$~31 (original)

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

\+ CS(COMM) 100/2021 & I.A.3133/2021, I.A.3134/2021, I.A.3135/2021, I.A.3136/2021

RAAJ UNOCAL LUBRICANTS LIMITED ..... Plaintiff

Through: Mr. Akhil Sibal, Sr. Advocate with Mr. Kapil Wadhwa, Ms. Deepika Rokharia and Ms. Deepshri, Advs.

versus

APPLE ENERGY PVT LTD & ANR. ..... Defendants

Through: None

CORAM:
HON'BLE MR. JUSTICE C.HARI SHANKAR

<u>O R D E R</u>

% **08.03.2021**

<u>I.A.3136/2021 (Section 151 CPC for exemption)</u>

1. Subject to the plaintiff filing legible copies of any dim documents on which it may seek to place reliance within a period of four weeks' from today, exemption is granted for the present.

2. The application stands disposed of.

<u>I.A.3135/2021 (Section 151 CPC for exemption)</u>

1. For the reasons stated in the application, prayer in the application is allowed.

2. The application stands disposed of.

I.A.3134/2021 (Order XXVI Rule 9 of the CPC)

1. Issue notice, returnable on 23rd March 2021 before the Court.

2. Let a response to this application be filed within a period of ten days from today with advance copy to learned counsel for the plaintiff/applicant, who may file rejoinder thereto, if any, before the next date of hearing.

CS(COMM) 100/2021

1. Issue summons to the defendants to file a written statement in response to the suit within a period of four weeks, accompanied by affidavit of admission/denial of plaintiff's documents with advance copy to the plaintiff, who may file replication thereto, if any, within two weeks thereof, accompanied by affidavit of admission/denial of defendants' documents.

2. The written statement and replication would not be taken on record, unless accompanied by said affidavits.

3. List the suit for completion of pleadings, admission/denial of documents and marking of exhibits before the Joint Registrar (Judicial), on 3rd May 2021.

IA 3133/2021 (Order XXXIX Rules 1 and 2 CPC)

1. Mr. Akhil Sibal, learned Senior Counsel appearing for the plaintiff, prays for *ad interim* relief, in terms of the prayer clause in this application, which reads thus:

> "Therefore, in view of the above it is most respectfully prayed that this Hon'ble Court may in the interim, pending the disposal of the instant matter, grant the following interim reliefs –
>
> > a. An order of interim injunction restraining the Defendant No. 2, its business associates, partners, directors, principal officers, family members, servants, agents, dealers, distributors, franchisees and anyone acting for and on its behalf from instituting any legal action or proceeding with the Civil Action No. 4:21-cv-279 titled "Phillips 66 Company v Raaj Unocal Lubricants Limited" before the United States District Court at Southern District of Texas (Houston Division).
> >
> > b. An order of interim injunction restraining the Defendants, their business associates, partners, directors, principal officers, family members, servants, agents, dealers, distributors, franchisees and anyone acting for and on their behalf from selling, manufacturing, advertising, promoting or in any other manner using impugned trade mark 76 or any other mark identical/deceptively similar to the Plaintiff's trademarks UNOCAL, UNOCAL 76 or 76 with respect to goods falling under Class 4 and any cognate or allied goods either as a trade mark or part of a trade mark, trade name, or part of a trade name, corporate name, email, domain name or part of a domain name or in any other manner which would result in Passing off or any act of Unfair Competition including resulting in confusion of any manner whatsoever;

c. Pass any other ex parte ad interim orders, in terms of the above;

d. Pass any other orders as this Hon'ble Court may deem fit in the interest of justice."

2. The plaintiff was established in technical collaboration with the Union Oil Company of California (UNOCAL), which is stated to be a petroleum explorer and lubricants manufacturer based in USA.

3. The plaint sets out, in para 11, various achievements of the plaintiff which, for the purposes of the present order, is not necessary to reproduce.

4. By a Licence Agreement dated 25th September, 1990, the plaintiff was granted licence, by UNOCAL, to use the technical information and knowhow of UNOCAL, as well as its trademark, for blending, packaging and marketing of UNOCAL products in India. This was followed by a Memorandum of Understanding (MOU) dated 3rd June, 1991 between UNOCAL and the plaintiff, whereunder intellectual property rights in respect of the trademark "UNOCAL", "UNOCAL 76" and "76" were vested in the plaintiff, against consideration. The MOU provided, *inter alia*, as under:

> "*Union oil is hereby agreeable to issue a letter in favour of RULL with immediate effect by virtue of which the rights to ownership of the trademarks "Unocal", "76" and "Unocal 76" for manufacturing and marketing in India will be vested solely and exclusively with M/s. Raaj Unocal Lubricants Limited and that Union oil shall not stake claim on the same directly or indirectly and/or through its subsidiaries in perpetuity and shall not launch or enter into any such agreement by virtue of which it indirectly or directly, through its subsidiaries, collaborators, distributors, joint venture*

partners, international offices etc commences and or engages into any competing activity of importing blending, contract, manufacturing, sale and marketing of similar products under the same or similar brand names.

