(2015) 08 DEL CK 0005

In the Delhi High Court

Case No : CS (OS) 3684 of 2014

Honeywell International Inc. APPELLANT

Vs

Pravin Thorat and Others RESPONDENT

Date of Decision : 24-08-2015

Acts Referred:

Citation : (2015) 222 DLT 533 : (2015) 64 PTC 95

Hon'ble Judges : Manmohan Singh, J

Bench : Single Bench

Advocate : Pravin Anand, Vaishali Mittal, D. Neha Reddy and Siddhant Chamola, for the Appellant

Judgement

Manmohan Singh, J—The plaintiff has filed the suit for permanent injunction restraining infringement of trade mark, passing off, unfair competition, rendition of accounts, dilution, delivery up, damages etc. against the defendants.

The plaintiff''s case

2. The plaintiff claims that it is a company incorporated and existing under the laws of State of Delaware, having its principal place of business at 101 Columbia Road, Morristown, New Jersey 07962, USA.

2.1. The plaintiff traces its origins to the year 1885 and with the invention of the ''damper flapper'', which was an ingenious predecessor to the modem thermostat. The plaintiff is listed as a Fortune 100 Company as well as a Global Fortune 500 company.

2.2. The plaintiff is a highly successful and immensely reputed company across the world with estimated business revenue of USD 39 billion and employee strength of about 132,000 staff in around 68 countries across the world. The plaintiff is a component of the Standard and Poor''s 500 Index. Its shares are traded on the New York Stock Exchange under the symbol HON (acronym for HONEYWELL), as well as on the London, Chicago and Pacific Stock Exchange. The plaintiff''s business operations consist of four primary segments namely, "Aerospace", "Automation and Control Solutions", "Performance Materials and Technologies", and "Transportation Systems".

2.3. The plaintiff carries on its business in India inter alia through Honeywell International India Private Limited which is a wholly owned subsidiary of the plaintiff and was established in 1995. It is stated that Honeywell International India Private Limited is a multi-business company with various strategic business units operating out of this entity and employs roughly 13,000 staff in India, including its employees, consultants and contractors.

2.4. Adoption of the trademark Honeywell by the plaintiff:

The plaintiff''s history can be traced back to 1885 and the trademark Honeywell was first adopted in the year 1906. It is stated that the trademark Honeywell is derived from the name of a founder of the plaintiff, Mark Honeywell, who in 1906 formed the Honeywell Heating Specialty Co., the plaintiff''s predecessor in title.

The plaintiff''s trademark Honeywell is an arbitrary mark, having neither any meaning in the common parlance nor any specific meaning particular to the trade except denoting the plaintiff''s goods and services. The consumers across the world associate the trademark Honeywell exclusively with the plaintiff. It is further stated that since the mark Honeywell has been derived from the plaintiff''s founder, there can be no basis of adoption of the said mark by any other entity.

2.5. The plaintiff''s trademark Honeywell over the course of 100 years has gathered immense reputation and goodwill across the world. It is submitted that since the adoption of the trademark Honeywell, the said trademark has been used continuously and extensively by the plaintiff and today the plaintiff offers varied goods and services under the trademark Honeywell in over 120 countries including India. The plaintiff''s trademark Honeywell is associated with its vision and core ideology of ensuring a secure, comfortable and more efficient future and its belief in the power of innovation and continuous improvement.

2.6. The plaintiff also maintains its own websites inter alia http://honeywell.com/Pages/Home.aspx and http://www.honeywell.com/sites/india thereby making use of its trademark and trade name Honeywell. The plaintiff''s websites are freely accessible to persons across the world and have served in making persons aware of the high quality products sold under the Honeywell trade mark of the plaintiff. In addition, the plaintiff owns over 800 domain names incorporating its Honeywell name and mark.

2.7. The plaintiff''s brand Honeywell, as stated earlier is one of the most reputed brands across the world. The plaintiff''s brand Honeywell has been recognized as a Superbrand inter alia in the U.K. as well as in India by the Superbrands Council, which is one of the leading brand consultancy firms in the world. The plaintiff, through its persistent and dedicated efforts over the century has attained and maintained its characteristic reputation for quality and innovation. It is submitted that consumers across the world associate the trademark Honeywell and the products on which such trademark is affixed with the plaintiff''s reputation for safety, reliability and innovation.

