
(2009) 11 DEL CK 0106
In the Delhi High Court
Case No : CS (OS) No. 1837 of 2006

Tata Sons Limited and Others	Vs	APPELLANT
Tata Sumo Industrial (R)		RESPONDENT

Date of Decision : 19-11-2009

Acts Referred:

Trade Marks Act, 1999 — Section 2(1), 29(4), 9

Citation : (2009) 11 DEL CK 0106

Hon'ble Judges : Manmohan Singh, J

Bench : Single Bench

Advocate : Pravin Anand and Achuthan Sreekumar, for the Appellant; None, for the Respondent

Judgement

Manmohan Singh, J.—The plaintiffs filed the present suit for permanent injunction restraining infringement of trademark, passing off, damages and rendition of accounts and delivery up against the defendant. The plaintiff No. 1 Tata Sons Ltd. and plaintiff No. 2 Tata Motors Ltd. are companies duly incorporated under the Indian Companies Act, 1913 having their registered office at Bombay House, 24 Homi Mody Street, Mumbai-400 001. Mr. V. Gurumoorthi and Mr. M.S. Pradeep are the duly constituted attorneys of plaintiff No. 1 and plaintiff No. 2 respectively and are authorized to sign and verify the pleadings and institute the present suit on their behalf.

2. The case of the plaintiffs is that the plaintiff No. 1 company was established in the year 1917 as a body corporate and is the principal investment holding company of TATA, which is India's oldest, largest and best - known conglomerate, with a turnover of over US\$21 billion/Rs. 96,000 crores for the financial year 2005-06. Its genesis came from the surname of its founder Jamsethi Nusserwanji Tata, and the same has become synonymous with excellence in almost every field of business activity.

3. The enterprises promoted by the TATA have laid the foundation in the industrial core sectors, pioneering the textiles, steel, power, chemicals, hotels

and transport industries in India.

4. The plaintiff No. 2 was established in 1945 and is India's largest automobile company, with revenues of US\$5.5 Billion/ Rs. 24,000 crores in 2005-06. It is the leader in commercial and passenger vehicles and is the world's fifth largest medium and heavy commercial vehicle manufacturer. Its manufacturing base is spread across Jamshedpur, Pune and Lucknow, supported by a nation-wide dealership, sales, services and spare parts network comprising about 1200 touch points.

5. As per the plaintiffs, since its inception, the plaintiffs have been continuously and consistently using the trademark and trade name TATA for their own business activities and those of companies promoted by it.

6. The House of TATA consists of over 100 companies of which over 50 companies use TATA as a key and essential part of their corporate name.

7. The plaintiffs are the proprietors of the trademark TATA by virtue of priority in adoption, long, continuous and extensive use and advertising, and the reputation consequently accruing thereto in the course of trade.

8. In addition to the common law rights that have accrued to the plaintiffs by virtue of the aforesaid facts, they are also the registered proprietors of several TATA-formative trademarks, including TATA SUMO in relation to various goods across various classes of the Fourth Schedule of the Trade Marks Rules, 2002. The plaintiffs have filed the tabulated list of the plaintiffs' trademark registrations alongwith representative copies of a few trademark registration certificates. By virtue of the said registrations, the plaintiffs claimed to have exclusive right to use the trademark TATA and TATA SUMO in relation to the goods covered thereunder and to obtain relief in respect of infringement of the registered trademarks. The plaintiffs also own trademark registrations for the word TATA in numerous countries besides India and has additionally applied for registration of their trademark TATA in over 30 countries.

9. The plaintiffs state that various companies promoted by the plaintiffs and their group companies belonging to the House of TATA on their products/packaging use the name "A Tata Product" while those dealing in services uses the trading style and service mark TATA. The plaintiffs as the registered proprietors of various TATA trademarks license the use of these to other TATA companies, which manufacture the goods and sell them or render services under the said trademark(s).

10. The plaintiffs aver that as a result of the continuous and extensive use of the trademark TATA over a long period of time spanning a wide geographical area coupled with vast promotion and publicity, the said trademark enjoys an unparalleled reputation and goodwill and has acquired the status of a "well known" trademark.

11. The plaintiffs contend that in the month of August, 2006 plaintiff No. 1 was

informed by one of its group companies situated in Chennai that one of its customer's relative received a letter dated 6th July, 2006 from the defendant regarding a job interview. The plaintiff No. 1 also learnt that the defendant had asked for various documents along with postage stamps and application fee amounting to a total of Rs. 125.

12. The plaintiffs submit that the defendant is an entity with the name Tata Sumo Industrial (R), with an office at 64 Uttukuli Road, Palayakkadu Bus Stop, Tirupur 641 601, Tamil Nadu. The defendant is apparently alleged to be operating as a recruitment agency.

