

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

% **Order delivered on : 4th September, 2014**

+ **CS(OS) No.2158/2007**

TIMBERLAND COMPANY Plaintiff
Through Mr.Raunaq Kamath, Adv.

versus

ROHIT BAJAJ & ORS. Defendants
Through None

CORAM:
HON'BLE MR.JUSTICE MANMOHAN SINGH

MANMOHAN SINGH, J.

1. Plaintiff, a company duly incorporated under the laws of the State of Delaware, USA, filed this suit for permanent injunction restraining infringement of trademarks, passing off, dilution, damages, delivery up, etc. against the defendants. The defendants in the matter are exparte.

2. Brief facts as stated in the plaint are that since the year 1973, the plaintiff is engaged in the manufacture and marketing of branded apparel and footwear under the trademarks TIMBERLAND and TREE DEVICE. The trademark TIMBERLAND constitutes a key and essential feature of the trading style and corporate identity of the plaintiff. It has been stated that the plaintiff's origin dates back to 1918 when its founder, Nathan Swartz, began his boot-making career as an apprentice stitcher and learned how to craft fine leather boots.

The plaintiff was the first to introduce injection-molding technology to the footwear industry which fused soles to leather uppers without stitching, producing one of the first truly waterproof boots.

3. As per the plaintiff, the name TIMBERLAND was conceived in 1973 as the brand name for the plaintiff's original waterproof leather boots. As the waterproof leather boots became popular, the plaintiff's company name was officially changed to "The Timberland Company". In the 1970s and 1980s the company expanded into international lifestyle by expanding its product line to casual and boat shoes, clothing and women's footwear. Plaintiff has geographically expanded its business under the trademarks TIMBERLAND and TREE DEVICE through a planned and intensive global marketing drive and made TIMBERLAND brand strong and easily identifiable. The plaintiff has seen a significant evolution in over 30 years and launched the TIMBERLAND PRO series of "Workboots for the Professional" in 1998.

4. It has been stated that by virtue of priority long standing use and extensive publicity, the mark/name TIMBERLAND, TIMBERLAND PRO and the TREE DEVICE have acquired substantial goodwill and reputation which is a valued asset of the plaintiff. The plaintiff has registered the TIMBERLAND trademark in Class 25 and a few other classes in approximately 123 countries including India.

5. A list of trademark registrations owned by the plaintiff in India as given in the plaint is reproduced as under:

Mark	Reg. No.	Date	Class	Goods
TIMBERLAND	493266	22.6.88	25	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, culottes, shorts, pants, jogging pants, trousers, sweaters, suits, coats, topcoats, jackets, vests, smocks, bath robes, beach clothing, bathing suits, pyjamas, underclothing, socks, stockings, handkerchiefs, shawls, neckties, hosiery, tights, gloves, mittens, belts, suspenders, footwear, soles for footwear, moccasins, boots, sport boots, climbing boots, hiking boots.
TREE DESIGN	493316	22.6.88	25	-ditto-

It has been stated that the said registrations are renewed from time to time and are valid and subsisting in the plaintiff's favour. The plaintiff also has a pending trademark application for the trademark TIMBERLAND PRO under No. 1552714 in Class 25.

6. It is stated by the plaintiff that the plaintiff has been evaluated in the New York Stock Exchange (NYSE) as a global leader in the design, engineering and marketing of premium quality footwear,

apparel and accessories for consumers who value the outdoors and their time in it.

7. Plaintiff has given the statement of its global annual sales and its expenses on advertisement or publicity for the years 1993-2006 in the plaint and the same is reproduced as under:

Year	Sales Turnover (US\$ million)	Advertising Expenses (US\$)
1993	420	24,143,000
1994	638	32,980,000
1995	655	25,870,000
1996	690	26,952,000
1997	796	28,539,000
1998	862	37,097,000
1999	917	37,273,000
2000	1091	39,700,000
2001	1184	41,417,000
2002	1,191	39,973,000
2003	1,342	44,661,000
2004	1,500	42,400,000
2005	1,564	36,600,000
2006	1,510	27,801,000

