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

+ CS(OS) 281/2013

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Judgment dated 06th October, 2016

ABRO INDUSTRIES, INC Plaintiff

Through : Mr.Suhail Dutt, Sr. Adv. with
Mr.Sankalp Goswami and Mr.Ankur
Manchanda, Advs.

versus

DHIRISH NIMBAWAT & OTHERS Defendants

Through : Ms.Bina Madhguan and Ms.Swati
Bhardwaj, Advs. for Mr.S. Udayan
Kumar Sagar, Adv. for defendants
no.1, 2 and 4.

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

G.S.SISTANI, J (ORAL)

1. Plaintiff has filed the present suit for permanent injunction, infringement of trademark and copyright, passing off, damages and delivery up.
2. Summons in the suit and notice in the application were issued on 13.02.2013, when an *ex parte ad interim injunction* order was passed in favour of the plaintiff and against the defendants. Thereafter on 22.03.2013, counsel for defendants no. 1, 2 and 4 to 6 entered appearance. In the meanwhile, plaintiff and defendants no. 5 and 6 entered into a settlement and jointly moved an application, being I.A.No.17048/2013, for recording the terms of settlement. The application was allowed on 25.10.2013 and the suit was disposed of qua defendants no. 5 and 6. On the said date, it was also clarified by the court that the interim order would remain applicable with respect to

defendants no. 1 to 4 in terms of prayers 1 (i), (ii) and (iii) of I.A.No.2459/2013. Defendants no. 1, 2 and 4 have filed their written statement.

3. On the last date of hearing, learned counsel for the plaintiff had stated that the suit be disposed of on the basis of the averments made by defendants no.1, 2 and 4 in their written statement. Today, counsel for the plaintiff further submits that the plaintiff is willing to give up the relief of damages, provided defendants no.1, 2 and 4 make a statement that they would not use the trademark/name/logo/labels as that of the plaintiff or any other deceptively similar trademark/name/logo/label.
4. Learned counsel for the defendants no.1, 2 and 4 on instructions submits that defendants no.1, 2 and 4 have neither infringed the trademark of the plaintiffs nor manufactured any goods with the impugned trademark ABRO or any other deceptively similar trademark, nor the defendants have any intention to do so in future.
5. Having regard to the submissions made, the present suit stands disposed of, as prayed by the plaintiff in terms of the statement made by counsel for the defendants no. 1, 2 and 4. The plaintiff gives up the relief qua damages. Defendants no.1, 2 and 4 would remain bound by the statement made by the counsel in Court today; which shall be treated as an undertaking to the court.
6. Learned counsel for the plaintiff submits that having regard to the fact that neither any appearance has been entered by defendant no.3 nor has he filed any written statement and his right to file the same has been closed by the order dated 05.11.2015, the present suit be decreed under the provisions of Order VIII Rule 10 CPC in favour of the plaintiff and against the defendant no. 3.
7. The brief facts of the case are that the plaintiff is a leading

manufacturer, distributor and exporter of a wide range of products including tapes, sealants, adhesives and epoxies, automotive appearance, maintenance and repair products and paint products worldwide under the trademark and name ABRO. The plaintiff's products are marketed worldwide including in India under the trademark ABRO. The plaintiff was incorporated in March, 1977, and since then it has carried on its entire business under the trademark ABRO. The trademark ABRO is the house mark of the plaintiff and appears on all its products prominently. The plaintiff also uses a distinctive star logo as part of its corporate name and trademark together with the word ABRO. The plaintiff's products are marketed in labels and packages, which are distinctive of the plaintiff's products and business. The plaintiff has been exporting its products including tapes to India since at least the period February 1988. The distributors appointed by the plaintiff in India are permitted and licensed by the plaintiff. The plaintiff has extracted in para 12 of the plaint details of year-wise figures of exports made by the plaintiff of its products to India.

8. It is averred in the plaint that the specially designed and drawn labels and packages of the plaintiff's products have been used with the present look and get-up worldwide for the last several years, extensively, continuously and uninterruptedly. The plaintiff has extracted in para 14 of the plaint, worldwide sales figures. In para 15 of the plaint, the plaintiff has also extracted details with regard to the amount spent on advertisement and promotional activities.
9. As per the plaint, the plaintiff and its products and business have received wide publicity in press and other media internationally, besides the plaintiff's website, being www.abro.com, has been

instrumental in spreading plaintiff's reputation worldwide. In the past, the plaintiff is stated to have been very active in defending his trademark ABRO.

