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IN THE HIGH COURT OF DELHI AT NEW DELHI

CS(OS) 1990/2010

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Judgment Delivered on: 30.03.2012

M/S L'OREAL

..... Plaintiff

Through : Mr.Ajay Amitabh Suman, Adv.

versus

M/S AAR KAY TRADING CO & OTHERS

..... Defendants

Through

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

G.S.SISTANI, J (ORAL)

1. Plaintiff has filed the present suit for permanent injunction restraining infringement, passing off, delivery up, rendition of accounts. Neither written statement nor reply to the application has been filed by the defendants. As none appeared on behalf of defendants, defendants were proceeded *ex parte* on 2.9.2011.
2. Plaintiff has filed affidavit by way of evidence of Ms.Surbhi Bansal, Constituted Attorney of the plaintiff company, which is exhibited as Ex.PW-1/A. PW-1 has deposed that she is authorized by Power of Attorney to sign, verify, and file the present suit on behalf of the Plaintiff Company. Certified true copy of the Power of Attorney has been placed on record and same has been exhibited as Ex-PW-1/1.
3. PW-1 has deposed that plaintiff is engaged in the business of manufacture, distribution and sale of a wide range of hair care, skin care, toiletries and beauty products including perfumery preparations, essential

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By:AMULYA

CS(OS) 1990/2010

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oils, cosmetics, preparations for colouring and bleaching the hair, hair dyes and tints, preparations for waving and setting the hair, shampoos, hair sprays, non-medicated preparations for the care and the beauty of the hair, non-medicated preparations for the care and the beauty of the skin, toilet soaps, dentifrices, sun-tan preparations, personal deodorants and other allied/related products. PW-1 has further deposed that ever since its bonafide adoption in about the first decade of 1900, the Plaintiff since about 1910 - 1915 has been using the word/mark L'OREAL word per se, stylized, formative/bearing and Label as a Trade Mark as also as an essential part of its Trade Name (which are hereinafter collectively referred to as "the said Trade Mark Trade Name") in relation to its said goods and business. In addition to its word per se user, the Plaintiff over a period of time has been using its said Trade Mark in various stylized, artistic formats and Label, which have been created and are being created over a period of time. The word/mark L'OREAL remains a key and material part thereof For the sake of convenience the said Trade Mark includes the said stylized, bearing/formative Label and usages. The word/mark L'OREAL has all the trappings of an invented mark. The specimen of Plaintiff's said Trade Mark/labels are placed on record and the same have been exhibited as **EXHIBIT-PW1/2 (Colly)**. PW-1 has also deposed that since the year 1910 - 1915 the Plaintiff has been honestly & bonafidely, continuously, commercially, openly, exclusively and to the exclusion of others uninterruptedly and in the course of trade and as proprietor thereof being using its said Trade Mark/Trade Name as Trade Mark in relation to its said goods and business and carrying on its said goods and business there under and has built up a worldwide and globally valuable trade, goodwill and reputation there under and acquired proprietary rights therein. The Plaintiffs said goods and business under the

said Trade Mark/Trade Name as also the goodwill and reputation achieved there under is global in character and extends into India as well. Ever since **1910 - 1915** when the Plaintiff launched its said goods and business under the said Trade Mark/Trade Name in Europe the Plaintiff has been expanding the use of its said Trade Mark/Trade Name in relation to its said goods & business to cover more and more countries across the globe. As of now the Plaintiff's said goods under its said Trade Mark/Trade Name are branded and sold. In about **130** countries of the world and across all continents and regions Including in India wherein in addition the Plaintiff also enjoys its trans-border reputation and user. The Plaintiff said goods are sold and traded by the Plaintiff directly or through a wide network of its associates, affiliates, subsidiary companies, licensees and through a wide marketing network including through retail as also through internet and e-commerce.

