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IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of decision: 15th January, 2019

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CS(COMM) 1229/2016 & CC (COMM) 26/2017, I.As.

16045/2014, 18183/2014

M/S MILLENNIUM AUTOMATION & SYSTEMS

LTD

..... Plaintiff

Through: Appearance not given.

versus

M/S CELKON IMPEX PVT LTD & ORS

..... Defendants

Through: None.

CORAM:

JUSTICE PRATHIBA M. SINGH

Prathiba M. Singh, J. (Oral)

1. The Plaintiff has filed the present suit seeking permanent injunction for infringement and passing off as also rendition of accounts against the Defendants. The Plaintiff claims to be the owner of the trademark MILLENNIUM which is used by it for products and services in the IT industry. The word MILLENNIUM is claimed to be a registered trademark of the Plaintiff in class 9. It is averred that the Plaintiff specialises in *“designing and manufacturing a variety of precision, top quality products and services such as Network and IT security equipments, large video wall, video conferencing products, milgrade product, security solution products, computing solution power conditioning COTS software etc.”*

2. It is further averred that the Plaintiff supplies its products and renders services to various government departments as also the defence sector. The

mark MILLENNIUM was adopted in 1999. The Plaintiff also has a website – www.millenniumsystem.com. The products sold by the Plaintiff include computers, computer software, laptops, tablets, phablets and mobile phones. It is claimed that the turnover of the Plaintiff for the year 2013-14 was over a hundred crores. The Plaintiff claims enormous goodwill and reputation in the mark MILLENNIUM.

3. It is further stated that in July, 2014, the Plaintiff acquired knowledge of the Defendants' use of the mark MILLENNIUM in respect of mobile phones under the mark 'CELKON MILLENNIUM'. The Plaintiff came across an advertisement dated 11th August, 2014 in the Delhi Times, a supplement to the Times of India. The Plaintiff then effected a purchase of the Defendants' products on www.snapdeal.com and thereafter filed the present suit. The reliefs prayed for in the suit is as under:

“a) pass a decree of permanent and prohibitory injunction restraining the defendants, their servants, officers, agents, assigns, representatives, heirs, etc. from reproducing, selling, offering for sale, marketing, advertising distributing or dealing in the infringed trademark "MILLENNIUM" or deceptively similar trademark as more detailed in the plaint and from doing any other acts or deeds amounting to or likely to cause:-

(i) Infringement of plaintiff's aforesaid trade mark "MILLENNIUM" registered under Trade Mark No. 865691 and 1089675 in Class 09;

(ii) Passing off and violation of plaintiff's rights in the plaintiff's aforesaid trademark "MILLENNIUM";

b) pass a decree of rendition of accounts in favour of the plaintiff and against the defendant and for decree of amount so ascertained on such rendition of accounts;

c) pass a decree of damages to the tune of Rs.

*20,01,000/- in alternative to accounts;
d) award the cost of the present proceedings in favour of the plaintiff and against the defendant; and/or
e) pass such other or further Orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case."*

4. Vide order dated 2nd September, 2014, an ad-interim injunction was granted in the following terms:

*"...
Accordingly, defendants, their agents, servants, assignees and representatives are enjoined from manufacturing, producing, selling, offering to sell, marketing, advertising or dealing in goods, such as, mobile phones, under the trademark, 'MILLENNIUM' or any other mark which is deceptively similar to that of the plaintiff."*

5. On an application moved under Order XXXIX Rule 4, the interim order was set aside on dated 6th January, 2015. This order was challenged before the Ld. Division Bench which passed an order in the following terms:

"6. We therefore permit the appellant to withdraw the appeal with right reserved to file an appropriate application before the learned Single Judge concerning the order dated January 06, 2015 and bring it to the notice of the learned Single Judge that an injunction was claimed even on the plea of passing-off."

