

MANU/DE/7345/2011

**Equivalent Citation:** 2012(49)PTC480(Del)

**IN THE HIGH COURT OF DELHI**

CS(OS) 1213/2003 and IA Nos. 6470/2003 and 13395/2010

Decided On: 28.11.2011

Appellants: **Eicher Goodearth Ltd. & Anr.**

**Vs.**

Respondent: **American Automobiles & Ors.**

**Hon'ble Judges/Coram:**

Reva Khetrapal, J.

**Counsels:**

For Appellant/Petitioner/Plaintiff: Ms. Prathiba M. Singh, Ms. Archana Sahadeva and Ms. Chandrika Gupta, Advocates

For Respondents/Defendant: Defendant No. 1 is ex parte

**Subject: Intellectual Property Rights**

**JUDGMENT**

**Reva Khetrapal, J.**

1. The plaintiffs have filed the present suit for permanent injunction seeking to restrain acts of infringement of its trademark "EICHER", copyright in the packaging, passing off, acts of unfair competition, dilution, damages, rendition of accounts of profit, delivery up, etc. against the defendant Nos. 1 to 3. The plaintiff No. 1 -- M/s. "EICHER" Goodearth Ltd. is the parent/promoter Company of the "EICHER" Group of Companies. The plaintiff No. 2 was promoted by the plaintiff No. 1 in the year 1986 in technical and financial collaboration with Mitsubishi Motors Corporation of Japan for the manufacture of commercial vehicles (in the light, medium and heavy segment) at Pitampur in Madhya Pradesh. The Memorandum of Association of the plaintiff No. 2 Company is Ex.PW 1/3.

2. The present suit relates to the misuse of the well-known and registered trade mark of the plaintiff "EICHER" by the defendants as also of the registered logo of the plaintiffs and their packaging in relation to motor parts. It is alleged that the products being sold by the defendants are such an identical reproduction that it is almost impossible at first sight to distinguish between the genuine and the counterfeit products. In fact, the products marketed/ manufactured by the defendants are an exact replica of the plaintiffs' products. The defendants have copied the mark "EICHER", the logo of the plaintiffs, the writings on the product packaging, the mascot of the plaintiffs' product, and, in fact, the defendants have reproduced each and every feature of the plaintiffs' product packaging.

3. On completion of the pleadings of the parties, the following issues were framed by this Court (Hon'ble Mr. Justice Swatanter Kumar) for adjudication: --

(1) Whether the use of the Trademark "EICHER" by the defendants constitutes infringement of the registered trademark "EICHER" belonging to the plaintiffs? OPP

(2) Whether the use of the trademark "EICHER" by the defendants in identical carton, packaging, trade dress for identical products is bound to lead to confusion and deception amongst the customers in the market and hence lead to passing off and acts of unfair competition? OPP

(3) Whether the carton/packaging used by the defendants is identical to that of the carton/packaging of the plaintiffs and hence results in infringement of copyright of the plaintiffs? OPP

(4) Whether the use of words "EICHER" or any other mark deceptively similar and use of identical packaging by the defendants results in dilution of the brand equity of the plaintiffs' mark? OPP

(5) Whether the plaintiffs are entitled to a decree for rendition of accounts? If so, to what effect and to what extent? OPP

(7) Relief.

4. At the outset, it may be mentioned that a settlement was arrived at between the plaintiffs and the defendant No. 2 and by an order dated 05.03.2010 passed by this Court (Hon'ble Mr. Justice S. Ravindra Bhat), the suit was decreed against the defendant No. 2. Further, in view of the undertaking furnished by the defendant No. 3, the instant suit by an order dated 22.11.2010 was decreed qua the defendant No. 3 as well. The defendant No. 1 was proceeded ex parte by order dated 14th July, 2011 and hence the present suit is being pressed only qua defendant No. 1.

5. The defendant No. 1 -- American Automobiles carries on business for profit and gain by manufacturing and selling auto parts like fuel filters and oil filters in a packaging which, as stated hereinabove, the plaintiffs allege is an exact replica of the plaintiffs' product packaging. The fuel filters are packed in cartons and the oil filters in polybags. Allegedly, the logos and devices used on both are identical as also the manner of writing of the mark. Allegedly also, the colour combination is also identical.

6. The plaintiffs further allege that it is in the month of April, 2003 that the plaintiffs acquired knowledge that the defendants No. 1 to 3 were manufacturing/marketing automobile parts like oil filters, fuel filters, gear lever bushing kit and other automobile parts under the mark "EICHER" with an identical packaging.

