

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

% Order delivered on: 22nd December, 2014

+ **CS(OS) No.3949/2014**

NOVATEUR ELECTRIC & DIGITAL SYSTEMS PRIVATE
LIMITED. Plaintiff

Through Mr. Amit Sibal, Senior Adv.
with Mr. Ranjan Negi,
Ms. Pallavi Rao, Ms. Apoorva
Murli and Mr. Namit Suri, Advs.

versus

INDO SIMON ELECTRIC PRIVATE LIMITED AND ANR.

..... Defendants

Through Mr. Vinod Khurana and
Mr. Mohinder Vig, Advs.

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

MANMOHAN SINGH, J. (Oral)

I.A. No.25762/2014

This is an application filed by the plaintiffs under Section 151 CPC seeking exemption from filing certain documents.

For the reasons stated in the application, the same is allowed, subject to said documents being produced at the time of admission/denial of the documents.

The application is disposed of.

I.A. No.25763/2014 (U/s 65A & B of the Evidence Act, 1872)

Heard. Allowed subject to just exceptions.

The application is disposed of.

I.A. No.25764/2014 (U/s 149 CPC)

Learned Senior counsel for the plaintiff states that he would be filing the court fee within one week. In view of the statement made by the learned Senior counsel, the application is disposed of.

CS(OS) No.3949/2014

Let the plaint be registered as a suit.

Issue summons to the defendants through all modes of service including e-mail in addition, returnable on 6th February, 2015.

I.A. No.25761/2014 (u/o XXXIX R.1 & 2 CPC)

1. Issue notice to the defendants, returnable on 6th February, 2015.
2. Plaintiff has filed the present suit for injunction against infringement of trademark, infringement of copyright, passing off, misrepresentation, acts of unfair competition, delivery-up, rendition of account of profits and/or damages etc. against the defendants.
3. The plaintiff, a company incorporated on 11th August, 2010 under the Companies Act, 1956, is a wholly owned subsidiary of Legrand S.A., a listed company in France who is a global specialist in electrical and digital building infrastructure. Plaintiff was initially incorporated as Era Electricals Pvt. Ltd. which changed its name to Indo Asian Electric Pvt. Ltd. on 14th April, 2011 and subsequently changed its name to Novateur Electric & Digital Systems Pvt. Ltd on 21st March, 2012.
4. It is stated that plaintiff is a leading manufacturer and supplier of Low Voltage Switchgear Products, which enable efficient

distribution, protection, control and conservation of electrical energy and is primarily engaged in the business of manufacturing electrical goods, light engineering goods, fusegears, switchgears, controlgear, miniature circuit breakers (MCB), residual current circuit breakers (RCCB), distribution boards, air circuit breakers (ACB), adjustable moulded case circuit breakers (MCCB), fixed TM moulded case circuit breakers, switch disconnecter fuses, High Rupture Capacity (HRC) fuses and fuse bases, changeover switches/bypass switches, contractors, relays and motor protection circuit breakers (MPCBs), time switches, feeder pillars.

5. On the other hand, defendant No.1, a company incorporated on 2nd August, 2006 under the Companies Act, 1956, is formed as a result of a Joint Venture between defendant No.2, a company based in Spain and Indo Asian Fusegear Ltd., which is now known as Eon Electric Ltd. The plaintiff believes that defendant No.2 controls and manages defendant No.1 completely and owns its entire shareholding as of date. Defendant No.1 claims to be in the business of manufacturing and marketing of switches, sockets and fan regulators. Defendant No.2 on its website claims to be an industrial group in the business of producing and marketing low voltage electric items, electronics, indoor lighting based on LED technology street and industrial lighting, voice and data transmission systems, access control, security and management, pipework and street furniture.

6. This suit is filed in respect of plaintiff's registered trademark INDO ASIAN Logo. Plaintiff has averred that the INDO ASIAN Logo

comprises of the words INDO and ASIAN written in bold letter together with a unique device of the letters I and A and the words "Energy Management" written underneath, represented as:



7. The trademark INDO ASIAN Logo was originally registered in the name of Indo Asian Marketing Limited under number 1300524 as of 4th August, 2004 in classes 9, 11 and 16. The trademark INDO ASIAN Logo was registered in black and white without any limitation of colours. Plaintiff uses the INDO ASIAN Logo mostly in Red and Grey colours with INDO written in red and ASIAN written in grey. The unique IA Logo is always used in colour red. Also, the plaintiff uses the said trademark with words "Energy Management" replaced by "Makes Sense" as under:



8. It has been stated that one of the plaintiff's affiliate companies, Legrand France, S.A. had entered into a Business Transfer Agreement dated 22nd July, 2010 with Indo Asian Fusegear Ltd., which is now known as Eon Electric Ltd and purchased certain assets and liabilities by way of slump sale pertaining to its switchgear business including machinery, IT

equipment, running contracts, employees, immovable properties, approvals. Legrand France, S.A. which is also a wholly owned subsidiary of Legrand S.A., transferred the said Business Transfer Agreement dated 22nd July, 2010 to the plaintiff on 2nd September, 2010. As a part of the same transaction, plaintiff purchased all rights, title and interest in certain intellectual properties including the said registered trademark INDO ASIAN Logo alongwith goodwill of the business and copyright therein for a consideration of Rs. 35 crores from Indo Asian Marketing Limited. Indo Asian Marketing Limited and Indo Asian Fusegear Ltd. are both related entities and at the time of the said Business Transfer Agreement both were owned and controlled by the same shareholders/promoters. While Indo Asian Fusegear Ltd. sold the assets and liabilities of the business to the plaintiff, Indo Asian Marketing Limited sold the intellectual property used in respect of the said switchgear business to the plaintiff. Indo Asian Fusegear Ltd., which is now known as Eon Electric Ltd was a confirming party to the said Deed of Assignment. On the same day, i.e. 9th September, 2010, Indo Asian Marketing Limited and Indo Asian Fusegear Ltd. entered into a Termination and Release Agreement whereunder all licenses granted by Indo Asian Marketing Limited to Indo Asian Fusegear Ltd. in regard to certain intellectual properties were terminated thereby ensuring plaintiff would receive encumbrance free absolute rights, title and interest in the said intellectual properties.

9. It is evident from the record that the INDO ASIAN Logo was assigned to the plaintiff by the registered proprietor of Indo Asian Marketing Limited by virtue of Deed of Assignment dated 9th September, 2010 for a consideration of Rs. 35 crores. As of date, plaintiff is the subsequent registered owner of all rights, title and interest therein together with the goodwill of the business generated by virtue of use by the assignor prior to its assignment and copyright in the artistic work in the colour scheme, manner and style of writing. All the requisite entries as per the trademark law have been made in the name of the plaintiff who has filed the proof thereof in the present proceedings.

10. It is clear that the Deed of Assignment dated 9th September, 2010, provided that the assignor shall cease to be the owner of the assigned intellectual property including IA Logo and forthwith cease and discontinue the use thereof and any trademark similar thereto and any variants thereof in any manner whatsoever in India and the rest of the world. The assignor was obliged to cause its affiliates not to use any of the trademarks assigned to the plaintiff including INDO ASIAN Logo or create any confusion with the assigned trademarks except use of the words INDO SIMON but not in any manner that would cause confusion with the assigned trademark.

11. It is the case of the plaintiff that in or about January, 2014, plaintiff became aware of the fact that the defendants were making use of trademark INDO SIMON in a form highly deceptively similar to the plaintiff's INDO ASIAN Logo in respect of their products and business thus giving a visual impression that their products and

business is connected with the plaintiff and there is some association with the plaintiff. The representation of use of trademark INDO SIMON by the defendants is as under:



12. Prima facie it appears to the Court that the defendants have copied the style, colour scheme and font of plaintiff's INDO ASIAN Logo and also lifted the unique IA Logo in its entity which is an essential, integral and identifying feature of the INDO ASIAN Logo.
13. Plaintiff served a legal notice dated 17th September, 2014 to the defendants apprising it of its statutory and proprietary rights and calling upon them to give up the use of the impugned INDO SIMON Logo. Defendants replied vide letter dated 15th October, 2014 categorically refusing to give up the use of the trademark INDO SIMON Logo and gave vague reasons for adoption and use of the impugned mark. The defendants therein admitted that registration No. 1300524 was owned by Indo Asian Marketing Limited.
14. It is the case of the plaintiff that defendants gave confusing response to adoption of the said impugned mark which according to the plaintiff had no legal basis. Defendant No.1 claimed rights on the basis of "pooling in" of various trademarks by its Joint Venture partners. It was stated that the said impugned trademark was

explicitly pooled in for taking the joint venture forward and claimed INDO ASIAN to be an integral part of the name of the defendants.

15. Plaintiff asked the defendants' to explain the "pooling in" concept as the INDO ASIAN Logo has been acquired by the plaintiff from Indo Asian Marketing Limited in respect of both statutory rights in the registration and business goodwill under common law since 2004. Plaintiff also mentioned that defendant No.1 could not have received the rights from its parent Indo Asian Fusegear Ltd. as the ownership was with Indo Asian Marketing Limited who had assigned rights in the INDO ASIAN Logo to the plaintiff, which Deed was confirmed by Indo Asian Fusegear Ltd. Defendants stated that defendant No.1 is the owner and concurrent user of the trademark INDO SIMON Logo as applied for by it. Defendants in all their replies have averred that they had used the infringed mark continuously and concurrently since 2006. The defendants have also filed trademark applications under Nos. 1668398 and 19997381 in class 9 in respect of INDO SIMON Logo wherein they have claimed user since 2006. However, no cogent or clear evidence by way of documents has been produced by the defendants in this respect and they seem to have commenced business only sometime in 2009-10.

