



\$~19

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: 30th November, 2023

+ **CS(COMM) 18/2020 & I.A. 20381/2022**

CASTROL LIMITED & ANR.

..... Plaintiffs

Through: Mr. Afzal B. Khan, Mr. Samik Mukherjee, Ms. Suhrita Majumdar & Mr. Sharad Besoy Advs (M. 9881880037)

versus

VOLTRANIC INDIA LUBRICANTS & ORS. Defendants

Through: Mr. Sanjeev Gupta, Ms. Pritama, Mr. Rahul Saini, Mr. Ravish Sharma, Advs.

CORAM:

JUSTICE PRATHIBA M. SINGH




Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present suit has been filed by the Plaintiff No.1 - M/s Castrol Ltd. and Plaintiff No.2 - M/s Castrol India Ltd. seeking permanent injunction restraining the Defendants from infringement of trademark and copyright, passing off, piracy of design, rendition of accounts of profits, damages, delivery up, acts of unfair competition etc.
3. The Plaintiffs are in the business of manufacturing and selling of lubricants, oil, greases, and other related products used *inter alia* in the automobile industry. The Plaintiff No.1 was originally founded in 1890 in the United Kingdom as CC Wakefield & Co. By 1960, CC Wakefield & Co. changed its name to M/s Castrol Ltd. The first overseas branch office of the



Plaintiff's predecessors CC Wakefield & Co. was established in Mumbai in 1919 and led to the incorporation of Plaintiff No. 2 in 1979. Currently, the Plaintiff No.2 has three manufacturing plants in India at Patalganga, Paharpur and Silvassa. The case of the Plaintiffs is that they have more than 1 lakh retail outlets and over 420 distributors.

4. The Plaintiffs have adopted the group mark 'CASTROL'. The said mark has been in use for more than a century for various oils, greases, high grade lubricants and other related services in the automotive, industrial, and marine and aviation sectors. Apart from the group mark 'CASTROL' the Plaintiffs also use various other mark including 'CASTROL ACTIV', 'ACTIV', 'RADICOOOL', 'GTX', 'MAGNATEC', 'CASTROL POWER' and 'EDGE'. These marks are also registered in India. The Plaintiff's earliest registration in India dates back to 1942. The list of trademarks of the Plaintiffs is set out below:

| Sl. No. | TM No. | Trade Mark | Class | Registration Date | User date | Status |
|---------|---------|---|-------|-------------------|---------------------|------------|
| 1. | 1494 | CASTROL | 4 | 29/06/1942 | 01/01/1911 | Registered |
| 2. | 260626 |  | 4 | 17/11/1969 | 01/03/1969 | Registered |
| 3. | 909193 |  | 4 | 10/03/2000 | Proposed to be used | Registered |
| 4. | 1045541 |  | 4 | 18/09/2001 | Proposed to be used | Registered |
| 5. | 838183 | ACTIV | 4 | 25/01/1999 | Proposed to be used | Registered |



| | | | | | | |
|-----|---------|--------------------|---|------------|------------------------|------------|
| 6. | 931925 | RADICOOL | 4 | 14/06/2000 | 01/02/2000 | Registered |
| 7. | 560213 | GTX | 4 | 11/10/1991 | 01/07/1983 | Registered |
| 8. | 2009045 | MAGNATEC | 4 | 13/08/2010 | 15/03/1999 | Registered |
| 9. | 1117678 | CASTROL POWER 1 | 4 | 10/07/2002 | Proposed to be used | Registered |
| 10. | 1364359 | EDGE | 4 | 16/06/2005 | Proposed to be used | Registered |

5. The annual turnover, promotions and advertisement expenditure of the Plaintiffs under the marks 'CASTROL', 'RADICOOL' and 'ACTIV' for the year 2018 are as under:

| Mark | Annual Turnover (in crores) | Promotion/Advertisement Expenditure (in crores) |
|------------|--------------------------------|--|
| 'CASTROL' | 3,904.55 | 124.09 |
| 'ACTIV' | 1,009.03 | 52.06 |
| 'RADICOOL' | 36.93 | 0.59 |

6. Images of the various packagings used by the Plaintiffs are as under:





7. The Plaintiffs have also filed repeated suits against various parties to curb illegal and unauthorised use of their marks, labels, packaging, containers, etc.