7. In order to substantiate their case, the plaintiffs led their evidence by way of affidavit of Mr. Vijay Bhatt, Deputy Manager – Legal in the plaintiff No. 1 Company – Ex. PW 1/A.

8. PW1 Mr. Vijay Bhatt proved on record the Power of Attorneys dated 26.05.2003 authorizing him to do all acts in relation to the present case on behalf of the plaintiff Nos. 1 and 2, which are exhibited as Ex.PW1/1 and Ex.PW1/2 respectively. A certified copy of the Memorandum of Association of the plaintiff No. 2 Company was proved by him as Ex.PW1/3. He stated on oath that the plaintiff No. 1 and the plaintiff No. 2 are part of the "EICHER" Group of companies popularly known as the "EICHER" Group, which was started in 1959 and proved on record the profile of the "EICHER" Group as Ex.PW1/4. He stated that the "EICHER" Group is a significant player in the Indian automobile industry with an annual turnover of Rs. 14,732 million in the financial year 2002-03. "EICHER" Group has multi-product business interests in manufacturing and marketing of tractors, light and heavy commercial vehicles, automotive gears, motorcycles, generating sets, diesel engines; and in exports of vehicles, aggregates, garments, components, accessories and spare parts business and management services. "EICHER" Group has over 4,300 employees located in nine manufacturing facilities and thirty three marketing offices all around the country. The Group's products are brought to the customers through its network of over 800 dealers and distributors and 900 vendors spread throughout the country.

9. PW1 Mr. Vijay Bhatt further deposed that the trademark "EICHER", word per se was adopted by the plaintiff in the year 1959. The word "EICHER" does not have any dictionary meaning and on account of its long, continuous and extensive use since adoption has become indelibly associated with the goods and business of the plaintiffs as well as the whole "EICHER" Group. The word "EICHER" is the most important and conspicuous feature of the trade name/trading style of the plaintiffs and their associated Group companies. Further, the word "EICHER" is the only trade name and/or house mark by the plaintiffs and its Group of Companies in respect of the various goods and services provided by them.

10. It also emerges from the testimony of the aforesaid witness that the plaintiff No. 1 and its Group Companies carry on business under the trademarks and trade names in which the word "EICHER" forms a prominent part. The plaintiff No. 1 is the proprietor of the registered trademark "EICHER" and all the Group Companies use the said mark by virtue of authorization/licence from the plaintiff No. 1. The mark "EICHER" has been registered in India and abroad under various classes. The "EICHER" logo is also registered with the Copyright Office in India. The details of the trademark registrations and copyright registrations of the plaintiffs have been proved on record by PW1 as Ex.PW1/6 and Ex.PW1/7. According to the said witness, the plaintiffs have also registered their trademark with some overseas countries, namely, Tanzania (Zanzibar), Tanzania (Tanganyika), South Africa, Zimbabwe and Kenya.

11. According to PW1 Mr. Vijay Bhatt, the exports of the plaintiffs over the years have been to various countries including, inter alia, UK, USA, Austria, Canada, Bangladesh, Nepal, Indonesia, Kenya, UAE, Bahrain, South Africa, Nigeria, Mauritius, Poland, Zambia, Sri Lanka, Singapore, Saudi Arabia, Holland, Syria, Oman, Maldives, Sudan and many other countries. Thus, the plaintiffs are earning precious foreign exchange for the country. The reputation of the plaintiffs and their Group Companies is not confined to the boundaries of our country but has earned a worldwide reputation as well.

12. As per the plaintiffs' witness (PW1), the defendants are using an identical packaging, identical colour combination and identical writings on the packaging. The cartons/polybags of the defendants are so similar to the plaintiffs cartons/polybags that even from a close look at the infringing products it is impossible to differentiate between the defendants' and the plaintiffs' products. The intention of the defendants' is completely dishonest and is a deliberate attempt to pass off their products as those of the plaintiffs', to make use of the plaintiffs goodwill and reputation. The absolute dishonesty of the defendants is further evident from

manupatra the fact that the defendants have even printed the 3D hologram on their cartons/polybags which is a mark of genuineness of the product along with the quote, "Spurious spares are injurious to the health of your vehicle". The chances of confusion are further aggravated from the fact that even the product inside the cartons/polybags of the defendants is an exact replica of the plaintiffs' product and it would be impossible for any consumer to differentiate between the two products. In this context, the plaintiffs' product carton (Ex.PW1/8) and the plaintiffs' poly pouch (Ex.PW1/9) and the defendant No. 1's product carton (Ex.PW1/10) and poly pouch (Ex.PW1/11) placed on record were proved by the witness. In order to demonstrate the similarity between the plaintiffs' and the defendant No. 1's product cartons and poly pouches, the witness in his affidavit by way of evidence tabulated the similarities as follows:-