6. The Plaintiff then moved a fresh application under Order XXXIX Rule 1 and 2. The Defendants also filed a counter claim seeking the following reliefs:

1. A decree be passed in favour of the Counter Claimant and against the Respondent to pay a sum of

Rs.1,23,90,000/- (Rupees One Crore Twenty Three Lakhs and Ninty Thousand Only) along with pendent lite and future interest @18% p.a. as damages from the date of institution of the counter claim, until the date of realisation of the amount;

2. A decree be passed in favour of the Counter Claimant and against the Respondent to pay a sum of Rs. 10,00,000/- (Rupees Ten Lakh only) per day from the date of institution of the counter claim till the suspension of the interim order or till the time that the Counter Claimant is allowed to use the trade name "Millennium" along with pendent lite and future interest @ 18% p.a. as damages from the date of institution of the counter claim, uptil the date of realisation of the amount;

3. To pass decree directing the Respondent to pay the Counter Claimant costs;”

7. On 1st September, 2016, the following issues were framed in the matter:

“1. Whether the plaintiff is entitled to a decree of permanent and prohibitory injunction against the defendants as per clause(a) of the plaint? (OPP)

2. If issue No. 1 is decided in favour of the plaintiff, whether it is entitled to a decree of rendition of accounts against the defendants? (OPP)

3. Whether the plaintiff is entitled to a decree of damages against the defendants, and if so, for what amount?(OPP)

4. Whether the plaintiff is entitled to costs of the present suit? (OPP)

5. Whether the defendants/counter claimants are entitled to a decree for a sum of Rs. 1,23,90,000/- against the plaintiff towards damages?(OPD/counter claimants)

6. If issue No.5 is decided in favour of the defendants/counter claimants, whether they are entitled

to any interest on the amount awarded in their favour and if so, for what period and at what rate? (OPD/counter claimants)

7. Whether the defendants/counter claimants are entitled to a decree for a sum of Rs.10 lacs against the plaintiff from the date of institution of the counter claim, i.e., 05.11.2014, till the suspension of the interim order till 06.1.2015? (OPD/counter claimants)

8. Whether the defendants/counter claimants are entitled to costs in the counter claim? (OPD/counter claimant)

9. Relief”

8. The Plaintiff filed the evidence of its witness – Ms. Komal who is its authorised representative. She was examined on 22nd December, 2016 and the cross-examination was deferred. On 11th May, 2018, the witness was present, but none appeared for the Defendants. Again, on 20th August, 2018, none appeared for the Defendants. On 29th November, 2018, the witness was again present, but none appeared for the Defendant to conduct the cross-examination. Under these circumstances, the Joint Registrar placed the matter before Court today. Even today, there is no appearance on behalf of the Defendants. Accordingly, the Defendants are proceeded *ex-parte*.

9. The Plaintiff’s witness PW-1 has exhibited the following documents:

- PW-1/1 – Memorandum of Association and Articles of Association- (de-exhibited and marked as Mark B)
- PW-1/2 –Extract of Resolution dated 6th August, 2014
- PW-1/3 – Assignment deed dated 19th April, 2001 in favour of the Plaintiff
- PW-1/4 - Plaintiff’s trademark certificates for legal proceedings in Class 9 bearing no. 1089675, 865691 and 1123697

- PW-1/5 – Achievement certificates granted to the Plaintiff by various authorities
- PW -1/6 – Newspaper articles relating to and advertisements published by the Plaintiff
- PW- 1/7 – Invoices of the Plaintiff
- PW- 1/8 – Certificate of Chartered Accountant showing the Plaintiff's expenditure on business promotion during 2011-2014
- PW- 1/9 – Certificate of Chartered Accountant showing the Plaintiff's annual turnover during 2011-12, 2012-13 and 2013-14.
- PW- 1/10 – Independent Auditor's Report, Director's Report and Balance sheets for 2013, 2014 and 2015.

10. A perusal of all the documents filed on record shows that the Plaintiff claims rights in the mark MILLENNIUM by virtue of the assignment deed dated 19th April, 2001. The said assignment deed specifically mentions the trademark applications no.865691 and 852758. The original assignment deed is on record. The Plaintiff has also placed on record the legal proceedings certificate for trademark no. 1089675 which is for the MASL logo along with the word '*Millennium*'. The legal proceedings certificate for trademark registration nos.865691 and 1123697 are also filed on record which is for the '*Millennium*' globe logo. Thus, the Plaintiff is held to be the registered owner of the mark MILLENNIUM.