2.8. The plaintiff''s presence in India dates back about 8 decades to the 1930''s when the erstwhile Universal Oil Products, part of the plaintiff''s Performance Materials and Technologies Business Group licensed their Dubbs Cracking Process to the Burmah Oil Corporation to produce gasoline at India''s first oil refinery in Digboi, Assam. The plaintiff and its affiliates have been directly present in India at least since the year 1984 and has subsequently expanded its presence in India. Today, the plaintiff employs about 13,000 staff in India through the establishment of various companies inter alia,

a. Honeywell Automation India Limited (HAIL), a member of the Honeywell family of companies was setup in 1984 as a leading provider of integrated automation and software solutions that improve productivity and enhance safety and security of homes and businesses.

b. Honeywell Technology Solutions Lab Pvt. Ltd. (HTSL) formed in 1994, headquartered at Bangalore, is a wholly owned subsidiary of plaintiff. HTSL provides product solutions and analytics, new product introduction, advanced research and technology and IT and business process solutions to the plaintiff''s business across the world. HTSL has operations in Bangalore, Madurai and Pune in India; Beijing and Shanghai in China; Minneapolis and Phoenix in USA; Prague and Brno in the Czech Republic and St. Petersburg in Russia and Bahrain in the Middle East.

c. Honeywell International India Pvt. Ltd. (HIIPL), was established in 1995 and is a wholly owned subsidiary of the plaintiff. HIIPL is a multi-business company with various strategic business units operating out of this entity and employs roughly 13,000 people in India.

d. Honeywell Turbo Technologies Limited (HTTL) was incorporated in 2004 in India and is a part of the plaintiff''s transportation systems business and is a worldwide leader and the leading manufacturer of automotive turbochargers. HTTL is also headquartered in Pune.

3. In the plaint, it is averred that defendant No. 1, Mr. Pravin Thorat, is believed to be the proprietor of defendant No. 2. The defendant No. 2 appears to be a shop using the plaintiff''s well known trademark and trade name Honeywell as a conspicuous part of its trading name. Defendant No. 3 is a firm engaged in the manufacture and distribution of bakery and confectionary items which are sold at the premises of the defendant No. 2.

It is submitted that the plaintiff first became aware of the activities of the defendants in December, 2011. The defendants are making use of the plaintiff''s trademark Honeywell not only as a part of the trading name of defendant No. 2, but also on inter alia packaging, advertising material, visiting cards, invoices etc. Documents evidencing use by the defendants of the plaintiff''s well known trademark and trade name Honeywell are filed in the present proceedings. The manner in which the defendant is making use of the mark Honeywell is deceptively similar to the plaintiff''s well known trademark and trade name Honeywell, as is well evidenced from the comparison chart herein below:

4. It is stated that the defendants has wrongly applied for a trademark registration containing the plaintiffs well known trademark Honeywell vide application number 2195451. Documents evidencing the trademark application of the defendants containing the plaintiffs well known trademark Honeywell are filed in the present proceedings. After having knowledge of the defendants'' use of its well known trademark and trade name Honeywell addressed a strong cease and desist letter to the defendants on 5th December, 2011 whereby the plaintiff apprised the defendants of the vast reputation and goodwill that was vested in its well known trademark Honeywell. The defendants responded in a letter dated 9th January, 2012 refusing to accede the request of the plaintiff. Hence the present suit.

5. The Court had granted an ex parte ad interim injunction against the defendants on 1st December, 2014. The plaintiff had made attempts to serve the defendants on 22nd December, 2014 and 23rd December, 2014. The defendant No. 3 refused to accept service on 22nd December, 2014 whereas the defendants Nos. 1 and 2 refused to accept service on two separate occasions i.e. on 22nd December, 2014 and 23rd December, 2014.

6. The defendants were proceeded ex-parte on 4th February, 2015. They have not even filed the written statement. Ex-parte evidence by way of affidavit of Mr. Pankaj Pahuja is produced. In his affidavit, it appears that he has made similar statement as averred in the plaint.

7. The original power of attorney executed in favour of Pankaj Pahuja was produced at the time of exhibit-marking of documents as Ex.PW-1/1.

8. The following documents have been filed in support of the contentions which are exhibited as under:

9. In supplementary affidavit the plaintiff has referred additional documents. The plaintiff''s Building Solutions services are widely advertised and promoted under the trademark HONEYWELL. A copy of the Honeywell Building Solutions brochure, 2009 is exhibited as Ex PW 1/31.

10. The plaintiff''s building integration technologies have been rewarded with the prestigious Frost and Sullivan Leadership Award. Documents evidencing the award received by the plaintiff for excellence in its Building Technology Services are exhibited as Ex PW1/32.

11. A copy of the plaintiff''s Access Control Solutions Brochure, 2004 is exhibited as Ex PW 1/33. A copy of the plaintiff''s Honeywell Security Management

Systems brochure is exhibited as Ex PW 1/34 upon production of the original. The plaintiffs'' Annual Report from the year 1998 as available on the internet is exhibited as Ex PW 1/35 and on plaintiff''s presence in India and the resultant goodwill and reputation, the following documents are exhibited:

12. The trademark registrations owned by the plaintiff in India are enumerated herein below:

13. The documents, which have been filed in support of the above stated contentions, are exhibited as under:

14. Sales and promotion of the plaintiff''s goods and services in India have been mentioned in the plaint as well as in the affidavit under the name of Honeywell.