4. PW-1 has further deposed that plaintiff's Trade Mark L'OREAL word mark is duly registered in India under the Trade Mark Act, 1999 (the Act) as per the following particular:-

(a) Trade Mark Registration No. Date of Registration Description of goods	L'OREAL (word mark) 165778 In class 03 14.09.1954 Perfumery, soaps, non-medicated toilet preparations, shampoos, toilet preparations for the permanent waving of hair, toilet preparations (Coloured and otherwise) for the rinsing of hair, dyes for hair and beards, non-medicated hair lotion.
Renewal Status	Renewed and subsisting till 14.9.2010.
(b) Trade Mark	L'OREAL (LABEL)

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Registration No
Date of Registration
Description of goods:

473298 in Class 03
08.06.1987

Perfumery preparations, essential oils, cosmetics, preparations for colouring and bleaching the hair, hair dyes and tints, preparations for waving and setting the hair shampoos, hair sprays, non medicated preparations for the care and the beauty of the hair, non-medicated preparation for the care and the beauty of the skin, toilet soaps dentifrices, sun tan preparations personal deodorants.

Renewal Status

Renewed, legal, valid and subsisting:

(c) Trade Mark:

L'OREAL LES
TECHNICARES
(word mark)

Registration No.
Date of Registration
Description of goods

557907 In Class 03
05.09.1991

Perfumery preparations, essential oils, Cosmetics, preparations for colouring and bleaching the hair, hair dyes and tints, preparations for waving and setting the hair, shampoos, hair sprays, non-medicated preparations for the care and the beauty of the ski, toilet soaps, dentifrices, sun tan preparations, personal deodorants. Renewed. legal, valid and subsisting:

Renewal Status:

(d) Trade Mark

L'OREAL PROGRESS (word mark)

Registration No.

499858 in Class 03

Date of Registration
Description of goods:

25.10.1988

Perfumery preparations, essential oils, cosmetics, preparations for colouring and bleaching the hair, hair dyes and tints, preparations for waving and setting the hair shampoos, hair sprays, non-medicated preparations for the care and the beauty of the skin, toilet soaps, centifrices, personal deodorants Included in Class 3.

Renewal Status

Renewed, legal, valid and subsisting:

(e) Trade Mark

L'OREAL PLENTITUDE (word mark)

Registration No

477223 in Class **03**

Date of Registration

20.08.1987

Description of goods

Perfumery preparations, essential oils, cosmetics, preparations for colouring and bleaching the hair, hair dyes and tints, preparations for waving and setting the hair, shampoos, hair sprays, non medicated preparations for the care and the beauty of the hair non-medicated preparations for the care and the beauty of the skin, toilet soaps, dentifrices, sun tan preparations, personal deodorants.

Renewal Status

Renewed, legal, valid and subsisting

5. PW-1 has further deposed that apart from the aforesaid registration the Plaintiff has filed various other applications for the registration of its said Trade Mark in India, most of which have already been allowed. A list containing the particulars of Plaintiff's other registrations and pending applications, with respect to the said Trade Mark have been filed. It is also

deposed that all registrations of the plaintiff are valid and subsisting till date Plaintiff's pending applications are likely to be allowed in due course after completion of all formalities. The art work involved in the Plaintiff's various L'OREAL stylized, formative/bearing and Label are original artistic works and the Plaintiff is the owner and proprietor of the Copyrights involved therein. The said Copyright of the Plaintiff are well known as by virtue of India's membership to the Berne Convention, Order 1991 and the term Trade Mark/Label shall refer and include the artwork/copyright involved also. The Plaintiff has invariably been using its said Copyrights/Art Works/Label within the meaning of and as per Section 14 of the Copyright Act, in relation to his said goods and business. PW-1 has next deposed that the Plaintiff has applied for registration of the said Trade Mark L'OREAL in over **100** countries of the world and across all continents and regions. Most of the said applications have been allowed and registrations in respect thereof are subsisting on the respective Registers of the respective countries. The Plaintiff pending applications are likely to be allowed in accordance with the respective laws of the respective countries. PW-1 has also deposed that the Plaintiff has already built up a globally valuable trade under its said Trade Mark/Trade Name L'OREAL and conducted large business there under running into Millions of Dollars worldwide. The Plaintiff has regularly continuously been promoting its said distinctive Trade Mark/Trade Name L'OREAL and the goods and business there under through extensive advertisements, publicities, promotions and marketing & marketing research and the Plaintiff has been spending enormous amounts of moneys, efforts, skills and time thereon. The Plaintiff has been doing so through various means and modes including through the visual, print and electronic media, in leading Newspapers, trade literature & magazines,

word of mouth, over the internet etc and all of which have tremendous reach, availability and circulation world over including in India. PW-1 has further deposed that in view of the aforesaid including the Plaintiff's priority in adoption and use thereof, the Plaintiff's said Trade Mark/Trade Name L'OREAL have acquired enviable and enduring goodwill reputation and users, and which the Plaintiff owns, in the international market including In India wherein In addition to the aforesaid the Plaintiff also enjoys trans-border reputations and users as extending into India.

