

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

% *Order delivered on: February 3, 2014*

+ **CS(OS) 2163/2010 & I.A. No.14225/2010**

MICROSOFT CORPORATION & ANR Plaintiffs

Through Mr.Pravin Anand, Adv. with
Ms.Vaishali Mittal & Ms.D. Neha
Reddy, Advs.

versus

KURAPATI VENKATA JAGDEESH BABU & ANR Defendants

Through Defendants are ex parte.

CORAM:

HON'BLE MR. JUSTICE MANMOHAN SINGH

MANMOHAN SINGH, J.

1. The defendant is ex-parte. The present suit has been filed by the plaintiffs for permanent injunction, restraining infringement and dilution of trademarks, trade name, passing off, rendition of accounts of profit, delivery up, damages etc. against the defendants.

2. The plaintiff No.1 i.e. Microsoft Corporation, a company incorporated in USA in the year 1975 is stated to be the biggest software publisher for personal and business computing in the world. Plaintiff No. 2, Microsoft Corporation India Private Ltd. is a subsidiary of plaintiff No. 1 and was set up in the year 1989.

3. Plaintiff No.1 engages in the development, manufacture, licensing and support of a range of software products for various computing devices. Some of the plaintiffs' popular software products include the widely used operating system software, Microsoft windows (various versions), and application software such as Microsoft Office (various versions) and Visual

Studio (various versions). These software are today installed and used on millions of computers all over the world, including India. Other popular software products of Plaintiffs include Microsoft Windows Server System, Microsoft Publisher, Microsoft Visio, Microsoft Project and other stand-alone desktop applications.

4. It is the case of the plaintiffs that 'MICROSOFT' is well known and enjoys a stellar reputation all across the world. Therefore, if that segment of the public which uses the products/services/domain name of the plaintiff under the well known trademark 'MICROSOFT' comes across similar products/services/domain name bearing the trademark 'MICROSOFT', it is likely to believe that the said products/services/domain name have a connection to the plaintiffs.

5. In the present case, plaintiff No.1 Microsoft Corporation has been in existence since the year 1975 and has made extensive sales, advertised so heavily that the relevant section of the public clearly immediately associates goods/services bearing the trademark MICROSOFT as belonging to the Plaintiffs. The following documents have been filed and exhibited in support of this submission:

- i. Sales invoices of the Plaintiffs in India.
- ii. Print outs of the WhoIs search results for the website www.microsoftmedia.com.
- iii. List of Popular software products offered by the plaintiff.
- iv. Fresh print out pertaining to the various educational services offered by the plaintiff.
- v. Print out to show the wide availability of the plaintiff's goods and services throughout India.

vi. Print out to show the agreement between the plaintiff and All India Council for Technical Education to allow access to the Plaintiff's products amongst more than 10,000 colleges throughout India.

6. It is stated by the plaintiff that advertising, publicity and presentation at fairs or exhibition of the goods or services in which the trademark appears are important for consideration for the courts in cases pertaining to well known marks. The following documents have been filed and exhibited in support of this submission:

- i. Print out to show the agreement between the plaintiff and All India Council for Technical Education to allow access to the plaintiff's products amongst more than 10,000 colleges throughout India.
- ii. Plaintiff's printed promotional and advertising materials.
- iii. Print out to show online advertisements by the plaintiff.

7. It is stated that the trademark "MICROSOFT" is one of the most famous and well known trademarks in the world and is exclusively identified and recognized by the purchasing public as relating to the goods and services of the Plaintiffs and no one else. In addition to the common law rights that have accrued to the Plaintiffs, they are also the registered proprietors, in India of the trademark "MICROSOFT" in Classes 9 and 16. The original trademark certificates for use in legal proceedings in relation to the abovementioned registrations have been filed in the present proceedings and are bearing registration Nos. 1399978, 1401949, 1537799 & 747167.

8. It has further also been stated that the Plaintiffs have successfully enforced its rights in the trademark MICROSOFT numerous times and this Court has been pleased to grant more than 150 *ex parte ad interim*

injunctions protecting different facets of the Intellectual property belonging to the Plaintiffs' including its well known trade mark MICROSOFT. In fact, year and again MICROSOFT has been recognized to be one of the world's most valuable brands in the world. It is stated that at present, the Forbes list of the most powerful brands for the year 2013 recognizes MICROSOFT to be the second most valuable brand in the world. This illustrates the immense goodwill and reputation enjoyed by the Plaintiffs as well as their well known trademark 'MICROSOFT'.

