

THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment Reserved on: 12.11.2010
Judgment Pronounced on: 23.11.2010

+ **CS(OS) No. 1516/2005**

THE TIMBER LAND CO.

.....Plaintiff

- versus -

A. VIJAY & ORS.

.....Defendants

Advocates who appeared in this case:

For the Plaintiff: Ms Aparajith A. Rao, Adv.

For the Defendant: None.

CORAM:-

HON'BLE MR JUSTICE V.K. JAIN

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| 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 Digest? | No |

V.K. JAIN, J

1. This is a suit for permanent injunction, damages, rendition of accounts and delivery of the infringing material. The plaintiff is a company incorporated in U.S.A. and is engaged in the manufacturing and marketing of branded

apparel and footwear under the trademark TIMBERLAND & TREE DEVICE. It is alleged in the plaint that the name TIMBERLAND was born in the year 1973 as the brand name for the plaintiff's original waterproof leather boots. In 1978-79, the plaintiff added casual and boat shoes to its product line and in the year 1980, it extended into lifestyle brand by venturing into clothing and women's footwear. The line of products of the plaintiff-company now includes apparel, watches, socks, backpacks, kid's footwear and other gear and according to the plaintiff, the name/mark TIMBERLAND has acquired a substantial goodwill and reputation. The trademark TIMBERLAND is registered in 123 countries, including India in Class 25.

2. In India, the plaintiff-company owns the mark TIMBERLAND AND TREE DESIGN in clothing girl's and women's wear, boy's and men's wear, sportswear and evening wear, dresses blouses, tops, shirts, sweatshirts, T Shirts, skirts, shorts, pants, jogging pants, trousers, sweaters, suits, coats, topcoats, jackets, vests, smocks, bath robes, beach clothing, bathing suits, pyjamas, underclothing, socks, stocking, handkerchief, shawls, neckties, hosiery, tights, gloves, mittens, belts, suspenders,

footwear, soles for footwear moccasins, boots sport boots, climbing boots, hiking boots vide registration No. 493266 and 493316 respectively both dated 22.06.1988. The plaintiff incurs substantial expenditure on advertisement and publicity of its products and the advertising expenses incurred in the years 2001, 2002 and 2003 come to US \$ 41,417,000, 39,973,000 and 44,661,000 respectively.

3. It has been alleged that the plaintiff received information that defendant No. 5 M/s Sandler Wear International was selling unauthorized TIMBERLAND branded merchandised in Singapore. The plaintiff appointed a professional investigating agency to investigate the matter. It was reported to the plaintiff that defendant No.1 is trading under the name and style of defendant No.2 M/s Annai Exims. Defendant N.3 Annai Exims India Pvt. Ltd. is a company in which defendant No.1 Mr A. Vijay is a Director. Defendant No.4 Mr K. Ramaselvam is the President of defendant No.5 M/s Sandler Wear International, whereas defendant No.6 Mr N. Narayana Moorthy is the Managing Director of defendant No.7 Shuttle Weaves International. Defendant No.8 Shuttle Weaves Colour Private Limited is a company in which defendant

No.6 Mr N. Narayaana Moorthy is a Director. Defendant Nos. 1 to 3 obtains orders in favour of defendant Nos. 4 to 7 which, in turn, contracts out production orders to defendant Nos. 1 and 2. The defendants, according to the plaintiffs, thus, are manufacturers, suppliers and exporters of garments under plaintiff's trademark TIMBERLAND and TREE DESIGN and have thereby infringed the registered trademark of the plaintiffs. It has also been alleged that by use of false markings and misrepresentation which is inherent in the use of counterfeit labels and marks, the defendants have passed off their goods as those of the plaintiff and on account of inferior quality of their products, the reputation of the plaintiff which has already suffered a lot will continue to suffer irreparable damage. The plaintiff has sought an injunction against manufacturing, selling, offering for sale or supply, advertisement of goods by the defendants under the trademark TIMBERLAND and/or TREE DEVICE or any mark confusingly similar to these similar marks. They have also sought delivery up of all goods, labels, material, etc. bearing the mark TIMBERLAND and TREE DEVICE alongwith negatives, dies, blocks, etc. wherein the said mark/name appears for the purpose of

destruction by the representative of the plaintiff. It has also sought damages the amount of Rs 20,01,000/- besides rendition of accounts of profits, illegally earned by them.

