

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

% *Reserved on : 1st February, 2023*
Decided on : 7th February, 2023

+ **CS(COMM) 198/2022 & I.A. 4963/2022(O-XXXIX R-1 & 2 of CPC)**

AKTIEBOLAGET VOLVO & ORS. Plaintiffs
Through: Mr. Pravin Anand with Ms. Vaishali
Mittal and Mr. Karan Kamra,
Advocates.

versus

VOLVO WHITE PAINTS INDUSTRIES & ORS. Defendants
Through: None.

CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL

JUDGMENT

I.A. 1921/2023 (O-XIII A R-2, 3 & 6 of CPC for Summary Judgment) & CS(COMM) 198/2022

1. The present suit has been filed seeking relief of permanent injunction restraining the defendants from infringing the trademarks of the plaintiffs, passing off their goods as that of the plaintiffs' and other ancillary reliefs.

PLEADINGS IN THE PLAINT

2. The case set up by the plaintiffs in the plaint is as follows:

2.1. Plaintiff no.1, AB Volvo, plaintiff no.2, Volvo Trademark Holding AB and plaintiff no.3, Volvo Car Corporation (hereinafter collectively referred to as 'the plaintiffs'), incorporated under the laws of Sweden, have their core business in transportation and automotive sector, including the business of manufacturing spare parts, accessories and ancillary parts for

vehicles under the trademark 'VOLVO'.

2.2. Plaintiff no.1, incorporated on 5th May, 1915, executed a global deed of assignment in favour of plaintiff no.2, who became the subsequent proprietor of the plaintiffs' trademark 'VOLVO' and subsequently licensed the use of the trademark 'VOLVO' to plaintiffs no.1 and 3 in relation to their respective businesses.

2.3. Plaintiff no.1 is an international automotive and transport vehicle group and employs approximately 1,15,000 persons worldwide. Plaintiff no.1 provides a wide spectrum of transportation related products and services, with superior quality and high standards of safety and environmental care to customers.

2.4. The plaintiffs established an Indian flagship company, Volvo India Pvt. Ltd. in 1996 and launched their first 'VOLVO' bus in India in 2001, followed by two car models in 2007. Plaintiffs sold almost 1361 cars in India in the year 2020.

2.5. The plaintiffs are the registered proprietor of the trademark 'VOLVO' and 'VOLVO' formative marks in Classes 1, 2, 16, 37 and various other Classes of the Trade Marks Act, 1999. The earliest registration for the word mark 'VOLVO' dates back to the year 1977. Details of the trademarks registrations of the plaintiffs' 'VOLVO' marks in India have been tabulated at page no. 145 to 148 of the plaintiffs' documents filed with the plaint. The said marks of the plaintiffs are also registered by the plaintiffs in various foreign countries.

2.6. The plaintiffs' 'VOLVO' marks have acquired the status of 'well-

known trademarks’ within the meaning of Section 2(1)(zg) of the Trade Marks Act, 1999, which fact is recognised in the judgment of *Aktiebolaget Volvo of Sweden v. Volvo Steels Ltd. of Gujarat (India)*, (1998) 18 PTC 47.

2.7. The plaintiffs are the registered domain name holders of the website, ‘www.volvobuses.com’ and ‘www.volvobuses.in’ catering to their segment of customers in India with the ‘.in’ domain name. Additionally, the plaintiffs also hold the registration of the domain name ‘www.volvotrucks.in’.

2.8. Defendant no.1, Volvo White Paints Industries, is believed to be a partnership firm comprising the defendant no.2 and defendant no.3 (hereinafter collectively referred to as ‘the defendants’).

2.9. In September, 2021, the plaintiffs got the knowledge that the defendants through the defendant no.1 were engaged in the business of manufacturing, dealing, selling/supplying products like wall putty, tile adhesive, LWC, Gypsum plaster etc., under the trade name ‘Volvo White Paints Industries’. Pursuant thereto, the plaintiffs availed the services of an investigator in September - October 2021, to ascertain the business activities of the defendants as mentioned on their website.