9. It is the case of the plaintiff that if the plaintiff has a wide presence, consumer base in India as compared to the defendants, the question of confusion in the minds of the public would arise. In such circumstances, the balance of convenience clearly lies in favour of the plaintiff compared to the defendants.

10. That in the month of July 2010, the plaintiffs received information about an impugned trade mark application for "MICROSOFT MULTIMEDIA" bearing No. 1809699 dated 22nd April, 2009 in class 41 for services in relation to educational and training. The Plaintiffs then conducted an online search on Google and found out that the defendants have also wrongly registered a domain name www.microsoftmultimedia.com in the name of defendant No.1.

11. When the plaintiffs filed an opposition to the defendants' application No. 1809699 filed before the Registrar of Trade Marks, the defendants abandoned their application for the registration of their impugned mark and the same finds mention in the order of the learned Examiner of Trade Marks dated 17th February, 2012.

12. It is the case of the plaintiffs that plaintiff's goodwill and reputation has been adversely affected by the illegal infringing activities of the

defendants. The plaintiff's highly distinctive trademark MICROSOFT has been used extensively over a long period of time and spanning a wide geographical area, has been given tremendous publicity and popularity, is well recognized by members of the trade and public and has, therefore, acquired the status of a '*well-known*' trademark.

13. It is stated that the plaintiff companies would suffer irreparable loss, damage and injury to its business and goodwill and reputation if the defendants are not permanently restrained from resuming its illegal activities. Defendants' illegally using the impugned trade mark runs into lakhs and lakhs of Rupees on account of loss of business and loss of reputation and goodwill of the Plaintiffs in the market. The defendants are blatantly and illegally capitalizing on the strength of use of the world famous trade mark/name of the plaintiff for the purposes of their own illegal profit and gain. Since it is difficult to quantify the monetary extent of losses, the Plaintiff bases its claim of damages of Rs.20,00,000/-.

14. The plaintiff therefore has prayed before this Court to pass a decree in favor of the plaintiff in accordance with the prayer made in paragraph 21 of the plaint and to declare the mark MICROSOFT as *well known*.

15. The suit was listed before the Court for the first time on 25th October, 2010 and later on 26th November, 2010 when the suit as well as the interim application were listed before court, the summons were issued to the defendants in the suit and notices were issued in the application and an ex parte ad interim injunction was passed in favour of the plaintiff and against the defendant restraining them from using the mark 'MICROSOFT' in relation to services or products given or offered by them to the public. The defendants were also restrained from using 'Microsoft' in any manner in their domain name.

16. Since no one appeared from the defendants' side on various subsequent dates, even after service of summons having been effected upon the defendants by way of publication and no written statement was filed, the defendant was proceeded ex-parte vide order dated 10th September, 2012. The plaintiff was given time to produce the ex-parte evidence. In the evidence, the plaintiff proved the facts stated in the plaint by evidence by way of affidavit of Col. J.K. Sharma and also exhibited certain documents in support of its case. Some of them are given as follows:

- (i) Fresh print out of web extracts showing educational services offered by plaintiff, exhibited as Ex. PW 1/4.
- (ii) Certificate for use in legal proceedings of plaintiffs registration No. 1236704, for the TM "Microsoft", exhibited as Ex. PW 1/5.
- (iii) Certificate for use in legal proceedings of plaintiffs registration No. 643434, for the TM "Microsoft", exhibited as Ex. PW 1/6.
- (iv) Certificate for use in legal proceedings of plaintiffs registration No. 430450, for the TM "Microsoft", exhibited as Ex. PW 1/7.
- (v) Certificate for use in legal proceedings of plaintiffs registration No. 430449, for the TM "Microsoft", exhibited as Ex. PW 1/8.
- (vi) Fresh print outs of extracts from the trade Marks Registry of plaintiffs registration Nos. 1399978, 1401949, 1537799 & 747167, exhibited as Ex. PW 1/9 (Colly).
- (vii) Fresh print out of extracts from website <http://wes.eletsonline.com/wes-2012-award-winners>, exhibited as Ex. PW 1/10.
- (viii) Fresh print out of extracts from website http://www.microsoft.com/india/msindia/msindia_awards.aspx, exhibited as Ex. PW 1/11.

