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

Date of Decision: 12th February, 2024

+ CS(COMM) 616/2023

CASTROL LIMITED

..... Plaintiff

Through: Mr. Urfee Roomi, Ms. Janaki Arun,
Ms. Radhika Arora, Mr. Jaskarna
Singh, Advocates.

versus

RAJESH KUMAR TUTEJA, TRADING AS KRISHNA I
INTERNATIONAL AND ANR. Defendants

Through: Mr. Saurabh Kumar Tuteja, Advocate
for D-1 and D-2.

**CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA**

JUDGMENT

SANJEEV NARULA, J. (Oral):

1. In the present case, we are confronted with a peculiar trademark dispute where Defendant No.1, despite holding a valid registration for the mark "newcast roi racing," has been engaged in deceptive practices that undermine the integrity of trademark law. The Defendants have craftily manipulated the presentation of their mark. By strategically altering the typography—diminishing the prominence of "new" and unduly accentuating "Castroi," with "Racing" positioned less conspicuously—the Defendants have muddled the distinction between the Plaintiff's renowned "Castrol" mark and their mark "Castroi," both of which are utilized for identical goods i.e., engine oil and lubricants. It is pertinent to note that this manipulation



not only illustrates a clear intent to deceive, but also infringes upon Plaintiff's established trademark rights in the trademark "Castrol". Recognizing the gravity of this infringement, a separate order for the cancellation of the said registration has already been issued in a rectification petition C.O. (COMM.IPD-TM) 208/2023, although with no contest, as the Defendant No.1 had no lawful basis to defend the dishonesty inherent in his actions. This judgment aims to further elucidate the legal ramifications of such deceptive practices and reinforce the principles of trademark law that protect against counterfeiting and unfair competition.

2. Since the written statement of the Defendants was filed beyond the condonable limit of 120 days, the Joint Registrar *vide* order dated 29th January, 2024 declined to take the same on record. In this background, since the Defendants have no defence, the Plaintiff prays for the suit to be heard and disposed of under Order VIII Rule 10 of the Code of Civil Procedure, 1908. Accordingly, the Court has extensively heard both Mr. Urfee Roomi, counsel for Plaintiff, and Mr. Saurabh Kumar Tuteja, counsel for Defendants.

3. Counsel for Plaintiff submits as follows:

3.1 The Plaintiff, Castrol Ltd, a member of the British Petroleum group of companies, is incorporated and operates in accordance with the laws of England. It holds exclusive rights to numerous trademarks, including the prominent "CASTROL" mark. This trademark serves as the Plaintiff's signature and has been globally utilized since 1909, on a wide range of products, but most notably on engine oils and lubricants. This extensive historical usage underlines the mark's significant heritage and its established association with the Plaintiff in the minds of consumers worldwide. The



wide array of trademark registrations for the mark “CASTROL” and its variants worldwide, including India, underscores Plaintiff’s brand identity and market presence. Notably, the Plaintiff has a registration of the following device mark:



3.2. The Plaintiff also holds a registration for their distinctive ‘Oil in Action with Rod device mark’, which is characterized as follows:



The aforementioned device mark has been actively utilized by the Plaintiff since 2014 and continues to be employed extensively, not just for engine oils and lubricants but also on other products. Furthermore, the Plaintiff has adopted distinctive packaging and labelling that significantly enhance the visual appeal and recognition of their products. Pictures of containers and labels are as follows:



3.3. Additionally, these labels and marks, being original artistic works, are entitled to protection under the Copyright Act, 1957.



3.4. The Plaintiff's trademark registrations in India are delineated as under:

S.No.	Reg	Mark	Class	Reg Date
1.	1494	CASTROL	4	29/06/1942
2.	373759	CASTROL	4	23/03/1981
3.	909193		4	10/03/2000
4.	1342921		18, 25, 35	07/03/2005
5.	1240239		37, 42	29/09/2003
6.	2498568		4	19/03/2013

3.5. All the above-mentioned marks and labels are hereinafter, collectively, referred to as the 'Plaintiff's marks and packaging'.

3.6. In addition to the afore-mentioned marks, the Plaintiff also held a design registration for their bottle/container. However, this registration lapsed in October 2023

3.7. Plaintiff's revenue details, pertaining to sale of their products under the "CASTROL" marks, are delineated in paragraph 14 of the plaint. These figures establish the reputation and goodwill of the mark. The Plaintiff has been careful in protecting their trademark rights and has taken action against any infringing activities noticed by them.

