

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

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Reserved on: 16th March, 2018
Pronounced on: 02nd April, 2018

+ **CS(COMM) 76/2018**

FERRERO SPA & NR

..... Plaintiffs

Through: Ms.Vaishali Mittal, Mr.Siddhant
Chamola, Ms.Vrinda Gambhir,
Advocates.

versus

M/S RUCHI INTERNATIONAL & ANR

..... Defendants

Through: None being *ex-parte*.

CORAM:

HON'BLE MR. JUSTICE YOGESH KHANNA

YOGESH KHANNA, J.

1. The plaintiff has filed this suit for declaration, permanent injunction, infringement of trademark, passing off, damages, dilution, rendition of accounts against the defendants.

2. At the outset, it is to be noted during pendency of the suit, plaintiffs and defendant No.1 had entered into a settlement and a compromise decree was passed against the defendant No.1 vide order dated 26.05.2016. As regards defendant No.2 it is to be mentioned that despite service none appeared on its behalf as is mentioned in the order dated 09.05.2014 and the suit proceeded against defendant No.2. Though there is no specific order vide which the defendant No.2 was proceeded

ex parte, however being treated *ex parte* proceedings continued against defendant No.2

3. The brief facts leading to the filing of this suit, as alleged, are:-

- a)* The plaintiff No.1 was founded in 1946 and is part of the Ferrero Group. It is ranked amongst the 4 biggest confectionary producers worldwide and employs around 22,000 people as of the year 2012 and is a most reputable company in the world, according to the Reputation Institute Survey of 2009, as reported in the Economist and Forbes Magazines;
- b)* the plaintiffs conduct their business in India officially through the plaintiff No.2, Ferrero India Private Limited, incorporated in the year 2008. However, the plaintiff s' products had entered into the Indian market long before the incorporation of the Indian subsidiary of the Ferrero Group;
- c)* the plaintiffs' FERRERO ROCHER products have been available in India for a considerable length of time and they enjoy a formidable consumer base, who swear by the chocolates' uniqueness of taste as well as their distinct visual appeal;
- d)* the defendant No.1 was an importer and marketer of chocolates under the brand-name Golden Passion in India. The "Golden Passion" chocolates are look-alikes of the plaintiffs' chocolates sold under the FERRERO ROCHER trademark and trade-dress;
- e)* these chocolates under the mark Golden Passion are manufactured in China by defendant No.2, which is the entity

manufacturing and exporting chocolates under the brand Golden Passion to India;

f) the plaintiffs have secured numerous trademark registrations over the word 'FERRERO ROCHER' and for other elements of the Ferrero Rocher viz., trade-dress in several countries of the world, including India. Copy of the trademark registration relevant for the current dispute has been annexed as Annexure A;

g) The plaintiffs have been extremely vigilant as regards protecting and enforcing the sole and exclusive rights that they enjoy in the FERRERO ROCHER trademarks and trade-dress as a result of which judicial forums all across the world, including India have recognized and enforced such rights on numerous occasions against several third party entities.

4. The plaintiff s mark FERRERO ROCHER has been declared as a well-known mark by this Court *vide* order dated 13.03.2004 in CS (OS) 404/2012 The relevant portion of the judgment states:

“21..... The plaintiffs have also established that they have acquired the status of “well-known mark” by virtue of various factors such as use of its trade mark and trade dress since as long back as 1982 and its subsequent registration, its wide-spread business across numerous countries, the immense goodwill and reputation acquired by it around the world, the wide scale advertising and promotional activities carried out by plaintiff and its massive turnover on annual basis.”



