

IN THE COURT OF MANOJ KUMAR-I, DISTRICT JUDGE
(COMMERCIAL COURT)-05, CENTRAL DISTRICT, TIS HAZARI,
DELHI.

CNR No. DLCT01-000909-2024
CS (COMM) No.: 127/24

In the matter of:

Suprajit Engineering Limited versus Dalip Kumar

ORDER :

This order shall decide an application under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC) made on behalf the plaintiff to restrain the defendant by himself as also through his agents, representatives etc. from manufacturing, marketing, purveying, supplying, using, selling, soliciting, exporting, displaying, advertising or by any other mode or manner dealing in or using trade mark PHOENIX or any other word /mark which may be identical with and/or deceptively similar words/marks to the plaintiff's said trade marks (as word mark or in label form) in relation to his goods and business of Mechanical Control Cables, halogen lamps, automotive cable and halogen bulb, packaging case for automobiles head lamps, various automotive spare parts and related / allied products and from doing any

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other acts or deeds amounting to or likely to (I) infringement of the plaintiff's aforesaid trade marks, (ii) passing off and violation of the plaintiff's trade mark PHOENIX, and (iii) infringement of plaintiff's copyright in its label; and to restrain the defendant from disposing of or dealing with his assets including his premises at the addresses mentioned in the memo of parties and his stocks in trade or any other assets as may be brought to the notice of the court and which the defendant is called upon to disclose and /or on its ascertainment by the plaintiff.

2. It is, inter-alia, stated in the plaint, which is also made part of the application that plaintiff M/s Superajit Engineering Ltd. is a company incorporated under the Companies Act, 1956 with its registered office in Bangalore, Karnataka; that since its establishment in the year 1985 the plaintiff has become India's largest manufacturer of mechanical control cables and the world's largest manufacturer in the two-wheeler cable market; that the plaintiff company later expanded into automotive lighting by acquiring Phoenix Lamps Limited in 2014, which was amalgamated through an order of the National Company Law Tribunal, Bangalore on 11.08.2017; that the plaintiff has a strong presence in the aftermarket spare parts sector for two and three-wheelers and has built a solid reputation both in India and internationally; that the plaintiff is the registered proprietor of trade mark 'PHOENIX', which, as coined for it's automotive products, was first adopted in 1989; that mark

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‘PHOENIX’ along with its variations is registered under different classes for automotive products; that over the years the plaintiff has established significant goodwill and brand recognition with its products widely known in the automotive industry; that the plaintiff has made substantial investments in marketing and promotional activities as evident from its sales revenue of Rs.14,310.19 million in 2022-23 and promotional expenses of Rs. 20.07 million in the same period; that distinctive trade dress and packaging of the plaintiff’s products further reinforce their brand identity; that the defendant, engaged in manufacturing, marketing, and sale of automotive spare parts, have allegedly adopted deceptively similar trade marks; that the defendant is selling counterfeit products with packaging and branding that are visually and structurally similar to the plaintiff’s products, which constitutes trade mark infringement, passing off and unfair competition, as it is likely to mislead consumers into believing that the defendants' goods originate from the plaintiff; that the defendant is unauthorized user of the mark, causing irreparable harm to the plaintiff’s brand value and customer trust; that the sale of counterfeit or deceptively similar products may lead to consumer deception and financial losses. It is further stated in the application that the defendant has no legal authorization to use the PHOENIX mark and is deliberately misleading the market to gain unfair profits, therefore, the

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application may be allowed and a temporary injunction be passed against him.

