

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

+ CS(OS) 362/2007

% 06.02.2009

Date of decision: 6th February, 2009

M/S ST. IVES LABORATORIES INC. Plaintiff

Through: Mr. S.K. Bansal and Mr. Shashi P.
Ojha, Advocates, Advocate

Versus

MR. SUNNY BAKSHI & ANOTHER Defendants

Through: Ex-parte

CORAM :-

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

1. Whether reporters of Local papers may
be allowed to see the judgment? No
2. To be referred to the reporter or not? No
3. Whether the judgment should be reported
in the Digest? No

RAJIV SAHAI ENDLAW, J.

1. The plaintiff a company incorporated under the laws of USA instituted the present suit with respect to its trademark/labels SWISS FORMULA, ST. IVES, device of VILLAGE, its trade dress, colour scheme, artistic features, copyrights, trade name etc. and claimed the decree of permanent injunction against the defendant No.1 carrying on business in the name and style of defendant No.2 from infringing the aforesaid trade mark, trade dress, copyright of the plaintiff and or from passing off their goods as that of the plaintiff. The ancillary reliefs of delivery, rendition of accounts, damages, costs etc. are also claimed. Vide ex-parte order dated 27th February, 2007 this court finding a prima-facie case in favour of the plaintiff, restrained the defendants, their agents and representatives from manufacturing, selling, using, displaying, advertising, exporting, importing or otherwise dealing with the trade make ST.

IVES, device of VILLAGE and trade dress or any other trademark/label identical with or deceptively similar to the plaintiff's trademark/labels on any product. On an application of the plaintiff a commissioner was also appointed to visit the premises of the defendants and to take into custody the infringing goods and to sign the account books etc.

2. The commission issued as aforesaid by the court was executed and the commissioner has filed a report dated 12th March, 2007. The commissioner has reported having found in the shop of the defendants at Gaffar Market substantial volumes of products bearing the trademark ST. IVES with the device of VILLAGE and which were found by the representatives of the plaintiff accompanying the commissioner to be counterfeit of the original products of the plaintiff.

3. The defendants on being served with the summons of the suit/notice of the application for interim relief appeared on 11th May, 2007 through advocate who informed that the defendants did not want to file a written statement and only wanted to make a statement to the court. On 28th May, 2007 the counsel for the defendants informed that the defendants wanted to make a statement before the court that the defendants were not using the trademark of the plaintiff nor intend to do so. The said statement of the defendants was controverted by the counsel for the plaintiff who also pressed for a decree for damages besides that of permanent injunction which was being conceded by the defendants. In the circumstances, the defendants were directed to file written

statement. However, the defendants did not file the written statement and also stopped appearing before the court and were vide order dated 14th January, 2008 proceeded against ex-parte and remain ex-parte. The interim order aforesaid was made absolute during the pendency of the suit and the plaintiff directed to lead ex-parte evidence. The plaintiffs have filed affidavit by way of examination in chief of Mr. Gary P. Schmidt its Secretary, affirmed and verified at Illinois, USA. Exhibit marks were put on the documents referred to in the affidavit. Considering that the case of the plaintiff is not being controverted by the defendants and the defendants had in fact conceded to the relief of permanent injunction, the personal appearance of the aforesaid witness of the plaintiff is exempted.

4. It is the case of the plaintiff and is in evidence that the plaintiff is engaged in the business of cosmetics, personal care and toiletry products. The plaintiff coined and conceived the distinctive trademark containing the marks SWISS FORMULA, ST.IVES and a device of VILLAGE and trade dress formats. The plaintiff in or about 1985 also adopted the trademark APRICOT SCRUB. The plaintiff has proved as Exhibit PW1/1 the photograph of its product APRICOT SCRUB in which besides the mark APRICOT SCRUB trademark ST.IVES and a device of VILLAGE is also prominently displayed. The plaintiff has proved as Exhibit PW1/2 its copyright registrations with respect to APRICOT SCRUB, ST.IVES label, artistic work of a VILLAGE logo and the artistic work of ST.IVES, APRICOT SCRUB label, the artistic work of ST. IVES, SWISS FORMULA, APRICOT SCRUB. The plaintiff has proved as Exhibit PW1/3 and PW1/4 its trademark registrations of ST. IVES and of the label. The aforesaid registrations are in relation to various cosmetic products. The witness of the plaintiff has deposed about similar registrations in

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other countries also and of the huge sales of the plaintiff's products all over the country and of the monies spent by the plaintiff in advertising and building its goodwill and popularizing its aforesaid trademark/trade dress.

5. The witness of the plaintiff has proved as Exhibit PW1/D-1 the photograph of the product being marked by the defendants and which forms the cause of action for the suit. It is clear from the same that the defendants have copied the trademark ST. IVES and the device of a VILLAGE of the plaintiff as well as the label and trade dress of the plaintiff. In fact, the defendants' product is also shown to be manufactured by the plaintiff only and is a counterfeit of the product of the plaintiff.

6. The plaintiff has, therefore, established the case for grant of the relief of permanent injunction in terms of para 36 (a) of the plaint. As noticed herein above, the defendants had also conceded to suffer a decree for permanent injunction but the compromise could not be effected owing to the plaintiff's insistence on the defendants paying damages also and the defendants refusing to consent to the same.

7. The counsel for the plaintiff has in arguments also urged for the relief of damages as well.

8. In my view, the operators such as the defendants frequently change their place of business and do not keep any account books of such surreptitious activities. No purpose would be served directing the defendants to render accounts. However following the principle

PTC 245 (Del) holding that the plaintiff would be entitled to damages for the reason that it would be futile to direct the defendants to render accounts for the reason of the defendants carrying on business surreptitiously and in **Time Incorporated Vs. Lokesh Srivastava** 2005 (30) PTC 3 (Del) holding that where infringement is found, punitive damages should follow to discourage such law breakers, damages in the sum of Rs.5 lac are awarded to the plaintiffs and against the defendants. The defendants having indulged in an action of infringement, passing off cannot avoid liability in damages merely for the reason of remaining ex-parte. Accordingly, besides the relief of permanent injunction, a decree for damages in the sum of Rs.5 lac is also passed in favour of the plaintiffs and against the defendants.

9. Accordingly, the suit of the plaintiff is decreed for the relief of injunction as prayed for in para 36(a) and for recovery of Rs.5 lac from the defendants jointly and severally. The plaintiff shall also be entitled to costs of the suit. Counsel's fees assessed at Rs.30,000/-.

**RAJIV SAHAI ENDLAW
(JUDGE)**

**February 6, 2008
PP**