2.10. The investigation confirmed that the defendants are infringing the plaintiffs’ registered and ‘well-known trademark’ ‘VOLVO’ as a part of their trade name ‘Volvo White Paints Industries’ and in relation to their business activities. The defendants also operate the impugned domain name ‘www.volvowhite.com’, which displays and use the mark,



as part of its trade name and uses the

plaintiffs' mark in the meta-tags associated with the domain name, source code of the website hosted on the domain name. The defendants' email Ids 'info@volvowhite.com', 'sales@volvowhite.com' and 'volvowhitepaints@gmail.com' also infringe the plaintiffs' mark. The packaging of the products of the defendant no.1 also bears the marks, VOLVO White Wall Putty, VOLVO White Tile adhesive, VOLVO White LWC, etc. which infringes the plaintiffs' registered and 'well-known trademark' 'VOLVO'.

2.11. The use of the mark 'VOLVO' of the plaintiffs by the defendants in its trade name is intended to pass off the goods of the defendants as that of the plaintiffs'.

2.12. An application for registration of the trademark 'VOLVO WHITE' (device) in Class 2 has been made by the defendants on a 'proposed to be used basis', the status of which is reflected as 'objected to' on the website of Indian Trademark Registry.

2.13. Accordingly, the plaintiffs have filed the present suit.

PROCEEDINGS IN THE SUIT

3. This Court, vide order dated 31st March, 2022 granted an *ex parte* ad interim injunction in favour of the plaintiffs under I.A.4963/2022, restraining the defendants from using the mark 'VOLVO'. The relevant portion of the said order is as under:

“25. Having heard learned counsel appearing on behalf of the Plaintiffs, this Court is of the view that Plaintiffs have made out a prima facie case for grant of ex parte ad-interim

injunction. Balance of convenience lies in favour of the Plaintiffs and they are likely to suffer irreparable harm in case the injunction, as prayed for, is not granted.

26. Accordingly, Defendants, their subsidiaries, affiliates, franchisees, proprietors, officers, servants, agents, distributors, stockists, representatives and anyone acting for or on their behalf are hereby restrained from using the Plaintiffs' name/trademark 'VOLVO' and/or any other name/trademark confusingly or deceptively similar there to, in relation to their business activities of manufacturing, selling and/or supplying, distribution and dealing in Wall Putty, Tile Adhesive, LWC, Gypsum Plaster, Exterior Cement Paint products etc or in relation to any other goods or services, in any manner, including but not limited to the trade name 'VOLVO White Industries'; impugned domain name, www.volvowhite.com; in the meta-tags associated with the website; the source code of website hosted on the impugned domain name; as a part of the email ids info@volvowhite.com, sales@volvowhite.com and volvowhitepaints@gmail.com; third party listings, references in social media and/or any representation made by the Defendants, their affiliates, subsidiaries and on their behalf, in terms of relief sought in paragraph 78 (i) of the present application."

4. Vide the aforesaid order, two Local Commissioners were also appointed by this Court to seize and inventorize the infringing goods bearing the mark 'VOLVO'. The Local Commissioners found a large stock of infringing goods at the premises of the defendants, which were inventorized by them and seized and handed over on *supardari* to the defendants. The reports of the Local Commissioners have been placed on record.

5. Office report notes that the defendants no.1, 2 and 3 were served through e-mail and WhatsApp. An affidavit of service has been filed on

behalf of the plaintiffs. As per the affidavit of service filed on behalf of the plaintiffs, the defendants were served through speed post, courier and e-mail. The original speed post, courier receipts, tracking report and proof of service via e-mail have been filed along with the said affidavit. Consequently, the defendants were proceeded against *ex parte* on 28th July, 2022.

6. In view of the above, the counsel for the plaintiffs has filed the present application under Order XIII A Rules 2, 3 and 6 of the CPC for passing of a summary judgment.