3.8. Plaintiff first learned of Defendant No.1's use of the mark "newcast roi racing" [hereinafter, 'impugned mark'] in a manner that is deceptively



similar to Plaintiff's mark in July 2023. An investigation was conducted and thereafter a legal notice was also sent, but to no avail. In August, 2023, Plaintiff's Indian representative learned that Defendant No.2 was also using the impugned mark and a subsequent investigation revealed that Defendant No.1, Rajesh Kumar Tuteja, and Defendant No.2, Seema Tuteja, have familial relationship, and are collectively engaged in the business of manufacturing and marketing the sale of engine oil and lubricants bearing the impugned mark.

4. The counsel for the Defendants has expressed no opposition to the Plaintiff's prayer for grant of the permanent injunction as outlined in paragraphs 79 (a), (b), (c), and (e) of the plaint. However, he underscores Defendants' stand regarding the adoption and utilization of the impugned marks and packaging. He contends that the adoption of the impugned marks was carried out without knowledge of Plaintiff's registration status therefore, characterizing Defendants' adoption as innocent and devoid of any intent to infringe upon the Plaintiff's rights in their registered trademark. Further elaborating on this point, counsel for Defendants argues that usage of impugned marks and the container's design was undertaken without any intention to deceive the consumers or to capitalize on the Plaintiff's established reputation. This claim is supported by the fact that the bottles/containers used by the Defendants are standard items readily available on platforms such as India Mart, indicating no deliberate effort to mimic the Plaintiff's product presentation. During the investigation initiated by the Plaintiff in August 2023, the investigator was able to procure the Defendant No.1's price list for the infringing products *via* WhatsApp. The Counsel for Defendants brings attention to the screenshots of this WhatsApp

communication between the Plaintiff's representatives and Defendants. These communications are relied on as evidence of Defendants' transparent dealings and to further substantiate their claim of lack of deceptive intent in the adoption and use of the impugned marks. The screenshot of the said WhatsApp communication is as under:



Counsel for Defendants submits that this disclaimer serves as a clear indication that there was never any intention on the part of the Defendants to suggest that their product was associated with or endorsed by the Plaintiff.

5. The Court has considered the aforementioned contentions. Plaintiff's grievance arises from Defendants' usage of the impugned mark "newcast roi racing" and the manner in which the impugned mark has been adopted on the label of products sold by Defendants. Plaintiff alleges that Defendants'

adoption of the trademark “castroi” on their product’s label and packaging is deceptively similar to the Plaintiffs’ mark “CASTROL”.

6. The manner in which the Defendants’ have been using the impugned trademark on the bottles/ containers for sale of engine oil and lubricants is as follows:



7. Defendants have engaged in a calculated manipulation of their trademark's presentation, employing a strategic alteration of typography to closely mirror the Plaintiff's established "CASTROL" mark. By diminishing the prominence of the word "new" and disproportionately emphasizing "cast roi"—with "racing" relegated to a less prominent position—Defendants have significantly obscured the distinction between the well-recognized "CASTROL" mark of the Plaintiff and their own mark "Castroi," despite both being used for identical goods. This intentional shift in the visual representation induces confusion among consumers, eroding the clear distinction between the Plaintiff's mark "CASTROL" and the Defendants’ mark "Castroi."

8. In light of the above discussion, Defendants’ registration of the mark "newcast roi racing" is evidently in bad faith. This misuse is characterized by manner in which the impugned mark has been used. The essence of Defendants’ actions—evident through both the registration and use of the mark—demonstrates a deliberate attempt to capitalize on the similarity between “CASTROL” and “Castroi”.

9. On 4th September, 2023, the Court granted an *ex-parte ad interim* injunction restraining Defendants from using the impugned marks and label and also appointed a Local Commissioner. The Local Commissioner made some significant seizure of the infringing products. Additionally, Plaintiff’s investigation also revealed Defendant No.1 is a habitual infringer and is involved in sale of counterfeit products of well-known marks such as ‘HONDA’ and ‘AMARON’.

10. A comparison of the Plaintiff’s marks and packaging and the way Defendants have adopted their now cancelled registered mark is as follows:

S. No.	The Defendants’ Marks and/or the Defendants’ Packaging	The Plaintiff’s Marks and/or the Plaintiff’s Packaging	Changes made by the Defendants
1.	<p>CASTROI</p> 	<p>CASTROL</p>	<p>The Defendants have merely replaced the letter I and with L to arrive at their CASTROI marks. Apart from taking the first six (6) letters out of the seven (7) from the Plaintiff’s CASTROL mark, and replacing the letter “L” with letter “I”, to arrive at the CASTROI mark, the Defendants have also in order to come as close as possible to the Plaintiff, represented the letter “I” in the CASTROI mark in a manner, so that it looks similar to the letter “L”.</p>
2.			<p>The Defendants have copied the Plaintiff’s Oil in Action Device mark in its entirety.</p>



