
(2017) 11 DEL CK 0421

In the Delhi High Court

Case No : Civil Suit (COMM) No. 148 Of 2017, Miscellaneous Application No. 3483, 12144 Of 2015

Samsung Electronics Company Ltd. & Anr.

APPELLANT

Vs

M/S. D.R. Radio Corporation & Ors

RESPONDENT

Date of Decision : 15-11-2017

Acts Referred:

Trade Marks Rules, 2017 — Rule 124

Copyright Act, 1957 — Section 2(c), 41

Trade Marks Act, 1999 — Section 11(6)(i), 11(6)(ii), 11(6)(iii), 11(6)(iv), 11(6)(v), 11(8), 28, 29(1), 29(2), 29(2)(c), 29(3), 29(4), 29(4)(c)

Citation : (2017) 11 DEL CK 0421

Hon'ble Judges : Manmohan, J

Bench : Single Bench

Advocate : Saikrishna Rajagopal, Sonal Chhablani

Judgement

Manmohan, J

1. Present suit has been filed for permanent injunction restraining violation and infringement of rights in the trademark SAMSUNG, copyright, passing

off, unfair competition, dilution, rendition of accounts, damages etc. The prayer clause in the suit is reproduced hereinbelow:-

â??71. The Plaintiffs therefore respectfully prays that the following reliefs be granted in its favour:-

A) A decree of declaration that the trade mark/logo SAMSUNG and its oval device Å of the Plaintiffs are well-known

trademarks;

B) A decree of permanent injunction restraining the Defendants No.1 to 36, their principal officers, family members, servants, agents,

importers, dealers, distributors, retailers and anyone acting for and on its behalf

from manufacturing, selling, importing, offering for sale

or advertising in any manner any product bearing the mark/label/logo/writing style/packaging of SAMSUNG and/or any other

mark/logo/label/packaging which is identical or deceptively similar to the Plaintiffs' trade mark SAMSUNG and its oval device

and/or using the mark/label/logo/writing style/packaging of SAMSUNG as part of any sub-brands, product descriptions etc.,

either in print or electronic form which would result in violation and infringement of Plaintiffs' statutory and common law rights in the

said mark;

C) In respect of Defendants Nos. 37 to 47, Local Commissioners be appointed by this Court and be empowered to identify with the

assistance of the Plaintiffs, such manufacturers/wholesale traders/retailers who are manufacturing and selling goods infringing the

Plaintiffs rights in its well-known and registered trademark SAMSUNG in Delhi, Mumbai, Ahmedabad and Surat. On the basis of the report

of the Local Commissioners, such Defendants, as identified by the Local Commissioners, in respect of whom the seizure has been effected,

be served with the complete set of documents and pleadings filed before this Hon'ble Court along with the summons bearing only the

heading of M/s. _____ Such defendants may be allowed to defend the present suit just as any other named Defendants in

accordance with law.

D) A decree of permanent injunction restraining the Defendants, their principal officers, family members, servants, agents, dealers,

importers, distributors, licensees, importers and anyone acting for and on their behalf from using the oval device of SAMSUNG or any

other mark/label/device which is identical/deceptively similar to the Plaintiffs' oval device of SAMSUNG and its writing style and manner

which would result in infringement of Plaintiffs' copyright.

E) A decree of delivery up of all the infringing goods such as televisions, DVD players, DVD lenses, mixers, speakers, gas stoves, t-shirts,

sewing machines, and material having packaging that is an imitation of SAMSUNG packaging or bearing the SAMSUNG

mark/name/logo/label/packaging, including foils, packets, rolls, printing drums,

dyes, posters, publicity material, advertisements, brochures, sign boards, bags, pouches, newsletters, hoardings etc., for the purposes of destruction and/or erasure.

F) Pass a decree of damages and/or rendition of accounts to the tune of Rs.25,00,000/- payable by Defendants Nos. 1 to 36 and also the

unnamed Defendants as and when they are identified. The Plaintiffs undertakes to file additional court fee if on appropriate rendition of

accounts by the Defendants a higher amount is found to be due and is directed by this Honâble Court.

G) Costs be awarded in favour of the Plaintiffs.

H) Any such further and other order(s) as this Honâble Court may deem fit and proper in the facts and circumstances of the present

case.â??

