in relation to Steel Cord Conveyor Belts. Such indication of the licensing relationship with Dunlop S.A. was done in consonance with the licensing agreement between the defendant and Dunlop S.A. As the use of the said trademarks was solely to describe the defendant's relationship with Dunlop S.A., it cannot be construed as an infringement of the plaintiff's trademarks as it is in pursuance of the contractual agreement itself in addition to being in accordance with honest practices in industrial and commercial matters. The agreement with the Dunlop S.A. has been placed on the record. Therefore, the defendant's use of the said trademarks was permissible under the provisions of Section 30 of the Trade Marks Act, 1999. It is submitted that the said licensing relationship between the defendant and Dunlop S.A. had ceased to exist in the year 2012. The defendant further submitted that the defendant-Company never made use of the said trademarks in relation to any product. The photographs of the defendant's product during the period of its licensing relationship with Dunlop S.A. as well as the invoices evidencing the sale of such product during the same period have been

placed on the record. Learned counsel for the defendant states that the said documents evidence the defendant's contention that the trademark DUNLOP and "D" Device were never used by the defendant on the Steel Cord Conveyor Belts themselves, or in the course of trade to draw an association with the plaintiff. The defendant's bonafides are further evidenced from the fact that as soon as the summons issued in the suit were received, the defendant stopped making use of the said trademarks without prejudice of its rights and had amended its brochures. Moreover, the defendant had even filed its amended brochure before this Court on 12th October, 2012. A comparison chart evidencing the plaintiff's erstwhile brochure and the revised brochure respectively has been placed on the record.

5. This matter was being taken up by the Court earlier from time to time on the basis of various attempts made by the defendant for an amicable settlement. The plaintiff, however, is reluctant to settle the matter despite of the suggestion made by the defendant for passing a decree in favour of the plaintiff. The plaintiff is insisting that the defendant must pay the damages to the plaintiff. When this application was being heard, a specific query was raised to the learned counsel for the plaintiff that is there any evidence on record to show that the defendant is dealing in merchandise goods under the trademark DUNLOP or "D" Device, by infringing the trademark of the plaintiff. There was no positive answer on behalf of the learned counsel for the plaintiff, nor is there any evidence placed on the record in order to show that the defendant was infringing the trademark of the plaintiff. The use of the word DUNLOP by the defendant has already been explained in the written statement in order to show under which circumstances the said name was used.

6. Learned counsel for the defendant states that even as per the earlier arrangement by the defendant with the overseas company of the plaintiff, the same arrangement is not continuing and even in future, the defendant has no intention to use the trademark DUNLOP and "D" Device in any manner whatsoever in relation to any of the goods as that of the plaintiff. The evidence in the matter is yet to be started. The said aspect has been dealt with by this Court in the case of **DKT India v. HLL Lifecare Ltd. & Anr.**, CS(OS) No.2497/2012, decided on 8th December, 2014. Relevant paras 11 to 14 of the said judgment read as under:-

"11. 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.

12. Similarly proviso to Section 55(1) of the Copyright Act, provides that if the defendant proves that at the date of the infringement he was not aware and had no reasonable ground for believing that copyright subsisted in the work, the plaintiff shall not be entitled to any remedy other than an injunction in respect of the infringement and a decree for the whole or part of the profits made by the defendant by the sale of the infringing copies as the court may in the circumstances deem reasonable.

13. Section 22 (2) (b) of the Designs Act, 2000 provides that if the proprietor elects to bring a suit for the recovery of damages for any (such) contravention, and for an injunction against the repetition thereof, the person (who acts in contravention of the section) shall be liable to pay such damages as may be awarded and to be restrained by injunction accordingly. Provided that the total sum recoverable in respect of any one design, under clause (a) shall not exceed fifty thousand rupees.

14. Thus there is a clear mandate in a case where the parties were not aware that their mark was offending a registered trade mark of plaintiff and at the threshold admitted their mistake without wasting the time of the Court, the grant of damages even nominal or rendition of account would not only be against the law but also unjustified and harsh."

7. By following the said judgment, I am of the considered view that the facts and circumstances of the present case are totally covered in the said matter. Under these circumstances, the prayer made in the application is allowed.

8. The suit of the plaintiff is decreed in terms of prayers (a), (b) & (c) of the plaint. The plaintiff is not entitled for the other reliefs of damages, rendition of accounts, punitive damages or cost as claimed. The same are accordingly rejected. A decree be drawn accordingly.

(MANMOHAN SINGH)
JUDGE

NOVEMBER 16, 2015