

41.

IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CS (OS) 1197 of 2006

% Judgment dated 30.8.2011

M/S CASTROL LIMITED & ANOTHERPlaintiff

Through: Mr.Sushant Singh, Advocate

VERSUS

MR. THAKUR DASSOCHANI & OTHERSDefendants

Through:

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

G.S.SISTANI, J. (ORAL)

1. The plaintiffs have filed the present suit for permanent injunction to restrain the infringement of their registered trademark 'CASTROL' by the defendant's adoption and use of the marks 'CASTROL', 'CASTROL GTX', 'CASTROL CRB'; and for passing off, infringement of copyright, damages and delivery up against the defendants.
2. By the order dated 30th May 2006, while issuing summons in the suit, an ex parte ad interim injunction was granted in favour of the plaintiffs. As none had appeared on behalf of defendant no.4, defendant no. 4 was proceeded *ex parte* vide order dated 5th July 2007. The defendants 1, 2 & 3 remained unserved for quite some time and were finally served through publication and thereafter, on 9th February 2009, defendants 1 & 3 were also proceeded ex parte as none appeared. The suit against defendant no.2 was decreed on 28th April 2010 in terms of the undertaking furnished by defendant on.2 to this Court.

3. The Plaintiff was then directed to lead ex-parte evidence. Ex parte evidence has been filed. Plaintiff has filed the evidence of Mr.Murlidhar Balasubramanian, Manager-Trade Marks of Plaintiff no.2, on 3rd July 2010. The affidavit of Mr.Murlidhar Balasubramanian is exhibited as Ex.PW-1/A. Copy of the power of attorney in his favour by plaintiff no.1 and plaintiff no.2 are exhibited as PW-1/1 and PW-1/2 respectively.
4. PW-1 has deposed that the plaintiff no.1 Castrol Limited is a company incorporated under the laws of England and is inter alia carrying on business on a large and extensive scale in the manufacture, processing and marketing of high grade lubricating oil products in the United Kingdom and in several countries all over the world. The plaintiff no.1 also trades in anti-freezing compounds, hydraulic fluids, brake fluids, dewatering fluids, metal working and cutting oil and chemical cleaning materials.
5. PW-1 has also deposed that the plaintiff no.2 Castrol India Limited is a company incorporated under the Indian Companies Act, 1956 and carries on business on a large and extensive scale, inter alia, in processing and trading in high grade automotive and industrial lubricants, greases, brake fluids, wood preservatives, metal cleaning compounds and various specialty products in India. It also trades in anti-freezing compounds, hydraulic fluids and like products. This witness has deposed that the plaintiff No.1 inter alia, is the registered proprietor of the various trade-marks including following in India :-

“a. Trade Mark CASTROL registered under No.1494 in Class 4 as of 29th June 1942 in respect of oils for heating, lighting and lubricating.

b. Trade Mark CASTROL registered in India under No.260626 dated 17th November 1969 in respect of industrial oils and greases (other than edible oils, fats and essential oils) hydraulic fluids being

oils, lubricants, fuels and illuminant as a distinctive logo comprising a solid coloured circle across which is an irregularly shaped white portion occupying about one half of the total area of the mark. The word CASTROL appears in an oblique script across the horizontal members of the said white portion.

c. The plaintiff no.1 is also the proprietor of the trade mark CASTROL GTX registered under No.251571 in class 4 as of 6th September 1968 in respect of industrial oil and greases (other than edible oil and fat) and essential elements and lubricants and fuels. The said trade mark is subject to disclaimer of the letters GTX.

d. Trade mark CASTROL CRB in class 4 under no.421424 as of May 04, 1984 is registered in the name of Plaintiff No.1 in respect of Industrial Oils and greases (other than edible and fats and essential oils) and lubricants and fuels (including motor spirit) claiming the user since 1960. The said trade mark is subject to disclaimer of the letters CRB.

6. It is deposed by PW-1 that all the above said trade-marks have been renewed from time to time and are still subsisting on the Register of Trade Marks, photocopies of the registration certificates are already on record; and the plaintiff no.2 is the permitted user of the said trade marks in India. Copies of the trademark registration certificates in favour of the plaintiff are collectively marked as exhibited as Ex.PW-1/3.
7. The above said marks GTX, CRB, SUPER TT mentioned above have been used in conjunction with or without the trade mark CASTROL in respect of engine and multi-grade oils and have become distinctive and are exclusively identified with the goods of the plaintiff in spite of the disclaimers on the said marks at the time of the registration. By virtue of

the extensive use and advertisement the said marks are only associated with the plaintiffs and no one else. PW-1 has deposed that the plaintiff is also the registered proprietor of the trademark GTX in class 4 under no 560213 as of 11.10.91. Copy of the said registration certificate in favour of the plaintiff is exhibited as Ex.PW-1/4.