- (ix) Fresh print out of extracts from website <http://www.microsoft.com/about/corporatecitizenship/en-us/about/awards> , exhibited as Ex. PW 1/12.
- (x) A few sales invoices of the plaintiffs in India,exhibited as Ex. PW 1/13 (Colly).
- (xi) Extracts from “Superbrands: An Insight into some of India’s strongest Business Brands, Volume II, 2008”, exhibited as Ex. PW 1/15.
- (xii) Fresh print out of extract from website http://www.microsoft.com/india/originalsoftware/ways_2_buy.aspx , exhibited as Ex. PW 1/18.
- (xiii) Fresh print out of extracts from website http://www.informationweek.in/Software/12-04-23/Microsoft_gets_aggressive_on_Office_365_in_India.aspx, exhibited as Ex. PW 1/19.
- (xiv) A few of plaintiffs printed promotional and advertising materials, exhibited as Ex. PW 1/20 (Colly).
- (xv) Fresh print out of extracts from website http://www.articles.timesofindia.indiatimes.com/2012-10-11/computing/34385846_1_windows-phones-user-interface-microsoft , exhibited as Ex. PW 1/21.
- (xvi) Fresh printout of extracts from the ‘whois’ search result for the website www.microsoftmedia.com, exhibited as Ex. PW-1/22.
- (xvii) Fresh print out of Cease and Desist Notice sent vide email dated 21st November 2009, exhibited as Ex. PW-1/24.

- (xviii) Fresh print out of Cease and Desist Notice sent vide email dated 6th February 2010 alongwith electronic receipt thereof, exhibited as Ex. PW 1/26(Colly).
- (xix) Fresh print out of extracts from Defendants' website www.microsoftmultimedia.com , exhibited as Ex. PW 1/28.
- (xx) Fresh print out of extracts from the 'whois' search results for the website www.microsoftmultimedia.com, exhibited as Ex. PW 1/30.
- (xxi) Fresh printout of web extracts from JustDial pertaining to the defendants, exhibited as Ex. PW 1/31 (Colly).
- (xxii) Fresh print outs of web extracts from JustDial/ClickIndia pertaining to Defendants, exhibited as Ex. PW 1/32 (Colly).
- (xxiii) Fresh printout of Defendants TM Application No. 1809699, exhibited as Ex. PW 1/34.
- (xxiv) Plaintiff's opposition to the defendants' Application No. 1809699 filed before the Registrar of Trade Marks, exhibited as Ex. PW 1/35.
- (xxv) Order of the learned Examiner of Trade Marks dated 17th February, 2012 whereby the defendants' application was deemed to be abandoned by the defendant.

17. As regards the question of well known trade mark, in a recent decision delivered by this Court in the case of ***Bloomberg Finance LP vs. Prafull Saklecha & Ors.*** 2013 (56) PTC 243 (Del), it was observed in Para 31-44, 48-51 that:

“31.As regards infringement, Section 29 of the TM Act 1999 sets out the different situations in which infringement of a registered mark can result. Section 29 of the TM Act 1999 reads as under:

29. Infringement of registered trademarks.

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which-

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he-

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trademark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising-

(a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or

(b) is detrimental to its distinctive character; or

(c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.”

32. Section 29 of the TM Act contemplates the owner/proprietor of the registered trade mark alleging infringement of the said mark by another person who is neither a registered proprietor in relation to the goods and services for which the mark is registered, nor has permission to use such mark in the course of his trade. Under Section 29(1)infringement results if the mark is "identical with or deceptively similar to" the registered trade mark and is in relation to the goods and services for which the trademark has been registered. The use of infringing or impugned mark must render it "likely to be taken as being used as a trade mark".

33. Under Section 29(2)(a) infringement occurs where the impugned mark is identical with the registered trademark and the goods or service for which the impugned mark is being used is similar to the goods and services covered by the registered mark. Under Section 29(2)(b) infringement occurs where the impugned mark is similar to the registered mark and the goods and the services for which is used is identical with or similar to the goods and services for which the registered mark is used. Under Section 29(2)(c) infringement occurs where the impugned trade mark is identical to the registered trade mark and the goods or services for which the impugned mark is used is also identical to the goods/services covered by the registered trade mark.

