

* IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on: 19.10.2022

Date of decision: 17.11.2022

+ CS(COMM) 528/2018

AKTIEBOLAGET VOLVO & ORS

.....Plaintiffs

Through: Mr. Siddhant Chamola &
Mr.Karan, Advocates

versus

S.SURA & ORS

.....Defendants

Through: None

CORAM:

HON'BLE MR. JUSTICE NAVIN CHAWLA

1. This Suit has been filed by the plaintiffs, originally against 12 defendants praying, for the following reliefs:-

“i) An order for permanent injunction restraining the defendants, their principal officers, partners, servants, representatives and agents or any of them, from manufacturing, selling, offering for sale, exporting, advertising, directly or indirectly dealing in buses or any other products and services under the trademark VOLVO, VOIVO, VCLVC or any other mark deceptively similar thereto or using the trademark VOLVO in any other manner so as to infringe the Plaintiffs' registered trademark VOLVO;

ii) An order for permanent injunction restraining the defendants, their principal officers, partners, servants, representatives and agents or any of them, from manufacturing, selling, offering for sale, exporting, advertising, directly or indirectly dealing in buses or any other products and services under the trademark VOLVO, VOIVO, VCLVC or any other mark deceptively similar

Signature Not Verified

Digitally Signed By:RENUKA

NEGI

Signing Date: 21.11.2022 CS(COMM) 528/2018

14:13:37

thereto or using the trademark VOLVO in any other manner so as to pass off or enable others to pass off the defendants' goods and/or business as that of the Plaintiffs;

iii) An order for permanent injunction restraining the defendants, their principal officers, partners, servants, representatives and agents or any of them, from using the trade mark VOLVO in any manner whatsoever on goods or services not originating from the Plaintiffs or not made under the Plaintiffs' quality control thus leading to dilution of the distinctiveness of the said mark and tarnishing the reputation of the Plaintiffs' trademark VOLVO;

iv) A decree for damages be passed in favour of the plaintiffs and against the defendants;

v) An order for delivery up to the Plaintiffs for destruction/erasure all the goods, stickers, cartons, packing, dies, articles, papers and other material of the defendants bearing the impugned mark VOLVO;

vi) An order for costs of the suit.”

2. For the sake of clarity, I shall be referring to the defendants by their original numbers in the present judgment.

3. By an order dated 07.10.2005, an *ad-interim ex-parte* injunction was granted in favour of the plaintiffs and against the defendants, restraining the defendants from manufacturing, selling, offering for sale the buses under the trade mark ‘VOLVO’ or any other mark deceptively similar to the trade mark of the plaintiffs. Subsequently by an order dated 26.02.2007, this *ad-interim* order was confirmed by this Court.

4. On 29.05.2007, the suit was decreed against the defendant nos.1 to 3 and the defendant nos.11 and 12 on the basis of a settlement arrived at between the said parties.

5. Further, by the above order the defendant nos. 4 to 7 and 9 were proceeded *ex-parte*.

6. The suit was decreed in terms of the paragraph 31 (i) to (iii) of the Plaint reproduced hereinabove against the original defendant nos.8 and 10, by an order dated 07.09.2009. The said order further directed the said defendants to pay to the plaintiffs a sum of Rs.25,000/- (Rupees Twenty Five Thousand Only) as costs in the suit.

7. I may herein note that as the suit had already been settled and decreed between the original defendant nos.1 to 3 and defendant nos.11 and 12, the order dated 07.09.2009 had decreed the suit as against the defendant nos.5 and 7 of the Amended Memo of Parties, as was also clarified by an order dated 28.05.2010 of this Court.

8. The plaintiffs, thereafter, examined Col. J.K. Sharma (Retd.) as PW-1 and closed their evidence, as recorded in the order dated 20.03.2012.

9. From the above narration, it would be apparent that the present suit survives only against the original defendant nos.4 to 7 and 9.

10. At one stage, as the original defendant nos.8 and 10 were contesting the suit, vide order dated 10.02.2009, the following issues were framed:

"1. Whether the plaint has been signed, verified and instituted by a duly authroised person on behalf of plaintiffs? OPP

2. Whether the use of mark "VOLVO" by the defendants on their VOLVO look alike buses amounts to infringement of plaintiffs' trade mark "VOLVO"? If so, to what effect? OPP

3. Whether the use of trade mark "VOLVO" by the defendants amounts to passing of their goods and

services as that of plaintiffs'? If so, to what effect?