7. Counsel for the plaintiffs places reliance on the judgment of this Court in ***EBAY Inc. v. Mohd. Waseem***, 2022 SCC OnLine Del 3879 to contend that in the event the defendants have failed to appear in the proceedings and voluntarily chosen not to respond to the plaint, it is indicative of the fact that the defendants have nothing substantial to urge, by way of a response to the allegations in the plaint. Counsel for the plaintiffs submits that this is a fit case where a Summary Judgment in terms of Order XIII-A of the Code of Civil Procedure, as applicable to commercial disputes of a specified value, read with Rule 27 of the Delhi High Court Intellectual Property Rights Division Rules, 2022 (in short, 'IPD Rules'), deserves to be passed in favour of the plaintiffs and against the defendants.

ANALYSIS AND FINDINGS

8. I have heard the counsel for the plaintiffs and perused the record of the case.

9. From the averments made in the plaint and the documents filed therewith, the plaintiffs have been able to prove that they are the registered proprietors of the mark 'VOLVO'. The plaintiffs have also been able to show their goodwill and reputation in respect of the mark 'VOLVO' not only internationally but in India as well. The mark has acquired the status of a 'well-known trademark' in terms of section 2(zg) of the Trade Marks Act, 1999. The defendants have used the word mark 'VOLVO' in its trade name, which is identical to the plaintiffs' name, to ride on the goodwill and reputation of the mark of the plaintiffs. The acts of the defendants amount to infringement of the mark of the plaintiffs and passing off the goods of the defendants as that of the plaintiffs. The defendants have not only taken unfair advantage of the reputation and goodwill of the plaintiffs' mark but also deceive unwary consumers of their association with the plaintiffs. Such acts of the defendants would also lead to dilution of the plaintiffs' mark.

10. The domain name of the defendants is also deceptively similar to that of the plaintiffs and is likely to deceive the public of its association with the plaintiffs. In *Anugya Gupta v. Ajay Kumar and Anr.*, 2022 SCC OnLine Del 1922, this Court applying the principles of the trade mark law has held that the right of a proprietor in a domain name is entitled to equal protection. The user traffic may be diverted due to the use of the same or similar domain name, which could result in a user mistakenly accessing one domain name instead of the one intended. A domain name may therefore, have all the characteristics of a trademark and could result in an act of passing off. Similarly, the use of 'Volvo White Paints Industries' as a part of their trade

name/corporate name is also likely to deceive unwary consumers of their association with the plaintiffs.

11. At this stage, it may be relevant to note that the defendants have been served through speed post, courier and e-mail. Moreover, the fact that local commissions were executed at the premises of the defendants would show that the defendants are aware of the pendency of the present suits. Despite the above, the defendants have failed to enter appearance in the suit and hence, were proceeded against *ex parte* on 28th July 2022.

12. Plaintiffs have established statutory as well as common law rights on account of the long usage of the 'VOLVO' marks. The plaintiffs would be gravely prejudiced if the defendants are permitted to use the impugned trade name and marks. Since the defendants have failed to enter appearance or even take any steps requisite to contest the present suit, despite having suffered an ad interim injunction order, it is evident that they have no defence to put forth on merits. The plaint is duly supported by the affidavit of the plaintiffs. I am of the opinion that no purpose would be served by directing the plaintiffs to lead *ex parte* evidence by filing an affidavit of examination in chief. Therefore, in my opinion, this is a fit case where a Summary Judgment in terms of Order XIII-A of the CPC, as applicable to commercial disputes of a specified value, read with Rule 27 of the IPD Rules, deserves to be passed in favour of the plaintiffs and against the defendants. Reference in this regard may be made to the judgment in ***Su-Kam Power Systems Ltd. v. Kunwer Sachdev***, 2019 SCC OnLine Del 10764, has observed as under:

“90. To reiterate, the intent behind incorporating the summary judgment procedure in the Commercial Court Act, 2015 is to ensure disposal of commercial disputes in a time-bound manner. In fact, the applicability of Order XIII A, CPC to commercial disputes, demonstrates that the trial is no longer the default procedure/norm.