8. Mr.Murlidhar Balasubramanian, has also deposed that the packaging material of the plaintiff's products under the trademark Castrol GTX is duly registered under the Copyright Act, 1957 bearing no. A-62525/2002 in favour of the plaintiff no.1 and copy of the registration certificate is already on record.
9. It is further deposed by PW-1 that the plaintiffs are international manufacturer and merchants of wide range of products including in particular oils lubricants, greases etc.; and in India their products are being marketed through plaintiff no.2. PW-1 has also deposed that the trade mark CASTROL is dominant in the automotive sector for which they manufacture and market a wide variety of products including the following:-

“CASTROL CRB 30
CASTROL CRB 40
CASTROL CRB PLUS
CASTROL CRB PLUS-PILFER PROOF
PACK/ROLLAPACK
CASTROL CRB VISCUS- MULTIGRADE ENGINE OIL.
CASTROL CRD- DIESEL ENGINE OIL
CASTROL GP-MULTIGRADE MOTOR OIL
CASTROL GTX
CASTROL GTX 2
CASTROL GTX EXTRA MULTIGRADE ENGINE OIL
CASTROL ACTIV
CASTROL AP 2
CASTROL AP-3 ALL PURPOSE GREASE
CASTROL PSO 2 – PUMP SET OIL
CASTROL SUPER TT, TWO STROKE OIL

CASTROL DEUSOL SUPER
CASTROL MULTIGRADE GEAR OIL
CASTROL UNIVERSAL BREAK FLUID”

10. Mr.Murlidhar Balasubramanian, has also deposed that the present case is concerned about the plaintiff's registered trade mark CASTROL GTX and CASTROL CRB as well as their respective packaging material. This witness has deposed that the material of the plaintiffs' regarding CASTROL GTX and CSTROL CRB have a distinctive colour scheme, get up, layout and artistic features; and the plaintiffs are the owners of the copyright of the artistic works shown on the said packing materials and the copyright subsists thereon. The said artistic work is the original artistic works produced by the plaintiffs and no one else. By reason of the circumstances in which the said artistic works were produced the plaintiffs are the owner and have legal and equitable rights for the said artistic works and claim copyright in them.
11. PW-1 has further deposed that the plaintiff no.1 has the exclusive right to reproduce, publish and distribute the said packing materials which are covered under Section 2(c) of the Copyright Act, 1957; and with the passage of time, the plaintiff has made some minor changes in the packaging material; however, the newly adopted packaging is substantially same as already in use. Photographs/samples of the plaintiffs products under the trade mark CASTROL GTX and CASTROL CRB are already on record and the same are collectively exhibited as Ex.PW-1/5.
12. PW-1 has next deposed that the plaintiffs have been extensively advertising their products through various printed media including newspapers, magazines and trade journals, leaflets and other promotional literature depicting the said trade-marks which have been extensively

distributed to all the plaintiffs' dealers throughout the country; and due to the superior quality of the plaintiffs' said goods, the trade-marks of the plaintiffs' have acquired immense reputation and goodwill amongst the trade and public. The increasing sales of the plaintiffs' goods speak volumes of the reputation of the said goods and the trade mark applied thereto.

13. Mr.Murlidhar Balasubramanian, has also deposed that the annual turnover of the goods sold by the Plaintiff No.2 are stated in the plaint and the annual expenditure incurred by the plaintiff no2. in India on advertising and publicity of the products is stated in the plaint and he places reliance on the same.
14. Mr.Murlidhar Balasubramanian, has also deposed that by virtue of longstanding use, publicity and wide range of activities, as detailed above, carried on by the plaintiff under the trademarks CASTROL/CASTROL GTX/CASROL CRB, have come the exclusively associated with its goods and business. It has acquired residual reputation on account of the facts that the goods manufactured and sold by the plaintiffs are available in every nook and corner on this earth. No one except, plaintiffs have justification whatsoever to adopt and use the well known trade-marks and or its packaging in relation to their products, hence, there cannot be a possible explanation for any trader to adopt the similar trademark CASTROL/ CASTROL GTX/CASTROL CRB in relation to its goods.
15. PW-1 has further deposed that during the last week of April 2006, the plaintiffs came to know regarding the involvement of defendants in the business of manufacturing, filling, supplying and selling of spurious lubricating oils, grease, etc. under the trade mark CASTROL/CASTROL CRB/CASTROL GTX bearing the similar/identical cartons. The defendants have copied both old and new packaging materials of the

plaintiff in respect of their spurious goods; and not only that the defendants are also giving the name and address of the plaintiff company.