OPP

4. Whether the plaintiff No.2 is the sole beneficiary and owner of trade mark "VOLVO" and the suit is bad for mis-joinder of parties, as alleged by the defendants? OPD

5. Whether this court does not have jurisdiction to try the suit, as alleged by the defendants? OPD

6. Whether the plaintiffs are entitled for damages? If so, how much and against which of the defendants? OPP

7. Relief."

11. I have heard the arguments of the learned counsel for the plaintiff and perused the record. My issue-wise findings are as under:

Issue No.1

12. Col. J.K. Sharma (Retd.)/PW-1 has proved the authorization for him to sign and present the present suit on behalf of the plaintiffs, by way of the documents exhibited as **Ex.PW1/1** to **Ex.PW1/9**.

13. The issue no.1 is therefore decided in favour of the plaintiffs and against the defendants.

Issue Nos. 2 to 4

14. The plaintiffs in the present suit are companies organized under the laws of Sweden. (**Ex.PW1/5, PW1/6 and PW1/7**). The plaintiff no.1 was incorporated on 05.05.1915 and commenced the business of assembling cars in April, 1927 and of trucks in the year 1928 under the trade mark '**VOLVO**'.

15. On 26.02.1999, the plaintiff no. 1 assigned the rights, interest and title held by it in the trade marks that consist of or contain the word '**VOLVO**', including the device marks, and the trade mark '**PENTA**', by

way of a Global Deed of Assignment, in favour of the plaintiff no. 2. A supplementary Deed of Assignment dated 23.03.2001 was also executed by the plaintiff no. 1 assigning its trademark registrations and pending trademark applications in India to the plaintiff no. 2. The plaintiff no. 2, on 28.02.1999, entered into a Global License Agreement with its shareholders, namely, plaintiff no. 1 and 3, licensing to them the use of the marks within their respective business. A Confirmatory License Agreement dated 30.05.2001 for the territory of India was also executed by the plaintiff no. 2 with the plaintiff nos. 1 and 3.

16. The plaintiffs have also taken the necessary steps to record the assignment of trade marks from plaintiff no. 1 to plaintiff no. 2 before the Registrar of Trade Marks and subsequent licensing of the use of the marks from plaintiff no. 2 to the plaintiff no. 1 and 3, by filing requests under Form TM-24 and TM-28 (**Ex. PW1/8** and **PW1/9**) respectively. The application in Form TM-24 for assignment of the trademarks in favour of the plaintiff no. 2 has been allowed.

17. It is further asserted that the plaintiff no. 1 owns and controls shares in various corporations and companies, together referred to as the '*Volvo Group of Companies*'. The plaintiff no.3 owns and controls shares in various corporations and companies, which are together referred to as the '*Volvo Car Companies*'. Together, the said companies provide a wide spectrum of transportation related products and services with superior quality and high standards of safety and environmental care.

18. It is the case of the plaintiff no.1 that it adopted the mark '**VOLVO**' as a trademark/corporate name on 05.05.1915. It asserts that the word '**VOLVO**' has no obvious meaning and is not found in any of

the authoritative English dictionaries, and, therefore, it is a distinctive mark. It further asserts that the trade mark is also an integral part of its wide ranging products, forming a key, essential and dominant part of the corporate name and trading style of the majority of the plaintiffs' companies, including their subsidiaries carrying out operations in various countries across the globe, including India. The mark is integral to all products manufactured and sold by the plaintiffs.

19. The plaintiffs, in the affidavit of Col. J.K. Sharma (Retd.)/PW1, give the worldwide sale figures of the plaintiff no. 1, and the number of cars sold by the plaintiff no. 3. (**Ex. PW1/12** and **PW1/13**). They state that the said mark has also been extensively advertised (**Ex. PW1/16** and **PW1/17**). The plaintiffs also give in paragraph 18 of the affidavit of PW1 read with **Ex. PW1/18** and **PW1/19**, the amount spent by them in promoting their mark through print and electronic media,.

