Sasken Communication Technologies Ltd. Vs. Mr. Anupam Aggarwal and ors.

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Court : Delhi

Decided On : Oct-12-2009

Reported in : 2009(41)PTC523(Del)

Judge : Manmohan Singh, J.

Acts : Companies Act, 1956; Trademarks Act, 1999 - Sections 11, 29(4) and 29(5)

Appeal No. : C.S.[OS] No. 1119/2007 and I.A. No. 6970/2007

Appellant : Sasken Communication Technologies Ltd.

Respondent : Mr. Anupam Aggarwal and ors.

Advocate for Def. : None

Advocate for Pet/Ap. : Pravin Anand an; Hima Lawrence, Advs

Judgement :

Manmohan Singh, J.

1. The plaintiff has filed the suit for permanent injunction restraining infringement of trademark, passing off, damages, delivery of accounts etc. The plaintiff, Sasken Communication Technologies Ltd. is a company organized and incorporated under

the Companies Act, 1956 in the year 1989 as ASIC Technologies having its registered office at 139/25, Ring Road, Domlur Bangalore 560 071. The present suit is being filed through Mr. G. Venkatesh who is the authorized signatory of the plaintiff and is duly authorized to sign and verify the pleadings and institute the suit on its behalf.

2. The plaintiff's line of operation includes wireless software products and software services to leading semiconductor manufacturers, wireless handset developers, network equipment and test and measurement companies and service providers globally. It is pleaded that the company Silicon Automation Systems Limited, later changed to Sasken Communication Technologies Ltd., has over 3000 employees and operates from state of the art research and development centres in Bangalore, Chennai and Pune in India and also has R & D centres in Mexico and Finland.

3. The plaintiff has the following subsidiaries having SASKEN as an essential feature of the trading/corporate name:

a. Sasken Network Engineering Limited;

b. Sasken Communication Technologies Mexico S.A. De C.V - Mexico

c. Sasken Communication Technologies (Shanghai) Co. Ltd. - China

d. Sasken Communication Technologies Oy - Finland

4. The plaintiff has filed more than thirty patent applications before different registries including USPTO and is among the companies in India which have more than ten patents granted in its favour. It is alleged that the plaintiff's trademark is a coined word derived by joining 'SAS' from Silicon Automation Systems and 'ken' from the Japanese word which means knowledge, the same being vested with an inherently high degree of distinctiveness having the ability to distinguish a wide range of goods and services. The plaintiff is the proprietor of the trademark SASKEN and of its logo. The plaintiff's trademark is thus a part of the plaintiff's trading style and that of its subsidiaries.

5. It is alleged that the plaintiff is often recognized and identified by a mere reference to the word SASKEN. The plaintiff has around 25 websites with the name SASKEN as domain name. The trademark of the plaintiff is registered in the EU, Russia, Japan and China and India.

6. The plaintiff also has pending applications in India for registration of its trademark in class 9, 16 and 42.

7. It is averred that the plaintiff has earned the status of a world renowned telecom solutions company and offers services across the communications value chain - semiconductors, handsets, networks and carriers.

8. The plaintiff's trademark falls under the category of well known trademark according to Section 11(e) of the Trademarks Act, 1999. The plaintiff has extensively used the SASKEN trademark continuously which has resulted in extensive recognition of its mark in the minds of consumers and is well known in several countries of the world. The plaintiff has extensively advertised and promoted its SASKEN trademark through the medium of electronic and print media and spent around Rs. 13.502 million in 2007.

9. In September, 2006, the plaintiff came to know from a general search of the Registrar of Companies (ROC) that the defendants are manufacturing pharmaceutical products under the impugned name Sasken Biotech Pvt. Ltd. A legal notice was sent by the plaintiff to the defendants on 20th September, 2006, reply to which was given by the defendants on 6th October, 2006 merely denying the contentions of the plaintiff. The plaintiff investigated and verified the defendants. address i.e. SPO I-54, Mahendra Park, LBS Marg, Ghatkopar (W), Mumbai which was found to be a false address provided by the defendants as no entity by the name of Sasken Biotech Pvt. Ltd. was situated there.