10. The complaint of the plaintiff is that the defendants are indulged in the activities of manufacturing, distributing and selling the inferior quality counterfeit tapes under the name and mark ABRO, which is absolutely identically to the trademark ABRO being used by the plaintiff. The defendants have also copied and reproduced each and every essential feature of the packaging material of the plaintiff's product sold under the trademark ABRO. The overall look of the defendants counterfeit products under the trademark ABRO is almost identical/confusingly and deceptively similar to the packaging of the plaintiff's reputed products sold under the trademark ABRO. The labels of counterfeit product (tapes) being supplied by the defendants are substantial reproduction of the product labels of the plaintiff including device of the trademark, contents, arrangement of contents on labels/packages, colour combination/scheme, lay out, size, trade dress and general get-up. According to the petitioner, the counterfeiting by the defendants is blatant as they are also printing name and address of the plaintiff thereon, as the manufacturer/supplier of the said counterfeit products. By their unlawful activities, the defendants are deliberately and expressly representing themselves as related to the plaintiff, in order to deceive the general public at large and to ride over the goodwill of the plaintiff.
11. I have heard learned counsel for the plaintiff and also examined the plaint and the documents filed along with the plaint.
12. It may be noticed that defendant no.3 could not be served despite repeated steps having been taken from 13.2.2013 till 18.12.2014;

thereafter the plaintiff filed I.A. 6885/2015 seeking permission to serve the summons on defendant no.3 by publication, which was allowed on 08.04.2015. On 05.11.2015, the Joint Registrar had noticed that defendant no. 3 has been served by publication and the proof of publication has been placed on record. On the same date, the right of the defendant no. 3 to file written statement was also closed. Despite service through publication none appears on behalf of defendant no.3, nor has any written statement been filed.

13. Order VIII Rule 10 has been inserted by the legislature to expedite the process of justice. The courts can invoke its provisions to curb dilatory tactic, often resorted to by defendants, by not filing the written statement by pronouncing judgment against it. At the same time, the courts must be cautious and judge the contents of the plaint and documents on record as being of an unimpeachable character, not requiring any evidence to be led to prove its contents. The Supreme Court in ***C.N Ramappa Gowda v. C.C. Chandregowda***, (2012) 5 SCC 265 had held as under:

“25. We find sufficient assistance from the apt observations of this Court extracted hereinabove which has held that the effect [Ed.: It would seem that it is the purpose of the procedure contemplated under Order 8 Rule 10 CPC upon non-filing of the written statement to expedite the trial and not penalise the defendant.] of non-filing of the written statement and proceeding to try the suit is clearly to expedite the disposal of the suit and is not penal in nature wherein the defendant has to be penalised for non-filing of the written statement by trying the suit in a mechanical manner by passing a decree. We wish to reiterate that in a case where written statement has not been filed, the court should be a little more cautious in proceeding under Order 8 Rule 10 CPC and before passing a judgment, it must ensure that even if the facts set out in the plaint are treated to have been admitted, a judgment and decree could

not possibly be passed without requiring him to prove the facts pleaded in the plaint.

26. It is only when the court for recorded reasons is fully satisfied that there is no fact which needs to be proved at the instance of the plaintiff in view of the deemed admission by the defendant, the court can conveniently pass a judgment and decree against the defendant who has not filed the written statement. But, if the plaint itself indicates that there are disputed questions of fact involved in the case arising from the plaint itself giving rise to two versions, it would not be safe for the court to record an ex parte judgment without directing the plaintiff to prove the facts so as to settle the factual controversy. In that event, the ex parte judgment although may appear to have decided the suit expeditiously, it ultimately gives rise to several layers of appeal after appeal which ultimately compounds the delay in finally disposing of the suit giving rise to multiplicity of proceedings which hardly promotes the cause of speedy trial.

27. However, if the court is clearly of the view that the plaintiff's case even without any evidence is prima facie unimpeachable and the defendant's approach is clearly a dilatory tactic to delay the passing of a decree, it would be justified in appropriate cases to pass even an uncontested decree. What would be the nature of such a case ultimately will have to be left to the wisdom and just exercise of discretion by the trial court who is seized of the trial of the suit."