It is further agreed that the said transfer of rights shall be executed without any royalty or one time payments as initially suggested and proposed by Union oil and that Union oil finds merit in the arguments put forth by RULL.

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It is further agreed that the transfer of rights of the trademarks to RULL are not for a limited time period, neither for the duration of the agreement signed and executed between both parties but it is valid and enforce in perpetuity and is irrevocable in nature.

It is further agreed that RULL by virtue of this memorandum of understanding executed between the authorised representatives of both concerned parties shall approach the competent authorities of Government of India *for proceeding with the application of registration of trademark <u>as the sole property of RULL for the trademarks "Unocal", "76" and "Unocal 76"</u> and that Union oil shall also make available a No objection Letter to that effect clearly mentioning transfer of Trademark rights to RULL and shall exercise its powers vested with Union Oil to allow registrations of the same which supersede clause no Article no. 1.* Sub LO2 and LO3 of the licensing agreement executed between both parties on 25th September 1990.

RULL agrees and accepts to not challenge, make attempts at registration and/or transfer of previous trademark registrations pursued and registered by Union Oil company for its mother brand "Union 76" and that "Union 76" shall remain the intellectual property of Union Oil Company of California."

(Italics and underscoring supplied)

5. This was followed by a letter dated 5th July, 1991 from UNOCAL to the plaintiff, which reads thus:

“UNION OIL COMPANY OR CALIFORNIA
1201 West Fifth Street
Los Angles, California 90017

5th July 1991

To,

Shri K. L. Rajgarhia
C/o M/s Raaj Unocal Lubricants Limited
B-38 Greater Kailash Part -01
New Delhi -110048
India

Dear Sir,

SUBJECT: IN RESPONSE TO YOUR LETTER DATED – 3rd JUNE 1991 FOR APPROVAL OF TRANSFER OF TRADEMARK RITES OF “UNOCAL 76”

This has reference to your representation regarding registration of Trade Mark Unocal", “76" and “Unocal 76” in India in order to avoid duplicity and to retain our intellectual property rights.

We are pleased to inform you that after deliberating on the said issue in terms of Article 1 Sub 1.02 and 1.03 The General counsel hereby authorises your organisation M/s Raaj Unocal lubricants ltd to register the trademark of “Unocal” “76" and “Unocal 76" individually and collectively for exclusive use in India only .

FOR UNION OIL COMPANY OF CALIFORNIA
Dba UNOCAL

Sd.

JOHN S ROSSITTIR
General Manager
International Supply and Trading”

(Emphasis supplied)

6. On 5th July, 1991, UNOCAL issued a "no objection certificate" in terms of the MOU dated 3rd June, 1991, authorizing the plaintiff to register "UNOCAL", "76" and "UNOCAL 76", for exclusive use in India. Pursuant thereto, the plaintiff has applied with the Registrar of Trademark, for registration of the aforesaid marks "UNOCAL", "76" and "UNOCAL 76" in India.

7. It is asserted by the plaintiff that, since 1991, the plaintiff is continuously and uninterruptedly using the trademark "UNOCAL 76" in India for manufacturing, packaging and marketing of its lubricant products in India, under the aforesaid licence granted by UNOCAL and that the marks "UNOCAL", "76" and "UNOCAL 76" as used in India, are solely and exclusively associated with the plaintiff and served as source indicators by the plaintiff's business. Under the mark "UNOCAL 76", the plaintiff offers a wide range of engine oils and other similar products.

8. The plaint also sets out the turnover of the plaintiff, from 2010-11 till 2020-21, during which period it has increased from ₹ 29,00,498.00 to ₹ 19,58,05,982.00. Promotional expenses, totalling ₹ 2,05,41,561.83, also claim to have been expended by the plaintiff, in running its business.

9. As a result, it is claimed, within the meaning of the expression in Section 2(l)(zg) of the Trade Marks Act, 1999, "UNOCAL", "76" and "UNOCAL 76", have acquired the status of well-known trademarks.

10. Defendant No. 1 is the exclusive distributor of products of Defendant No. 2 in India. Defendant No. 1 is located in Thane and Defendant No. 2 is located in Texas. The plaint asserts that neither Defendant No. 2, nor its predecessor-in-interest, have any right to use the "UNOCAL", "76" and "UNOCAL 76" trademarks in India and had never, in fact, used the said mark in India till date. All rights, to use the aforesaid trademark in India, have, it is re-asserted in the plaint, been transferred to the plaintiff by UNOCAL in 1991, to which, till date, there is no challenge.