34. An additional requirement in the above three situations for infringement to result is that the use of the impugned trademark "is likely to cause confusion on the part of the public" or "is likely to

have an association with the registered trade mark". Under Section 29(3) when the impugned trademark is identical to the registered trademark and the goods/services for which it is used are also identical to the goods or services for which the registration has been granted then "the Court shall presume that it is likely to cause confusion on the part of the public".

35. Therefore, under Section 29(1), (2) and (3) for infringement to result (i) the impugned mark has to be either similar to or identical with the registered mark and (ii) the goods or services for which the impugned mark is sued has to also either be identical with or similar to the goods or services for which registration has been granted. The scenario is different as regards Section 29(4) of the TM Act 1999. For infringement to result under Section 29(4), the following conditions are required to be fulfilled:

(i) the person using the impugned mark is neither a registered proprietor in relation to the goods and services for which the mark is registered nor is using it by way of permitted use

(ii) the impugned mark must be used in the course of trade

(ii) the impugned mark has to be either similar to or identical with the registered mark

(iii) the impugned mark is used for goods or services different from those for which registration has been granted;

(iv) the registered trade mark has a reputation in India;

(iv) the use of the impugned mark is without due cause, and takes unfair advantage of or is detrimental to,

(a) the distinctive character of the registered trade mark;
or

(b) the reputation of the registered trade mark.

36. The expression 'mark' has been defined in Section 2(m) of the TM Act to include "a device brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination there of."(emphasis supplied) Therefore, for the purpose of Section 29(4), the use of a mark as part of a corporate name would also attract infringement. In

other word's, if the registered mark is used by a person, who is not the registered proprietor of such mark or a permitted user, as part of the corporate name under which he trades then also infringement would also result. What is however important is that the registered trade mark must be shown to have a reputation in India and should be shown to have been used by the infringer 'without due cause". Further, it should be shown that such adoption or use has resulted in the infringer taking unfair advantage of the registered mark or is detrimental to the distinctive character or repute of the registered trade mark.

37. Section 29(4) is also distinct from Section 29(1) to (3) of the TM Act in another important aspect. The element of having to demonstrate the likelihood of confusion is absent. Perhaps to balance out this element, the legislature has mandated the necessity of showing that (a) the mark has a reputation in India (b) that the mark has a distinctive character (c) the use by the infringer is without due cause. In other words, the legislative intent is to afford a stronger protection to a mark that has a reputation without the registered proprietor of such mark having to demonstrate the likelihood of confusion arising from the use of an identical or similar mark in relation to dissimilar goods and services. The words 'detriment' in the context of the 'distinctive character' of the mark brings in the concept of 'dilution' and 'blurring'. In the context of 'repute' they are also relatable to the concept of 'tarnishment' and 'degradation'. The words "takes 'unfair advantage" refers to 'free-riding' on the goodwill attached to mark which enjoys a reputation. The disjunctive 'or' between the words 'distinctive character' and 'repute' is designedly inserted to cater to a situation where a mark may not have a distinctive character and yet may have a reputation.

38. Section 2(zg) of the TM Act defines a 'well known trade mark' in relation to any goods or services to mean 'a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or service would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.' Under Section 11(9)(i) and (v), for the purposes of registration of a well-known mark it is not

necessary for such mark to have been used in India or be well-known to the public at large in India. It must be well known to a substantial segment of the relevant public.

39. It may not be necessary for the proprietor of a registered mark to show that it is a 'well-known trademark' as defined in Section 2(zg) although if in fact it is, it makes it easier to satisfy the 'reputation' requirement of Section 29(4) of the TM Act. The presumption of distinctiveness attached to a registered mark is a rebuttable one. At the interim stage, either of these elements should be shown prima facie to exist. Whether in fact these elements are satisfied would depend on the evidence led by the parties at trial.

40. It may be noticed at this stage that even prior to the TM Act 1999 the Supreme Court in *N.R. Dongre v. Whirlpool Corporation* 1996 PTC (16) recognised the concept of cross-border reputation when it upheld the decision of the Division Bench of this Court which granted a temporary injunction in favour of a Plaintiff based abroad. The Division Bench of this Court followed the decision in *Apple Computer Inc. vs. Apple Leasing & Industries* 1992 (1) ALR 93, and held that it was not necessary to insist that a particular plaintiff must carry on business in a jurisdiction before improper use of its name or mark can be restrained by the court. The main consideration was "the likelihood of confusion and consequential injury to the plaintiff and the need to protect the public from deception. Where such confusion is prima facie shown to exist, protection should be given by courts to the name or mark".