6. Ms.Surbhi Bansal, PW-1 has further deposed that the Plaintiff's said Trade Mark/Trade Name L'OREAL have become distinctive, associated and acquired secondary significance with the Plaintiff and Plaintiff's said goods and business. The purchasing public, the trade and industry at large worldwide and in India identify and distinguish the Plaintiff's said goods under the said Trade Mark/Trade Name with the Plaintiff and from the Plaintiff's source and origin alone and regard them as a high quality product exclusively as that of the Plaintiff. The said Trade Mark/Trade Name L'OREAL is one of the oldest, most prominent and valuable Trade Mark/Trade Name of the Plaintiff. The Plaintiff is the proprietor thereof as also of its goodwill and reputation under the statutory and common law. PW-1 has also deposed that the Plaintiff's said Trade Mark/Trade Name L'OREAL as well as the goods and business there under have a very strong presence in India. The Plaintiff's said goods under the said Trade Mark/Trade Name L'OREAL are freely and commercially available in India Since over three decades and as of now they are sold in over 300 major towns and cities in India. The Plaintiff's said goods and business under the said Trade Mark/Trade Name L'OREAL are duly manufactured in India in Its State of the art manufacturing plant, in strict compliance with L'Oreal worldwide quality standards, located at

Chakan, Pune, Maharashtra. M/s L'Oreal India (P) Ltd. Chakan. Pune-410501, registered office at 2nd floor. Peninsula Tower, Peninsula Corporate Tower G.K Marg Lower Parel, Mumbai-400013 is the exclusive importer to import and sell the said Plaintiffs products in India. The import of impugned product by any other person in India except, Mis L'Oreal India (P) Ltd. registered office at 2nd floor, Peninsula Tower. Peninsula Corporate Tower, G.K.Marg, Lower Parel, Mumbai-400013, is illegal and does amount to infringement of the Plaintiff's afore mentioned Right. The Plaintiff employs large number of persons across India in its direct facilities. The Plaintiff is massively advertising and promoting its said goods under the said Trade Mark/Trade Name in India. Due to excellent quality of Plaintiff's said goods and due to massive advertising the Plaintiff has acquired reputation and goodwill in India. In addition the Plaintiff enjoys trans-border reputation and users of its said Trade Mark/Trade Name in relation to its said goods and business as extending Into India. The Plaintiff has been protecting and enforcing its Trade Mark against pirate use/applications in India. The Plaintiffs products as well as Information thereon are available to Indians and Indian trade and Industry in India and overseas. The Plaintiff has been carrying on and promoting its said goods and business electronically and through E-commerce and even on the internet which is accessible in India. PW-1 has extracted the details of dealers/ special agents and C & FA agents in Delhi and adjoining areas with whom the plaintiff is carrying on business:

DEALERS/SPECIAL AGENTS OF THE PLAINTIFF IN DELHI

S.NO	NAME	OF	THE ADDRESS
DEALERS/SPECIAL AGENTS	OF	THE PLAINTIFF	
IN DELHI			

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1. M/s Anand Enterprises 136, Gautam Nagar, New Delhi-110016
2. M/s Kwality Enterprises 4/47, Roop Naqar, New Delhi-110007
3. M/s Kapoor Agency C-2/22, Janak Puri New Delhi -110058
4. M/s Pankaj Store X-81, West Patel Nagar, New Delhi-110008
5. M/s GROF Enterprises B-94, Main Matiala Road, Uttam Nagar New Delhi