11. Defendant No. 2 has instituted opposition proceedings with the Registrar of Trademarks in India against the application filed by the plaintiff. Defendant No. 2 has also filed its own trademark application in India for registration of in India, as "proposed to be used". The Registrar of Trademarks has objected to the application filed by Defendant No. 2 on 18th January, 2021.

12. The plaint also discloses that Defendant No. 2 has obtained assignment of the original trademark Application No. 551399 filed before the Trademark Registry by UNOCAL for the mark. This, submits Mr. Akhil Sibal, learned Senior Counsel for the plaintiff could never have been done, in view of the clear covenants of the MOU dated 3rd June, 1991 which, *inter alia*, vested ownership in the aforesaid trademark, insofar as use in India was concerned, stood exclusively transferred to the plaintiff.

13. Thereafter, the plaint asserts that the Defendant No. 1, being the distributor of Defendant No. 2 in India, has been publicizing itself as entitled to use the mark and has also applied on 18th January, 2021 with their Trademark Registry for registration of the mark in Class 4 dealing with lubricants.

14. Defendant No. 2 has also filed a complaint, before the United States District Court at Southern District of Texas (Houston Division), registered as <u>Civil Action No. 4:21-cv-279</u> titled ***Phillips 66 Company v. Raaj Unocal Lubricants Ltd***. A copy thereof has been filed by the plaintiff. The action claims to be "for trademark infringement, counterfeiting, dilution, unfair competition, and unjust enrichment under the Trademark Act of 1946" in the U.S.

15. Defendant No. 2 has, in para 8 of the said complaint, claimed to be a continuous user of the mark at least since 1932. The immediately succeeding paras 9 to 11 of the complaint, however, state, in a somewhat contrary vein, thus:

> "9. The 76 Marks were first used by Phillips 66's predecessor in interest, Union Oil Company of California, doing business as Unocal, in 1932. In addition to the 76 Marks shown above, Unocal also used the marks UNION 76, UNOCAL 76, and 76 LUBRICANTS in connection with its products and services.
>
> 10. In 1997, Unocal sold its western United States refining and marketing operations and the rights to the 76 Marks for use in refining and marketing operations to Tosco Corporation. Phillips Petroleum Company purchased Tosco Corporation, along with the rights in the 76 Marks, in 2001.

In 2002, Conoco Inc. and Phillips Petroleum Company merged into ConocoPhillips.

11. In 2012, ConocoPhillips divested all of its midstream, downstream, marketing and chemical operations, as well as rights to the 76 Marks in connection with those operations, to the newly created company Phillips 66."

16. Clearly, therefore, it is admitted, by Defendant No. 2 even in the aforesaid complaint filed before the Texas District Court that it has acquired rights over from UNOCAL, only in 2012 and, had any right not before 1997, prior to which, as already noted hereinabove, in 1991, exclusive ownership over the said right sofar as user in India was concerned, stood sold by UNOCAL to the plaintiff.

17. The complaint filed in Texas contains the following prayer clause:

"WHEREFORE, Phillips 66 prays that:

a) Defendant, Defendant's agents, servants, employees, attorneys, licensees, and all those persons and legal entities in active concert or participation with them, be preliminarily and permanently enjoined from using the 76 Marks, the Counterfeit Marks, and any other mark or trade dress confusingly similar thereto;

b) Defendant, Defendant's agents, servants, employees, attorneys, and all those persons and legal entities in active concert or participation with them, be required to immediately remove or otherwise eliminate all elements and instances of the 76 Marks or the Counterfeit Marks that appear on Defendant's products and promotional materials, including its website at unocalglobal.com and all digital and social media accounts;

c) Defendant be ordered to file with this Court and to serve upon Phillips 66, within 30 days after the entry and service on Defendant of an injunction, a report in writing and under oath setting forth in detail the manner and form in which Defendant has complied with the injunction;

d) Phillips 66 recover all damages it has sustained as a result of Defendant's infringement, dilution, false designation of origin, unfair competition, and unjust enrichment, and that such damages be trebled;

e) An accounting be directed to determine Defendant's profits resulting from Defendant's activities, and that such profits be paid over to Phillips 66, increased as the Court finds to be just under the circumstances of this case;

(f) Alternatively, if greater, Plaintiff recover statutory damages under 15 U.S.C. § 1117 as a result of Defendant's counterfeiting;

g) Plaintiff's nominal damages, if the Court does not award statutory damages, actual damages, or an accounting of profits;

h) Phillips 66 recover its reasonable and necessary attorneys' fees;

i) Phillips 66 recover its costs of this action and prejudgment and post-judgment interest; and

j) Phillips 66 recover such other relief as the Court may find appropriate."