41. Turning to Section 29(5) of the TM Act 1999, it is seen that it relates to a situation where (i) the infringer uses the registered trademark "as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern" and (ii) the business concern or trade is in the same goods or services in respect of which the trade mark is registered. If the owner/proprietor of the registered trade mark is able to show that both the above elements exist then an injunction restraining order the infringer should straightway follow. This is in the nature of a per se or a 'no-fault' provision which offers a higher degree of protection where both the above elements are shown to exist. For the purpose of Section 29(5) of the TM Act 1999, there is no requirement to

show that the mark has a distinctive character or that any confusion is likely to result from the use by the infringer of the registered mark as part of its trade name or name of the business concern.

42. However, in a situation where the first element is present and not the second then obviously the requirement of Section 29(5) is not fulfilled. The question is whether in such a situation the owner or proprietor of the registered trade mark is precluded from seeking a remedy under Section 29(4) of TM Act, 1999 if the conditions attached to Section 29(4) are fulfilled.

43. In the considered view of this Court, given the object and purpose of Section 29(1) to (4), Section 29(5) cannot be intended to be exhaustive of all situations of uses of the registered mark as part of the corporate name. Section 29(5) cannot be said to render Section 29(4) of the TM Act, 1999 otiose. In other words, the legislature may not be said to have intended not to provide a remedy where the registered trade mark is used as part of the corporate name but the business of the infringer is in goods or services other than those for which the mark is registered.

44. The Statement of Objects and Reasons of the TM Act 1999 explain that sub-section (5) of Section 29 "seeks to prevent a person from adopting someone else's trade mark as part of that person's trade name or business name by explicitly providing that such action shall also constitute an infringement under this Act. This provision will bring this clause in harmony with the proposed amendments to Sections 20 and 22 of the Companies Act, 1956." Sections 20 and 22 of the CA have been amended to provide that where the name of a company resembles a registered trade mark, then the registration of the company in that name can be refused. The ROC is expected to gather information from the TM Registry. Under Section 22(5) of the CA, the owner of the registered trade mark can apply to have the name of a company that is purportedly infringing the mark cancelled. All of this only strengthens the conclusion that where Section 29(5) offers a high degree of protection where both the elements envisaged in that provision exist, it is not meant to preclude the owner of a registered mark remediless when only the first and not the second element exists."

“48. In Mahendra & Mahendra Paper Mills Limited v. Mahindra & Mahindra Limited (2002) 2 SCC 147, the case before the Supreme Court pertained to the grant of an injunction against the Defendant using, in any manner, as a part of its corporate name or trading style the words Mahindra & Mahindra or any word(s) deceptively similar to Mahindra or and/or Mahindra & Mahindra so as to pass off or enable others to pass off the business and/or services of the Defendant as those of the Plaintiffs or as emanating from or affiliated or in some way connected with Plaintiffs. The Defendant contended that its products were in no way similar to that of the Plaintiffs and that the business carried on by it did not overlap with the business of any of the companies enlisted by the Plaintiffs. The Supreme Court held that by using the Plaintiffs trademark as a part of its corporate name, the Defendant had committed the fraud of passing off its business and/or services as that of the Plaintiffs.

49. In Kalpataru Properties Private Limited v. Kalpataru Hospitality & Facility Management 2011 (48) PTC 135 (Bom.), the issue was whether an action in passing off was maintainable where the Plaintiff's registered mark was used as part of the Defendant's corporate name and the goods and services dealt with by the parties were in different classes. Following Mahendra and Mahendra, the Court held that a passing off action was maintainable in the case of a well known mark even if the goods and services being dealt with by the parties are not similar.

50. Recently, in Red Hat Inc. v. Mr. Hemant Gupta 2013 1 AD (Delhi) 130, this Court, while dealing with a case which involved the use of a registered trademark as part of its corporate name by the Defendant, held that the Plaintiff could seek a remedy for an infringement under Section 29(4) as well as Section 29(5) of the TM Act 1999.

51. The legal position emerging as a result of the above discussion may be summarised as under:

(a) Section 29(5) of the TM Act 1999 relates to a situation where (i) the infringer uses the registered trademark "as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern" and (ii) the business concern or trade

is in the same goods or services in respect of which the trade mark is registered.