5. Further, it is alleged the label  , shape  and other characteristic features of the packaging of the Plaintiff s' FERRERO ROCHER chocolate specialties, which constitute its trade-dress are entitled to protection as being *well-known* marks as they satisfy the criteria mentioned in section 11 (6) of the Trade Marks Act, 1999. The chocolate products sold by the defendants and the packaging in which they are sold are identical to that of the packaging of the plaintiff's FERRERO ROCHER chocolate specialties and the striking similarity between the plaintiff s' FERRERO ROCHER chocolates and those of the defendants' has been enumerated in the plaint;

6. such misuse by the defendants of the identical and/or deceptively similar trademarks, trade dress creates a mistaken impression in the minds of consumers that: *i)* the defendants' products/services emanate from the plaintiff s themselves; *ii)* the defendants are permitted and authorized users of the Plaintiff s' trademark; and *iii)* there is a nexus between the defendants and the plaintiffs.

7. This Court vide order dated 26.03.2014 had restrained the defendants from *i)* manufacturing, selling, offering for sale, advertising, directly or indirectly, dealing in any manner with the impugned Golden Chocolate product or any other product leading to infringement of the plaintiffs' trademarks and trade-dress; *ii)* using the trade-dress, packaging, color combination, layout, get-up designed to imitate the plaintiffs' FERRERO ROCHER trademark and trade-dress leading to

dilution of the plaintiffs' trademark and trade-dress and unfair competition vis-a-vis the plaintiffs' business under the FERRERO ROCHER trademarks and trade-dress.

8. Despite being well-aware of the injunction order passed against the defendant No.2 it is still continuing to sell its Golden Passion chocolates in India, as is evident from the documents. The defendant No.2 is continuing to sell numerous products which are look a likes of the FERRERO ROCHER chocolates under the brand ROWANSA and as part of its Golden Series of chocolates.

9. As per Section 134 (2), Trade Marks Act, 1999 - plaintiffs carry on business in the territory of New Delhi. Further, in a case of infringement of trademarks, this Hon'ble Court can exercise jurisdiction over a non-resident defendant provided the plaintiff resides, or carries on business or works for gain within the territorial jurisdiction of this Court. (See *Bayan Tree Holding (P) Ltd vs A Murali Krishna Reddy & Another CS (OS) No.894/2008* decided on 23.11.2009)

10. The personal amenability of the defendant No. 2 is irrelevant in a suit for infringement wherein the jurisdiction of this Court has been invoked by the Plaintiff s, in view of the special enactment (section 134) wherein it provides a non-obstante clause. {See *Super Cassettes Industries Ltd vs Myspace Inc and Another* 2011 (48)PTC (Delhi)}.

11. The acts of the defendants in adopting and using the identical/deceptively similar impugned mark and dress in respect of identical goods has caused and will continue to cause irreparable damage and loss

to the plaintiffs business. Further, the impugned mark which forms a part of their trading name, infringes the rights of the plaintiffs under Section 29 (5) of the Act. The defendant No.2 is rather dealing in the goods which are identical to the goods of the plaintiffs.

12. It is also settled law in infringement cases, if the defendant's mark is closely, visually and phonetically similar, then no further proof is necessary as held in *Kaviraj Pandit Durga Dutt Sharma vs Navarattana Pharmaceutical Lab.* AIR 1965 SC 980.

13. In *Mex Switchgears Pvt Ltd vs Max Switchgears Pvt Ltd* CS (OS) 1299/2013 this Court observed that the essential features of rival marks are to be considered in determining infringement.

14. The adoption of the impugned mark by defendant No.2 is thus *mala fide*, calculated to take advantage of the reputation and goodwill earned by plaintiffs' mark. Such acts of the defendants are bound to cause deception and confusion resulting in damage to plaintiffs' reputation and goodwill. The defendant No.2 is, therefore, attempting to pass-off their goods under the impugned mark, trade dress, packaging etc as those of the plaintiffs. All ingredients of passing-off also stand satisfied. It is also settled law that passing off is maintainable even in cases of a well know mark. (*Bloomberg Finance LP v. Prafull Saklecha & Ors.* CS (OS) 2963/2012).

15. During the course of evidence, the plaintiff has examined sole witness *PW1* Shri Pankaj Pahuja who tendered his affidavit of evidence as *Ex.PW1/A* and relied upon the documents *Ex.PW1/1 to Ex.PW1/35*

wherein the documents *Ex.PW1/17*, as well as *Ex.PW1/24* to *Ex.PW1/27* were de-exhibited and were marked as Mark F to Mark J respectively. On the issue of pecuniary damages this witness again entered the witness box and exhibited the supplementary affidavit as *Ex.PW1/B* while relying upon documents as *Ex.PW1/1B* and *Ex.PW1/C* respectively.