C & FA AGENTS (CLEARING AND FORWARDING AGENTS) OF THE PLAINTIFF IN DELHI

S.NO NAME OF THE C & FA ADDRESS AGENTS OF THE PLAINTIFF IN DELHI

1. M/s Navbharat Enterprises Khasra No.70,Village. Saidullajab Near Gyan Jyoti Vidya Niketan Saidullajab, New Delhi-110016
2. M/s Saru Enterprises bagumpur Kotala Road. Behrampur Indl.Estate, 38th KM Mile Stone Jaipur Highway, Gurgaon
3. M/s Croxley Distributors D-7. Meerut Road Industrial Area, Ghaziabad Pvt. Ltd

7. PW-1 has further deposed that the Plaintiff invests heavily in R & D and its products are known for their highest standards of quality, safety, innovation and reliability and there is an ever increasing demand therefore. The Plaintiffs said goods and business are known, recognized,

demanded, sold and traded world over with reference to its said Trade Mark/Trade Name L'OREAL. The members of the trade industry the consumers and general public at large world over and in the India are well aware of the Plaintiff, the Plaintiff's said Trade Mark/Trade Name and the Plaintiff's said goods and business there under. The Plaintiff said Trade Mark/Trade Name L'OREAL are well known Trade Mark within the meaning of Section 2 (1) (zg) of the Trade Marks Act 1999. PW-1 has next deposed that in view of the Plaintiffs proprietary rights both statutory and common law in its said Trade Mark L'OREAL its goodwill & reputation, and its copyrights, the Plaintiff has the exclusive rights to the use thereof and nobody can be permitted to use the same or any other deceptively similar Trade Mark/Trade Name/copyrights thereto in any manner whatsoever in relation to any specification of goods without the leave and license of the Plaintiff.

8. PW-1 has stated that the Defendants no 1, i.e. M/s Aar Kay Trading Co" and the Defendant No. 2, i.e. M/s Shakti Enterprise, are engaged in trading of cosmetics, toiletries, hair care products and other allied/related goods (hereinafter referred to as the impugned goods' & "impugned business") To the best of the Plaintiff's belief the Defendants No 1 & Defendants No, 2 are acting in connivance and in unison with each other. PW-1 has also deposed that defendant no.3 and the defendant no.4 are the concerned department of Government of India at New Delhi and Kolkata respectively, which inter alia ensures that the illegal infringing products do not get imported into the Territory of India, inclusive of Delhi, No relief of injunction is being sought against the defendants No.3 and 4. The Defendants have adopted and started using the Trade Mark/Label L'OREAL with or without the word PARIS (hereinafter referred to as the "impugned Trade Mark/Label") in relation to their Impugned goods

The Defendants are also illegally importing the impugned goods under the impugned Trade Mark/Label from the neighboring Country namely CHINA. The specimen of Defendant's said Trade Mark/labels are placed on record and the same are exhibited as **EXHIBIT-PW1/3** (Colly). In fact the Defendants are indulging in counterfeiting the products of the Plaintiff in complete violation of Plaintiff's statutory and common law right in the Trade Mark and copyright. The impugned Trade Mark/Label **L'OREAL** adopted and being used by the Defendants in relation to their impugned goods and business are identical with and deceptively similar to the Plaintiff's said Trade Mark/Trade Name in each and every respect including phonetically visually structurally, in its basic idea and in its essential features. The Defendants have also copied the artist features Involved in the Plaintiff's Trade Mark and are thus infringing the Plaintiff's copyrights involved in its said Trade Mark. The Defendants' are using all kind of false description on its impugned goods to wrongly link the impugned goods with the Plaintiff and to wrongly convey to the public and customers that the impugned goods are coming from the source and origin of the Plaintiff. The impugned goods and business there under are also of the same/similar/allied/cognate to that of the Plaintiff's.