13. The plaintiffs further submit that the defendant's trading style "Tata Sumo Industrial (R)" incorporates the plaintiffs' trademark Tata and Tata Sumo which has been extensively used by the plaintiffs since 1917 and 1994 respectively and therefore amounts to infringement of the plaintiffs' registered trademarks.

14. The contention urged by the learned Counsel for the plaintiffs is that by using the impugned trademark and trade name, the defendant is defrauding the general public and is likely to continue to mislead, deceive or confuse potential job applicants into believing that it has the approval or license of the plaintiffs to carry on business under the said trademark and trading style or that its activities are in some manner or the other connected with or derived from the business of the plaintiffs, so as to pass off their services as connected to the plaintiffs and earn huge and illegal profits thereby. The defendant is, therefore, also indulging in acts of passing off by representing its business as being that of or associated with the plaintiffs.

15. The plaintiffs urged that the use of an identical trademark/name by the defendant would create confusion and deception in the minds of the public who will be misled and the same would lead to unjust enrichment of the defendant at the plaintiffs' and the consumers' expense. The unlawful activities of the defendant are bound to cause incalculable harm and injury to the business, goodwill and reputation of the plaintiffs. The plaintiffs submit that all profits earned by the defendant in pursuance of its illegal activities are the plaintiffs' losses.

16. The plaintiffs thus filed the present suit for permanent injunction restraining the defendant from illegally using their trademark, and for damages to the tune of Rs. 20,05,000/-.

17. Vide order dated 26th September, 2006 an ex parte ad interim order was passed in favour of the plaintiffs. On the same date, a Local Commissioner was also appointed who visited the premises of the defendant, seized the impugned infringing goods and filed the report on 15th November, 2006. The Local Commissioner in his report has given an inventory of the articles seized from the said premises bearing the trademark and trade name TATA.

18. Summons were served upon the defendant through its representative on

23rd July, 2007 but none appeared for the defendant nor was any written statement filed on its behalf. The defendant was proceeded ex parte on 7th April, 2007 and the interim orders were made absolute.

19. As per the orders of the court, the plaintiffs have produced the evidence by way of affidavits of Mr.V.Gurumoorthi, constituted attorney of plaintiff No. 1 as Ex PW1/A and Mr. Menath Sreedharan Pradeep, constituted attorney of plaintiff No. 2 as Ex PW2/A. In the affidavits, Mr. V. Gurumoorthi and Mr. Menath Sreedharan Pradeep have reaffirmed the statements made in the plaint. The power of attorney in their favour is proved as Ex.PW-1/1 and Ex PW2/1 respectively.

20. Mr. Menath Sreedharan Pradeep has proved few trademark registrations in favour of the plaintiff No. 2 Company. The details of the agreements entered into between the plaintiff No. 1 company and Tata Teleservices and the statement certifying the existence of other such agreements between the plaintiff No. 1 company and other companies of Tata Group Companies is also proved and exhibited as Ex. PW-1/7. A brief note on the activities of various group companies belonging to the House of TATA is annexed as Ex.PW-1/11. The list of various registrations granted in favour of the plaintiffs in various classes is elaborated in the affidavit of Mr. V. Gurumoothi filed as PW1/1 in para 11 and certificate of use in legal proceedings for the trade mark TATA is marked as Ex.PW-1/14 collectively. The plaintiffs have also exhibited a copy of the defendant's letter addressed to Ms. Sulegha Bhanu calling her for a job interview as Ex.PW-1/21. The report of the Local Commissioner is marked as Ex.PW-1/24.

21. I have heard learned Counsel for the plaintiffs and have also gone through the relevant pleadings and documents placed on record. It is an undisputed fact that the plaintiffs have been continuously and consistently using the trade mark and trade name TATA and TATA SUMO from the year 1917 and 1994 respectively. The trade mark TATA is the registered trade mark in various classes of goods in favour of the plaintiffs. The said trade mark TATA has acquired unique goodwill and reputation and ipso facto due to the long and continuous user this trademark, it has become a highly distinctive trade mark within the meaning of Section 9 of the Act.

22. The said trade mark TATA is not only registered in India but is also registered in various other countries of the world. It is not in dispute that the mark TATA has been protected from time to time by the courts in relation to similar/dissimilar goods adopted and used by the infringing parties. Hence, this trade mark is protected u/s 29(4) of the Trade Marks Act, 1999. In view of the facts and circumstances mentioned above, since "TATA" is a well known trade mark within the meaning of Section 2(1)(zg) of the Act, because of its distinctiveness and goodwill and reputation, it cannot be appropriated by any party in India in relation to any merchandise goods/services/trade name as it would be a clear case of violation of the rights of the plaintiffs.