8. It has been stated that the plaintiff has presence in a large number of territories and there are around 70 retail stores world-wide including those in Austria, Hong Kong, France, Germany, Italy, Japan, Malaysia, Singapore, Spain, Taiwan and the United Kingdom. The reputation and goodwill of the trademarks TIMBERLAND, TIMBERLAND PRO and TREE DEVICE has also spilled over to other countries, including India, where its products are advertised in the

print or audio visual media and by means of large scale travel to and from India by tourists and students yearly, resulting in the creation of substantial awareness of the brand amongst the relevant class of consumers in India.

9. The case of the plaintiff against the defendants is that in or about October, 2002 the plaintiff first became aware from the websites www.rohitfashions.com and www.stockgarments.com that the defendants were allegedly offering stock lot, surpluses and cancelled order of both branded and unbranded clothing from factories in India. Amongst the branded goods the defendants were exporting and offering to sell to various countries goods under the well known trademarks of the plaintiff i.e. TIMBERLAND and TREE DEVICE. It is the case of the plaintiff that the defendant No.1 is selling counterfeit products by creating a false impression that goods sold by him originate from the plaintiff.

The plaintiff commissioned an investigation of defendants' premises in October 2002 through a professional investigation agency and a sample pair of jeans under the brand name TIMBERLAND was purchased along with garments of some other brands. The investigation by the said agency gave the plaintiff some information about the defendants such as: Rohit Fashions is a proprietary firm of Rohit Bajaj, which is exporting surplus garments bearing various brands including TIMBERLAND which it procures in bulk from commission agents/brokers; Rohit Fashions mainly exports to USA, Africa, Sri Lanka etc. and was willing to sell stocks to local buyers only in bulk.

10. It is stated that when the samples were examined, it was found out that the samples were counterfeits and were a slavish copy of the originals as are manufactured by the plaintiff. Subsequently the plaintiff sent a cease and desist letter dated 12th November, 2002. However, since the defendants did not reply to the said notice, a follow up notice was sent to the defendants on 12th December, 2002 wherein the plaintiff advised the defendants that since it had not replied to the cease and desist notice dated 12th November, 2002, this was an admission of infringement and it was assumed that the defendants must have stopped unauthorized and infringing use of the plaintiff's trademarks TIMBERLAND and TREE DEVICE. The plaintiff further cautioned that it would maintain a watch on future violation. Both the notices were served and received by the defendants. It is stated that the sample of defendants product was thereafter donated to charity in mid 2004 which is the standard practice of the plaintiff.

11. It is submitted by the plaintiff that in early 2006 the plaintiff learnt that the defendants were involved in the export of counterfeit TIMBERLAND and TIMBERLAND PRO goods to many countries. Plaintiff then started to reinvestigate the defendants in August, 2006 to ascertain whether defendant No.1 was manufacturing counterfeit products under the plaintiff's Trade mark TIMBERLAND, TIMBERLAND PRO and TREE DEVICE. Due to the clandestine nature of the activities carried out by the defendants, the investigations took some time and did not reveal any further links. The premises of the defendants as investigated by the plaintiff were either non existent or were discovered to have been vacated. The

Investigator reported that there was a notice pasted outside one of the known addresses of the defendants at Greams Lane, Chennai which indicated that defendant No.1 was allegedly facing fraud proceedings instituted by a bank. It is thus submitted that defendants are habitual offenders and there are several proceedings pending against them in several forums of India.

The plaintiff thereafter came to know in mid-2007 about newspaper reports of defendant No.1 being arrested by the Central Crime Branch in December 2005 for manufacturing counterfeit T-shirts and the report stated that 9,000 such T-shirts were seized from defendant No.1's premises.

