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

+ **CS(COMM) 882/2018 & I.A. 6822/2018**

HSIL LIMITED

..... Plaintiff

Through: Mr. Manav Gupta, Advocate with
Ms. Prabhshay Kaur and Mr. Sahil
Garg, Advocates.

versus

SANJAY CERAMIC WORKS & ANR.

..... Defendants

Through: None.

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Date of Decision: 08th January, 2019

CORAM:

HON'BLE MR. JUSTICE MANMOHAN

J U D G M E N T

MANMOHAN, J (Oral)

1. The present suit has been filed for permanent injunction restraining infringement of trademark and copyright, misrepresentation, passing off, unfair competition, dilution, delivery up and damages against the defendants.

2. The prayer clause in the present suit is reproduced hereinbelow:-

“a. Pass and pronounce a decree of permanent injunction restraining the Defendants, their family members, dealers, their suppliers, their franchisees, agents, sister concerns or any entity incorporated by the Defendant or their family members, Directors, distributors or anyone acting for and

on their behalf from using the trademark HINDUSTAN VITREOUS or H VITREOUS or any other mark that is deceptively similar to it or to the trademarks of the Plaintiff on its products or in any manner whatsoever so as to result in infringement the trademarks of the Plaintiff; and

- b. Pass and pronounce a decree of permanent injunction restraining the Defendants, their family members, dealers, their suppliers, their franchisees, agents, sister concerns or any entity incorporated by the Defendant or their family members, Directors, distributors or anyone acting for and on their behalf from using the trademark HINDUSTAN VITREOUS or H VITREOUS any other mark that is deceptively similar to the trademarks of the Plaintiff on its products or in any manner whatsoever so as to result in passing off its goods as that of the Plaintiff or in any manner misrepresenting or holding out to be connected or related to the Plaintiff in any manner whatsoever; and*
- c. Pass and pronounce a decree on account of damages in favour of the Plaintiff and against the Defendants for payment of a sum of Rs.1,00,00,100/- or any higher sum as may be determined/ascertained pursuant to the rendition of accounts of profits illegally earned by the Defendant by selling the infringing goods; and*
- d. Pass and pronounce a decree of delivery up of all the printed and electronic material whether in hard copy or soft copy form, invoices, letter heads, visiting cards, products, product packaging, carton, cardboard boxes, printing plates or any other infringing material bearing the trademark HINDUSTAN VITREOUS or H VITREOUS or any other deceptively similar mark for the purpose of destruction and erasure; and*
- e. Pass an order for costs of this suit and the proceedings; and*

f. *Any further or other order(s) which this Hon'ble Court may deem fit and proper in favour of the Plaintiff, in the facts and circumstances of the case, be passed."*

3. On 16th May, 2018, this Court granted an *ex parte ad interim* injunction in favour of the plaintiff and against the defendants. The relevant portion of the said order is reproduced hereinbelow:-

"Consequently, till further orders, the defendants, their family members, dealers, their suppliers, their franchisees, agents, sister concerns or any entity incorporated by the defendants or their family members, directors, distributors or anyone acting for or on their behalf are restrained from using the mark HINDUSTAN VITREOUS/ H VITREOUS or any other mark that is deceptively similar to the plaintiff's trademark HINDUSTAN VITREOUS/H VITREOUS in any manner whatsoever"

4. On 30th July, 2018, the defendants were proceeded ex-parte and vide the same order the *ex-parte ad interim injunction* order was confirmed till the disposal of the suit.

5. The contentions and submissions advanced by the learned counsel for the plaintiff are as under:-

- (i) The plaintiff is engaged in business of homecare solutions, including the manufacture and sale of sanitary ware and bathroom products, kitchen appliances, container glass products etc. under the mark HINDWARE as well as several supplementary marks such as H VITREOUS, HINDWARE, HSIL etc. The plaintiff is the largest Indian manufacturer of sanitary ware products with a dominant one-third market share

in the industry. The plaintiff has a network of over 20,000 retailers, over 300 dealers in over 50 cities in India.