2. At the outset, the learned counsel for the plaintiffs states that he wishes to press prayers â??Aâ??, â??Bâ?? and 'D' of the paragraph 71 of the plaint.

He specifically gives up prayers 'E', 'F' and 'G' of the paragraph 71 of the plaint. He also states that prayer 'C' of the paragraph 71 of the plaint has been rendered infructuous.

3. On 20th February, 2015, this Court granted an ex parte ad interim injunction in favour of the plaintiffs and against the defendants. The relevant

portion of the said order is reproduced hereinbelow:-

â??Accordingly, till the next date of hearing, the defendants No.1 to 36, proprietors, partners, servants, agents, representatives, dealers,

distributors, importers, retailers, employees or any one acting on their behalf, are restrained from directly or indirectly manufacturing,

selling, importing, offering for sale or advertising in any manner, the infringing products, including TVs, DVD players, speakers, home

theater systems, microwaves, air conditioners, washing machines, sewing machines, gas stoves, etc., bearing the

mark/label/logo/packaging/trade dress, â??SAMSUNGâ? or any other mark/logo/label/packaging/trade dress, which is identical or

deceptively similar to the plaintiffsâ? registered trademark â??SAMSUNGâ? with or without its device Â and

4. On 31st July, 2017, defendant Nos. 9, 19, 31, 32, 33, 36 and 37 to 47 were deleted from the array of parties and the present suit was decreed in

favour of the plaintiffs and against the defendant Nos. 2, 12, 13 and 17 in accordance with prayers 'B' and 'D' of the paragraph 71 of the plaint

pursuant to the statement/undertaking given by the them. Since the remaining defendants did not enter appearance despite service, they were

proceeded ex parte vide the aforesaid order.

5. Mr. Saikrishna Rajagopal, learned counsel for plaintiffs states that the plaintiffs form part of the SAMSUNG group of companies and the group's

core business sectors consist of electronics, finance, trade and services. He states that the plaintiffs are engaged in the business of manufacturing and

trading in telecommunication devices such as mobile phones, tablets, hand-held devices etc and are today the number one mobile phone

manufacturer/trader in the world.

6. Learned counsel for the plaintiff states that the plaintiff No. 1 is the registered proprietor of the mark SAMSUNG and the SAMSUNG formative

works including the oval device . He states that the said mark is registered in India since 1981 and the plaintiff No.1 vide license

agreement dated 8th July, 2003 has granted license to the plaintiff No. 2 to use the mark SAMSUNG in India.

7. He further states that the plaintiff No. 1 is the owner of the copyright in writing style and manner of SAMSUNG represented in the stylized manner

and artistic impression and the same is protected as artistic work under Section 2(c) and Section 41 of the

Copyright Act, 1957 read with the International Copyright Order, 1999.

8. Mr. Saikrishna states that plaintiff's trade mark SAMSUNG is a well known and famous mark worldwide owing to its quality products and the

plaintiffs' said mark has acquired a heightened degree of distinctiveness owing to the exclusive, extensive and continuous use of the mark both in India

as well as globally.

9. He states that the plaintiffs' trade mark SAMSUNG fulfils all the requirements as stipulated under Section 11(6)(i) to (v) of the Trade Marks

Act, 1999. He further states that this Court has the power to declare a mark to be a well known mark. In support of his contention, he relies on

Sections 11(6)(v) and 11(8) of the Trade Marks Act, 1999.

10. He contends that in January-February, 2015, the plaintiffs conducted an investigation in various markets in Delhi, Mumbai, Ahmedabad and Surat

in order to ascertain the extent and the amount of infringing SAMSUNG goods available in the market and were shocked to come across the

defendants' goods such as sewing machines, gas stoves, rubber hose, mixers, helmets, t-shirts, mobile accessories, DVD players etc bearing the

plaintiffs' trade mark SAMSUNG.

11. He states that the goods/products of the defendants are counterfeits of the plaintiffs' goods and the acts of the defendants are deliberate and

calculated to consciously deceive the public into believing that the infringing goods originate from the plaintiffs.