4. The defendants 4 to 8 were proceeded ex parte vide order dated November 28, 2007. The plaintiff compromised with defendants 1 to 3 during pendency of the suit. Under the settlement, they undertook not to use the trademark TIMBERLAND or any other mark/name/trading style containing the word TIMBERLAND. They also agreed for destruction of all the packaging material stationery, etc. bearing the mark TIMBERLAND.

5. The plaintiff has filed the affidavit of PW1 Colonel J.K. Sharma by way of ex parte evidence. In his affidavit, Colonel J.K. Sharma who is the constituted attorney of the plaintiff has supported, on oath, the case set up in the plaint. The certificate of registration in respect of the trademark TIMBERLAND and TREE DESIGN are Ex.PW-1/5 and PW-1/6. According to the witness by virtue of long standing use and extensive publicity, these trademarks have acquired substantial goodwill and reputation in about 137 countries. According to him, the products of the plaintiff are sold in all major markets, including U.S.A.,

U.K., Italy, France, Germany, Spain, Canada, Japan, Singapore, Hong Kong, Malaysia, Africa, Europe, North America, Central America, South America, Australia and New Zealand. According to him, in the year 2001 to 2007, the plaintiff incurred expenditure of US\$ 41,417,000, 39,973,000, 44,661,000, 42,400,000, 36,600,000, 27,801,000, 28,929,000. He further stated that the defendants have adopted identical trademarks TIMBERLAND and TREE DEVICE for identical products, thereby falsely implying to the customers that these are the products of the plaintiff. The photographs alongwith the negative in respect of the products of the defendants are Ex.PW-1/11 A-O. He has also stated that as a part of the settlement of the plaintiff with defendants 1 to 3, they gave a letter Ex. PW-1/12 stating therein that the merchandise bearing the mark TIMBERLAND was supplied to defendant Nos. 2 and 3 by defendant No.7.

6. This witness also stated that on one point of time, the plaintiff had entered into a licence agreement with defendant No.5 which was signed by defendant No.4 as its President. This agreement came to an end on 31st October, 1999. The copy of the agreement is Ex.PW-1/15. According

to him even during the subsistence of the agreement there was an embargo on defendant No.5 producing excess goods or overrun.

7. Two Local Commissioners were appointed by this Court vide order dated 28th October, 2005 to visit the premises of defendants and prepare an inventory of the spurious brand apparel bearing the trademark TIMBERLAND/TREE DESIGN lying there. A perusal of the report of one Local Commissioner would show that when he visited the premises of defendant No.7 Shuttle Weaves International at 8-Kanniannin Koli Street, Shenoy Nagar, Chennai and, the Head Office of defendant No.6 Shuttle Weaves International and defendant No.5 M/s Sandler Wear International at 15 Gajapathy Street, Shennoy Nagar, Chennai, no spurious goods/article were found at 8-Kanniannin Koli Street, despite a thorough search. When he reached the second destination at 15 Gajapathy Street, Shennoy Nagar, Chennai, which was the Head Office of defendant No.5 M/s Sandler Wear International and defendant No.7 Shuttle Weave International, he found one shirt, containing the infringing the trademark TIMBERLAND of 'L' size. No other infringing spurious goods/article was

found by him in that premises.

8. Another Local Commissioner Mr B.R. Ahuja appointed by this Court vide order dated 28th October, 2005 visited the premises of defendant No.5 M/s Sandler Wear International and defendant No.7 Shuttle Weave International at 25 School Street, Mangadu. He found several sewing machines installed there and fabrication activity going on by several operators. On the ground floor, washing machines for garments were found installed and washing activity was going on there. Several large size cardboard boxes were found stacked on the ground floor and on checking, those boxes were found to contain duly wrapped shirts bearing the trademark TIMBERLAND and TREE DEVICE. A total stock of about 4000 shirts bearing the trademark TIMBERLAND and TREE DEVICE was found there. These goods were handed over on superdari to one Maru Thappan, who was present on the spot. A perusal of the superdarinama shows he was at that time was working as Manager with defendant No.5 M/s Sandler Wear International. It thus stands established from the report of Shri B.R. Ahuja, Local Commissioner that defendant No.5 M/s Sandler Wear International has been manufacturing