18. Mr. Akhil Sibal, learned counsel for the plaintiff, submits that the aforesaid proceedings, initiated by the Defendant No. 2 before the Texas District Court, against the plaintiff are vexatious and oppressive in nature, as they seek to obtain a global injunction against the plaintiff, with respect to the use of the mark, in full awareness of the fact that the plaintiff is using the said mark only within the territory of India. The plaintiff has no use of the said mark in the United States, and does not claim any such use either. The trademarks rights claimed by the plaintiff, in respect of the “76” mark are only within the territory of India. He also points out that, in India, the Defendant No. 2 is well aware of the rights of the plaintiff especially as it is locked in a dispute, with the plaintiff, before the Registrar of Trademarks, with respect to the mark. Mr. Sibal has invited my attention, in this context, to the plaintiff’s trademark application, the notice of opposition filed thereto by Defendant No. 2 before the Trademark Registry in India, the counter statement by the plaintiff thereto and the evidence in support of the opposition filed by Defendant No. 2 and the evidence filed by the plaintiff, all of which have been placed on record along with the plaint. It is pointed out that Defendant No. 2 has, in its complaint before the Texas District Court, concealed all these facts and is, by a circuitous method, seeking to obtain an injunction against the use of “76” mark in India by the plaintiff. Were any such injunction to be granted, Mr. Sibal submits that plaintiff would stand disentitled from using the mark in India, and would have to contest the matter before the Texas District Court, which would be vexatious and oppressive.

19. In these circumstances, Mr. Sibal prays for *ex parte ad interim* relief in terms of the prayers contained in this application.

20. *Prima facie,* I am of the view that a case for grant of such relief has been made out by the plaintiff.

21. Insofar as prayer (b), in the plaint, is concerned, the plaintiff is, *prima facie*, entitled to the exclusive use of the "76" mark and to ownership thereof by virtue of the MOU dated 3rd June, 1991 executed by UNOCAL. The mark , which the Defendant No. 2 proposes to register and use, is clearly identical to the "76" logo in the plaintiff's "UNOCAL 76" trademark, viz. .

22. *Prima facie*, therefore, any use, by the defendants, of the mark, is bound to result in confusion and deception regarding the identity of the person entitled to use the said mark.

23. Insofar as prayer (a) in the application is concerned, the fact that Defendant No. 2 is involved in the proceedings, before the Registrar of Trademarks, against the plaintiff, regarding the entitlement to the "76" mark, indicates that Defendant No. 2 is well aware of the rights of the plaintiff over the said mark. Despite this knowledge, these facts have been concealed by Defendant No. 2 in the proceedings before the Texas District Court. The plaintiff is not claiming any trademark rights in the U.S. and any claim of infringement, with respect to the rights of the plaintiff would have to be determined in India, and not in the U.S. as infringement is an action relatable to statute, and not to common law.

24. In these circumstances, *prima facie*, the proceedings in the Texas District Court appear to be oppressive and vexatious in nature and if they are allowed to proceed and any order passed thereon against the plaintiff, irreparable injury is likely to result to the plaintiff.

25. In view thereof, I am inclined to grant an interim injunction against continuance, by the defendants, of the said proceedings before the Texas District Court.

26. Accordingly, till the next date of hearing, Defendant No. 2 shall stand restrained from continuing with the proceedings in Civil Action No. 4:21-cv-279 titled ***Phillips 66 Company v. Raaj Unocal Lubricants Ltd***, instituted by it before the United States District Court at Southern District of Texas (Houston Division).

27. In the circumstances, issue notice, on this appliction, to the defendants by all modes, returnable on 23rd March, 2021. Notice may additionally be served through M/s. Lall and Sethi, who have filed the application for registration of the mark on behalf of the defendants before the Trademark Registry, and are representing the defendants, against the plaintiff, in the said procedings. Let notice be issued to the said counsel through *dasti* as well.

28. Till the next date of hearing, therefore,

(i) the defendants are restrained from selling, manufacturing, advertising, promoting or in any other manner using the impugned mark or any other mark identical/deceptively similar to the Plaintiff's trademarks "UNOCAL", or with respect to goods falling under Class 4 or any cognate or allied goods, which could have the effect of passing off the goods of the defendants as those of the plaintiff and

(ii) Defendant No. 2 is restrained from continuing to proceed with Civil Action No. 4:21-cv-279 titled ***Phillips 66 Company v. Raaj Unocal Lubricants Ltd*** before the United States District Court at Southern District of Texas (Houston Division).

29. The plaintiff is directed to comply with the provision under Order XXXIX Rule 3 of the CPC within a period of five days from receipt, by the Registry of this Court by email to learned Counsel, of a copy of this order.

C.HARI SHANKAR, J

MARCH 8, 2021

r.bararia