10. The plaintiff submits that from an enquiry conducted by the plaintiff's representative, it was found that the defendants are supplying product samples at Delhi and offering to sell the products under the infringing name containing the registered trademark and trading style of the plaintiff at Delhi. The use of the trademark by the defendants would mislead the public into believing that the

products or services bearing the impugned marks emanate from or are endorsed by the plaintiff and or its licensees and would thereby cause confusion or deception in the course of trade as to the source or origin of the goods.

11. The use of the impugned mark/trading style by the defendants is detrimental to the well known character and reputation of the plaintiff's SASKEN trademark/trading style. The exclusivity of the plaintiff's SASKEN trademark/trading style will be diluted if the defendants are allowed to use identical or similar marks with impunity.

12. The use of the trademark SASKEN in the defendants company name and trading style is an infringement of the plaintiff's statutory rights in its registration No. 979751 in Class 16 and registration No. 969221 in class 9. It is a recognized fact that infringement of trademarks hurts not just the proprietor.

13. The plaintiff has claimed damages for the loss of reputation and goodwill on account of defendants. illegal activities at an approximate value of Rs. 20 lac. The plaintiff prayed for passing an permanent injunction restraining the defendants, their proprietor or partners as the case may be, their officers, servants and agents and all others acting for and on their behalf from manufacturing, selling, offering for sale, distributing, advertising or dealing in goods under the trademark/trading style SASKEN or any deceptively similar marks amounting to infringement of the plaintiff's trademark No. 979751 in Class 16, registration No. 969221 in Class 9 and passing off.

14. The defendant resisted the suit by filing the written statement contending that the defendant company used SAS by taking prefix from the names of two founders of the company namely Sanjay Singhal and Anupam. It only added a suffix KEN to the above originated word SAS to form the name of the defendant company. The company is only manufacturing medicines and has obtained a license for the manufacturing of the same by the Ministry of Health, Utter Pradesh. The word SASKEN was used to form the company SASKEN BIOTECH PVT. LTD. and not the brands/products/printing material etc. The defendants submit that Sasken Biotech Ltd. is not a trademark of the defendants but is used as part of the name of company. The company of the defendants is registered with the Registrar of

Company in the name and style of M/s. Sasken Biotech Pvt. Ltd. and has its offices all over India. It is also submitted that the defendants are not selling any product in Delhi in any name or style. The trade or business of the plaintiff and defendants are different. Therefore, there is no chance of confusion or affiliation of the product of the defendants with that of the plaintiff.

15. Summons were issued in the suit on 31st May, 2007 and an ad interim order was passed in favour of the plaintiff and against the defendants. The defendants thereafter filed the written statement on 8th August, 2007 but were proceeded ex parte on 2nd July, 2009 when the defendants. counsel failed to appear even on second call. The plaintiff was directed to file evidence by way of affidavit. Statement of PW-1 Ms. Beena Ganapathy was recorded on 25th September, 2009 and 5th October, 2009. The plaintiff's case has gone unrebutted as no evidence has produced by the defendants to support their case. The plaintiff's witness has proved the documents annexed by the plaintiff with the plaint and supported its case.

16. The plaintiff has produced the proof by way of evidence of:

(a) original receipt of a courier delivery of the defendants original products to Mr. D.C. Sharma in Delhi filed exhibited as Ex. PW-18,

(b) the cease and desist letter dated 20th September, 2006 issued by the plaintiff's counsel to the defendants., the defendants. counsel's reply dated 6th October, 2006; and the plaintiff's further letter dated 24th April, 2007 exhibited as Ex. WP-1/20(i), Ex.PW-1/20(ii) and Ex.PW-1/20(iii) respectively.

