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**(2014) 02 DEL CK 0256**

**Delhi High Court**

**Case No:** CS (OS) 3466 of 2012

Disney Enterprises Inc.  
and Another

APPELLANT

Vs

Balraj Muttneja and  
Others

RESPONDENT

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**Date of Decision:** Feb. 20, 2014

**Acts Referred:**

- Copyright Act, 1957 - Section 51
- Trade Marks Act, 1999 - Section 29

**Hon'ble Judges:** Rajiv Sahai Endlaw, J

**Bench:** Single Bench

**Advocate:** Aditya Kutty, for the Appellant;

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**Judgement**

Rajiv Sahai Endlaw, J.

The plaintiffs have filed this suit inter alia claiming infringement and dilution of their registered trade marks and violation of their copyrights by the defendants, as well as passing off by the defendants of their goods as those of the plaintiffs, on account of use by the defendants of certain cartoon characters on their goods over which the plaintiffs assert exclusive rights. The case of the plaintiffs as reflected in their plaint is thus:

I. that the plaintiff no. 1 M/s. Disney Enterprises Inc. is a corporation organized and existing in the United States of America and is the creator of a number of world-famous characters such as Mickey Mouse, Minnie Mouse, Donald Duck, Daisy Duck, Winnie the Pooh, Hannah Montana, Tiger, Piglet, Eyesore etc. and has thus the exclusive right to use and authorize/license the use of such characters and character names (hereinafter collectively referred to as "DEI Materials");

II. that the plaintiff no. 1, to protect its rights in the DEI Materials has registered several trade marks and copyrights with respect thereto, across a number of countries including India, and characters such as Disney and Mickey Mouse have also been accorded the

status of "well-known marks" by the Delhi High Court;

III. that the plaintiff No. 2 M/s. The Walt Disney Company (India) Pvt. Ltd. is the Master Licensee in respect of the DEI Materials in India and thus infringement of the registered trade marks and copyrights of the plaintiff no. 1 detrimentally affects the business interests of the plaintiff no. 2;

IV. that the plaintiffs by utilizing the DEI Materials in conjunction with manufacturing, marketing, supplying, selling and distributing a wide variety of products/services for over fifty years all across the world, have earned immense goodwill and reputation in the DEI Materials and which has resulted in the consuming public intensely associating the DEI Materials exclusively with the goods/services of the plaintiffs;

V. that each of the characters of the plaintiffs is distinctive and capable of being recognized in isolation without the need for any context and amongst the most discernible features of such characters is their anthropomorphic nature i.e. the ability to feel and express emotions like human beings, and therefore the presence of any feature/trait which results in the customer relating to the plaintiffs' characters is sufficient to constitute infringement/unauthorized use, even if all the features of a character may not have been infringed;

VI. that the plaintiffs, in November, 2012 learnt about the defendant no. 1 Mr. Balraj Muttneja and defendant no. 2 Mr. Jaspal Muttneja running and operating affiliate entities defendant no. 3 M/s. J.J. International (being the manufacturing/factory unit) and defendant no. 4 M/s. Balraj International (being the supply/distribution outlet) for the purpose of manufacturing and selling confectionary items such as chocolates etc. under the brand name "Tasty Bear" bearing the plaintiffs DEI Materials like Winnie The Pooh, Tigger, Eeyore and Piglet, without the consent/authority of the plaintiffs;

VII. that such unauthorized use by the defendants of the DEI Materials of the plaintiffs is with a dishonest and mala fide intention to ride upon and benefit from the plaintiffs' hard-earned reputation/goodwill, and thus - (a) constitutes infringement and dilution of the registered trade marks of the plaintiffs within the meaning of Section 29 of the Trade Marks Act, 1999, (b) violates plaintiffs' copyright subsisting in the said artistic works u/s 51 of the Copyright Act, 1957 and, (c) amounts to the defendants passing off their goods as those of the plaintiff.

Accordingly, the plaintiffs have sought permanent injunction to restrain the defendants from violating their intellectual property rights with respect to the DEI Materials, a rendition of accounts of profits earned by the defendants from their infringing activities, delivery up of all items bearing the plaintiffs' DEI Materials and damages in the sum of Rs. 20,00,100.

2. Summons of the suit were issued to the defendants No. 1 to 4 on 17.12.2012 and vide order of the same date, an ex-parte ad-interim injunction was granted against the

defendants. This Court also appointed two Local Commissioners to visit and inspect the premises of the defendant no. 3 and defendant no. 4 respectively for the purpose of making an inventory of the infringing goods/merchandise, if any found, and for seizing and sealing the same. The Local Commissioners so appointed have in compliance with the order dated 17.12.2012 filed their reports.

3. Though the defendants entered appearance through their counsel on 01.02.2013 but remained unrepresented thereafter and failed to file a written statement as well. The defendants were thus directed to be proceeded ex-parte vide order dated 04.10.2013 and the plaintiffs permitted to file affidavits by way of ex-parte evidence.