(b) This is in the nature of a per se or a 'no-fault' provision which offers a higher degree of protection where both the above elements are shown to exist. If the owner/proprietor of the registered trade mark is able to show that both the above elements exist then an injunction order restraining order the infringer should straightway follow. For the purpose of Section 29(5) of the TM Act 1999 there is no requirement to show that the mark has a distinctive character or that any confusion is likely to result from the use by the infringer of the registered mark as part of its trade name or name of the business concern.

(c) However, in a situation where the first element is present and not the second then obviously the requirement of Section 29(5) is not fulfilled. Where the registered trade mark is used as part of the corporate name but the business of the infringer is in goods or services other than those for which the mark is registered, the owner or proprietor of the registered trade mark is not precluded from seeking a remedy under Section 29(4) of TM Act 1999 if the conditions attached to Section 29(4) are fulfilled.

(d) Given the object and purpose of Section 29(1) to (4), Section 29(5) cannot be intended to be exhaustive of all situations of uses of the registered mark as part of the corporate name. Section 29(5) cannot be said to render Section 29(4) otiose. The purpose of Section 29(5) was to offer a better protection and not to shut the door of Section 29(4) to a registered proprietor who is able to show that the registered mark enjoying a reputation in India has been used by the infringer as part of his corporate name but his business is in goods and services other than that for which the mark has been registered.

(e) A passing off action is maintainable in the case of a well known mark even if the goods and services being dealt with by the parties are not similar.”

18. In another matter of *Rolex Sa vs. Alex Jewellery Pvt. Ltd. and Ors.* 2009(41) PTC 284 (Del), it was observed as under:

“15. Section 2(4)(c) defines a well known trademark as the one which in relation to any goods, means a mark which has become so to the substantial segment of the public which uses such goods that

the use of such mark in relation to other goods would be likely to be taken as indicating a connection in the course of trade between those goods and a person using the mark in relation to the first mentioned goods. In my view the segment of the public which uses the watches of the category/price range as the watches of the plaintiff, ROLEX is a well known trademark. The said segment of the public if comes across jewellery/artificial jewellery also bearing the trademark ROLEX is likely to believe that the said jewellery has a connection to the plaintiff.

16. Yet another provision in the Act, though for the guidance of the Registrar but in relation to well known trademarks is to be found in Section 11(6) of the Act. Upon testing the trademark of the plaintiff on the touchstone of the ingredients of the said provision also, I find the said trademark of the plaintiff to be satisfying the test of a well known trademark. The documents filed by the plaintiff i.e., the advertising done in the media in India since 1947 and particularly in years immediately preceding the suit, registrations obtained show that relevant section of the public in India had knowledge of the trademark ROLEX in relation to the watches. The pleadings of the plaintiff and which are not contested also show that the plaintiff for the last nearly one century has been using the said trademark spread over nearly the entire developed/developing world. The advertisements of the plaintiff had appeared in the magazines in this country even when there were import restrictions. The plaintiff has filed documents to show registration of the trademark in a large number of countries and also to show successful enforcement of its rights with respect to the said trademark.”

“20. Over the years and very quickly in recent times, the international boundaries are disappearing. With the advent of the internet in the last over ten years it cannot now be said that a trademark which is very well known elsewhere would not be well known here. The test of a well known trademark in Section 2(zg) is qua the segment of the public which uses such goods. In my view any one in India, into buying expensive watches, knows of ROLEX watches and ROLEX has a reputation in India. Not only so, to satisfy the needs/demands of consumers in different countries, the well known international brands which were earlier available at prices equivalent to prices in country of origin and which owing to the exchange rate conversion were very

high, have adapted to the Indian situation and lowered prices. A large number have set up manufacturing facilities here and taken out several variants. Thus, merely because today the price of a ROLEX watch may be much higher than the price of items of jewellery of the defendants as argued, cannot come in the way of the consumer still believing that the jewellery is from the house of the plaintiff. Also, there can be no ceiling to the price at which the defendants will continue to sell their jewellery. The defendants have claimed to be selling rolled gold jewellery; with the price of gold soaring, there is no certainty that the pieces of artificial jewellery of the defendants would not also be in the same range as the watches of the plaintiff. Even otherwise, the trend in modern times has been towards artificial/semi precious jewellery. In fact, the attraction to gold is confined to this part of the world only. In India also today there are several brands of artificial jewellery/semi precious jewellery whose brand value and/or prices are quite comparable to the gold jewellery of the conventional gold smiths”