3. The suit as well as the application are contested by the defendant by way of a written statement, wherein preliminary objections are taken to the effect that the suit is misconceived, devoid of merit and an abuse of the process of law; that the plaintiff has failed to disclose any cause of action against the defendant and has instituted the present suit with mala fide intent; that despite the defendant having no direct or indirect role in any alleged counterfeiting or infringement of trade marks, the plaintiff has wrongly implicated the defendant in the matter; that the plaintiff has deliberately sought to mislead this court by making vague and baseless allegations without providing any cogent evidence linking the defendant to the alleged unlawful activities; that the plaintiff has failed to establish any valid cause of action against the defendant; that the suit has been filed on mere conjectures and surmises without any concrete proof of infringement; that the plaintiff has made sweeping statements regarding alleged counterfeit goods being sold by the defendant without producing any credible evidence to demonstrate any direct involvement of the defendant in the sale of spurious products. It is further stated in the written statement that the defendant was merely engaged in a small business of trading spare parts in Karol Bagh, Delhi, and had no knowledge about the plaintiff's trade mark "PHOENIX" or

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any other alleged intellectual property rights; that the defendant had no intention to infringe upon any trade marks and was unaware of any legal implications associated with the goods he was selling; that the defendant never intended to sell counterfeit goods or deceive customers; that the defendant was approached by one Mr. Nitin Kashyap, who represented himself as an agent of a manufacturer dealing in halogen lamps; that the defendant acting in good faith had purchased a limited stock of 2000 pieces of halogen lamps for resale, without any knowledge that they were allegedly infringing upon the plaintiff's trade mark; that the defendant was selling low cost automotive spare parts to uninformed and uneducated customers, who were only concerned with the utility of the product rather than the brand or packaging; that the defendant never promoted, advertised, or misrepresented the products as belonging to the plaintiff; that the defendant has never conducted business with any wholesalers, retailers, or distributors in Bihar or any other state outside Delhi; that the report of the Local Commissioner does not establish any evidence linking the defendant to any illegal counterfeiting activities beyond the small quantity of goods seized from his shop resulting that the defendant was unintentionally caught in a larger scheme orchestrated by third parties, and he is being used as a scapegoat in the present litigation. In other paragraphs of the written statement the allegations made by the plaintiff against the defendant are disputed or denied.

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4. I have heard counsel for the parties and have gone through the material on record carefully.

5. Having drawn the attention of the court on the contents of the application, pleadings of the parties, the documents pertaining to registration and use of trade mark PHOENIX, PHOENIX device and labels bearing word and device PHOENIX and the report dated 05.02.2024 of the Local Commissioner appointed at the instance of the plaintiff it is submitted by counsel for the plaintiff that the plaintiff is the registered proprietor of trade marks PHOENIX word and PHOENIX device. It is further submitted by counsel for the plaintiff that during an inspection of the premises of the defendant by the Local Commissioner on 27.01.2024 defendant Dalip Kumar was found in possession of 310 bulbs/halogen lamps packed in sets of 10, 200 loose bulbs/halogen lamps carrying/engraved with 'PHOENIX' mark, 1300 empty bulb packaging boxes carrying the 'PHOENIX' mark/branding, and 6 large cartons carrying 'Phoenix' mark. It is further submitted by counsel for the plaintiff that the defendant and his associates applied trade mark 'PHOENIX' on his bulbs and halogen lamps and sold the same in packaging bearing labels similar to the labels used by the plaintiff in selling its goods of same description. It is further submitted by counsel for the plaintiff that the plaintiff, who is the registered proprietor of trade mark 'PHOENIX' and the artistic work bearing that mark, which was

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being illegally used by the defendant, apprehends that the defendant may further infringe its trade mark and copyright in future, therefore, the defendant be restrained from infringing the trade mark and copyright of the plaintiff, and be further restrained from passing off its goods as originating from the plaintiff. It is further submitted by counsel for the plaintiff that a prima facie case for grant of injunction exists in favour of the plaintiff and in case the defendant is not restrained from violating its rights, it may suffer irreparable loss which cannot be compensated in terms of money. It is further submitted by counsel for the plaintiff that the balance of convenience lies in favour of the plaintiff.

