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INDIA: Courts Continue to Crack Whip on Infringers

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Whatman International Limited (plaintiff), a manufacturer and seller of filter paper, in *Whatman International Ltd. v. P Mehta & Ors. CS (COMM)*, 351/2016 & I.A. 5235/2018, sought a permanent injunction to restrain several defendants from *inter alia* infringement of the plaintiff's trademark and copyright as well as passing off. The suit was decided on February 1, 2019, and notably, a significant amount of damages were awarded, consolidating a growing judicial trend of imposing punitive damages to deter infringers of intellectual property (IP) rights.

Although "Whatman" is a surname, through more than 250 years of use since the company's foundation in 1740, the plaintiff claimed that the WHATMAN trademark (registered in India in Classes 1, 9, and 16) had acquired a strong secondary meaning. Further, the plaintiff noted that the mark was used together with a distinctive color combination and design—a white background with a blue script—for its filter papers.

The defendants, most of whom were members of one family, were found to be acting in concert and manufacturing and selling counterfeit Whatman filter paper. Further, they were using a color combination identical to the original Whatman filter papers for filter papers sold under various trademarks, including HIRAL, ACHME, LABSMAN, U-CHEM, and SUN.

Whatman's grievances were heightened by the fact that the defendants were habitual offenders. Whatman first complained of infringing activity in 1993, and the matter was thought concluded pursuant to an undertaking given by three of the defendants stating they would not "manufacture or sell any products including filter paper with the mark 'Whatman', or any other mark/design containing the mark 'Whatman', or any other mark/work deceptively similar to the trade mark and overall trade dress of the 'Whatman product packaging'".

In spite of this, the infringement continued, and Whatman filed criminal complaints in 2005 and 2006. Subsequent raids yielded counterfeit Whatman filter paper once again. But the defendants remained undeterred. Whatman filed a suit in 2014—again, counterfeit "Whatman" filter papers were seized—and an interim injunction was granted on May 23, 2014. When the defendants were found violating the injunction, Whatman filed a criminal complaint in 2018 leading to fresh seizure of counterfeits.

The defendants' primary defense was that the repeated seizures were only yielding old, unused stock. However, they did not contest Whatman's proprietary rights and were willing to settle the suit and pay a token compensation.

The court took a harsh stand on the defendants' unceasing, deliberate misuse over a 25-year period. It opined that the lack of strict action in the face of such conduct that blatantly violated court orders would encourage

habitual noncompliance by litigants.

Accordingly, it granted aggravated, punitive damages of INR 38.5 million (approximately US \$550,000) to Whatman International Limited.

The trend in granting monetary liabilities to quell IP misuse is evident in several recent decisions. In *Glenmark Pharmaceuticals Ltd. v. Galpha Laboratories*, the Bombay High Court imposed costs of INR 15 million (approximately US \$200,000) and in *Koninlijke Philips v. Amazestore* (and another connected matter) the Delhi High Court awarded cumulative damages of more than INR 30 million (approximately US \$400,000).

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