23. In the present case, no doubt the defendant is using the trademark TATA in

relation to recruitment services in the trading style "Tata Sumo Industrial (R)" and the plaintiffs may not have commercial activities of the same service but use of the said trade mark by the defendant is an infringement of the plaintiffs' trade mark within the meaning of Section 29(4) of the Act. The plaintiffs have clearly established the case of infringement of trade mark, therefore, the plaintiffs are entitled to a decree in their favour.

24. Now as far as the question of passing off is concerned, it is clear that the defendant is indulging in the acts of passing off by representing its business as that of or associated with the plaintiffs by using the impugned trade mark/name of the plaintiffs. The defendant has defrauded the general public and is likely to continue to mislead/deceive or confuse potential customers into believing that the defendant has the approval or license of the plaintiffs which is not true. It appears, therefore, that the adoption and use of the said trade mark by the defendant is only with a view to make illegal profits out of the same. The adoption of the trade mark TATA by the defendant, which has become highly distinctive, is malafide and the defendant's activities deserve to be permanently restrained by this Court, at the same time entitling the plaintiffs to the relief of passing off also.

25. In passing off action, one has to see as to whether the defendant is selling goods/services so marked to be designed or calculated to lead purchasers into believing that they are plaintiffs' goods. The law of passing off prevents commercial dishonesty representing one's goods as the goods of somebody else. It is well settled law that an action for passing off is a common law remedy being an action in substance of deceit under the law of Tort. In *Warnik v. Townend & Sons (HULL) Ltd.* 1979 AC 731, Lord Diplock identified the following five characteristics which must be represented in order to create a valid cause of action for passing off:

A misrepresentation.

Made by a trader in course of trade,

To prospective customers of his or ultimate customers of goods or services supplied by him,

Which is calculated to injure the business or goodwill of another trader (in the sense that there is a reasonable consequence) and

Which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in quia timet action) will probably do so.

Protection under the doctrine of dilution and unfair competition

26. According to the doctrine of dilution, even if a person uses another's well-known trademark or trademark similar thereto for goods or services that are not similar to those provided by such other person, although it does not cause confusion among consumers as to the source of goods or services, it may cause

damage to the well-known trademark by reducing or diluting the trademark's power to indicate the source.

27. Since traditional trademark law is designed to protect trademarks for the purpose of preventing confusion, many countries provide for protection of well-known trademarks under the doctrine of dilution in unfair competition prevention law. This is because where a person uses another person's well-known trademark or trademark similar thereto for the purpose of diluting the trademark, such use does not cause confusion among consumers but takes advantage of the goodwill of the well-known trademark and constitutes an act of unfair competition.

28. In view of the above discussion, the plaintiffs have established their case for infringement and passing off. The suit is accordingly decreed in terms of para 24(i) and (ii) of the plaint.

29. As regards the relief of damages, the plaintiffs have prayed for the loss of profits of at least Rs. 20,05,000 (Rupees Twenty Lac Five Thousand) by filing of an affidavit. In *General Tire v. Firestone* (1975) 1 WLR 819, it was observed that the general rule is that the measure of the damages is, as far as possible, that sum of money, which will put the injured party in the same position, as it would have been if it had not suffered the wrong. It is the extent of loss suffered or, the advantage gained by the defendant by his wrongful act at the cost of the plaintiffs.

30. In the case of *Time Incorporated Vs. Lokesh Srivastava and Another*, , the Court has recognized a third type of damages as "punitive damages" apart from compensatory and nominal damages. The court held that:

The award of compensatory damages to a plaintiff is aimed at compensating him for the loss suffered by him whereas punitive damages are aimed at deterring a wrong doer and the like minded from indulging in such unlawful activities....

This Court has no hesitation in saying that the time has come when the Courts dealing actions for infringement of trademark, copy rights, patents etc. should not only grant compensatory damages but award punitive damages also with a view to discourage and dishearten law breakers who indulge in violations with impunity out of lust for money so that they realize 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. The evidence of the plaintiffs has gone un rebutted. The plaintiffs established their case for loss of business, reputation and goodwill in the market. Since the above claimed amount is based on the assessments by the plaintiffs, I am of the view that a sum of Rs. 2 lac (Rupees Two Lac) can be reasonably awarded to the plaintiffs as compensatory damages and a sum of Rs. 2 lac (Rupees Two Lac) as punitive/exemplary damages as well as damages on account of loss of reputation and damage to goodwill, i.e. a total of Rs. 4 lac (Rupees Four Lac).

32. The suit of the plaintiffs is accordingly decreed in terms of Para 24 (i) and (ii) of the plaint. The decree be drawn accordingly. The plaintiff is entitled to costs.