6. Per contra, having drawn the attention of the court on the written statement filed on behalf of the defendant and the report filed by the Local Commissioner it is submitted by counsel for the defendant that as per the report of the Local Commissioner during the visit at the place of the defendant only three persons including the defendant and his wife were found in the place. It is further submitted by counsel for the defendant that the defendant was not the manufacturer of the goods in question and the same were purchased by him from one Nitin Kashyap, who deceived the defendant by selling infringed goods. It is further submitted by counsel for the defendant that after the visit of the Local Commissioner at the place of the defendant and seizure of the goods the defendant has stopped selling the goods bearing the trade mark of the

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plaintiff and therefore, there exists no ground for passing any temporary injunction against the defendant. It is further submitted by counsel for the defendant that the application may be dismissed.

7. I have given my thoughtful consideration to the submissions made on behalf of the parties.

8. The present suit, after filing, was received by way of assignment on 20.01.2024. Alongwith the plaint an application for ex-parte temporary injunction and another application for appointment of Local Commissioner to inspect the premises of the defendants in Delhi and Patna and to seize the infringed goods was also received; and by order dated 23.01.2024 passed by the learned predecessor the said two applications were heard ex parte and orders were passed against the defendants. On 23.01.2024, while passing the order on the application for temporary injunction it was mentioned that the application under Order XXXIX Rules 1 and 2 of CPC was disposed of, but by the same order it was directed that the plaintiff must comply with the provisions of Order XXXIX Rule 3 of CPC within seven days, implying that the application was not finally decided and was kept pending to be decided after appearance of the defendants. Subsequently, in the wake of order dated 23.01.2024 passed by the learned predecessor, as per the report filed by the Local Commissioner dated 05.02.2024, the said

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Commissioner visited the premises of the defendant on 27.01.2024, and after seizing goods listed in the report, handed over the same to the AR of the plaintiff on supurdari.

9. Initially the suit was instituted against five persons, but after inspection and seizure by the Local Commissioner at the premises of the defendant, in the wake of an application under Order I rule 10 of CPC made on behalf of the plaintiff, the names of the defendants Nos. 2 to 5, namely, Om Tradewel, Auto World, New Auto Stores and Aggarwal Parts House, all carrying businesses at Patna, Bihar were dropped from the array of the parties, and the name of defendant Dilip was substituted in place of the defendant No. 1 Ashok Kumar and summons were issued against him. After his appearance the defendant filed the written statement along with other documents and thereafter, the matter was posted for framing of issues. Since the application for temporary injunction was not finally decided, therefore, the same was taken up for hearing.

10. From the documents filed by the plaintiff from the e-register of Trade Mark Registry dated 18.01.2024 it has emerged that the plaintiff is the registered proprietor of trade marks PHONEIX (word) and PHONEIX (device label), and has been using the said trade marks since 01.4.1989 and 30.4.1989 respectively. As per another document filed

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from e-register of the Trade Mark Registry the plaintiff also proposed to use PHOENIX (device) in respect of its goods. The trade marks registered in the name of the plaintiff are valid till 11.6.2026, 31.3.2030 and 26.9.2029. As per the documents filed by the plaintiff from the record of the Trade Mark Registry, the said trade marks are being used by the plaintiff in respect of the goods of class 12 and class 11, namely, parts & fittings & fixtures for use in motor land vehicles, automotive lamps falling in class 12 and lights and lamps for vehicles, lighting apparatus and installation for vehicles including in class 11. In respect of the said marks the plaintiff has also filed documents to show that legal proceeding certificates were applied on its behalf on 17.01.2024.

11. From the report of the Local Commissioner dated 05.02.2024 it has emerged that on 27.01.2024 the Local Commissioner along with the representatives of the plaintiff visited the premises of the defendant at 9011, Shidipura, Karol Bagh, Delhi, where he seized the following articles lying in the said premises, namely, 310 bulbs/ halogen lamps packed in sets of 10, 200 loose bulbs/ halogen lamps carrying /engraved with "PHOENIX" marks, 1300 empty bulb packaging boxes carrying the "PHOENIX" mark/ branding, and 06 large cartons carrying "PHOENIX"mark. Along with his report the Local Commissioner has also filed the photographs of the goods, packaging boxes and cartons

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seized by him at the premises of the defendant. From the said photographs filed by the Local Commissioner and the documents filed by the plaintiff it appears that the defendant has used the trade marks and copyright labels owned by the plaintiff on his goods, packaging and cartons.