- (ii) The plaintiff is the proprietor of the trademark H VITREOUS HINDWARE which was first registered by the plaintiff in 1990. The plaintiff's mark H VITREOUS HINDWARE is registered in various stylised representations under Classes 11, 21, 37, 40 and 42 of the Trade Marks Act, 1999. The plaintiff has received various awards in respect of its brand HINDWARE. The mark HINDWARE forms a part of plaintiff's domain name www.hindwarehomes.com.
- (iii) In financial year 2016-2017, the annual revenue generated by the plaintiff was Rs.1037.66 crores and incurred expenses of Rs. 105.62 crores towards promotional and advertisement.
- (iv) During investigation conducted by the plaintiff in January, 2016, it was revealed that the defendants are selling sanitary-ware products using a mark that is deceptively similar to the plaintiff's registered trademarks, namely, H VITREOUS/HINDUSTAN VITREOUS.
- (v) The plaintiff had instituted CS(COMM) 1629/2016 for permanent injunction restraining the defendants from using the trade mark H VITREOUS/ HINDUSTAN VITREOUS on its products. That on 16th December, 2016, an ex-parte ad interim injunction was granted in favour of the plaintiff and Local Commissioner was appointed to seize the infringing products. He states that the report of the local commissioner dated 24th January, 2017, revealed that during the execution of the

Commission 92 stickers bearing the infringing mark were seized and returned on superdari.

- (vi) Vide judgment and order dated 17th April, 2018, this Court allowed the defendants' application being I.A. No. 5440/2017 under Order VII Rule 10 and returned the plaint on the ground of lack of territorial jurisdiction in terms of judgment and order dated 13th February, 2018 in CS(COMM) 1082/2016.

6. On 14th May, 2018, the present suit was filed.

7. Learned counsel for the plaintiff states that the defendants have their own brand named 'EAGLEWARE' and 'SANITATION' which has no relation to the plaintiff's trademarks H VITREOUS/HINDUSTAN VITREOUS. He states that the defendants have adopted the plaintiff's trademark H VIETREOUS/HINDUSTAN VITREOUS with the dishonest intention to take advantage of the goodwill and reputation of the plaintiff and with a view to confuse the public into believing that the defendants are associated with the plaintiff.

8. He further states that this Court has the jurisdiction to entertain the present suit under Section 20 of the Code of Civil Procedure, 1908 and Section 134 of the Trade Marks Act, 1999 as the plaintiff carries on business from its office in New Delhi through its trading division and that the plaintiff does not have a branch/subordinate office in Thangarh, Gujarat.

9. The plaintiff has filed *ex parte* evidence by way of affidavit of Mr. A.K Mohanty, the authorized representative of the Plaintiff (PW1). In his affidavit, he has proved the certificates of incorporation as Ex.PW-1/2 (Colly) to Ex.PW-1/5. He has also proved the design registration in favour

of the plaintiff through Design Registration Certificates as Ex.PW-1/6 (Colly) and the plaintiffs trademark registration certificates as Ex.PW-1/7 (Colly). PW1 has proved the certificates from Chartered Accountant stating sales and advertisement figures pertaining to the plaintiff from 1990-1991 to 2010-2011 and 2012-13 to 2016-17 as Ex.PW-1/9. The plaintiff's witness has also proved invoices showing purchase of the infringing products, visiting card of the defendants and details of the defendants' trademark EAGLEWARE as Ex.PW-1/15 to Ex.PW-1/17. Photographs of the infringing products have been proved as Ex.PW-1/18. PW1 has also proved the local commissioner's report dated 31st October, 2017 in CS(COMM) 709/2017 as Ex.PW-1/23 and report dated 14th November, 2017 in CS(COMM) 710/2017 as Ex.PW-1/22. PW1 has also proved a copy of the plaint in CS(COMM) 1629/2016 as Ex.PW-1/25, order dated 16th December, 2016 granting ex-parte injunction in CS(COMM) 1629/2016 as Ex.PW-1/26 and local commissioner's report dated 24th January, 2017 in CS(COMM) 1629/2016 as Ex.PW-1/27. He has also proved I.A. 5440/2017 and I.A. 14198/2017 in CS(COMM) 1629/2016 as Ex.PW-1/28 and Ex.PW-1/29, respectively. PW1 has proved copy of the judgment and order dated 17th April, 2018 in CS(COMM) 1629/2016 as Ex.PW-1/34.

