

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

DECIDED ON: 06.12.2010

+ CS(OS) 757/2004 & IA No.4457/2004

LACOSTE & ANR.

..... Plaintiff

Through: Ms. Ekta Sareen with Mr. Subahsh Bhutoria,
Advocates.

versus

GLOBAL IMPEX INDIA CA+
Through: NEMO

..... Defendant

CORAM:

MR. JUSTICE S. RAVINDRA BHAT

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| 1. | Whether the Reporters of local papers may be allowed to see the judgment? | YES |
| 2. | To be referred to Reporter or not? | YES |
| 3. | Whether the judgment should be reported in the Digest? | YES |

MR. JUSTICE S.RAVINDRA BHAT

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1. The plaintiffs have filed the present suit -against the defendant- for permanent & mandatory injunction, passing off, infringement of trade mark and copyright, rendition of accounts, delivery up, damages & for unfair competition claiming *inter alia* appropriate reliefs.

2. The suit avers that the first plaintiff is an international Company manufacturing products bearing a "Crocodile" device and is the proprietor in India of copyrights in artistic work consisting of a device of a Crocodile (hereafter referred to as "the Crocodile device"). The first plaintiff has two distribution agreements worldwide with Pentland Chaussures Ltd, with its

incorporated office in England and Montaigne Diffusion S.A. a French corporation for the distribution of footwear and apparel bearing the trade mark Lacoste and the Crocodile Device respectively. Those two entities entered into sub distribution agreements with the second plaintiff for the distribution of the products bearing the trade marks forming the subject matter of the suit. The copies of the agreements are annexed herewith as EX. PWI/3.

3. Further, the said Crocodile device is claimed to have been prepared by one Mr. Robert George and first published in France in the year 1927. The copyright in the artistic work of the Crocodile device is claimed to be currently valid and subsisting in India and other parts of the world and the first plaintiff claims ownership of all rights in the same. A copy of the said artistic work is exhibited as EX. PW1/4.

4. In addition to the above, the first plaintiff is the proprietor in India of the following trade mark registrations :

Trade Mark	Cls	Regi.No.	Date	Goods
LACOSTE & CROCODILE DEVICE	25	400265B	19.01.1983	Clothing including boots, shoes and slippers
CROCODILE DEVICE	25	400267	19.01.1983	Clothing including boots, shoes and slippers

Each of the above registrations have been renewed from time to time and are valid and subsisting. The certified copies of the entries of the Trade Marks Register obtained from

the Trade Marks Registry showing the current status of the aforesaid registrations are exhibited as EX. PW1/ 5 and EX. PW1/ 6, respectively.

5. The plaintiff also avers to have published a book charting out the history of Lacoste and its brands around the world, a copy of which is exhibited as EX. PW1/7.

6. It is submitted that the first trade mark filings of the "Crocodile device" were made in the office of the Clerk of the Commercial Court of Troyes on 27.04.1933 (Registration No. 207,916). The trade mark "LACOSTE" was registered in France on 22.06.1933 (Registration No. 287,668) and the trade mark "CHEMISE LACOSTE" registered on 19.07.1935 (Registration No. 302,681). The first plaintiff and its predecessors in business, since 1934, obtained trade mark registrations for "LACOSTE" and "Crocodile device" in over 206 countries around the world, and products bearing these marks are extensively sold in most countries around the world. A list of countries, in which LACOSTE is registered, is along with select registration certificates of the plaintiffs' trade mark in various countries of the world are exhibited as EX. PW1/8 (Colly).

9. The plaintiffs claim that their trademarks "LACOSTE" and "the Crocodile device" have been extensively used in India in respect of articles of apparel for men, women and children. The brands were launched in India in October, 1993 with the opening of the first "LACOSTE" boutique. A copy of the user agreement between the first and second plaintiff is exhibited as EX. PW1/9. Copies of the promotional material issued by the second plaintiff are annexed herewith as EX. PW/10.

10. It is asserted that the said trademarks "LACOSTE" and "Crocodile device" are used by second plaintiff in relation to its products and are used strictly in accordance with the formulae and standards and specifications (including standards and specifications as to quality control and packaging) of first plaintiff. Further, the plaintiffs' products are claimed to be subjected to the highest and most stringent quality standards.

11. By virtue of the reputation and notoriety already enjoyed by the first Plaintiffs trademarks and products, the sale of these products by the Second Plaintiff, in India, have increased by leaps and bounds and within a short span of 11 years, the second Plaintiff has already set up 29 authorised LACOSTE boutiques. It is pertinent to point out that the products bearing "Crocodile device" are also available at duty free outlets of a number of International Airports. These products are marketed and sold at these Airports through exclusive boutiques. Given herein below are the approximate sales figures of goods sold under the trademarks LACOSTE and Crocodile device worldwide for the years 1999 to 2007:

Year (ending Dec 31)	Worldwide (USD) (in million @ 1BPS=\$1.80)
1999	665,000,000
2000	773,000,000
2001	800,000,000
2002	845,000,000
2003	865,000,000

2004	1,315,649,909
2005	1,475,335,469
2006	1,483,000,000
2007	1,583,000,000
2008	1,484,000,000
2009	1,346,000,000

The above sales figures have been obtained from the books and accounts of the plaintiffs maintained in the ordinary course of business to.

