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Delhi High Court

Case No: CS (OS) 1608 of 2010

Wuxe Zhang and Another	APPELLANT
Vs	
Subhash Agarwal and Another	RESPONDENT

Date of Decision: July 22, 2013

Acts Referred:

- Civil Procedure Code, 1908 (CPC) - Section 1, 2

Citation: (2013) 55 PTC 554

Hon'ble Judges: Vipin Sanghi, J

Bench: Single Bench

Advocate: Gaurav Sarin and Mr. Ankur Sangal, for the Appellant;

Judgement

Vipin Sanghi, J.
The plaintiff has filed the present suit to seek the reliefs of injunction, passing of, copyright infringement, rendition of accounts, delivery up and damages against the defendants. The case of the plaintiff is that it is the prior user and adopter of the trademark "G"FIVE", which has been adopted by the plaintiff since 01.09.2008. The defendant has been using the mark, "X"FIVE" which is phonetically, visually similar and deceptively similar to the plaintiff"s mark, "G"FIVE". The user of the defendant is in the same class of goods i.e. class 35 in which plaintiff"s mark is registered. The plaintiff and the defendants are using their respective marks in respect of mobile phones. When the plaintiff preferred the present suit, its application for registration of its trademark, "G"FIVE" was pending registration. The same has been registered vide Certificate bearing No. 1825260 dated 03.06.2009 in class 9, No. 1956322 dated 26.04.2010 in class 9 and No. 1956323 dated 26.04.2010 in class 35, during the pendency of the suit.

2. The mark of the plaintiff which has since been registered is as follows:

3. The mark used by the defendants is as follows:

4. The plaintiff moved an application being I.A. No. 10428/2011 under Order 39 Rules 1 & 2 CPC to claim ad interim orders of injunction against the defendants, to restrain the defendant from using their mark, "X"FIVE". This application was heard by the Court and allowed on 05.05.2011. Since this order records the case of the plaintiff in some detail, I reproduce the same herein below:

1. Despite service, the defendant has failed to appear in this matter and consequently been proceeded ex-parte. The plaintiff is claiming to be the owner of the trademark, G"FIVE and has made a grievance of the defendant"s dishonestly adopting the trademark X"FIVE.

2. The plaintiff has stated that it began using the trademark G"FIVE with effect from 1st September, 2008 and had applied for registration of the said trademark as well on 3rd June, 2009 and 26th April, 2010 in different classes. The plaintiff has also placed before this Court details of the world wide registration of the trademark "G"FIVE in several countries. The plaintiff has claimed to be engaged in manufacturing, trading and marketing diverse products including mobile phones and allied goods under the said trademark. The plaintiffs are interconnected. In support of the claimed rights in respect of the subject trademark, the plaintiff has placed before this Court a designing contract of the trademark with Ms. Belcon Design Ltd. The plaintiff is also claiming to be registered under the IMEM, BAVP and GSMA. Detailed assertions have been made in the plaint and the documents in support have been placed which would suggest that the plaintiff is based in India. So far as mobile phones are concerned, the plaintiff"s mark is preceded only by Nokia and Samsung phones. With regard to the position occupied by the plaintiff, the plaintiff has placed before this Court newspaper reports in the Economic Times dated 29th September, 2010; Times of India dated 29th December, 2010 and other documents.

3. Also on record is documentary evidence manifesting the steps taken by the plaintiff with regard to the publicity of the plaintiffs" mobile under the trademark G"FIVE.

4. At the time of the filing of the instant suit, the plaintiff has placed its market share at 1.4% and its world wide sales to the tune of 4.3 millions units. The plaintiff"s turnover in India is stated to be 92% of its global turnover between January to December, 2009. Reliance is placed by the plaintiff on the Gartner survey of May, 2009 where the plaintiff has been ranked 9th in terms of market share of sales.

5. The defendant is stated to have been a distributor of the plaintiff who was so appointed on 14th August, 2009. It is complained that in such capacity the defendant learnt about the goodwill attached to the plaintiff"s trademark and has dishonestly adopted the impugned trademark. Conscious of the reputation attained by the product of the plaintiff as well as the goodwill associated to the trademark G"FIVE, the defendant is stated to have adopted the trademark X"FIVE after its appointment as a plaintiffs distributor.

6. The plaintiff has asserted that the trademark adopted by the defendant is substantially similar to the plaintiff"s trademark. The plaintiff has asserted that the adoption of the trademark by the defendant is dishonest and is in violation of the rights of the plaintiff in its trademark G-5 which was adopted much prior to the adoption of the defendant of the trademark complained against.

7. The plaintiff has also pointed out that having regard to the nature of the similarity of the product as well as the fact that the defendant was the plaintiff"s agent, there is every likelihood of deception and confusion in the minds of the public that the mobile phones being sold by the defendant under the trademark X"FIVE emanate from the plaintiff. The plaintiff also points out that the defendant is utilizing literature which is also displayed on its website wherein it draws no distinction between the proprietorship and ownership of mobile phones which are sold by it and that trademark G"FIVE and X"FIVE are collectively displayed.

8. The record of the case shows that the defendant put in appearance in the case on 9th August, 2010 through counsel who appeared on a few dates without filing any written statement. After the matter was heard for some time on 24th January, 2011, learned counsel for the defendant took time to seek instructions from his client on the aspect of changing the trademark so that there was no similarity between the trademarks.

The matter was adjourned thrice thereafter and finally on 7th April, 2011, learned counsel representing the defendant withdrew from appearance on his behalf.