16. It has also been deposed by PW-1 that on enquiry, the plaintiffs have come to know that the defendant no.1 is the manufacture/filler/supplier of the spurious oil bearing the plaintiffs' trade mark CASTROL/CASTROL GTX/CASTROL CRB and selling the said counterfeiting goods to the defendant no.2 to 4. Hence, all the defendants are indulged in the illegal activities in connivance with each other.
17. Mr.Murlidhar Balasubramanian, has also deposed that on 4th May 2006 the plaintiff no.2 through its Notary Public purchased some samples of infringing goods from the defendants. The Notary Public has purchased three samples from each defendant and packed and sealed one of them. The Notary Reports in respect of the Defendant no.1, 2, 3 and 4 along with the photographs of the products purchased from the defendants are already on record, and are collectively exhibited as Ex.PW-1/6. The photographs of the infringing products of the defendants are already on record and the same are collectively exhibited as Ex.PW-1/7. The plaintiff no.2 duly tested the samples purchased from the defendants in its laboratory at Raigad (Maharashtra) the laboratory test report is already on record, which clearly shows that material purchased from the defendants are sub standard and not manufactured and sold by the plaintiff no.1 in the market; and that the goods purchased from the defendants are counterfeited. Laboratory Report pertaining to the goods purchased from the defendants is already on record and the same is exhibited as Ex.PW-1/8.
18. Mr.Murlidhar Balasubramanian, has also deposed that quo defendant no 2 the matter has already been disposed off vide order dated 28th April 2010 wherein the statement of defendant no 2 was recorded. PW-1 has also

deposed that the goods purchased from the defendants are bearing the plaintiffs' name, trademark, colour scheme, get up of the label, logo and address. The defendants have copied the trademarks and logo of the plaintiffs in all respects in order to prepare the counterfeited packaging for filing the substandard material thereto; and the defendants by doing such illegal activities i.e. selling counterfeited /spurious goods under the trade mark CASTROL/CASTROL GTX/ CASTROL CRB PLUS etc., have committed the infringement of trademarks.

19. PW-1 has also deposed that the defendant's adoption and use of the said trademarks is fraudulent. The defendants are selling their spurious goods to the public at large as the goods manufactured by the plaintiffs. It is done by a mala fide intention of passing off their counterfeiting goods under the trademark CASTROL/CASTROL GTX/CASTROL CRB PLUS as that of the plaintiffs. The defendants are running an illegal business without the authority of the plaintiffs to print the said cartons; and the defendants have not only copied the trade-marks of the plaintiffs but also get up, layout, arrangement of features are identical in all respects. As a matter of fact, the defendants have reproduced the artistic work in totality. Hence, the defendants are also guilty of infringement of copyright as claimed by the plaintiffs in its packaging materials.
20. Mr.Murlidhar Balasubramanian, has also deposed that the defendants are using the name and address of the plaintiff, thus, passing off the counterfeiting goods as well as cartons/labels/containers as and for the plaintiffs' products. It is also deposed by this witness that the defendants are creating a misrepresentation in the course of the trade to the prospective customers, which is likely to lead to immense confusion and deception. The misrepresentation is calculated to cause damage and injury both to the plaintiffs' business and to their reputation and goodwill

and the consumer and general public; and the defendants have attempted to make a deliberate misrepresentation to the purchasing public otherwise it cannot be a matter of coincidence. It is a systematic attempt by the defendants to derive unfair advantage and cause misrepresentation. The misrepresentation is bound to cause confusion and deception in the minds of the purchasing public.

21. PW-1 has also deposed that the defendants' infringing scheme is dishonest one and motivated by desire to usurp the vast reputation and goodwill which is enjoyed by the plaintiffs not only in India but throughout the world. The defendants' infringing scheme is calculated to cause loss and injury to the plaintiffs' reputation and business and dilute the distinctiveness of their trademarks and layout of the product. The loss and injury to the plaintiffs' reputation due to the said dilution is not capable of being calculated in monetary terms. This witness has also deposed that in the circumstances, there is no scope left by the defendants to give a potential customer anything to distinguish their infringing products from the plaintiff's goods thereby ensuring that their misrepresentation will result infringement of the legal rights of the plaintiffs; and that not only consumers but members of the trade are also likely to be confused or misled while dealing with the defendants on account of such illegal activities of the defendants. The act of the defendants is dishonest and mala fide and with a view to exploit and take an unfair advantage of the enviable goodwill and reputation that the plaintiffs commands, both internationally and in India. Not only have the defendants committed a statutory offence of violation of trademark by the adoption and use of deceptively similar marks, they have also attempted to make a deliberate misrepresentation is bound to cause confusion or deception in the minds of the purchasing public, who are confronted with

a product identical to that of the plaintiffs' bearing similar trade-marks and even name and address of the plaintiffs. The defendants can have no plausible reason for adoption of the marks in question but to derive pecuniary benefit.