16. *Prima facie*, the plaintiff has established by the material produced on record that the defendants after the assignment have no right to use the IA logo and the particular script, as used by the plaintiff, for the use of their trademark INDO SIMON. As the defendants were fully aware about the assignment, the use of logo

and script amounts to illegal use. Though as per assignment, defendants are entitled to use the mark INDO SIMON but in different style as per one of the clauses of assignment deed at page 25 of list of documents filed by the plaintiff.

17. As far as the delay in bringing the action is concerned, Mr. Amit Sibal, learned Senior counsel for the plaintiff stated that firstly there is no delay. The plaintiff had issued the notice for illegal use whereby the defendants were requested not to use the same contrary to the admissions. Even otherwise, the delay if any, was at the risk and peril of the defendants whose intentions are fraudulent on the face of the pleadings and documents. He stated that it is a continuous cause of action and every infringing sales give a fresh cause of action. It is stated that the suit has been filed as early as possible after collecting the document. Since the defendants were aware about the assignment, they ought not to have used the said logo and script. Once they are trying to commit fraud, no amount of user can purify their use. He referred the following decisions:

- (i) ***Midas Hygiene Industries Pvt. Ltd. vs. Sudhir Bhatia and Others***, 2004 (28) PTC 121 (SC), wherein it was observed as under:

“5. The law on the subject is well settled. In cases of infringement either of Trade Mark or of Copyright normally an injunction must follow. Mere delay in bringing action is not sufficient to defeat grant of injunction in such cases. The grant of injunction also becomes necessary if it prima facie appears that the adoption of the Mark was itself dishonest.”

- (ii) ***Swaran Singh vs. Usha Industries (India) and Anr.*** AIR 1986 Delhi 343 (DB), wherein it was observed as under:

“7. There is then the question of delay. Learned counsel for the respondents had urged that the delay is fatal to the grant of an injunction. We are not so satisfied. A delay in the matter of seeking an injunction may be aground for refusing an injunction in certain circumstances. In the present case, we are dealing with a statutory right based on the provisions of the trade and Merchandise Marks Act, 1958. An exclusive right is granted by the registration to the holder of a registered trade mark. We do not think statutory rights can be lost by delay. The effect of a registered mark is so clearly defined in the statute as to be not capable of being misunderstood. Even if there is some delay, the exclusive right cannot be lost. The registered mark cannot be reduced to a nullity.....”

- (iii) ***Hindustan Pencils Pvt. Ltd. Vs. M/s. India Stationery Products Co.*** AIR 1990 Delhi 19, wherein it was observed as under:

“31. It was observed by Romer, J. in the matter of an application brought by J.R.Parkingnon and Co. Ltd., (1946) 63 RPC 171 at page 181 that "in my judgment, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance when one comes to consider whether the use of that mark has or has not been a honest user. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently". It was further noted by the learned Judge in that case that he could not regard the discreditable origin of the user as cleansed by the subsequent history.”

18. Mr. Sibal further argued that once the assignment has been executed between the parties, the defendants, even the associates or affiliates of the principle company, are not entitled to raise such issues which are raised by the learned counsel for the defendants who himself has admitted the entire position in his reply to the notice issued by the plaintiff. Hence, the plaintiff under these circumstances has been able to make out a classic case of appropriation of intellectual property of the plaintiff knowing, deliberately and intentionally.

19. Considering the facts of the present case as well as settled law applicable to the present case, this Court is of the opinion that the plaintiff has been able to make out a strong *prima facie* case in its favour and the balance of convenience also lies in favour of the plaintiff and against the defendants. The use of the impugned INDO SIMON Logo and/or the IA Logo by the defendants would cause irreparable loss and injury to the plaintiff, in case the interim order is not passed.

20. In view of the above, the defendants, their directors, promoters, shareholders, officers, managers, assigns, successors-in-interest, licensees, franchisees, subsidiary/associate/group companies, sister concerns, representatives, servants, distributors, agents, family members, employees, etc. and/or any person or entity acting for them are restrained from using the impugned INDO SIMON Logo and/or the IA Logo or any mark/logo deceptively or confusingly similar to the plaintiff's INDO ASIAN Logo, singularly or in conjunction with any other words or logo/device, as a trade mark,

service mark, corporate name, trade name, trading style, domain name, website address, electronic mail identity or in any other manner whatsoever; on or in relation to or any services/business including advertising on the internet or as such, promotion, marketing, business papers, stationery, etc. till the next date.

21. Compliance of Order XXXIX Rule 3 CPC be made within one week from the date of receipt of the order.

22. However, in the interest of justice, equity and fair play, the defendants are granted two weeks time for deletion of the impugned logo and for changing the writing style of the script of INDO SIMON on their products, packaging, advertising in order to comply with this order. *Dasti*.

(MANMOHAN SINGH)
JUDGE

DECEMBER 22, 2014