

MANU/DE/2023/2008

Equivalent Citation: 2008(103)DRJ608, 2008(37)PTC526(Del)

IN THE HIGH COURT OF DELHI

CS (OS) 2349/2006

Decided On: 15.05.2008

Appellants: **Xerox Corporation and Anr.**
Vs.

Respondent: **Sailash Patel and Ors.**

Hon'ble Judges/Coram:

Badar Durrez Ahmed, J.

Counsels:

For Appellant/Petitioner/plaintiff: C.M. Lall and Rajiv Tyagi, Manish Dhir and Dushyant Mahant, Advs

For Respondents/Defendant: Pratibha M. Singh and Sudeep Chatterjee, Advs.

Subject: Intellectual Property Rights

Case Note:

Trade Mark Act, 1999

Section 29 - Infringement of Trade Mark--plaintiff alleged that the activity of defendant was unlawful and amounted to infringement of the plaintiffs' trademark 'Xerox'--Defendants were importer and they imported second hand machines with brand name 'Xerox' and thereafter they sold to resellers, jobbers and photocopying shops--During pendency of the suit, parties have agreed to settle their disputes--Court considered terms of settlement/compromise were legal--Hence, suit decreed in terms of the compromise.

JUDGMENT

Badar Durrez Ahmed, J.

1. In this suit, the defendants can be categorised into three categories:

- (i) Importers;
- (ii) Resellers; and
- (iii) Jobbers / Photocopying Shops.

Some of the importers also engage in the activity of reselling. The plaintiffs have not claimed any reliefs against the defendants who are jobbers/photocopying shops.

2. In this suit, the case of the plaintiffs is that the importers are unlawfully importing second hand office automation equipments which include photocopiers under the brand name of "Xerox" which are subsequently refurbished in India and sold to resellers, who, in turn, sell the machines to jobbers/photocopying shops. On some occasions, the importers sell directly to the jobbers/photocopying shops. The plaintiffs alleged that the defendants' said activity is unlawful and amounts to infringement of the plaintiffs' trademark "Xerox". Apart from this, it was alleged that each of the machines has an inbuilt software for operating the hardware. When the machines are powered on, the flash screen displays a distinctive "X" logo in which the plaintiffs claim copyright in respect of the artistic work involved therein.

3. The defendants had denied that the plaintiffs are the proprietors of the trademark "Xerox". They have also denied that their activities are unlawful. The importers claim that they have imported second hand machines with the brand name "Xerox" and thereafter the same have been sold to resellers and, in some cases, directly to the jobbers / photocopying shops. It was the case of the importers that such equipments are legally and validly imported and sold on "as is where is basis". It is contended on the part of the defendants that the goods imported into India by them and sold in India, either directly or through resellers, are genuine goods originating from the plaintiffs' company, although they are second hand products. It is stated that at the time of importation as well as at the time of subsequent sale, it is clearly represented by the defendants that the goods are not new but second hand.

manupatra 4. On the part of the jobbers/photocopying shops, it was contended that they have purchased the second hand machines knowing the same to be so and are using them for the purposes of their small businesses or providing photocopies to the public at large.

5. During the pendency of the suit and in the course of arguments, the parties have agreed to compromise/settle the disputes in the following manner:

(1) The defendants, who are importers and resellers, shall affix the following disclosure on each of the second hand Xerox machines imported/sold by them:

(i) Second hand and used machine not imported directly from Xerox Corporation or any of its affiliates;

(ii) Not serviced or maintained by Xerox Corporation or any of its affiliates;

(iii) This machine has been sold exactly as received by the importer/reseller. It has not been altered in any way or examined for operability or completeness by the importer/reseller. No part or any accessories have been added or removed by the importer/reseller.

(iv) This machine is not covered by any guarantee or warranty from Xerox Corporation or any of its affiliates.

(2) The aforesaid disclosure shall appear prominently on each of the second hand machines at a prominent place in the front of the machines where the word Xerox appears on the machines so that the same can be easily viewed by customers. The disclosures shall be permanently affixed on the machines.

(3) The same disclosure shall also be incorporated in publicity materials, manuals, advertising and other communications to the public by the defendants in respect of the said Xerox machines.

(4) In case, after importation, any changes to the said machines are made by the defendants, the mark Xerox' shall be removed from them before further sale/use so as to indicate to the purchasers/users that the machines are not Xerox machines.

(5) Once the said disclosure has been affixed on the machines by the importers and/or the resellers, the other defendants (jobbers/photocopying shops) shall not remove or obliterate the same.

6. The learned Counsel for the parties have consented to the aforesaid terms and have agreed that this suit be disposed of in terms thereof. It has also been stated by the counsel appearing for all the parties that they shall abide by the terms of the settlement indicated above and that they shall file affidavits to this effect within three weeks.

7. I have considered the terms of the settlement/compromise and am satisfied that the same are lawful. The compromise/settlement is taken on record.

8. In view of the above, the suit is decreed in terms of the compromise/settlement arrived at between the parties. The undertakings to be filed by way of affidavits, as indicated above, shall also form part of the decree. The formal decree be drawn up. No costs.

This suit and all pending applications stand disposed of. The interim orders stand superseded.