9. PW-1 has further stated that the Defendants are not the proprietor of the impugned Trade Mark/Label **L'OREAL** with or without the word **PARIS** and have adopted and are so using the same in relation to their Impugned goods and business and also reproducing it on their Label and packaging materials etc. and are otherwise dealing with it in the course of trade without the leave and license of the Plaintiff. The Defendants have no rights to use it in any manner in relation to its impugned goods and business or for any other specification of goods and business whatsoever being in violation of the Plaintiff's rights therein. The Defendants by their

impugned adoption/user/illegal import of the impugned goods under the impugned Trade Mark LOREAL are violating the Plaintiffs aforesaid Trade Mark/Label L'OREAL and thereby passing off and enabling others to pass off their impugned goods and business as that of the Plaintiff as well as well as diluting the Plaintiff's proprietary rights therein. The Defendants are further infringing the Plaintiff's said Trade Mark L'OREAL which is inter alia duly registered under different numbers viz. 165778 In class 03 557907 in class 03 etc. The Defendants are also guilty of infringing the Copy Right of the Plaintiff involved in the said Trade Mark/Label. The Defendants are also guilty of Violating Plaintiff's right in the Trade Name. The Defendants cannot even be exonerated from the charges of falsification, unfair and unethical trade practices. The Defendants, besides using the impugned Trade Mark in relation to impugned goods are also importing the same illegally from the neighboring Country namely CHINA. The Defendant are neither the authorized licensee to import the impugned L'OREAL products In India nor any consent has been taken from the Plaintiff nor its authorized licensee i.e. M/s L'Oreal India (P) Ltd (which is the exclusive importer to Import the said Plaintiff's products in India) has been taken. The import of the impugned products by any other person in India except, M/s L' Oreal India (P) Ltd. is illegal and amounts to infringement of the Plaintiff's rights. The impugned activities of the Defendants are in violation of Section 2 (a) (b) (c) and Section 6 of the Notification No. 47 of 2007 Issued under Section 156 (1) read with Section 11 (2)(n)(u) of the Customs Act 1962 which provides "the import of infringing goods (infringing the Trade Mark/Copyright of the Right Holder) is prohibited under Section 11 of the Customs Act". The impugned activities of the Defendants are also liable to be restrained by virtue of Section 140 of the

Trade Marks Act 1999 Section 111 (d) of the Customs Act 1962 and Section 112 (d) of the Customs Act 1962. PW-1 has further stated that the illegal import/use of the impugned **L'OREAL** products by the Defendants is in violation of Section 29(6) (b) of the Trade Marks Act 1999 as Defendants are not the proprietor of the impugned Trade Mark/Label. The Impugned import/use of the impugned products by the Defendants amounts to infringement of the registered Trade Mark of the Plaintiff and hence the same is in violation of Section 29(6) (b) of the Act.

10. PW-1 has next deposed that the Defendants are fully aware of the Plaintiffs right, goodwill, reputations, benefits and users etc. in the Plaintiff's said Trade Mark/Trade Name at the time of his impugned adoption and use of **the** impugned Trade Mark/Label **L'OREAL** with or without the word **PARIS**. The resemblance between the rival Trade Mark are so close that it can hardly occur except by deliberate imitation. The Defendants have adopted and started using the impugned Trade Mark/Label **L'OREAL** With or without the word **PARIS** dishonestly, fraudulently and out of positive greed with a view to take advantage and to trade upon the established goodwill reputation and proprietary right of the Plaintiff in the Plaintiff's Trade Mark/Trade Name **L'OREAL**. That due to the Defendants' impugned activities, the Plaintiff is suffering losses both in business and in reputation and such losses are incapable of being assessed in monetary terms, besides unwary purchasers and members of the trade are being deceived as to the origin of goods and business. PW-1 has also deposed that the Defendants are liable to pay damages to the Plaintiff which the Plaintiff conservatively and in a restricted manner claims to the tune of 20,01,000/- (Rs Twenty Lacks and One Thousand), even though the Plaintiff is entitled to much more.

11. PW-1 has deposed that in the month of April 2010 the Custom office, Tukhlakabad New Delhi informed the illegal import of the L'OREAL products by the Defendant No.1 into India in the month of June 2010, the Plaintiff became aware of illegal import of impugned **L'OREAL** products by the Defendant No. 2. Accordingly the Plaintiff joined the proceedings before the Custom office Tukhlakabao. New Delhi and the impugned products of the Defendants under the impugned Trade Mark were seized. The Plaintiffs further enquiry into the market and Trade it is revealed to the Plaintiff that the Defendants are still using/importing/selling the impugned products under the impugned Trade Mark/Label **L'OREAL** The Plaintiff also learnt that the Defendants are carrying on its impugned activities under the impugned Trade Mark in a clandestine and surreptitious manner from their respective shop/premises and are having godowns where the Impugned goods have been stocked Defendants are not only making the retail sales but are also supplying the impugned goods bearing the impugned Trade Mark to various other dealers/shopkeepers/retailers in Delhi including South Delhi that too Without issuing formal sale bills, who are making the clandestine and surreptitious sales thereof to the ultimate unwary consumers in Delhi.