12. Mr. Saikrishna in support of his contentions and submissions has relied upon the following documents:

a. Exhibit PW 1/2:- Copy of the certificate of incorporation of the plaintiff No. 2.

b. Exhibit PW 1/8 and Mark E : " Copy of the Registration certificates and online status for the trade mark SAMSUNG and its derivatives in India

as well as other jurisdictions.

c. Mark D:- Copy of the license agreement dated 8th July, 2003 granting license to the plaintiff No. 2 to use the mark SAMSUNG in India,

Bangladesh, Bhutan, Nepal and Sri Lanka.

d. Mark G:- Copy of the investigation report for counterfeit/infringing goods in various markets of Delhi, Mumbai, Ahmedabad and Surat.

13. Having perused the papers and having heard the learned counsel for plaintiff, this Court is of the view that the defendants' impugned mark

SAMSUNG/ Å is identical to the plaintiffs' registered mark SAMSUNG. Further, since the plaintiffs are the registered proprietors of

the trade mark SAMSUNG, Section 28 of the Trade Marks Act, 1999 confers exclusive rights upon the plaintiffs to use the said mark and the

defendants' unauthorised use of the plaintiffs' mark SAMSUNG in respect of identical goods amounts to infringement of the plaintiffs'

proprietary rights under Section 29(1) of the Trade Marks Act, 1999.

14. Recently, this court in the case of Exxon Mobil Corporation and Others Vs. Anser Pasha: CS(OS) 2032/2015, decided on 03rd July, 2017, had

culled out the relevant law pertaining to Section 29(4) of the Act. The same reads as under:-

11. Coordinate Benches of this Court in Rolex SA Vs. Alex Jewellery Pvt. Ltd. & Ors., 2009 (41) PTC 284 (Del.) and Bloomberg Finance LP

Vs. Prafull Saklecha & Ors., 2013 (56) PTC 243 (Del.) while analysing Section 29(4) of the Act, 1999 have held as under:-

A. Rolex SA Vs. Alex Jewellery Pvt. Ltd. & Ors. (Supra):

14. The trademark ROLEX has been registered in favour of the plaintiff with respect to watches etc since much prior to the user claimed by

the defendants from 1995. If the plaintiff satisfies the test of Section 29(4)(c), the plaintiff even on the basis of its registrations other than

with respect to jewellery, would be entitled to maintain an action of infringement against defendants with respect to jewellery. The only

question to be determined at this prima facie stage is whether the registered trademark ROLEX of the plaintiff, in relation to watches, has a

reputation in India and the use of the mark by the defendants is without due cause and takes unfair advantage of and/or is detrimental to

the distinctive character or repute of the registered trademark.

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18. This court, even prior to introduction of Section 29(4) in the 1999 Act had in Daimler Benz Aktiengesellschaft Vs Hybo Hindustan (1994)

14 PTC 287 in relation to another well known trademark "Benz" held that such names are different from other names "these are

names which have become household words" it was held that there would hardly be anyone conscious of automobiles who would not

recognize the name "Benz" used in connection with cars. The defendant in that case was restrained from using the name "Benz"

with reference to underwear. The Senior counsel for the plaintiff also relied upon (i) Hamdard National Foundation Vs Abdul Jalil

application for interim relief in suit No. 1240/2004 decided on 13th August, 2008 where use of name Hamdard in relation to processing and

marketing of rice was enjoined notwithstanding plaintiff till then not dealing in the same and diversity in the goods and considerable delay

in bringing the action. It was held that the consumer was likely to believe that the goods of defendant, though dissimilar, originate from the

plaintiff. (ii) General Motors Corpn Vs Yplon SA decided by the court of Justice of European Communities and Premier Brands UK Ltd Vs

Typhoon Europe Ltd Fleet Street Reports (2000) 767 on the aspect of deception and dilution respectively. iii) Order of Assistant Registrar of

Trade Marks, Singapore holding that watches have over the years evolved from their traditional function as being merely time keepers to

being distinguished as items of fashion/fashion accessories. iv) Cartier International B.V. Vs Choosy Corner (2003) 26 PTC 160 (Delhi)

where the mark cartier was held to have tremendous goodwill and reputation and use thereof in relation to different goods i.e., garments

was injuncted. v) Honda Motors Co Ltd Vs Charanjit Singh (2003) 26 PTC 1 (Del) where mark Honda was held to have a global goodwill

and reputation and use thereof in relation to pressure cooker was injuncted on the principles of passing off. and a number of other

judgments, which are discussed in judgments aforesaid and with which it is not necessary to burden this order.