20. The plaintiffs assert that the first bus bearing the mark '**VOLVO**' was launched in India in October 2001. The plaintiffs first introduced their buses in South India in July 2001, followed by West India in August 2001. Entry into North India took place in December 2002, and in October 2004, the plaintiffs stepped into the Eastern region, thereby covering the country comprehensively. At the time of filing the suit, over eight hundred buses bearing the trade mark '**VOLVO**' were covering eighty destinations through private inter-city operations, tourist operations, State Undertakings, State tourism and corporate sectors. Some of the State Road Transport Corporations have also built brands around their fleet of exclusive **VOLVO** branded buses, like **GARUDA** for Andhra Pradesh, **AIRAVAT** for Karnataka.

21. The plaintiff nos.1 and 3 established '**VOLVO India Pvt. Ltd**' and five other subsidiaries in India pursuant to the liberalisation of the Industrial Policy in 1991. The five subsidiaries were later consolidated into '**VOLVO India Pvt. Ltd**'.

22. The plaintiffs have obtained trademark registrations of numerous words as also device marks for the mark '**VOLVO**' all over the world, including over two dozen registrations in India, with the first registration dating back to the year 1975. Certified copies of international registrations are **Ex. PW1/26** collectively, while the certified copies of the certificates for use in Legal Proceedings are exhibited as **Ex. PW1/27** collectively.

23. From the above evidence, the plaintiffs have been able to establish their goodwill and reputation in the trade mark '**VOLVO**'. The plaintiffs are also the registered proprietors/licenced user of the said mark.

24. The plaintiffs assert that on the complaint being received about the misuse of its trade mark '**VOLVO**' by unscrupulous bus body builders, bus owners and tour operators in India, the plaintiff no.2 commissioned an investigation. It is asserted in the affidavit of PW1 that the investigation revealed the following:

*“a. Defendant No.2 is a bus body builder engaged in manufacturing VOLVO look alike buses.
b. Defendants Nos. 8 and 10 are the owners of VOLVO look alike buses used by Defendant nos. 9 and 11 respectively under the trade mark VOLVO.
I say that the photographs of the buses manufactured by Defendant No.2, owned by Defendant Nos 8 and 10 and used by Defendant Nos. 9 and 11 are already filed in the present proceedings and may be exhibited as **Exhibit PW 1/28**.*

c. I say that subsequently a detailed investigation was conducted which revealed that Defendant No. 1 is the proprietor of Defendant No.2 that is engaged in manufacturing VOLVO look- alike buses under the trade mark VOLVO.

d. Defendant no. 3 is a tour operator that is a part of Defendant No.1's concern called Sisira Travels which is using fake VOLVO buses manufactured by Defendant no.2 under the trade mark VOLVO.

*e. Defendant No. 4 and 5 are the owners of defendant No. 6 which is using fake VOLVO buses manufactured by Defendant No.2. The photographs of the fake buses used by Defendant No. 4,5, and 6 are already filed in the present proceedings and may be exhibited as **Exhibit PW 1/29.***

*f. Defendant no.7 is using fake VOLVO bus manufactured by Defendant no.2 under the trade mark VOLVO. The photographs of the same are already filed in the present proceedings and may be exhibited as **Exhibit PW1/30.***

*g. Defendant no. 8 is the owner of fake VOLVO bus manufactured by Defendant No.2 and is used by Defendant No.9. The photographs of the same are already filed in the present proceedings and may be exhibited as **Exhibit PW 1/31.***

*h. Defendant No. 11 is the owner of fake VOLVO bus manufactured by Defendant No. 2 and is used by Defendant No. 12 under the trade mark VOLVO. The photographs of the same are already filed in the present proceedings and may be exhibited as **Exhibit PW 1/32.**"*

25. As noted hereinabove, the suit as against the original defendant nos.1 to 3, 8, and 10 to 12 already stands decreed in favour of the plaintiffs. The suit remains only against the original defendant nos.4 to 7 and 9.

26. From the above assertion of the plaintiffs as also from the statements contained in the evidence of PW1, it emerges that the

defendant nos.4 and 5 are the owners of the defendant no.6, which is using the fake Volvo Buses manufactured by the defendant no.2. There is, however, no document placed on record by the plaintiffs showing the ownership of the defendant no. 6 in the hands of defendant nos.4 and 5. The plaintiffs have relied upon an investigation report, however, the said investigation report has not been filed, let alone proved. Even the alleged investigator has not been produced as a witness in the suit. The only document produced is a photograph of a visiting card (**Ex. PW1/29**), which also has not been proved. The suit against the defendant nos.4 and 5, therefore, must fail.