9. The above narration would show that there is prima facie phonetic and visual similarity between the trademark G"FIVE and X"FIVE. The plaintiff has also prima facie made out a case of prior user and adoption of the trademark G"FIVE.

10. In view of the above, the prayer made in this application deserves to be granted. The defendants are using a similar trademark as that of the plaintiff with regard to the same product that is mobile phones. The plaintiff has made out a prima facie case for grant of an ad interim injunction. Balance of convenience, interest of justice and equities are also in favour of the plaintiff and against the defendants. The plaintiff would suffer irreparable loss and damage if the defendants continue with their illegal activities.

It is accordingly directed as follows:

The defendant shall stand restrained from using the trademark X"FIVE or services relating to mobile phones or from using the said mark in relation to their activities or any other mark which is similar to the plaintiff"s trademark which is likely to cause deception in the minds of the public at large that its products are emanating from or have an association with the products of the plaintiff.

The application is allowed in the above terms.

5. Written statement was filed by the defendants on 18.10.2010. In their written statement, the defendants stated that in the first week of January, 2009, they adopted their mark.

6. The defendants also admitted the plaintiff''s case that they were the distributors of the plaintiffs. The defendants also took the defence that there were others also using the same mark as that of the plaintiffs.

7. The defendants stopped participating in the proceedings and on 02.05.2011, the plaintiff was proceeded ex-parte. Thereafter the plaintiff has led ex parte evidence on affidavit of Shri Ajikumar M.K., the power of attorney holder as PW1 which was tendered on 08.08.2012 as Ex. PW1/A. The plaintiff has exhibited 39 documents as Ex. PW1/1 to Ex. PW1/39, which are as under:-

8. Once again, there is no appearance on behalf of the defendants and I, therefore, proceed to dispose of the present suit.

9. The submission of learned counsel for the plaintiff is that there is both-visual and phonetic similarly in the two marks in question. Learned counsel for the plaintiff submits that the plaintiff is the prior user of its mark, not only in India, but internationally. Its application for registration of its mark was made in the year 2008, whereas the defendants admit in their written statement that it was only in January, 2009, that they conceived the said mark. It is also not denied by the defendants that they were the distributors of the plaintiffs products sold under the mark in question. The adoption of their mark by the defendant is, therefore, dishonest. The submission of learned counsel for the plaintiff is that the said mark is being used in respect of mobile phones, which are purchased by common men and there is high likelihood of them being deceived and confused on account of use of the offending mark by the defendant. The plaintiff has also established the use of its mark in India. The deposition of the plaintiffs witness Mr. Ajikumar M.K., PW-1 has gone unrebutted. In view of the evidence brought on record, I see no reason not to accept the plaintiff''s case.

10. On the other hand, the defendants have not come forward to substantiate their defence. The comparison of the two marks leaves no manner of doubt that they are deceptively and confusingly similar. The defendants have not explained as to why and how they have adopted "X''FIVE" as their trademark in respect of the same goods when they were aware, being the distributors of the plaintiffs, of the plaintiffs'' use of the mark "G''FIVE", as aforesaid. The adaptation of the offending mark by the defendants does not appear to be bona fide. The prior user of the plaintiff has also been established by the fact that they have made the application for registration much prior to when the defendants claimed to have even conceived of the said idea, which led to the creation of their mark.

11. Considering that the marks are phonetically and visually similar, inasmuch, as, the word, "FIVE" is common to both the marks, and the same cannot be considered to be generic so far as mobile phones are concerned, the infringement of the plaintiffs" mark is clearly established. The word "FIVE" constitutes an essential feature of the plaintiffs mark. Accordingly, the plaintiffs are entitled to the relief as prayed for in the suit.

12. The plaintiff has also sought damages in the sum of Rs. 20,05,000/-. No evidence has been led by the plaintiff on the aspect of damages. However, considering the fact that the defendants have infringed the plaintiffs" mark and have passed off their products with a deceptively similar mark with that of the plaintiff, and have chosen not to appear after filing their written statements, the Court is inclined to award damages, as the defendant cannot be permitted to enjoy the benefit of evasion of court proceedings. The rationale for award of damages in such like cases is that-while defendants who appear in court may be burdened with damages, those defendants-who chose to stay away from the court, should not escape such damages being awarded by the court, as their actions have injured the plaintiff and have subjected the plaintiff to avoidable expenses, litigation and harassment. Every endeavour should be made, for a larger public purpose, to discourage such parties from indulging in acts of deception and infringement. In view of the decision of this Court in Asian Paints (India) Ltd. Vs. Satish Kumar & Others in CS(OS) No. 1319/2005 decided on 7.07.2013, damages of Rs. 5 lacs are awarded to the plaintiffs against the defendants. The suit stands decreed, accordingly, in the following terms:

a) a decree of permanent injunction against the defendants, their proprietors or partners or directors as the case may be, their principal officers, servants, agents and all other acting for and on behalf of the defendants from using the name/mark X"FIVE or its device and/or any other name or device which is deceptively or confusingly similar to the trademark G"FIVE and the device of the plaintiff, or under any other mark-whether in the form of a word or label as may be identical or deceptively similar with the plaintiffs trade mark G"FIVE and its device, in any manner, and for any goods and services falling in clauses 9 and 35, particularly for mobile phones or related electronic goods or passing off to the defendants" goods or business as those of the plaintiff.

b) a money decree is passed for Rs. 5 lacs in favour of the plaintiff and against the defendant towards compensation and damages on account of the use of the mark X"FIVE with its logo by the defendant, which is deceptively and confusingly similar to the mark and logo of the plaintiff G"FIVE.