“24. The goods of the plaintiff may lose their sheen to the strata of the society for which they are intended if such strata finds the goods in the same brand name even though not from the house of the plaintiff being available for a much lower price. The goods of the plaintiff would then cease to be a status symbol or a fashion statement. Undoubtedly, the same would be to the detriment of the plaintiff. Having found a prima facie case in favour of the plaintiff and irreparable injury to be caused to the plaintiff by allowing the defendant to continue using the trademark, I also find the element of balance of convenience to be satisfied in the present case. The registration of the mark of the plaintiff is over 90 years prior to the claimed commencement of the use by the defendant. Even if the defendant, at the time of commencing the use, did not know of the inherent risk in adopting the well known trade mark, the defendant, at least, immediately on applying for registration and on opposition being filed by the plaintiff became aware of the perils in such use. Thus, use by the defendant of the mark is for short time only and use during the period of opposition is of no avail. The mark has got no relation to the jewellery being marketed by the defendants. Unless the defendant is deriving any advantage of the goodwill/brand value of the plaintiff and which it is not entitled to, it ought not to make any

difference in the business of the defendants if the said jewellery is sold under a mark other than ROLEX.”

19. As per the material placed on record and the statement made in the plaint and in the affidavit which have been proved in evidence, it is evident that the trademark Microsoft is a well known trade mark. The same is known to most of the people in the entire world. No one is entitled to use the same either as a trade mark or part of its trading style/corporate name in relation to similar or dissimilar business as the said trade mark has got a unique goodwill and reputation.

20. The evidence filed by the plaintiff has gone unrebutted as no cross-examination of the plaintiffs witnesses were carried out, therefore, the statements made by the plaintiff are accepted as correct deposition. Under these facts and circumstances, the plaintiff is entitled for a decree for permanent injunction in terms of Para 21(a) and (b) of the plaint.

21. As regards the relief claimed in Para 21 (d) is concerned, the plaintiff has prayed damages to the tune of Rs.20,00,000/- to be paid by the defendant. There are various judgments pertaining to the aspect of damages where this Court has granted previously granted both exemplary and punitive damages against the Defendants in *ex-parte* matters of similar nature in various industries ranging from software to automotives, chocolates to pharmaceuticals, stationary to luxury brands, etc. Some of the decisions are as under:

- (i) In *Time Incorporated Vs. Lokesh Srivastava & Anr.*, 2005 (30) PTC 3 (Del.) while awarding punitive damages of Rs. 5 lakhs in addition to compensatory damages also of Rs. 5 lakhs, Justice R.C. Chopra observed that “*time has come when the Courts dealing in actions for infringement of trademarks, copyrights, patents etc., should not only grant compensatory*

damages but also award punitive damages with a view to discourage and dishearten law breakers who indulge in violation with impunity out of lust for money, so that they realise that in case they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them.”

- (ii) In **Microsoft Corporation Vs. Rajendra Pawar & Anr.**, 2008 (36) PTC 697 (Del.) decided on 27th July, 2007, this Court held that *“Perhaps it has now become a trend of sorts, especially in matters pertaining to passing off, for the defending party to evade court proceedings in a systematic attempt to jettison the relief sought by the plaintiff. Such flagrancy of the Defendant’s conduct is strictly deprecatory, and those who recklessly indulge in such shenanigans must do so at their peril, for it is now an inherited wisdom that evasion of court proceedings does not de facto tantamount to escape from liability. Judicial process has its own way of bringing to tasks such erring parties whilst at the same time ensuring that the aggrieved party who has knocked the doors of the court in anticipation of justice is afforded with adequate relief, both in law and in equity. It is here that the concept of awarding punitive damages comes into perspective.”*

22. Keeping in view the infringement committed by the defendants which has gone un rebutted and since the claim is based upon assessment of the plaintiffs, I am of the opinion that a sum of Rs.2 lacs can be reasonably awarded to the plaintiffs as compensatory damages and a sum of Rs.3 lacs as punitive/exemplary damages as well as damages on account of loss of reputation and goodwill of the plaintiffs. This prayer made in Para 44 (g) is granted to the above extent. The plaintiffs are also awarded Rs.50,000/- as costs of the suit.

23. The decree be drawn accordingly. The suit as well as the pending applications are disposed of accordingly.

(MANMOHAN SINGH)
JUDGE

FEBRUARY 03, 2014