(Emphasis Supplied)

14. Accordingly, for invoking the provisions under Order VIII Rule 10 of CPC, this court must put to test the averments in the plaint and consider their veracity. The present case has been primarily filed by the plaintiff to protect its trademark in 'ABRO' as well as its copyright in the original artistic work of the packaging/label.
15. In respect of defendant no. 3, it is the case of the plaintiff that defendant no.3 is manufacturing and distributing the counterfeit products (tapes) under the trademark and name ABRO. I have

examined the photographs of the counterfeit products being manufactured and distributed by defendant no. 3 and the photographs of the products of the plaintiff, which have been filed along with the list of documents being Document No.11. The labels including device of the trademark, contents, arrangement of contents on labels/packages, colour combination/scheme, lay out, size, trade dress and general get-up of the counterfeit product (tapes) of defendant no. 3 are the substantial reproduction of the product of the plaintiff. Accordingly, having regard to the averments made in the plaint which are duly supported by documents and an affidavit, which have not been rebutted it stands established that the labels of the defendant no. 3 are substantial reproduction of the product of the plaintiff.

INFRINGEMENT

16. Section 29 (2) of the Trade Marks Act stipulates the conditions when usage by a person amounts to infringement of a registered trademark. Section 29 (2) and (3) read as follows:

“(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of—

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.”

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(Emphasis Supplied)

17. Since the marks being used are identical and the the goods being applied to are also identical, I accordingly hold that the activities of the defendant no. 3 are infringing the registered mark of the plaintiff under Section 29 of the Trade Marks Act. The presumption contained in sub-section (3) of Section 29 also comes to the aid of the plaintiff in the present matter.

PASSING OFF

18. Passing Off action arises out of common law and is not pre-conditioned on registration. The term ‘passing off’ was explained by James, L.J. in as under:

“...I have often endeavoured to express what I am going to express now (and probably I have said it in the same words, because it is very difficult to find other words in which to express it) — that is, that no man is entitled to represent his goods as being the goods of another man; and no man is permitted to use any mark, sign or symbol, device or other means, whereby, without making a direct false representation himself to a purchaser who purchases from him, he enables such purchaser to tell a lie or to make a false representation to somebody else who is the ultimate customer.”

(Emphasis Supplied)

19. Lord Diplock in *Erven Warnink Besloten Vennootschap v. J. Townend & Sons (Hull) Ltd.*, [1979] A.C 731 had identified five essentials to establish an action of passing off. The relevant excerpt is as under:

“My Lords, A.G Spalding and Brothers v. A. W. Gamage Ltd., 84 L.J.Ch 449, and the later cases make it possible to identify

five characteristics which must be present in order to create a valid cause of action for passing off: (1) a misrepresentation, (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.”

(Emphasis Supplied)

20. The foregoing essentials have been accepted by the Supreme Court in ***Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.*, (2001) 5 SCC 73** and ***Heinz Italia v. Dabur India Ltd.*, (2007) 6 SCC 1**. In ***Cadila Health Care Ltd. (Supra)***, the Supreme Court had further laid down the following decisive tests for checking deceptive similarity:

“35. Broadly stated, in an action for passing-off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors are to be considered:

- (a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.
- (b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.
- (c) The nature of the goods in respect of which they are used as trade marks.
- (d) The similarity in the nature, character and performance of the goods of the rival traders.
- (e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.
- (f) The mode of purchasing the goods or placing orders for the goods.
- (g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

36. Weightage to be given to each of the aforesaid factors depending upon facts of each case and the same weightage cannot be given to each factor in every case.”

(Emphasis Supplied)

21. In the present case, applying the foregoing test, I am of the view that the defendant no. 3 has tried to dupe the general public by portraying its products/goods in a manner that they originate from the plaintiff. Such usage would inevitably lead to loss of revenue as also that of goodwill. Accordingly, the defendants have indulged into the offence of passing off.
22. At this juncture, one question remains, i.e. whether the plaintiff should lead evidence for sustaining a decree under Order VIII Rule 10. A coordinate bench of this court in ***Indian Performing Right Society Ltd. v. Gauhati Town Club & Anr.***, 2013 (134) DRJ 732 has held that there is no requirement to lead evidence before finding that the plaintiff is entitled to a relief of injunction. It was further observed that leading evidence would be of no consequence as it is nothing but a repetition of the plaint.
23. The counsel for the plaintiff has agreed not to press the prayer of damages.
24. Resultantly, having been satisfied with the submissions made and in the absence of any written statement, the averments made in the plaint, duly supported by the affidavit of the plaintiff, are taken to be correct. In view of above, I am of the view that it is a fit case to pass a decree under Order VIII Rule 10 CPC.
25. Accordingly, and the present suit is decreed in favour of the plaintiff and against defendant no. 3 in terms of paragraphs (i), (ii), (iii) and (iv)

of the prayer in the plaint. Let a decree sheet be drawn up accordingly.
26. Interim order dated 13.02.2013 passed in I.A.2459/2013 stands confirmed.

G.S.SISTANI, J

OCTOBER 06, 2016

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