16. Before proceeding further, let me go through the documents exhibited by the witness. *Ex.PW1/1* and *Ex.PW1/2* are the copies of power of attorney and authority letter respectively in favour of the witness – Shri Pankaj Pahuja; *Ex.PW/3* is the power of attorney in favour of Massimo Gaidano and Girodano Cadrini from plaintiff No.1 with its translation; *Ex.PW1/4* is the Board Resolution in favor of Kamal Agarwal, the signatory of plaintiff no.2; *Ex.PW1/5* is an extract of plaintiffs history as downloaded from the internet; *Ex.PW1/7* is an extract evidencing the reputable status of the plaintiff, as evidenced from the website of FORBES magazine; *Ex.PW1/8* is an extract about the World's Most Reputable Companies, evidencing the goodwill and reputation of plaintiff as downloaded from the website of FORBES magazine; *Ex.PW1/9* is an extract of plaintiffs trademark portfolio, as available on their website; *Ex.PW1/10* is regarding the history of the plaintiffs FERRERO ROCHER chocolates, as downloaded from the internet; *Ex.PW1/11* is extract of superbrand status of plaintiffs FERRERO ROCHER, as downloaded from the internet; *Ex.PW1/12* is evidencing the ranking of the FERRERO brand amongst top 50 brands in the world by the reputation institute, as downloaded from internet; *Ex.PW1/13* evidencing numerous books having been written regarding plaintiffs FERRERO ROCHER trademark, as available on a search conducted on

GOOGLE; *Ex.PW1/14* is the coloured printouts of plaintiffs FERRERO ROCHER chocolate specialities as printed from my printer; *Ex.PW1/15* are the copies of legal proceeding certificates in respect of FERRERO ROCHER trademarks owned by plaintiffs in India; *Ex.PW1/16* are the printouts of e-registers of the plaintiffs' applications and registrations for the FERRERO ROCHER trademarks and trade-dress in India; *Ex.PW1/17* as already noted, it has been de-exhibited and was marked as *Mark F* is the copies of plaintiffs trademark registrations for the three-dimensional praline device in several countries; *Ex.PW1/18* are the copies of the orders passed by this Court recognizing the plaintiffs right in the FERRERO ROCHER trademarks and trade-dress; *Ex.PW1/19-Ex.PW1/20* are the copies of the court decisions from other countries in favor of the plaintiffs along with their English translations; *Ex.PW1/21* is an extract of evidencing the goodwill of the FERRERO brand of plaintiffs, as available on the website of The Atlantic; *Ex.PW1/22* is an extract of evidencing the reputation of plaintiffs FERRERO ROCHER chocolates as available on the database of Wikipedia; *Ex.PW1/23* is the extract of evidencing the reputation of plaintiffs FERRERO ROCHER chocolates as available on the internet; *Ex.PW1/24* as already noted it has been de-exhibited and was marked as *Mark G* are the copies of caution notices published by the plaintiffs; *Ex.PW1/25* as already noted it has been de-exhibited and was marked as *Mark H* are the copies of sales invoices in India; *Ex.PW1/26* as already noted it has been de-exhibited and was marked as *Mark I* are copies of advertising material of the plaintiffs in India; *Ex.PW1/27* as already noted it has been de-exhibited and was marked as *Mark J* which are the copies of audited balance sheets