12. It is alleged by the plaintiff that in addition to using Plaintiff's reputed and well known trademarks TIMBERLAND, TIMBERLAND PRO and TREE DEVICE, the defendants have also used various other well known trademarks such as NIKE, LEVIS STRAUSS, TOMMY HILFIGER, POLO, GAP, DIESEL etc. in respect of *inter alia* garments stock manufactured and exported by them. Defendant No. 1 also operates websites wherein people can make online purchases and place bulk orders for the garments stock accessories manufactured by them under various well known trademarks including those of the plaintiff. The websites of the defendants which are known to the plaintiff are www.rohitfashions.com and www.stockgarments.com. It was revealed that domain name www.rohitfashions.com and www.stockgarments.com are registered in name of the defendants 1 and 2 respectively.

When the plaintiffs re-checked in October 2007, they learnt that the defendants continued to sell counterfeit TIMBERLAND goods on their websites. Plaintiff also learnt that another domain name, www.brandedlots.com, is registered by one S. Chintu with the email address of the technical contact at info@stockgarments.com which establishes a clear nexus between the defendants. The website operating at www.brandedlots.com is engaged in the same activities as those carried out at the other two websites. At the website of brandedlots.com the following statements appear:

“BrandedLots does not claim to be an authorized agent or distributor/dealer of any designer products offered in our web site catalogue. All name brands are registered trademarks of their respective companies.

WE ARE NOT SPONSORED/ENDORSED/CONTRACTED OR AFFILIATED by any of the companies which products you will view in our website catalogue.

You the customer must be fully aware – by buying SURPLUS MERCHANDISES, you are taking the risk involved in any purchase.

The only way to secure your self of Quality and Authenticity of the product(s) is to buy direct from the authorized distribution channel of the brand name company, and not from a surplus supplier like BrandedLots....”

13. In nut-shell, it is alleged by the plaintiff that defendant No.1 is alleged to be involved in manufacturing, marketing and exports of *inter alia* garments and accessories fraudulently using the plaintiff's trademarks TIMBERLAND, TIMBERLAND PRO and TREE DEVICE. Defendant Nos. 2 and 3 are business entities owned and operated by defendant No.1 which are known to the plaintiff as Rohit Fashions

and Stock Garments. The nature and the constitution of entities i.e. defendant Nos.2 and 3 are unknown. Defendant No.4 is a bank of which defendant No. 1 is a customer and the defendant No.4 is believed to be a repository of information with regard to the unlawful monetary transactions of the defendants No.1 to 3, and has been arrayed as a pro forma party in this suit. No relief is claimed against defendant No.4 except to require disclosure of the defendants' transactions with regard to export of apparel. The Registrar of the domain name GoDaddy.com has been arrayed as a pro forma party in this suit as defendant No.5. No relief is claimed against defendant No.5.

14. It has been stated that defendant No.1 was also involved for infringement of the well known trademark POLO before this Court in a suit being CS (OS) No.1763/2005 and criminal proceedings are also pending in Chennai.

15. Plaintiff has successfully enforced its rights of trademarks TIMBERLAND and TREE DEVICE and has been granted orders of injunction against third parties in Suit No.887/03; Suit No.409/04; Suit No.1516/05 and Suit No.1517/05 filed before this Court. The first two mentioned suits were decreed in terms of compromise reached between the parties.

16. Plaintiff filed the present suit for before this Court in October 2007. The suit as well as the interim application for injunction was listed before Court on 31st October, 2007 when summons were issued to the defendants in the suit and notices were issued in the application and an ex parte ad interim injunction was passed in

favour of the plaintiff and against the defendants restraining defendant Nos.1 to 3 not to manufacture, sell, advertise or export garments of any type under the trademark TIMBERLAND and TREE DEVICE. Defendant no.5 was directed not to host the website of defendant Nos.1 to 3 i.e. www.rohitfashions.com, www.stockgarments.com and www.brandedlots.com and to keep the same blocked and not to transfer the websites to any third parties. Court also appointed Local Commissioners to visit the defendants' premises and seize all the infringing goods bearing the plaintiff's trademarks. The Local Commission was executed at the defendants' premises on 3rd November, 2007 and a large quantity of counterfeit products bearing the plaintiff's registered trademarks were recovered from the premises.