β.			<p>The overall colour scheme, get-up and layout of the rival packaging are nearly identical. The Defendants have only made minor alterations such as the replacement of the CASTROL Device mark with the CASTROI Device mark and made other insignificant changes to arrive at its packaging. All in all, the rival packaging is nearly identical.</p>
4.			<p>The overall colour scheme, get-up and layout of the rival packaging are nearly identical. The Defendant has merely replaced CASTROL mark with the erstwhile joint venture of two well-known automobile manufacturers Hero & Honda. Defendants have all in all strained each and every nerve to come to close as close as possible to the Plaintiff packaging.</p>
			

11. The comparison chart unequivocally demonstrates that, although the Defendants' mark may seemingly appear distinct from the Plaintiff's, it has been strategically presented in a manner that creates a deceptive similarity to the Plaintiff's registered trademark. This calculated manipulation serves to



obscure the differences, which is bound to mislead the consumers to associate the Defendants' mark with that of the Plaintiff's.

12. Since there is no objection to grant of decree of injunction, the suit is decreed in favour of the Plaintiff and against the Defendants in terms of prayer made in paragraph 79 (a), (b), (c) and (e). The Plaintiff shall also be entitled to destroy the infringing goods seized by the Local Commissioner in accordance with law. The prayer, as set out in paragraph 79(d) of the plaint, seeks grant of permanent injunction, on grounds of piracy of the Plaintiff's registered container design. Since design registration of said container has lapsed, no relief can be granted in terms of paragraph 79(d) of the plaint.

13. The Local Commissioner's findings of infringing activity, coupled with the Defendants' deceptive strategies, warrant an award of damages. The Defendants claim innocence and rely on a disclaimer asserting no affiliation with the 'CASTROL' trademark. The essence of Defendants' argument hinges on the premise that a disclaimer is sufficient to negate the visual and conceptual similarities. However, this stance fails to acknowledge the consumer perception and the market reality, where initial impressions and brand recognition play crucial role in consumer decision-making. The disclaimer, in this context, appears to be a flimsy afterthought, rather than a genuine effort to prevent confusion. The Defendants' actions, viewed holistically, suggest a pattern of behaviour aimed at capitalizing on Plaintiff's goodwill and market position, undermining the credibility of their claim to innocent adoption and negating the purported effectiveness of their disclaimer.

14. The Defendants' failure to provide a rationale for adopting the term "newcast roi racing" further underscores their contrived intention. This



deliberate imitation, engineered to confuse consumers into associating the Defendants' products with the Plaintiff's established mark, strips away any facade of innocence. From its very inception, the Defendants' use of the impugned mark was marked by dishonestly, bad faith and a clear intent to deceive.

15. The Defendants' decision to engage in the sale of engine oil and lubricants — the very product category for which the Plaintiff's "CASTROL" mark has long been established — negates any claim of unawareness of the Plaintiff's registered trademarks. The adoption of similar packaging and labels, and the sale of products in bottles and containers of designs nearly identical to those used by the Plaintiff, further evidence the deliberate imitation. Plaintiff's assertion that Defendant No.1 is a habitual infringer, evidenced by their unauthorized use of other well-known trademarks such as 'HONDA' and 'AMARON' completes the narrative of deceit. Defendants' pattern of behaviour not only underscores their engagement in the sale of counterfeit goods, but also highlights a systematic intent to pass off their products as those of recognized brands, exploiting the goodwill and reputation those brands have cultivated.

16. In light of the foregoing analysis, the Court concludes that the Defendants' conduct not only warrants, but also necessitates the imposition of both costs and aggravated damages. Thus, in addition to decree passed in the terms already mentioned above,¹ taking into account the entire facts and circumstances presented in this case, Court also awards damages amounting to INR. 5,00,000/- in favor of the Plaintiff and against Defendant No.1. Furthermore, recognizing the significant legal expenses borne by the



Plaintiff, the Court awards INR. 700,000/- towards cost of litigation to be paid by Defendant No.1 to the Plaintiff. The said legal expenses include INR 2,00,000/- towards court fees, INR. 1,00,000/- towards the expenses incurred in appointment of a Local commissioner, INR. 1,00,000/- for the investigations undertaken by Plaintiff including the purchase of sample infringing products, and INR 3,00,000/- towards legal expenses incurred throughout the prosecution of this matter.

17. Decree sheet be drawn up.
18. The suit is disposed of in the above terms.

SANJEEV NARULA, J

FEBRUARY 12, 2024

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¹ Paragraph 12