4. The plaintiffs, despite having been granted sufficient time and several opportunities, have failed to get their affidavits for leading ex-parte evidence on record. However, it is not deemed expedient to further await the same and allow this matter to languish, for the reason that I have in [The Indian Performing Right Society Ltd. Vs. Gauhati Town Club and Another](#), held that where the defendant is ex parte and the material before the Court is sufficient to allow the claim of the plaintiff, the time of the Court should not be wasted in directing ex parte evidence to be recorded and which mostly is nothing but a repetition of the contents of the plaint.

5. I have thus, apart from examining the averments made by the plaintiffs in the plaint, as culled out above, also combed through the documents filed by the plaintiff to support its case, in order to ascertain whether the plaintiffs are entitled to a decree forthwith.

6. The plaintiffs in order to validate their claims are found to have taken assistance of the following documents:

I. Copies of the Copyright Registration Certificates in respect of the DEI Materials in favor of the plaintiffs.

II. Copies of Trade Mark Registration Certificates with respect to the DEI Materials and Renewal Certificates thereof.

III. Photographs of Authorized Merchandise of the plaintiffs.

IV. An affidavit of Mr. Mohit Bajaj, Investigator to the effect that he visited the premises of defendant no. 4 and purchased confectionary items such as chocolates which he found to bear the characters and character names like Winnie The Pooh, Tigger, Eeyore, Piglet etc., and who has attached the photographs of the infringing goods/merchandise alongwith the said affidavit.

7. I am also benefited by the reports filed by the two Local Commissioners appointed by this Court. Ms. Arati Mahajan Shedha who visited the premises of defendant no. 3 has recorded that she found "kept in the hall on the first floor of the said premises, a lot of packaging and wrapping material bearing Disney Characters" and has further identified

them to be Pooh, Tigger, Eeyore and Piglet. She has also annexed to her Report, samples of the said packaging and wrapping material found in the premises of defendant no. 3. Similarly, Mr. Jayesh Bakshi who inspected the premises of defendant no. 4 has reported that "the characters were displayed both on the box and the individual chocolate wrapping paper". The "On the Spot Proceedings" annexed to the said Reports, which also contain the aforesaid findings of the Local Commissioners, are found to bear the signatures of defendant no. 1 and defendant no. 2 respectively, thus indicating their acceptance of the contents thereof.

8. The examination of the all the aforesaid unrebutted material leads to the inescapable conclusion that the defendants are using identical and/or deceptively similar characters on their goods/merchandise and thereby infringing and diluting the registered trade marks as well as violating the copyrights of the plaintiffs with respect to the said characters.

9. As far as the other reliefs claimed by the plaintiffs, for rendition of accounts and damages is concerned, the counsel for the plaintiff has handed over judgments of this Court in [Time Incorporated Vs. Lokesh Srivastava and Another](#), , [Adobe Systems, Inc. and Another Vs. Mr. P. Bhoominathan and Another](#), and [Disney Enterprises, Inc. Vs. Mr. Rajesh Bharti and Others](#), , wherein compensatory as well as punitive damages have been awarded to the plaintiff for flagrant violation of its intellectual property rights.

10. I am however of the opinion that the present case does not call for award of compensatory or punitive damages in as much as the infringement is not of the blatant and brazen variety as was the case in the judgments cited by the counsel supra. In the present case, evidently, the characters of the plaintiffs have been affixed by the defendants on their goods without the permission or consent of the plaintiffs. However, what cannot also be lost sight of is that the defendants have refrained from using the character names of the plaintiffs and have also not mentioned anything on the packaging of their goods to even remotely suggest that they may be emanating from the plaintiff. Rather, the defendants have admittedly manufactured and sold the infringing goods under their own brand name. In such a scenario, there is a distinct possibility of the use of the characters of the plaintiffs on the goods of the defendants being an innocent adoption and a result of the defendants being unaware of the proprietary rights of the plaintiffs in such characters. It indeed seems improbable that the defendants calculatedly, with sinister and mala fide intentions, sought to cash in on the reputation of the plaintiffs' goods or services.

11. In this view of the matter, I am of the opinion that the rights of the plaintiff would be adequately protected by grant of permanent injunction restraining the defendants from manufacturing or selling confectionary items such as chocolates etc. bearing upon its packaging or wrappers any trade mark which is identical or deceptively similar to that of the plaintiffs, or any artistic work in which the plaintiffs have a copyright. I also deem it fit to pass an order for delivery up by the defendants to the plaintiffs of the infringing goods/merchandise as seized and sealed by the Local Commissioners in the premises of

defendant no. 3 and defendant no. 4. The suit is thus decreed in the aforesaid terms. The plaintiffs shall be entitled to costs of the suit. Counsel's fee assessed at Rs. 25,000/-.

Decree Sheet be drawn up.