17. Defendant No.4 was deleted from array of parties vide order dated 5th August, 2008 since a statement was made on 17th March, 2008 in Court that defendant No. 4 does not have any account of defendants No. 1 to 3 and thereafter filed an affidavit in this regard.

18. Defendants No. 1 to 3, inspite of being duly served with summons and notices in the matter, failed to enter appearance and were proceeded against ex-parte on 18th August, 2009.

19. In the evidence, the plaintiff proved the facts stated in the plaint by evidence by way of affidavit of Mr. COL J.K SHARMA (RETD.), Constituted Attorney of plaintiff, marked as **EX.PW-1/A** and also exhibited certain documents in support of its case. The same are given as follows:

- (i) Copy of Power of Attorney dated April 30, 2007, exhibited as **Ex.PW-1/1**.
- (ii) Copy of Power of Attorney dated April 30, 2007, exhibited as **Ex. PW-1/2**.
- (iii) A printout of the computer database of the plaintiff's worldwide registrations, exhibited as **Ex. PW-1/3**.
- (iv) Trademark registration for the mark TIMBERLAND and TREE DEVICE in Class 25 under no. 493266 and 493316 respectively in favour of the plaintiff, exhibited as **Ex. PW-1/4** and **Ex. PW-1/5** respectively.
- (v) A chart reflecting the sales and advertisement figures for the sale of products under the TIMBERLAND and TREE DEVICE trademarks, exhibited as **Ex. PW-1/6**.
- (vi) The invoices of the plaintiff and its annual report for the years 1993 to 2001, exhibited as **Ex-PW1/7 (colly)** and **Ex-PW1/8(colly)** respectively.
- (vii) A list of the some of the location of some of the stores of the plaintiff appearing on its website, exhibited as **Ex.PW-1/9**.
- (viii) A list of the licensee's of the plaintiff for apparels, exhibited as **Ex.PW-1/10 A-B** respectively.
- (ix) A case memo obtained in support of the purchase alongwith the photographs of the TIMBERLAND product (jeans) exhibited as **Ex.PW-1/11**.
- (x) Digital photographs of the defendants' products under the impugned trademarks TIMBERLAND, TIMBERLAND PRO and the TREE DEVICE, exhibited as **Ex.PW-1/12 A-D**.
- (xi) Office copies of the notices dated November 12, 2002 and December 16, 2002 addressed to the defendants along with the acknowledgment cards, exhibited as **Ex.PW-1/13** and **Ex.PW-1/14** respectively.

- (xii) Copies of the newspapers carrying the reports in two local dailies namely Rajasthan Patrika and Dailythanthi, along with English translation, marked as **X-1** and **X-2**.
- (xiii) Print outs of the relevant pages from the websites www.rohitfashions.com and www.stockgarments.com of defendants evidencing the online sale of garments under the plaintiff's trademarks and logo amongst others, exhibited as **Ex. PW-1/17 A-B**.
- (xiv) Print outs from the online database of registered domain names (whois) establishing that the domain name www.rohitfashions.com and www.stockgarments.com are registered in name of the Defendants 1 and 2 respectively, exhibited as **Ex.PW-1/18 A-B**.
- (xv) Print outs of the relevant pages from the websites www.rohitfashions.com, www.brandedlots.com and www.stockgarments.com evidencing the online sale of garments under the plaintiff's trademarks and logo amongst others and the whois, exhibited as **Ex.PW-1/19** and **Ex.PW-1/20**.
- (xvi) Copies of criminal complaints and a High Court order granting injunction against defendant No. 1 have been filed herewith and may be marked as **X-3 (colly)**.
- (xvii) Certified copies of the orders in suits in Suit No. 887/03; Suit No. 409/04; Suit No. 1516/05 and Suit No.1517/05, exhibited as **Ex.PW-1/21**, **Ex.PW-1/22**, **Ex. PW-1/23** and **Ex. PW-1/24** respectively.
- (xviii) Supplementary affidavit annexing notarised copies of the cash memo showing purchase of infringing products bearing TIMBERLAND and TREE Device, marked as **Ex.PW-1/B**

20. The ex-parte evidence of the plaintiff was concluded on 15th January, 2013. The evidence filed by the plaintiff has gone unrebutted as no cross-examination of the plaintiff's witnesses were

carried out, therefore, the statements made by the plaintiff are accepted as correct deposition.