(c) extracts of electronic evidence on the website WWW.economictimes.indiatimes.com, www.hinduonnet.com, www.monsterindia.com and www.google.com to show the number of hits of the keyword SASKEN of the plaintiffs company.

(d) Certificate of incorporation of the plaintiff company.

(e) Board of Resolution of the plaintiffs company authorizing Dr. G. Venkatesh.

(f) Trademark certificates in respect of Class 16 and 9 of the plaintiffs company.

17. I accept the contention of the learned Counsel for the plaintiff that the trademark 'Sasken' is an invented word and the defendants have no jurisdiction to use the same either as a trademark or as part of their corporate name in relation to pharmaceutical goods of any kind. The defendants are thus guilty of infringement of trademarks within the meaning of Section 29(4), (5) of Trademark Act, 1999. As regards the case of passing off, it is well established law that no actual confusion and deception is necessary in order to prove the case.

18. In the case of Sunder Parmanand Lalwani and Ors. v. Caltex (India) Ltd. : AIR 1969 Bombay 24 at Page 36 Para 49 it is held as under:

49. In this case, the goods are totally different. There is no trade connection between them there is no connection in the course of trade nor any common trade channels. There are factors against holding that there would be any danger of deception or confusion. But we must consider the factors which tend to show that there is a likelihood of creating deception or confusion. The opponents have been using their mark on a very large scale since 1937. Their sales in 1956 exceeded Rs. 30 crores. Their publicity is wide spread and large. In 1956 they spent over a million rupees on advertisements. The goods in respect of which they use the trade mark 'Caltex' are mainly petroleum, kerosene and lubricants like greases and oils etc. The goods in respect of which the applicant seeks registration are mainly watches. The class of goods in respect of which the applicant seeks registration is wider than watches and watches can be both costly and cheap. It cannot go without notice that the goods in respect of which the applicant in fact used the mark before he applied for registration were very cheap watches. The goods of the opponents are used by persons all over India, in cities and in villages, in different walks of life, rich or poor, literate or illiterate. The goods of the applicant are different in nature. But they are watches. They can be cheap watches. The potential market for them is, therefore, similar to that of the existing market of the opponents, in the sense that the goods of both the parties are not special goods. They are goods which would be purchased by the common man.

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On the facts of this case, we have no hesitation in holding that a large number of persons, if they see or hear about the mark 'Caltex' in connection with watches, would be led to think that the watches were in some way connected with the opponents, or they would at least wonder whether they were in any way connected with the opponents. Persons seeing the mark attached to watches, which is a new class of goods, would assume, or are most likely to assume, that they originated from the proprietor of the mark, namely, the opponents.

19. Therefore, the plaintiff has also established its case for passing off. In view of my above discussion, the suit of the plaintiff is decreed in terms of Clause (a) and (b) of para 30 of the prayer clause of the plaint. The defendants, their proprietor or partners as the case may be, their officers, servants and agents and all others acting for and on their behalf are hereby restrained from manufacturing, selling, offering for sale, distributing, advertising or dealing in goods of pharmaceuticals or any other goods under the trademark/trading style SASKEN or any deceptively similar marks amounting to infringement of the plaintiff's trademark No. 979751 in Class 16, registration No. 969221 in Class 9 and are also restrained from passing off their goods and business as that of the plaintiff.

20. As regards the relief of damages claimed by the plaintiff, the plaintiff has referred the case of Time Incorporated v. Lokesh Srivastava : 2005 (30) PTC 3 (Del), wherein the Court has recognized 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.

21. In view of the above, since the plaintiff has proved the actual damages coupled with the fact the goods in the respective business are dis-similar, I am not inclined to grant damages as claimed by the plaintiff, however, it is entitled for Rs. 2 lac as punitive damages and cost of the suit.

22. Suit as well as pending applications, if any, are disposed of accordingly. No costs.