of plaintiff no.2 for 2009 and 2010; *Ex.PW1/28* is the copy of the certificate from plaintiff no.2 certifying its market spend in India for 2009-10; *Ex.PW1/29* is the copy of the letter from Radeus Advertising Private Limited, stating that plaintiff no.2 is an associate sponsor of the television show “*Koffee with Karan*”; *Ex.PW1/30* are the printouts of photographs of the defendants impugned product; *Ex.PW1/31* is the comparison of the plaintiffs FERREO ROCHER chocolate specialties with the defendants impugned product; *Ex.PW1/32* is the extract of third parties websites in India evidencing the continued advertising and sale of the Golden Passion chocolates in India; *Ex.PW1/33* is the extract from the website www.romansachco.en.alibaba.com evidencing the defendant no.2’s continued violation of the plaintiffs rights in the FERRERO ROCHER chocolates, through manufacture and sale of Golden series chocolates; *Ex.PW1/34* is the news-extracts of plaintiffs operations in India; *Ex.PW1/35* is the article on plaintiffs enforcement of its trademark rights in China. The printout, photocopies, copies and extracts of records as mentioned in above exhibits are duly certified under Section 65B of the Indian Evidence Act, 1872.

17. From the perusal of the record above, the plaintiff has been able to prove the defendant No.2 adoption and selling of counterfeit products bearing registered trademark, trade dress, deceptively similar packing, unequivocally amounts to the infringement of the plaintiffs registered trademark, trade dress etc and amounts to passing of their goods and business as this is without authorization/affiliation by the plaintiff and hence, the plaintiff is entitle to a decree for reliefs prayed in sub paras (i) to (v) of prayer clause of the plaint viz.:-

i) an order for permanent injunction restraining the defendants, their partners or proprietor, as the case may be, their principal officers, servants and agents, distributors, and all others acting on their behalf, from manufacturing, selling, importing, exporting, offering for sale, advertising, directly or indirectly dealing in any manner with confectionery products which are look alike of the Plaintiffs FERRERO ROCHER chocolate specialties sold under the mark/name 'Golden Passion' and/or any other goods under the trade dress as stated in paragraph 13 hereinabove, or any other trade mark and/or trade dress deceptively similar to the Plaintiffs 'FERRERO ROCHER trademarks and trade dress' leading to infringement of Plaintiff No.1's registered 'FERRERO ROCHER trademarks', as set out in paragraph 6 and 13 of the plaint;

ii) an order for permanent injunction restraining the defendants, their partners or proprietor, as the case may be, their principal officers, servants and agents, distributors, and all others acting on their behalf, from manufacturing, selling, importing, exporting, offering for sale, advertising, directly or indirectly dealing in any manner with confectionery products which are look alike of the plaintiffs' FERRERO ROCHER chocolate specialties sold under the mark/name 'Golden Passion' and/or any other goods under the trade dress as stated in paragraph 13 hereinabove, or any other trade mark and/or trade dress deceptively similar to FERRERO ROCHER trade dress as defined in paragraph 4 of the plaint amounting to passing off of the defendants' impugned goods as the plaintiffs FERRERO ROCHER chocolate specialties;

- iii)* an order for permanent injunction restraining the defendants, their partners or proprietor, as the case may be, their principal officers, servants and agents, distributors, and all others acting on their behalf, from manufacturing, selling, importing, exporting, offering for sale, advertising, directly or indirectly dealing in any manner with confectionery products which are look alikes of the Plaintiff s FERRERO ROCHER chocolate specialties sold under the mark/name 'Golden Passion' or any other good having trademarks and/or trade dress deceptively similar to the FERRERO ROCHER trademarks and trade dress' as defined in paragraph 4 of the plaint leading to dilution of the 'Plaintiff No.1 's said FERRERO ROCHER trademarks and trade dress';
- iv)* an order for permanent injunction restraining the Defendants, their partners or proprietor, as the case may be, their principal officers, servants and agents, distributors, and all others acting on their behalf, from manufacturing, selling, importing, exporting, offering for sale, advertising, directly or indirectly dealing in any manner with confectionery products which are look alikes of the Plaintiff s FERRERO ROCHER chocolate specialties sold under the mark/name 'Golden Passion' or any other trade mark and/or trade dress deceptively similar to the FERRERO ROCHER trademarks and trade dress' as defined in paragraph 4 of the plaint leading to unfair competition on part of the defendants vis-a-vis the plaintiffs' rights and business under the FERRERO ROCHER trade marks and trade dress.
- v)* to pass an order of declaration, declaring the 'FERRERO ROCHER trademarks and trade dress' as "well-known' trademarks within the

meaning of Section 2 (1) (zg) read with Section 11 (6) of the Trademarks Act, 1999;

The suit is decreed against the defendant No.2 in terms of prayers above.