8. The case of the Plaintiffs is that in July, 2019, the Plaintiffs learnt that the Defendants i.e. M/s Voltronic India Lubricants, Mr. Anil Kumar Daria and Col. Vikram Rathore were infringing the registered trademarks of the Plaintiffs by selling identical products with the brand name 'VOLTRONIC', used in conjunction with the Plaintiff's trademarks 'ACTIVE',



‘RADICOOOL’, ‘GTX’, ‘POWER 1’, ‘MAGNATEC’ and ‘EDGE’. The Plaintiffs also claim that their products are sold in distinctive containers, which have also been copied by the Defendants. It is also submitted that the products of the Defendants under the mark ‘VOLTRONIC ACTIVE’ were also listed for sale on various e-commerce websites including Amazon.com. The competing marks, labels and packaging used are set out below:





| | | | | |
|--|-----|--|---|--|
| Plaintiffs' CASTROL ACTIV variants | and |  |  |  |
| Defendants' VOLTRONIC ACTIVE variants | and |  |  |  |

| | | |
|--|--|---|
| Plaintiffs' CASTROL GTX and variants |  |  |
| Defendants' VOLTRONIC GTX and variants |  |  |



| | | | |
|----------------------------------|--|-------------------------------------|--|
| Plaintiffs' CASTROL EDGE |  | Plaintiffs' CASTROL POWER 1 |  |
| Defendants' VOLTRONIC EDGE |  | Defendants' VOLTRONIC POWER 1 |  |



| | |
|--------------------------------------|--|
| Plaintiffs' CASTROL MAGNATEC | |
| Defendants' VOLTRONIC MAGNATEC | |

9. It is submitted that a cease and desist notice was sent by the Plaintiffs on 4th July, 2019 however, no response was received. The Plaintiffs thereafter, made a purchase of the Defendants' product and found that the Defendants were selling counterfeit products. In view thereof, the Plaintiffs filed the present suit.

10. In the present case, vide order dated 16th January, 2020, the Court had granted an *ex parte* injunction restraining the Defendants and appointed a local commissioner in the following terms:

"10. Consequently, until the next date of hearing, the defendants are restrained from manufacturing, selling or otherwise dealing in products bearing the marks "ACTIVE", "RADICOOOL", "GTX", "POWER 1", "EDGE" and "MAGNATEC" or any other marks



deceptively similar to the plaintiffs' trademarks "ACTIV", "RADICOOL", "GTX", "CASTROL POWER 1", "EDGE" and "MAGNATEC".

11. The plaintiffs have also sought appointment of a local commissioner inter alia to make an inventory of the infringing goods, packaging and materials at the location of defendant No.2, from which the infringing products were in fact supplied to the representatives of the plaintiffs. Having regard to the materials placed on record by the plaintiffs, as discussed above, I am of the view that the appointment of a local commissioner, at this stage, is necessary to determine the time extent of infringing activities carried out by the defendants, if any. The inventory would also assist the Court in determining the quantum of damages, if any, to be awarded to the plaintiffs at the final adjudication of the suit.

.....

13. The local commissioner will prepare an inventory of the goods bearing the marks "ACTIVE", "RADICOOL", "GTX", "POWER 1", "MAGNATEC" and "EDGE" or goods bearing any other marks deceptively similar to the plaintiffs' registered marks "ACTIV", "RADICOOL", "GTX", "CASTROL POWER 1", "EDGE" and "MAGNATEC", as also packaging materials, labels, stationery, or any other material which is deceptively similar to the packaging materials and labels used in the plaintiffs' products. After making an inventory of the infringing products, the local commissioner may retain sample products and will return the rest to the representative of the defendant No.2 on superdari, upon the said defendant undertaking not to deal with the same and to produce the same before the Court as and when required. The local commissioner will also inspect the records and books of accounts of the defendant No.2, available at the aforesaid premises, whether in physical or electronic form, and copies of the same may be made



for production before the Court, under the directions of the local commissioner. The proceedings of the commission may be photographed/videographed under the directions of the local commissioner.