PLAINTIFFS' CARTON	DEFENDANT NO. 1'S CARTON
Light Blue base	Light Blue base
Picture of the Mascot Master Mechanic, Raju with the quote, Master Mechanic Raju says, "Spurious spares are injurious to the health of your vehicle".	Picture of the Mascot Master Mechanic, Raju with the quote, Master Mechanic Raju says, "Spurious spares are injurious to the health of your vehicle"
Picture of the Mascot Master Mechanic, Raju with the quote in Hindi, Master Mechanic Raju Ka KehanaHai, "Nakli spare parts aapkewahankeswasthkeliyehanikarakhain".	Picture of the Mascot Master Mechanic, Raju with the quote, in Hindi, Master Mechanic Raju Ka KehanaHai, "Nakli spare parts aapkewahankeswasthkeliyehanikarakhain".
The words Genuine Parts along with the "EICHER" Logo written in a yellow coloured oval with a black and red border	The words Genuine Parts along with the "EICHER" Logo written in a yellow coloured oval with a black and red border
The 3D Hologram	3D Hologram
Picture of 3 "EICHER" Trucks/Lorries	Picture of 3 "EICHER" Trucks/Lorries
The mark "EICHER" along with the horse logo. The MRP tag is pasted below it with the name of the company "EICHER" Motors Ltd.	The mark "EICHER" along with the horse logo. The MRP tag is pasted below it with the name of the company "EICHER" Motors Ltd.
Top and Bottom View	Top and Bottom View
The words "EICHER" Genuine Parts" written in white along with the words GENUINE PARTS written in a yellow oval with a black and red border.	The words "EICHER" Genuine Parts" written in white along with the words GENUINE PARTS written in a yellow oval with a black and red border.
The code written on the product is IB 002939.	The code written on the product is IB 002939.

13. In the backdrop of the evidence of the aforesaid witness, Ms. Prathiba M. Singh, the learned counsel for the plaintiffs submits that the adoption by the defendant No. 1 of the plaintiffs' mark and identical packaging as that of the plaintiffs is completely unjustifiable, more so, as the plaintiffs' products have already existed in the market for almost 50 years. She submits that the defendant No. 1 has in fact consciously and deliberately adopted the plaintiffs' mark and packaging only in order to ride on the coat tails of the well established reputation of the plaintiffs and to encash upon the plaintiffs' marketing efforts and goodwill. The learned counsel submits that the defendant No. 1's act of adoption of the plaintiffs' mark and packaging establishes the intention of the defendant No. 1 to boost the sale of its counterfeit products by misleading the general public into believing that the products of the defendant No. 1 originate from the plaintiffs by causing confusion.

14. In view of the aforesaid, in my opinion, the plaintiffs have succeeded in establishing that the acts of the defendant No. 1 constitute passing off and acts of unfair competition, infringement of registered trademark and infringement of copyright and dilution of trademark and brand equity of the plaintiffs. I am fortified in coming to the aforesaid conclusion from the fact that a perusal of Ex. PW1/14, the report of the learned Local Commissioner Mr. N.N. Dhingra, Advocate appointed by this Court by order dated 30th May, 2003, who visited the premises of the defendant No. 1 establishes that the infringing products were in fact found in the premises of the defendant No. 1.

15. Resultantly, the plaintiffs are held entitled to a decree of permanent injunction as prayed for and the defendant No. 1, its partners/proprietors as the case may be, promoters, principals, directors, agents, distributors, packing agents, employees, retailers, etc. are restrained from manufacturing, selling, offering for sale, distributing or in any manner using the trade mark "EICHER" or any other mark which is identical or deceptively similar to the plaintiffs' registered trade mark "EICHER" in relation to any automobile parts including oil and fuel filters, gear lever bushing kit and are further restrained from using any identical/deceptively similar material, phraseology on the cartons, get up, layout arrangement, packaging, colour combination etc. in relation to the aforementioned products and from doing any other thing as may constitute passing off and/or infringement of trademark/copyright. CS(OS) 1213/2003 and IA Nos. 6470/2003 and 13395/2010 stand disposed of accordingly. The plaintiffs shall be entitled to costs in the sum of Rs. 1 lacs against the defendant No. 1.