12. In the written statement filed on his behalf the defendant has not disputed the fact that the Local Commissioner inspected his premises and seized the articles as mentioned in the report of the Local Commissioner. His plea, however, is that he did not infringe the trade marks of the plaintiff and did not pass off his goods as the goods originating from the plaintiff. According to the defendant in the first week of November, 2023 a certain Nitin Kashyap approached him for selling bulbs / halogen lamps used in two wheelers and three wheelers, and he represented that he was an agent of the manufacturer of the subject goods and he was engaged to provide door to door sales service to retailers in Karol Bagh area to establish a direct supply chain of the subject goods from the manufacturing units to the vendors such as the defendant. As per the written statement of the defendant, the said Nitin Kashyap offered the subject goods by luring the defendant of 50% to 80% margin if the defendant choose to sell the subject goods; that the defendant under a bona fide relief of the representation made by Nitin

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Kashyap agreed to purchase the subject goods and thus, he was used as a scapegoat by Nitin Kashyap. The defendant has not produced any document to suggest that he purchased the goods recovered from his premises from lawful business channel.

13. From the report of the Local Commissioner it is apparent that the defendant was having in his possession the counterfeit goods bearing false trade marks of the plaintiff in huge quantity. In the written statement the defendant has stated that the said goods for sale purpose and for earning profit. The truth of the explanation given by the defendant in his written statement for keeping the said counterfeit goods for sale can only be ascertained after leading evidence by him, but till then the fact of the matter is that he was having counterfeit goods and packaging material in his possession with trade marks and copyright work of the plaintiff thereon. From the written statement of the defendant it is evident that the goods and packaging material seized by the Local Commissioner from the premises of the defendant were for sale purpose, and the sale of such goods in seized packaging in all likelihood was tend to misled the potential customers in believing that the said goods and packaging material had originated from the plaintiff. In these circumstances, notwithstanding the defence of the defendant a prima facie case of grant of temporary injunction is made out in favour of the

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plaintiff. The court is satisfied that if the defendant is not restrained from violating the trade marks and copyright of the plaintiff qua his goods, and is allowed to sell his infringed goods to the potential customers, it may cause irreparable loss to the plaintiff which cannot be compensated in terms of money. In the overall facts and circumstances of the case the balance of convenience also lies in favour of the plaintiff, therefore, the plaintiff is found entitled to an order of injunction in its favour.

14. In view of above discussion the application for temporary injunction under Order XXXIX Rules 1 and 2 of CPC made on behalf of the plaintiff is allowed in terms that the defendant Dalip Kumar by himself as also through his agents, representatives etc. restrained during the pendency of the suit from manufacturing, marketing, purveying, supplying, using, selling, soliciting, exporting, displaying, advertising or by any other mode or manner dealing in or using trade mark PHOENIX or any other word /mark which may be identical with and/or deceptively similar words/marks to the plaintiff's said trade marks (as word mark or in label form) in relation to his goods and business of Mechanical Control Cables, halogen lamps, automotive cable and halogen bulb, packaging case for automobiles head lamps, various automotive spare parts and related / allied products, and from doing any other act or deed amounting to or likely to (i) infringement of the plaintiff's aforesaid trade

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marks, (ii) passing off and violation of the plaintiff's trade mark PHOENIX, and (iii) infringement of plaintiff's copyright in its label.

Pronounced in the open court
on 12th of February, 2025

(Manoj Kumar)
District Judge (Commercial Court)-05
Central District, Tis Hazari, Delhi