22. Mr.Murlidhar Balasubramanian, has also deposed that the plaintiffs are responsible for ensuring that the products under the trademarks CASTROL/CASTROL CRB/CASTROL GTX are made under their strict quality control in hygienic conditions to meet the high standards set by the plaintiffs for all their products and are bound to ensure that they do not permit counterfeiting or unlawful use of their trademarks that can lead to confusion and deception among buyers and result in harmful consequences to them. PW-1 has also deposed that the defendants are not likely to maintain the level of quality that the products of the plaintiffs are subjected to. Such lack of quality control measures anticipated by the plaintiff could lead to disastrous consequences for the goodwill and reputation that the plaintiff has painstakingly developed over the years.
23. PW-1 has also deposed that by its wrongful action, the defendants have earned huge and illegal profits; and on the other hand the plaintiffs have suffered irreparable loss, injury and damage due to the illegal action of the defendants. At present plaintiff has filed a suit for damages to the tune of Rs.20 lakhs as the plaintiff has suffered damages to the tune of the said amount due to fraudulent activities of the defendants. The plaintiffs have been vigilant about the protection of their trade-marks and copyrights from misuse by the third parties and has accordingly taken appropriate legal action from time to time. Few copies of the orders passed by this Hon'ble Court against third parties in the actions taken by the plaintiffs are already on record and he places reliance on the same.

24. I have heard counsel for the plaintiff and perused the plaint and the accompanying documents and the evidence led by the plaintiff. The evidence of the plaintiff remained unrebutted. In this case at the stage of issuing summons in the suit, interim orders were passed in favour of the plaintiffs and against the defendants. The defendant no. 4 was proceeded *ex parte* vide order dated 5th July 2007 and on 9th February 2009 defendants 1 & 3 were also proceeded *ex parte* as none appeared; and the suit against defendant no.2 was decreed on 28th April 2010 in terms of the undertaking furnished by defendant no.2 to this Court.
25. A perusal of the evidence would show that plaintiff no.1 is the registered proprietor of various trade marks including the trade mark CTROL, CASTROL GTX and CASTROL CRB, collectively marked as Exhibit PW-1/3. As per the witness the trade marks GTX, CRB and SUPER TT has been used in conjunction with or without the trade mark CASTROL in respect of engine and multi grade oils on account of long user. The plaintiffs have been able to establish that its trade marks have become distinctive and are exclusively identified with the goods of the plaintiffs and further on account of extensive use and advertisement the marks are associated with the plaintiffs and no one else. The plaintiffs have also been able to establish that the plaintiffs registered trade mark CASTROL GTX and CASTROL CRB has a packing, which has a distinctive colour scheme, get up, lay out and artistic features and the plaintiffs are the owners of the copyright of artistic work shown on the packaging material and the copyright subsisting thereon. The plaintiffs are the owners and they have the legal right for the said artistic work and the claim of copyright in them. It is also to be noticed that the plaintiffs have been exclusively advertising their products not only in India but throughout the world and they have acquired immense reputation and goodwill amongst

the trade and public. The trade figures duly support the evidence placed on record. The evidence of PW-1 also shows the involvement of the defendant in the business of manufacturing, supplying and selling of spurious lubricating oil, grease, etc., under the trade mark CASTRO/CASTROL CRV/ CASTROL GTX bearing similar or identical cartons. The defendants have also the same address as that of the plaintiffs company and, thus, the activities of the defendants can be termed as illegal. The photographs of the infringing products of the defendants have also been filed and exhibited as PW-1/7. The act of the defendants in dealing with spurious products with the identical trade mark and trade dress is likely to lead immense confusion and deception. It is also likely to cause damage and injury to the plaintiffs' business and their reputation and goodwill. The act of the defendants is deliberate and with a view to deceive the public and gain unfair advantage over the plaintiff. I am also satisfied that the dishonest and malafide act of the defendants has not only tarnished the goodwill and reputation of the plaintiffs. The defendants have also committed a statutory offence of violation of trade mark by adoption and use of deceptively similar marks, which is bound to cause confusion and deception in the minds of the purchasing public.