21. It is true that the defendants' goods are not available in the local markets and they are primarily operating and carrying on with their illicit business activities through the medium of internet through their websites www.rohitfashions.com and www.stockgarments.com and www.brandedlots.com. Thus, it is evident and possible if the defendants continue their offending activities the plaintiff shall suffer and continues to suffer incalculable loss to its reputation and goodwill as the plaintiff's TIMBERLAND, TIMBERLAND PRO and TREE DEVICE trademarks are well-known marks and as such merit the highest degree of protection even against disparate goods as per the statutory provisions.

22. Thus, the plaintiff has proved that the defendants' acts of infringement and passing off are resulting, inter alia, in:-

- (i) dilution of the distinctiveness of the plaintiff's trademarks by virtue of uncontrolled use of the marks by unauthorised entities
- (ii) making undue profits without making an effort or investment and by engaging in illicit business activities by intentionally using and trading upon TIMBERLAND and TREE DEVICE trademarks of the plaintiff;
- (iii) harm to the public interest on account of counterfeits being siphoned off as genuine/authorised TIMBERLAND products.

23. Under these facts and circumstances, the plaintiff is entitled for a decree for permanent injunction in terms of Para 35(a), (b), and (c) of the plaint.

24. As regards the relief claimed in Para 35(f) is concerned, the plaintiff has prayed damages to the tune of Rs.20,00,100/- to be paid by the defendants. There are various judgments pertaining to the aspect of damages where this Court has previously granted both exemplary and punitive damages against the defendants in *ex-parte* matters of similar nature in various industries ranging from software to automobiles, chocolates to pharmaceuticals, stationary to luxury brands, etc. Some of such decisions are:

- (i) In ***Time Incorporated Vs. Lokesh Srivastava & Anr.***, 2005 (30) PTC 3 (Del.) while awarding punitive damages of Rs. 5 lakhs in addition to compensatory damages also of Rs. 5 lakhs, Justice R.C. Chopra observed that *"time has come when the Courts dealing in actions for infringement of trademarks, copyrights, patents etc., should not only grant compensatory damages but also award punitive damages with a view to discourage and dishearten law breakers who indulge in violation with impunity out of lust for money, so that they realise that in case they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them."*
- (ii) In ***Microsoft Corporation Vs. Rajendra Pawar & Anr.***, 2008 (36) PTC 697 (Del.) decided on 27th July, 2007, this Court held that *"Perhaps it has now become a trend of sorts, especially in matters pertaining to passing off, for the defending party to evade court proceedings in a systematic attempt to jettison the relief sought by the plaintiff. Such*

flagrancy of the Defendant's conduct is strictly deprecatory, and those who recklessly indulge in such shenanigans must do so at their peril, for it is now an inherited wisdom that evasion of court proceedings does not de facto tantamount to escape from liability. Judicial process has its own way of bringing to tasks such erring parties whilst at the same time ensuring that the aggrieved party who has knocked the doors of the court in anticipation of justice is afforded with adequate relief, both in law and in equity. It is here that the concept of awarding punitive damages comes into perspective."

25. Keeping in view the infringement committed by the defendants which has gone unrebutted and since the claim is based upon assessment of the plaintiff, I am of the opinion that a sum of Rs.3,00,000/- can be reasonably awarded to the plaintiff as compensatory damages and a sum of Rs.2,00,000/- as punitive/exemplary damages as well as damages on account of loss of reputation and goodwill of the plaintiff. This prayer made in Para 35 (f) is granted to the above extent. The plaintiff is also awarded Rs.50,000/- as costs of the suit.

26. The decree be drawn accordingly. The suit is disposed of accordingly.

(MANMOHAN SINGH)
JUDGE

SEPTEMBER 04, 2014