

Dkt India Vs. Hll Lifecare Ltd. and anr

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Court : Delhi

Decided On : Dec-08-2014

Judge : Manmohan Singh

Appellant : Dkt India

Respondent : Hll Lifecare Ltd. and anr

Judgement :

* IN THE HIGH COURT OF DELHI AT NEW DELHI Order delivered on:

8. h December, 2014 % + CS(OS) 2497/2012, I.A. Nos.14914/2012, 3936/2013 & CCP(O) No.13/2013 DKT INDIA Through Plaintiff Mr.Anwesh Madhukar and Mr.Anshu Bhanot, Advs. versus HLL LIFECARE LTD. & ANR Defendants Through Mr.C.Mukund, Adv. with Mr.S.Sukumaran, Mr.Anand Sukumar & Mr.Bhupesh Kumar Pathak, Advs. for D-1. Mr.Himanshu, for D-2. CORAM: HON'BLE MR.JUSTICE MANMOHAN SINGH MANMOHAN SINGH, J.

(Oral) 1. The plaintiff on 17th August, 2012 filed the above said suit against Bajaj Medicose, Distributor of HLL Lifecare Limited, a Government of India Enterprise and largest manufacturer of condoms in the world, seeking permanent injunction restraining the defendants from infringing, passing off and damages to the tune of Rs.45 lacs, along with four applications being (i) I.A. No.14914/2012 (under Order XXXIX Rules 1 & 2 CPC), (ii) I.A. No.14915/2012 (under Order XXVI Rule 9 read with Order XXXIX Rule 7 CPC), (iii) I.A. No.14916/2012 (under Order XIII Rule 1

CPC) and (iv) I.A. No.15722/2012 (under Order VI Rule 17 CPC).

2. When the suit and the interim applications were listed before Court on 21st August, 2012, an adjournment was sought by the learned counsel for the plaintiff seeking leave to amend the memo of parties by impleading defendant No.2 as defendant No.1 and substitute defendant No.1 as defendant No.2, while also asking for liberty to file certain undertakings that have taken place post filing of the suit. The suit was re-notified from time to time.

3. On 13th December, 2012, the application for amendment was allowed whereunder despite stating that the amendment is only for memo of parties, the entire suit, as originally filed, underwent a complete change, by bringing forth a plaint which contained complete sequence of facts that stood transpired till 17th August, 2012 and the documents in support thereof were filed on 27th August, 2012. However, no such intimation was given to this Court on the said date, thereby misleading the Court into assuming that the application for amendment was only limited to substituting defendant No.1 and defendant No.2 inter se with consequential changes.

4. By the said order dated 13th December, 2012, this Court also passed the interim order against the defendants restraining them from manufacturing, distributing and/or marketing condoms bearing the mark MOODSXXX or any other mark that is identical to or deceptively similar to the registered trademark of the plaintiff XXX. The Court also appointed the Local Commissioner in view of the prayer made in the application.

5. In the written statement filed by defendant No.1, it was stated that the defendants had already stopped manufacturing and marketing the condoms bearing the said trademark, though in the written statement, it is stated that there is no infringement of the plaintiffs trademark, as both the marks are different. Defendant No.1 being a Government of India Enterprise did not want to enter in litigation, therefore, they had taken the decision to stop manufacturing and marketing of condoms under the trademark being claimed by the plaintiff.

6. It appears from the orders passed by the Courts from time to time that the defendants were keen to settle the matter amicably by giving the undertaking. However, the matter was adjourned from time to time. Even, the undertaking by way of affidavit in terms of the order dated 15th October, 2014 was filed by defendant No.1 on 28th October, 2014. The same reads as under:

3. That the answering Defendant, in pursuant to settlement talks held between the parties prior to institution of the suit and prior to the passing of the interim order dated 13.12.2012, had stopped manufacturing and marketing its product under the registered trademark xxx. Without prejudice, the Defendant further undertakes that they will not manufacture and market products under the said mark xxx, provided that the Plaintiff shall not press for damages and cost of the proceedings.

7. Learned counsel for defendant No.1 on 24th November, 2014 made the statement that defendant No.1 has no objection, if a decree for permanent injunction is passed in favour of the plaintiff, as defendant No.1 is not interested to use the impugned trademark. Counsel further submitted that defendant No.1 is reluctantly ready to pay the cost of Rs.1 lac to the plaintiff in order to resolve the disputes. He further stated that since the raid was not conducted, therefore, paying the fee of the Local Commissioner does not arise, as the commission never stood executed.