26. The plaintiffs has also been able to establish that they are the registered proprietors and prior users of the trademark 'CASTROL GTX' bearing no.251571 in class 4 dated 6th September, 1968; and CASTROL CRB bearing registration number 421424 dated 4th May, 1984. The registration certificates, as mentioned above, have been placed on record, as Ex.PW-1/3 and Ex.PW-1/4. Copy of previous orders place on record would show that the plaintiffs have been very vigilant about renewals of their Trademark and their trademarks are valid, subsisting and in continuous use. Thus as per Section 28 of the Trade Marks Act, 1999, the plaintiffs

are entitled to the exclusive use of their valid registered trademark in relation to their goods and to obtain relief in case of infringement by the defendants.

27. In my view, the defendants' use of the impugned marks falls squarely within the provisions of **Section 29 of the Trade Marks Act, 1999**, because the evidence shows that the defendants are using trademarks deceptively similar to the plaintiff's trademarks and in relation to goods that are identical to those of the plaintiffs in a manner likely to cause confusion to the public and to show an association with the plaintiffs' registered trademark. Photographs and samples purchased by the notary public and a report have been attached with the affidavit.
28. '**Well known trademarks**' have been defined in S.2(1)(zg) and the criteria before the court to declare the mark "well known" has been provided for in S.11 (6) of the said Act. The aspects of a well known mark have also been well settled in the cases cited by the plaintiff, including, *Rolex SA v. Alex Jewellery Pvt. Ltd.* 2009 (41) PTC 284 Del and *Honda Giken Kogyo Kabushiki v. Ramesh Kumar Punabhai Patel* 131 (2006) DLT 618.
29. I am of the opinion that the trademark CASTROL satisfies the conditions of S.11(6) of the said Act, inter alia, on account of the duration, extent and geographical area of its use, promotion, recognition in public. The trademark CASTROL GTX was first registered in India in 1942 and the trademark CASTROL CRB in 1984. The plaintiffs have also attached a record of successful enforcement of their rights in the form of over 150 orders by the competent courts in their favour.
30. The common law remedy of an **action of passing off** must also be allowed to the plaintiff because the defendants' deliberate misrepresentation through the use of identical goods, similar marks and

duplicate artistic work cannot be allowed to continue. The defendants' dishonesty and misuse is blatantly obvious and must be condemned severely. There can be no coincidence which would have led them to adopt such similarities in their own goods if they were not seeking to piggy back on the plaintiff's enviable business, reputation and goodwill. This is further compounded by the use of the name and address of the plaintiff for their own trade and there can be no justification for such misrepresentation.

31. The plaintiff's well known and popular trade mark enjoys a position in the market which would make consumers believe that anything under their name is derived from them. The laboratory report produced by the plaintiffs clearly provides a gross deviation from the plaintiff's high standards of quality and the sale and presence of such products in the market is likely to irrevocably damage the hard earned reputation and goodwill earned by the plaintiff over the decades. For an internationally well known brand, in today's globalised world, such loss of reputation over quality can have catastrophic results for the business of the plaintiff.
32. The packaging of the defendants' products is also a substantial imitation of the overall artistic get-up, layout, and arrangement of the features of the plaintiff's cartons and hence this amounts to infringement of copyright under S.51 of the Copyright Act, 1957.
33. Counsel for the plaintiff also prays for damages for loss of reputation and business as also the cost of the present proceedings. It is trite to say that the defendant has deliberately stayed away from the present proceedings with the result that an enquiry into the accounts of the defendant for determination of damages cannot take place. However, the infringement of the trademark of the plaintiff is not in dispute. In support of his case, counsel for the plaintiffs has placed reliance on 'M/s L.T. Overseas Ltd. v.

M/s Guruji Trading Co. and Anr. [CS (OS) No. 2711/1999] decided on 07.09.2005; Relaxo Rubber Limited and Anr. v. Selection Footwear and Anr., 1999 PTC 578; and on Hindustan Machines v. Royal Electrical Applies, 1999 PTC (19) 685. Counsel has also placed reliance in the case of Time Incorporated v. Lokesh Srivastava and Anr., 2005 (30) PTC 3 (Del) where apart from compensatory damages of Rs.5 lakhs, punitive damages have also been awarded.

34. For the reasons stated above, the present suit is decreed in terms of para 32 (a) to (d). Accordingly, the interim order dated 30.05.2006 is confirmed and the suit is decreed in favour of the plaintiff and against the defendants No.1, 3 and 4 with costs. Plaintiff is also entitled to the damages to the tune of Rs.3.0 lacs.

G.S. SISTANI, J.

AUGUST 30, 2011
ssn/msr