15. In order to prove that the plaintiff''s trademark Honeywell is a well known trademark in India, it has come on record that the plaintiff''s trademark Honeywell has gathered immense reputation and goodwill all across the world amongst members of the general public and members of the trade alike, as well as the long and continuous use of the trademark Honeywell by the plaintiff and its extensive promotion across the world including in India has resulted in the trademark being exclusively and solely associated with the plaintiff. The plaintiff is a Fortune 100 company and is also listed in the Top 100 of the Global Fortune 500 companies with revenues up to USD 39 billion and employee strength of about 132,000 in around 68 countries.

16. The plaintiff is the registered proprietor of its trademarks in about 120 countries across the world and has promptly enforced its rights vested in such trademarks in different jurisdictions across the world. The plaintiff''s trademark Honeywell has been declared as a well-known trademark in different jurisdictions inter alia China, Taiwan and Vietnam.

17. The plaintiff''s trademark Honeywell has also been declared as a well known mark in Indonesia by the International Trademark Association (INTA), one of the premier organizations of trademark owners across the world. The plaintiff is the registered proprietor for its trademark Honeywell in India. The plaintiff has been recognized as a "Superbrand" inter alia by the "Superbrand Council of India". The plaintiff has continuously and extensively promoted its trademark Honeywell in India. The plaintiff is recognized as the sole proprietor of the trademark Honeywell in India.

18. It is also evidenced from the order of this Court wherein the defendants had acknowledged the rights of the plaintiff herein over the trademark Honeywell. The following documents are exhibited

19. Thus, in the light of above, it is clear in my mind that plaintiff''s Honeywell trademark has been declared as "famous" or "well-known" in 3 domain name arbitration decisions.

20. It is stated the defendants seemed to have discontinued making use of the

domain name www.honeywellbakers.com since the website was not accessible on the internet anymore. But on an inquiry ordered into the activities of the plaintiff further revealed that the defendant had already established two more outlets within the city of Pune itself and that it was planning to establish another such outlet.

21. The followings documents have been exhibited:

22. Having gone through the averments in the plaint, affidavit as evidence and documents placed on record, it is clear that the defendants are in violation of the rights vested in the plaintiff''s Honeywell trademarks as the plaintiff is the registered proprietor of the trademark Honeywell in India.

23. Due to the long, continuous and extensive use of the trademark Honeywell by the plaintiff across the world, including India; the plaintiff enjoys insurmountable common law rights in its Honeywell trademarks.

24. The plaintiff''s trademark Honeywell was adopted after the name of the plaintiff''s founding father Mark Honeywell. The mark Honeywell solely and exclusively denotes the goods and services of the plaintiff alone. It is an arbitrary trademark and the defendants have no justification for adopting Honeywell in relation to its products and services.

25. If the permanent injunction is not passed, the infringement caused by the defendant of the plaintiff''s trademark is bound to be aggravated on account of the confusion that would arise amongst consumers who would be falsely induced into believing that the defendant has a direct nexus or affiliation with the plaintiff, the defendant has been granted a license by the plaintiff in relation to these products and the business of the defendant has been endorsed by the plaintiff.

26. The defendant''s adoption and use of a deceptively similar trademark without any authorization from the plaintiff is a clear attempt on part of the defendant to encash upon the reputation and goodwill of the plaintiff''s trademark Honeywell.

27. The continuous and unrestricted use by the defendant of an identical trademark as well as a trading name is bound to lead to the gradual whittling away of the exclusivity and uniqueness of the goods and services that are associated with the plaintiff''s trademark Honeywell.

28. The dilution of the plaintiff''s trademark is bound to be further aggravated on account of the fact that the defendants have established outlets in the geographic vicinity of the plaintiff''s branches in the city of Pune.

29. In the light of the facts and circumstances referred above, the suit of the plaintiff is decreed in terms of prayer clause 33(i) which reads as under:-

(i) An order of permanent injunction restraining the defendant, its partners or proprietor as the case may be, its principal officers, servants and agents, distributors and all others acting on its behalf from manufacturing, selling, offering for sale, advertising, directly or indirectly dealing in any manner with confectionery products and/or any other goods and/or services under the trademark Honeywell including as a part of a domain name.

30. With regard to the relief of damages as claimed by the plaintiff in para 33(v), the plaintiff is claiming for punitive damages. Law pertaining to punitive damages is quite settled. This Court has previously granted both exemplary and punitive damages against the defendants in ex-parte matters of similar nature. In Time Incorporated Vs. Lokesh Srivastava and Another, (2006) 131 CompCas 198 : (2005) 116 DLT 599 : (2005) 30 PTC 3 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."

31. Further, this Court in Microsoft Corporation Vs. Rajendra Pawar and Another, (2008) 36 PTC 697 decided on 27th July, 2007 has held "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."

32. In view of the settled law, the plaintiff is entitled to punitive damages as well as cost of the proceedings. Under this head, a sum of Rs. 3,00,000/- is granted in favour of the plaintiff.

33. Under these circumstances, the suit of the plaintiff is decreed in terms of prayer 33(i) and (ii).

34. The plaintiff is also entitled to costs.

35. The other reliefs are not pressed.

36. Decree be drawn accordingly.

37. Pending application(s) are also disposed of.