8. Learned counsel for the plaintiff, on the other hand, referred the affidavit filed through plaintiffs representative claiming Rs.45 lacs as damages in order to settle the matter. The additional documents filed on 27th August, 2014 indicate that the plaintiff by e-mail dated 27th March, 2012 to defendant No.1 intimated the plaintiffs willingness to settle the issues amicably. Defendant No.1 also gave reply to the same. On 2nd May, 2012, the defendant No.1 sent another e-mail to the plaintiff agreeing to execute an undertaking in relation to cease using the trademark XXX with draft undertaking attached for approval and confirmation of the plaintiff. It is not necessary to refer the other correspondences exchanged between the parties. However, the record shows that from 9th May, 2012 to 9th August, 2012, the parties were trying to resolve their disputes.

9. Defendant No.1 admittedly being a Government of India Enterprise, it appears to the Court that they wish to settle the matter in fair manner who is also prepared to pay the cost of Rs.1 lac in order to avoid unnecessary litigation. The plaintiff, on the other hand, despite of exchanging the e-mails between the parties did not place all the material facts before this Court and filed the suit on 17th August, 2012. Had the matter could have been resolved in view of the exchange of correspondence between the parties by e-mails, the question of filing the suit ought not to have arisen.

10. Defendant No.2 has also filed an affidavit dated 27th October, 2014, stating therein that he is simply a retailer running a small medical shop in Delhi and is not selling the said products, i.e. condoms bearing the trademark MOODSXXX. It is further stated in the affidavit that defendant No.2 shall not sell the same in future. The said affidavit of defendant No.2 has been filed on 28th October, 2014.

11. A perusal of Section 135 (b) of the Trade Marks Act, 1999 lays down that if at the time of commencement of the use of trade mark in the suit, a party was unaware and had no reasonable ground for believing that the trademark of the plaintiff was on the register or when he becomes aware of the existence and nature of the plaintiff's right in the trade mark forthwith ceases to use the said trade mark in relation to such goods, the Court shall not grant relief by way of damages (other than normal damages) or on account of profits.

12. Similarly proviso to Section 55(1) of the Copyright Act, provides that if the defendant proves that at the date of the infringement he was not aware and had no reasonable ground for believing that copyright subsisted in the work, the plaintiff shall not be entitled to any remedy other than an injunction in respect of the infringement and a decree for the whole or part of the profits made by the defendant by the sale of the infringing copies as the court may in the circumstances deem reasonable.

13. Section 22 (2) (b) of the Designs Act, 2000 provides that if the proprietor elects to bring a suit for the recovery of damages for any (such) contravention, and for an injunction against the repetition thereof, the person (who acts in contravention of the section) shall be liable to pay such damages as may be awarded and to be

restrained by injunction accordingly. Provided that the total sum recoverable in respect of any one design, under clause (a) shall not exceed fifty thousand rupees.

14. Thus there is a clear mandate in a case where the parties were not aware that their mark was offending a registered trade mark of plaintiff and at the threshold admitted their mistake without wasting the time of the Court, the grant of damages even nominal or rendition of account would not only be against the law but also unjustified and harsh.

15. Having considered the overall facts and circumstances, I am of the considered view that the stand taken by the plaintiff to claim the damages to the tune of Rs.45 lacs is unreasonable, as it appears to the Court that even before or after filing of the suit, defendant No.1 was ready to resolve the disputes between the parties. Under these circumstances, I am not inclined to accept the submissions of the learned counsel for the plaintiff to ask the defendant No.1 to pay the damages to the tune of Rs.45 lacs in view of peculiar facts and circumstances of the present case.

16. Under these circumstances, the suit of the plaintiff is decreed in terms of para 21 (a) & (b) of the plaint. With regard to the relief (c), the statement is also made that the defendants will not sell the infringing goods in their possession.

17. As far as the other reliefs of damages etc. are concerned, it is directed that defendant No.1 shall pay a sum of Rs.1 lac to the plaintiff by way of bank draft in the name of the plaintiff within four weeks from today. A decree be drawn accordingly. Pending applications also stand disposed of. (MANMOHAN SINGH)
JUDGE DECEMBER08 2014

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