10. The plaintiff has also filed its *ex parte* evidence by way of affidavit of Mr. A.K Thakur, Senior Office (I.T.) of the Plaintiff (PW2). PW2 has proved pictures of the infringing products at para 36 of PW1's evidence affidavit as Ex.PW-1/18 (Colly) and various internet printouts as Ex.PW-2/1.

11. From the aforesaid it is apparent that the plaintiff is the prior registered user of the trade marks in question. This Court is of the opinion

that the plaintiff has proved and established a case of infringement of registered trademarks, misrepresentation and unfair competition, passing off and dilution, blurring and tarnishment in their favour.

12. In the opinion of this Court, the defendants have no real prospect of defending the claim as the evidence of the plaintiff's has gone un rebutted. However, with regards to prayer (d) for delivery up, this Court is of the opinion, that the plaintiff is not entitled to a decree of delivery up of the infringing materials as the same were seized in the prior suit i.e CS(COMM) 1629/2016 and not in the present suit.

13. Learned counsel for the plaintiff also seeks a decree of damages as mentioned in prayer (c) of the plaint. In support of his submission he relies on *Inter Ikea Systems BV & Anr. Vs. Imtiaz Ahamed & Anr.*, 237 (2017) DLT 247, *Cartier International AG & Ors. Vs. Gaurav Bhatia & Ors.*, 226 (2016) DLT 662, *Christian Louboutin SAS Vs. Ashish Bansal & Anr.*, CS(COMM) 503/2016 dated 31st July, 2018, *Jokey International Inc. & Anr. Vs. R. Chandra Mohan & Ors.*, 2014 (211) DLT 757, *Lachhman Das Behari Lal Vs. Ghanshyam Das Jetha Nand*, 2007 (35) PTC 693 (Del).

14. However, most of these judgments rely on the judgment *Times Incorporated v. Lokesh Srivastava & Anr.* 116 (2005) DLT 599 which has been overruled by a judgment of a Division Bench of this Court in *Hindustan Unilever Limited Vs. Reckitt Benckiser India Limited*, 2014 (57) PTC 495 [Del][DB].

15. It is pertinent to mention that even though the Local Commissioner had recorded seizure of 92 stickers bearing the infringing mark, yet in evidence, the plaintiff has not quantified the total value of the seized goods. Therefore, this Court is of the opinion that since the plaintiff has not led any

evidence with respect to the quantum of damages suffered by the plaintiff, the same cannot be granted in light of the Division Bench judgment of this Court in ***Hindustan Unilever Limited Vs. Reckitt Benckiser India Limited (Supra)***. In fact, this Court recently in ***Super Cassettes Industries Private Limited Vs. HRCN Cable Network, CS(COMM) 48/2015 dated 09th October, 2017*** has held as under:-

*“19. However, this Court is not satisfied on the evidence led in the present case that the compensation awarded is inadequate in the circumstances having regard to the three categories in **Rookes v. Barnard, [1964] 1 All ER 367** and also the five principles in **Cassell & Co. Ltd. v. Broome, 1972 AC 1027**. In the event punitive damages are awarded in the present case, it would be an ad-hoc judge centric award of damages, which the Division Bench specifically prohibited in **Hindustan Unilever Limited (supra)**...”*

16. In view of the above, the suit is decreed in favour of the plaintiff and against defendants in terms of paragraph (a) and (b) of the prayer clause of the plaint. The costs shall amongst others include the lawyer's fees as well as the amount spent on Court-fees. Registry is directed to prepare a decree sheet accordingly.

17. Consequently, the present suit and application stand disposed of.

MANMOHAN, J

JANUARY 08, 2019

mn/sp