12. It is stated that in addition to the above, the plaintiffs have extensively advertised and promoted the goods under the trade mark LACOSTE and "Crocodile device". The approximate expenses incurred worldwide in this regard for the last four years, as provided by the plaintiffs, is reproduced below:

Year (ending Dec 31)	Worldwide (USD) (in million @ 1BPS=\$1.80)
2002	8,173,000
2003	9,384,000
2004	28.851 Euros
2005	32,140 Euros

13. The sales and promotion expenses in India of goods bearing the marks “LACOSTE” and “Crocodile device” since 1993 till 2007 are reproduced as under: -

Year	Sales figures (in Rupees)	Sales & Promotion Expenses
1993-94	7,296,803.00	8,29,607.00
1994-95	27,632,845.00	29,78,290.00
1995-96	44,503,091.00	11,07,482.00
1996-97	70,889,410.00	30,21,666.00
1997-98	78,164,107.00	31,27,562.00
1998-99	86,695,730.00	48,22,643.00
1999-00	1,05,937,999.00	99,85,803.00
2000-01	1,08,968,604.00	31,51,196.00
2001-02	88,650,886.00	37,35,040.00
2002-03	95,383,302.00	67,93,966.00
2003-04	1,24,872,581.00	72,69,887.00
2004-05	1,81,824,494.00	86,88,095.00
2005-06	2,55,068,435.00	2,39,67,657.00
2006-07	2,82,146,450.00	2,76,32,145.00

A chartered accountant's certificate certifying these figures is annexed herewith as EX. PW-1/11. The plaintiffs also place reliance on EX. PW-1/12, PW-1/13 and PW-1/14 in support of the suit.

14. The plaintiffs claim that by virtue of such extensive advertising and sales promotion activities, the trade marks "LACOSTE" and "Crocodile device" are exclusively associated with them and no other. Furthermore, it is urged that both 'LACOSTE' and "Crocodile device" form the most essential and prominent part of the trade and corporate name of the plaintiffs.

15. It is alleged by the plaintiffs that they came across the websites www.alibaba.com and www.ec21.com of the defendant, on which its particulars were posted. These websites, it is

submitted, enable buyers and suppliers in international trade to source information about each other. Select printouts of the aforesaid website of the defendant were produced, during the proceedings, as EX. PW-1/15.

16. The defendant had posted for sale T-Shirts bearing the trade mark LACOSTE through the internet. The plaintiffs allege that in addition to their trademark LACOSTE, the defendant was also found to be offering for sale products of other known brands such as NIKE, HUGO BOSS, RALPH LAUREN, PRADA and BURBERRY.

17. It is further alleged that the plaintiffs carried out detailed investigations into the defendant's activities in Chennai and found that it carries on its business under the name of "M/s. Global Impex India" from an apartment in a residential complex without any name or display board outside the apartment. It was found that the defendant deals in the sale of LACOSTE T-Shirts. Such sales, however, are only made to buyers outside India. The investigations further revealed that the LACOSTE T-Shirts sold by the defendant are manufactured on contract basis somewhere in New Delhi. The aforesaid activities of the defendant, it is urged, have caused irreparable harm and injury to the plaintiffs as manufacturers and merchants of high quality goods.

18. On 23.07.2004 the plaintiffs' obtained an *ex-parte* order and a local commissioner to visit the defendant's premises and seize all the offending goods. The report of the local commissioner is exhibited as EX. PW-1/16. The report discloses that two T-Shirts bearing the trademarks in question were found at the defendant's premises bearing tags that showed that they were manufactured at a New Delhi address (EX. PW-1/17). On page 4 of the Local Commissioner's report is the complete list of the items seized at the defendant's premises and

the pages 70 to 79 are the photographs taken at the said premises during execution of the commission. These clearly show that not only products bearing the trademarks in question were recovered but also merchandise bearing trademarks of other brands was found at the said premises.

19. By order dated 29.09.2004 the interim order was made absolute. The defendants, who had initially appeared and sought to contest the proceedings, in a series of successive hearings, defaulted in defending the suit. By order dated 09.03.2010 the defendant was proceeded *ex-parte*. The defendant has not moved an application for setting aside the said order. The plaintiff led *ex-parte* evidence, in support of its suit allegations, by producing the affidavit testimony of its witness, PW-1. He deposed in court, as to the correctness and veracity of the contents of the affidavit, and also testified to the truth and correctness of the documents filed along with the suit, in the list of documents.

20. The Court has considered the affidavit deposition by way of evidence filed on behalf of the plaintiffs and the documents placed on the record. Since the defendant was proceeded *ex-parte*, only the facts urged by the plaintiffs and established through the evidence by way of affidavit shall be considered for adjudication of the suit. The trademark (LACOSTE) being used by the defendant is identical to that of the plaintiffs. The averments made in the affidavit and the material placed on the record remains un-rebutted in the absence of the defendant. Consequently, it is held that the plaintiffs have established before the Court that they are the owners/licenced users of the said trademark. The plaintiff had claimed, and secured an order for appointment of a local commissioner to visit the defendant's premises. The said commissioner's report is on the record. It clearly points to use, by the defendant, of the *Lacoste* mark, on the products and wares found in the said defendant's premises

21. The above discussion reveals that the plaintiff is the owner proprietor of the registered trademark *LACOSTE*. On the basis of the evidence the plaintiffs have also established that the defendant has infringed its registered trademark in respect of the product in question; this activity does not have any explanation except that the defendant's actions are deliberate and actuated with *malafide*, with the intention of exploiting the plaintiffs' goodwill and reputation to cause confusion and deception in the minds of the public at large.

21. In view of the above discussion, the suit is decreed. Let the permanent injunction, claimed, be issued. Having regard to the circumstances, the Court is of the opinion that the claim for damages cannot be granted to the extent that the plaintiffs are seeking. In the circumstances, the defendant shall bear the cost of the proceedings and counsel fee quantified @ ₹ 55,000/-.

22. The suit is decreed in the above terms. All the pending applications are also disposed of.

December 06, 2010

(S.RAVINDRA BHAT)
JUDGE