14. The local commissioner will be entitled to seek police assistance for the execution of the commission, and the officer in-charge of the concerned police station is directed to provide such assistance as would enable the local commissioner to execute this commission. In the event the aforesaid premises is found to be locked on two consecutive visits of the local commissioner during business hours, the local commissioner may break Open the locks for the purpose of this commission. It is made clear that any forcible entry into the said premises will be earned out only in the presence and under the directions of the local police authorities."

11. In view of the said order, the Local Commissioner visited the Defendants' premises. However, he could gain entry to the premises only after three occasions with the help of the police after breaking the locks. There was no cooperation by the Defendants and Defendant No.2 - Mr. Anil Kumar Daria completely denied having made any sales of the counterfeit products.

12. The Defendants were duly served by the Local Commissioner. However, they choose not to enter appearance or file a reply. It was only on 5th December, 2022 that one Mr. Sanjeev Gupta, advocate appeared in the matter. Even then, no reply was filed. Repeated opportunities were granted and finally, vide order dated 9th September, 2022 Defendant Nos.1 and 2 were proceeded *ex parte*. Defendant No.3 was also deleted from the array of parties.

13. The Defendants have now moved an application seeking setting aside



of the order dated 9th September, 2022 proceeding the Defendants *ex parte*. The said application has filed on behalf of Defendant No.2 who is the proprietor of Defendant No.1. In the said application, the case of the Defendant No.2 is that since no recovery was made by the local commissioner, the Defendants are not guilty of infringement. He admits having started the retail business in July, 2019. The further case of the Defendants is that they were served with the summons only in October, 2022 and thereafter took steps to file the present application.

14. Upon instructions, Id. Counsel for Defendants submits that the Defendants have no objection if the suit is decreed and are willing to pay a sum of Rs.1 lakh as costs to the Plaintiffs for the partial reimbursement of the same.

15. After having perused the application, the Court is clear that there is no justifiable cause to set aside the *ex parte* order. Id. counsel for the Defendants, Mr. Gupta, Id. Counsel for the Defendants has continued to appear on many occasions but no written statement has been filed. However, since the Defendants are willing to suffer a decree and pay some costs, the said order is set aside.

16. A perusal of the above product images of the Plaintiffs and the Defendants leaves no manner of doubt that the Defendants are clearly engaging in manufacturing and sale of counterfeit products. The copying of so many marks, labels, packaging and containers is a deliberate act on behalf of the Defendants to gain monetarily by selling counterfeit products. Clearly, the present is a case of counterfeiting of lubricants, greases and oils which are used in automobiles and any compromise in the quality of such products could be having adverse consequences upon the customers.



Accordingly, this Court is inclined to decree the present suit on the ground of lack of any defence.

17. The Plaintiffs are also agreeable for an injunction decree being passed and Rs.1 lakh being paid as costs. In view of the above background, the suit is decreed in terms of paragraph 89(i) (ii), (iii) and (iv) of the plaint along with Rs.1 lakh as costs. Since no stock was recovered from the Defendants' premises, prayer (v) sought in the plaint is infructuous and is accordingly not granted.

18. The sum of Rs.1 lakhs is directed to be paid by the Defendants to the Plaintiffs in three instalments in the following manner:

- i) Rs.33,000/- by 15th December, 2023;
- ii) Rs.33,000/- by 15th January, 2023; and
- iii) Rs.34,000/- by 15th February, 2024.

19. Subject to the above amount being paid, no further damages or costs are being pressed by the Plaintiff. However, if the said amount is not paid, the Plaintiffs are free to seek restoration of the present suit for the purposes of claiming damages/rendition of accounts.

20. If the Id. Counsel for the Plaintiffs produces an email of authorisation from his client the amount shall be paid to Id. Counsel for the Plaintiffs, the Defendants may pay the said amount by way of demand drafts in favour of the Id. Counsel for the Plaintiff.

21. The suit is accordingly decreed in the above terms. Decree sheet be drawn accordingly.

22. All pending applications are disposed of.

PRATHIBA M. SINGH
JUDGE

NOVEMBER 30, 2023/dj/kt