12. I have heard leaned counsel for the plaintiff and also carefully perused the affidavit by way of evidence, which has been filed by the constituted attorney of the plaintiff. The evidence of the plaintiff remained unrebutted. In the affidavit the plaintiff has deposed that adoption of the word **L'OREAL** relates back to the year 1900. The plaintiff since 1910-1915 has been using the word **L'OREAL** word per se as a trade mark, which is an invented word. The products of the plaintiff are sold in approximately 130 countries of the world including India and enjoy immense trans-border reputation on account of its long user and wide

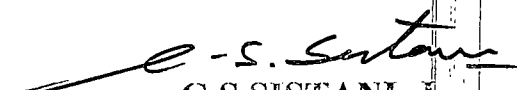
network. The plaintiff has been able to establish that the trade mark L'OREAL word mark is duly registered in India under the Trade Marks Act and the date of registration relates back to the year 1964. The trade mark has been renewed from time to time. Details of various trade marks of the plaintiff have also been relied upon. The plaintiff has also been able to show that the copyright/art work/label are the artistic work of the plaintiff, who is the owner and the proprietor of the copyright. The plaintiff has built up its reputation globally and carries on business running into million of dollars worldwide. The plaintiff has been continuously promoting the trade mark L'OREAL and its goods through extensive advertisements, publicity, promotion, marketing and marketing research and enormous sums of money has been spent on the same. On account of its goodwill and reputation, which the plaintiff has earned, with a long passage of time the purchasing public, trade and industry at large worldwide and in India identifies and distinguishes the plaintiff's goods under the trade mark L'OREAL with the plaintiff. The plaintiff has also been able to show that it has a strong presence in India for more than three decades and goods are sold in over 300 major towns and cities in India. I am satisfied that the mark L'OREAL is a well known trade mark within the meaning of Section 2 (z) (g) of the Trade Marks Act, 1991, and the proprietary rights – both statutory and under common law with respect to its trade mark L'OREAL – vests with the plaintiff. The plaintiff has the exclusive right over the trade mark and its copyright and the plaintiff alone has the exclusive right to use the same. The adoption by defendants no.1 and 2 of the mark L'OREAL without the word Paris is illegal and importing the goods from neighbouring countries like China, without the consent and concurrence of the plaintiff, has also been established. The use of the word L'OREAL by the defendants have violated the statutory

and common law and the defendants are trying to pass off their goods as that of the plaintiff, which is likely to dilute the plaintiff's proprietary rights. The plaintiff's trade mark is duly registered and the defendants cannot be permitted to infringe upon the rights of the plaintiff. The defendants are also guilty of infringing the copyrights of the plaintiff. The defendants are also selling, identical goods with the identical trade mark as that of the plaintiff with a view to ride over the goodwill and reputation of the plaintiff.

13. Plaintiff has also claimed damages for loss of reputation, business and cost of proceedings. The defendant has deliberately stayed away from the present proceedings with the result that an enquiry into the accounts of the defendant for determination of damages cannot take place. The infringement of the trademark of the plaintiff is not in dispute. Counsel for the plaintiff in support of his case has placed reliance on Time Incorporated v. Lokesh Srivastava and Anr., 2005 (30) PTC 3 (Del) where apart from compensatory damages of Rs.5 lakhs, punitive damages have also been awarded. Justice R.C. Chopra, has set out in Time Incorporated's case (supra) that punitive damages are founded on the philosophy of corrective justice.

14. Accordingly, present suit is decreed in terms of para 37 (a) and (f) of the plaint. Plaintiff would be entitled to damages to the tune of Rs.3.00 lakhs. Decree-sheet be drawn up accordingly.

MARCH 30, 2012
msr


G.S. SISTANI, J.
On office copy
for execution