apparel bearing plaintiff's registered trademark TIMBERLAND. The shirts bearing the trademark TIMBERLAND were found on 5th November, 2005, many years after the agreement Ex.PW-1/5 between the plaintiff and defendant No.5 expired on 31st October, 1999. Defendant No.5 has not come forward to the Court to explain why and how as many as 4000 shirts bearing the mark TIMBERLAND were found in its premises. A perusal of clause 3 of the agreement PW-1/15 shows that defendant No.5 could not have produced excess goods or overruns. Therefore, it cannot be accepted that the shirts found in the premises of defendant No.5 on 05th November, 2005 were surplus unsold stock.

9. The plaintiff is a large company and its products are sold in more than 100 countries, including India. Its trademark TIMBERLAND AND TREE DEVICE are also registered in India vide trademark Registration No. 493266 and 493316 in respect of various products, including shirts and other men's wear. The defendant have no right in law either to manufacture, distribute or sell any readymade clothes or other product for which the trademark TIMBERLAND and TREE DEVICE are registered in India,

without a licence from the plaintiff-company. The use of the trademark TIMBERLAND and/or TREE DEVICE by the defendants is likely to induce the purchaser of these articles to believe that these products were manufactured by or under licence from the plaintiff company. If the quality of the product manufactured and/or sold by defendant No.5 is not as good as the quality of the genuine products of the plaintiff-company, that may seriously affect the reputation and credibility of the plaintiff-company by inducing the purchaser of the spurious products to believe that the quality of the products of the plaintiff has gone down and, therefore, these products are no more worth being purchased by them. Thus, besides causing financial loss to the plaintiff on account of loss of the profit which it would have earned by selling genuine products bearing the mark TIMBERLAND and/or TREE DEVICE, the manufacture and sale of merchandise bearing registered trademarks of the plaintiff-company is also likely to deceive the purchaser of these articles who will pay the price which the genuine product of the plaintiff-company commands in the mark, while they will be saddled with spurious products which may not as good in quality as the genuine product of the

plaintiff company. Therefore, the plaintiff is entitled to injunction sought by it against those who are engaged in manufacturing, sale, etc. of such spurious products. The manufacture of such goods by defendant No.5 is evident from the report of Shri B.R. Ahuja, Local Commissioner and the superdarinama executed by its manager. The letter which defendant Nos. 1 to 3 handed over to the plaintiff at the time of settlement with them shows involvement of defendant No.7 in sale and distribution of such goods. Moreover, the premises where spurious products were found by the Local Commissioner was also the premises of defendant No.7. Since defendant No.4 is alleged to be trading under the name and style of Sandler Wear International the plaintiff is also entitled to similar injunction against him.

10. However, as far as defendant Nos. 6 and 8 are concerned, the plaintiff has failed to prove any cause of action against them. No product bearing the registered trademark of the plaintiff-company has been found in the premises of defendant No.8 Shuttle Weaves Colour Private Limited. Since defendant No.6 is only a Director of defendant No.8, there is no need for an injunction

individually against him and injunction against the company will serve the purpose. I, therefore, hold that the plaintiff is not entitled to any injunction against defendant Nos. 6 and 8. For the reason given in the preceding paragraphs, defendant Nos. 4, 5 and 7 are hereby restrained from manufacturing, selling, supply, or advertising garments or any type and cognate goods under the trademark TIMBERLAND or TREE DEVICE or any other mark deceptive similar to these registered trademarks of the plaintiff-company. They are also directed to deliver all goods, labels and other material, including negatives, dies, blocks, stationery, letterheads, etc., which bear the trademark TIMBERLAND and TREE DEVICE and is in their possession for the purpose of destruction by the plaintiff-company. No evidence has been led by the plaintiff to prove any damage to it on account of unauthorized use of its trademarks and no arguments were advanced by the learned counsel for the plaintiff on relief for payment of damages. The relief for rendition of accounts was also not pressed during arguments. Hence, the relief for payment of damages and rendition of accounts are not granted to the plaintiff-company. No order as to costs.

Decree sheet be prepared accordingly.

(V.K. JAIN)
JUDGE

NOVEMBER 23, 2010
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