11. Various newspapers have also been placed on record showing advertisements and other press clippings reporting product launches by the Plaintiff. The original carton of the Defendants' phone bearing the mark 'MILLENNIUM VOGUE' as also the original newspaper showing the

advertisement for 'CELKON MILLENNIUM' has also been placed on record. A perusal of the documents placed on record i.e. the trademark registration certificate establishes both the adoption by the Plaintiff of the mark MILLENNIUM as also the registration of the same in various logo forms. The Plaintiff's trademark is registered in respect of computer software components and other electronic equipment UPS, spare parts, accessories, etc. in class 9. The Defendant uses the mark MILLENNIUM for mobile phones, which also fall in class 9. The disclaimer contained in the trademark registration certificate does not affect the goodwill in the mark MILLENNIUM inasmuch as the disclaimer is only in respect of the globe device, and that too only in trademark registration no.865691. The plaintiff's complaint against the Defendants is not in respect of the use of the globe device but in respect of the use of the mark MILLENNIUM over which there is no disclaimer.

12. It is also the settled position in law as held in the judgment of the Supreme Court in ***Registrar of Trademarks v Ashok Chandra Rahit (1955) 2 SCR 252*** that a disclaimer does not affect the common law rights in a mark. The extract of the Supreme Court's judgment reads as under:

"9. The last feature of the section is its proviso. That proviso preserves intact any right which the proprietor may otherwise under any other law have in relation to the mark or any part thereof. The disclaimer is only for the purposes of the Act. It does not affect the rights of the proprietor except such as arise out of registration. That is to say, the special advantages which the Act gives to the proprietor by reason of the registration of his trade mark do not extend to the parts or matters which he disclaims. In short, the disclaimed parts or matters are not within the protection of the statute.

That circumstance, however, does not mean that the proprietor's rights, if any, with respect to those parts or matters would not be protected otherwise than under the Act. If the proprietor has acquired any right by long user of those parts or matters in connection with goods manufactured or sold by him or otherwise in relation to his trade, he may, on proof of the necessary facts, prevent an infringement of his rights by a passing off action or a prosecution under the Indian Penal Code. Disclaimer does not affect those rights in any way."

13. Apart from the registration, the documents placed on record including the invoices, advertisement, press clippings, certifications etc., show that the Plaintiff has been using the mark MILLENNIUM not only as a trademark and in logo form but also as a prominent and essential part of its corporate name. The said goodwill is liable to be protected and use of the mark MILLENNIUM in respect of mobile phones would severely impinge upon the Plaintiff's rights.

14. The Defendants in their written statements and counter claim have primarily claimed rights in the word mark 'CELKON.' The written statement claims that the word MILLENNIUM is a generic mark. In the counter claim, the Defendants pray for damages on the ground that the Defendants have spent a huge sum of money in marketing of MILLENNIUM branded products. The Defendants have no justification for adoption of the mark 'MILLENNIUM' as even a basic trademark search would have revealed that the Plaintiff has registered the mark MILLENNIUM in class 9. In any event, the adoption of the mark MILLENNIUM by the Defendants even if done innocently, does not confer any protection in respect of violation of the rights of the Plaintiff who is

clearly the prior user of an identical mark. The Plaintiff has also shown documents on record, which establish that the Plaintiff is using the mark MILLENNIUM for mobile phones and also computers. All these are cognate and allied products and use of the mark MILLENNIUM would result in not only infringement but would also result in passing off the Defendants' product as that of the Plaintiff. The word '*Millennium*' is essential and prominent feature of the trademark of the Plaintiff.

15. The Plaintiff is entitled to the decree of permanent injunction. Accordingly, suit is decreed as per prayer clause (a) of the plaint. In the facts of the present case, the relief of rendition of accounts is not granted. However, the Plaintiff is granted costs of Rs.2 lakhs in the suit. Suit is decreed.

16. The counter claim of the Defendants is accordingly dismissed as no case is made out for grant of damages in favour of the Defendants. . Decree sheet be drawn accordingly.

PRATHIBA M. SINGH
JUDGE

JANUARY 15, 2019

Rahul