18. The plaintiff has also suffered immense loss to goodwill and reputation and hence is entitled to a grant of damages not only in terms of compensatory damages but also in the form of punitive damages. The documents filed by the defendant No.1 in the present suit highlight the quantity and price of products which were imported by defendant No.1 from China. A mere perusal of such invoices revealed that in the month of November, 2012 only the defendant No.2 had exported 2050 boxes of the infringing 'Golden Passion' chocolates to the defendant No.1 for ₹ 4,54,273/-. A subsequent search on the internet for export / import activities undertaken by the defendant No.2 reveals that it had exported another batch of about 2050 infringing chocolates for the sum of ₹ 5,14,268. The plaintiff has proved the copies of invoice of both the consignments as *Ex.PW1/IB* and *Ex.PW1/IC* respectively along with the supplementary affidavit *Ex.PW1/B*. The total amount of both the invoices comes to ₹ 9,68,541/-.

19. The learned counsel for the plaintiff on the issue of punitive and compensatory damages has relied upon *Hindustan Unilever Limited vs. Reckitt Benckiser*, 207(2014) DLT 713(DB) wherein reliance was placed on *Rookesv Barnard*, [1964] 1 All ER 367.

20. It is also submitted that the Court must also grant punitive damages taking into account the mala fide conduct of the defendants, which is

clearly not proportional to the quantum of actual damages that the plaintiff has proven through documentary evidence filed in the suit on the following factors viz defendant No.2 despite service, chose not to contest the present proceedings; and it has been in contempt of the injunction order dated 09.05.2014 and has been exporting infringing chocolates to India and making them available for sale through online websites.

21. Besides above the learned counsel for plaintiffs have claimed the rendition of accounts of profit illegally earned by defendants or in the alternate damages to the extent of ₹9,68,541/-. The plaintiffs are also concerned with the punitive damages and relied upon *Jockey International Inc & Anr vs. R. Chandra Mohan & Ors* 211 (2014) DLT 757 which read as under:-

“43. I am in agreement with the aforesaid submission of learned counsel for the plaintiffs that damages in such cases must be awarded and a defendants, who chooses to stay away from the proceedings of the Court, should not be permitted to enjoy the benefits of evasion of court proceedings. Any view to the contrary would result in a situation where a defendants who appears in Court and submits its account books would be liable for damages, while another defendants who, chooses to stay away from court proceedings would escape the liability on account of failure of the availability of account books. A party who chooses not to participate in court proceedings and stays away must, thus, suffer the consequences of damages as stated and set out by the plaintiffs. There is a larger public purpose involved to discourage such parties from indulging in such acts of deception and, thus, even if the same has a punitive element, it must be granted. R.C. Chopra,

J. has very succinctly set out in Time Incorporated's case (supra) that punitive damages are founded on the philosophy of corrective justice.”

22. Under the given facts and circumstances of this case where the defendant No.2 reclused itself from the proceedings, cannot be permitted to enjoy the benefits of evasion or covert priorities as has been selling the goods and has been infringing the plaintiffs' mark certainly makes the defendant No.2 liable to pay the damages to the plaintiffs. Hence, a decree for a sum of ₹10.00 Lac in favour of the plaintiffs and against defendant No.2, is passed on account of infringing the registered marks, trade dress and violating interim order. The plaintiffs shall also be entitled to interest @ 10% pa on the damages so awarded from the date of filing of the suit till the date of realisation. Proportionate costs of the suit is also awarded to the plaintiffs and against the defendant No.2. Decree Sheet be drawn.

IA No.5621/2014

23. In view of above order, the application stands disposed of.

YOGESH KHANNA, J

APRIL 02, 2018

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