27. As far as the defendant no.6 is concerned, the alleged act of infringement and passing off is sought to be proved by way of the photographs exhibited as **Ex.PW1/29**. The same are reproduced herein below:





नत्यमेव जयते

Signature Not Verified

Digitally Signed By:RENUKA

NEGI

Signing Date: 21.11.2022 CS(COMM) 528/2018

14:13:37



Signature Not Verified

Digitally Signed By:RENUKA

NEGI

Signing Date: 21.11.2022 CS(COMM) 528/2018

14:13:37

28. A perusal of the above photographs would show the use of the mark 'VOIVO' on a side of the bus. The said mark is deceptively similar to the mark of the plaintiffs. The defendant no.6 has remained *ex-parte* and, therefore, has offered no explanation for use of the said mark. The use of the deceptively similar mark would certainly cause dilution of the mark of the plaintiffs and is, therefore, to be restrained.

29. As far as the defendant no.7 is concerned, the plaintiffs again assert that the defendant no.7 is using fake Buses manufactured by the defendant no.2 under the trade mark of the plaintiffs 'VOLVO'. This assertion is sought to be proved by way of photographs filed as **PW1/30**. The photographs are reproduced herein below:





Signature Not Verified

Digitally Signed By:RENUKA

NEGI

Signing Date: 21.11.2022 CS(COMM) 528/2018

14:13:37



30. The above photographs show the sticker 'VLCVC' on the side of the bus with the name of the defendant no.7 displayed prominently.

31. In my view, applying the test stated hereinabove, the plaintiffs have been able to prove the infringement and passing off of their mark by the defendant no. 7. Here, the mark 'VLCVC' is not only deceptively similar to the mark of the Plaintiffs-'VOLVO', but also the use of the impugned mark on the body of the bus is in a manner which may lead to a confusion in the mind of the unwary consumer as if the bus is actually

that of the plaintiffs. It would also lead to dilution of the mark of the plaintiffs.

32. As far as the defendant no.9 is concerned, the plaintiffs again asserted that the defendant no.9 is using the bus owned by defendant no.8 and manufactured by the defendant no.2. The photographs evidencing the allegation were stated to have been filed by the PW1 as **Ex.PW1/31**. However, as recorded in the order dated 18.11.2011 passed by the learned Joint Registrar (Judicial), the said document was not on record and was, in fact, given up by the said witness. Therefore, there is absolutely no evidence filed by the plaintiffs against the defendant no.9 in support of their allegation.

33. In view of the above finding, issue nos.2 and 3 are decided against the plaintiffs and in favour of the original defendant nos.4, 5 and 9.

34. Issue no. 2 and 3 are, however, decided in favour of the plaintiffs and against the defendant nos. 6 and 7.

Issue No. 4

35. In view of the evidence led by the plaintiffs and in absence of any evidence being led by the defendants to the contrary, issue no.4 is decided in favour of the plaintiffs and against the defendant no.4 to 7 and 9.

Issue No.5

36. The onus of proving this issue was on the defendants. As the defendant nos.4 to 7 and 9 have remained *ex-parte*, the same is decided against the said defendants.

Issue Nos. 6

37. The plaintiffs have led no evidence in support of their claim for damages. Issue no.6 is, therefore, decided against the plaintiffs.

Issue No. 7

38. In view of the above and as the plaintiffs have been unable to prove that the defendant nos.4, 5 and 9 are in any manner guilty of infringing the trade mark of the plaintiffs and/or passing off their goods and services as that of the plaintiffs, the suit as against the defendant nos.4, 5 and 9 must fail and is, therefore, dismissed.

39. As far as the defendant nos. 6 and 7, the Suit is decreed in terms of prayers made in paragraph 31(i) to (iii) in favour of the plaintiffs and against the defendant nos.6 and 7.

40. The plaintiffs are also held entitled to costs quantified at Rs.1 Lakh each from the defendant nos.6 and 7.

41. Let a decree sheet be drawn accordingly.

NAVIN CHAWLA, J.

NOVEMBER 17, 2022/Arya