B. Bloomberg Finance LP Vs. Prafull Saklecha & Ors. (Supra):

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.

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46.2 In the above background, the Court discussed Section 29(4) in the context of "dilution" and observed:

(1) The "likelihood of Confusion" test which is the essential basis of Trademark law, is not incorporated in relation to infringement of

the kind Section 29(4) envisions. Section 29(1) - which talks of trademark infringement, generally, prescribes that the impugned mark

should be "identical with, or deceptively similar to the registered trademark. Section 29 (2), (which deals with trademark infringement)

enacts that the impugned mark should be similar or identical with the registered mark, as to cause confusion in relation to similar goods.

The emphasis on similar goods is the recurring theme in each of the sub clauses ((a), (b) and (c)) and the identity/ similarity requirement

along with the similarity of goods are twin, conditions (established by the use of the conjunctive "and"). However, Section 29 (4) posits

identity or similarity of the mark alone but, in relation to dissimilar goods.

(2) The object of the "dilution" form of infringement (under Section 29(4)) in effect, is a wider trademark protection without the concomitant

likelihood of confusion requirement, as it is in respect of dissimilar or unrelated products and services.

(3) The confusion requirements under Section 28 are different from those under Section 29 (4). Section 29 (4) does not refer to the need for

proving confusion anywhere in the relevant portions. Obviously the emphasis here is different.

(4) The plaintiff has to establish, under Section 29 (4) apart from the similarity of the two marks (or their identity) that his (or its) mark â

(i) has a reputation in India;

(ii) the use of the mark without due cause

(iii) the use (amounts to) taking unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) Importantly, there is no presumption about trademark infringement, even if identity of the two marks is established, under Section 29 (4).

In contrast, Section 29 (3) read with Section 29 (2) (c) enact that if it is established that the impugned mark's identity with the registered

trade mark and the identity of the goods on 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, the court shall presume that it is likely to cause confusion on the part of the public.

47. The ratio of the decision in ITC Limited, relevant to the instant case is Section 29 (4) offers a wider trademark protection without the concomitant likelihood of confusion requirement, as it is in respect of dissimilar or unrelated products and services.....

15. This Court is further of the opinion that the adoption of the SAMSUNG mark as well as an identical logo by the defendants is dishonest and amounts to passing off and misrepresentation as the consumers would be misled into buying the defendants' infringing products believing them to be originating from the plaintiffs.

16. The defendants' false and unauthorised use and application of the marks identical to that of the plaintiffs' registered mark SAMSUNG is also bound to dilute the distinctive character of the mark SAMSUNG. The acts of the defendants are bound to result in tarnishment and blurring of the distinctive link between the plaintiffs' and their goods

17. In any event, as the averments in the plaint have not been rebutted by the contesting defendants nor did they bother to put forth their stand in spite of ample opportunities given by this Court, they are deemed to have been admitted.

18. However, this Court is of the view that in order to ascertain the status of a well known mark in respect its trade mark, the appropriate recourse to the plaintiffs would be to resort to the procedure prescribed under Rule 124 of the latest Trade Marks Rules, 2017 and file the requisite application before the Registrar.

19. This Court is also of the view that since the defendants have not contested the present suit by leading evidence, the plaintiffs cannot circumvent the procedure prescribed under Rule 124 of the Trade Mark Rules, 2017 with respect to determination of a trade mark as a well known mark. Had the Defendants formally contested the Plaintiff's contention, this court could have passed a reasoned and well-weighted order regarding the maintainability of the plaintiffs claim that the mark SAMSUNG is well-known.

20. This Court clarifies that it has not evaluated the plaintiffs' evidence with regard to the submission that the plaintiffs' mark is a well known

mark. It is further clarified that no observation in this order will be treated as rejection of plaintiffs' request for declaration as a well known mark.

21. Keeping in view the aforesaid facts, mandate of law and the persistent conduct of the defendants in selling products bearing the mark

SAMSUNG, the suit is decreed in terms of prayers 'B' and 'D' of the paragraph 71 of the plaint. The plaintiffs shall be entitled to costs

including monies spent on court-fees, Local Commissioner's fees and other expenses etc. Registry is directed to prepare a decree sheet

accordingly.