91. Rule 3 of Order XIII A, CPC, as applicable to commercial disputes, empowers the Court to grant a summary judgement against the defendant where the Court considers that the defendant has no real prospects of successfully defending the claim and there is no other compelling reason why the claim should not be disposed of before recording of oral evidence. The expression “real” directs the Court to examine whether there is a “realistic” as opposed to “fanciful” prospects of success. This Court is of the view that the expression “no genuine issue requiring a trial” in Ontario Rules of Civil Procedure and “no other compelling reason.....for trial” in Commercial Courts Act can be read mutatis mutandis. Consequently, Order XIII A, CPC would be attracted if the Court, while hearing such an application, can make the necessary finding of fact, apply the law to the facts and the same is a proportionate, more expeditious and less expensive means of achieving a fair and just result.

92. Accordingly, unlike ordinary suits, Courts need not hold trial in commercial suits, even if there are disputed questions of fact as held by the Canadian Supreme Court in Robert Hryniak (supra), in the event, the Court comes to the conclusion that the defendant lacks a real prospect of successfully defending the claim.”

13. The aforesaid principles are fully applicable in the facts and circumstances of the present case and therefore, the plaintiffs are entitled to a summary judgment.

14. In view of the above, the present application is allowed.

RELIEF

15. The various registrations and the long usage of the mark 'VOLVO' by the plaintiffs, as also the goodwill vesting in the mark 'VOLVO', entitles the plaintiffs for grant of permanent injunction and decree in terms of the plaint.

16. Accordingly, the present suit is decreed in terms of prayer clauses 'i', 'ii', 'iii' and 'iv' of the plaint.

17. Since the defendants have not appeared and rendered any accounts of profits, the said relief as sought in prayer clauses 'vii' cannot be granted. Insofar as delivery up for the purpose of destruction, as sought in prayer clause 'v' is concerned, the representatives of the plaintiffs are permitted to visit the premises of the defendants, where the inventory is lying and take seizure of the infringing products for the purpose of destruction.

18. Insofar as the relief of damages as sought in prayer clause 'vi' is concerned, reference may be made to the judgment in ***Hindustan Lever Ltd. v. Satish Kumar***, 2012 SCC OnLine Del 1378. The relevant observations are set out below:

“23. One of the reasons for granting relief of punitive damages is that despite of service of summons/notice, the defendant had chosen not to appear before the court. It shows that the defendant is aware of the illegal activities otherwise, he ought to have attended the proceedings and give justification for the said illegal acts. Since, the defendant has maintained silence, therefore, the guilt of the defendant speaks for itself and the court, under these circumstances, feels that in order to avoid future infringement, relief of punitive damages is to be granted in favour of the plaintiff.”

19. In the present case, the defendants have blatantly infringed the

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trademark of the plaintiffs and have also failed to appear before this Court. Applying the above principles and considering the large quantum of products that have been seized by the Local Commissioners, the plaintiffs are entitled to damages of Rs.5,00,000.

20. As regard, the prayer clause 'viii', counsel for the plaintiffs has filed a statement of costs. The statement of costs shows that Rs.4,51,500/- has already been incurred for court fees and the fees of the Local Commissioners. In addition, it is claimed that expenses to the tune of Rs. 1,33,599/- have been incurred and Rs.4,53,707/- is the legal fees. This Court is convinced that this is a fit case for award of actual costs to the plaintiffs. Accordingly, Rs.10,00,000/- is awarded to the plaintiffs as costs to be paid by the defendants.

21. Let the decree sheet be drawn up.

22. All applications are disposed of in the above terms.

FEBRUARY 07, 2023

at

AMIT BANSAL, J.