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

+ **CS (COMM) 99/2017 & I.A. 15219/2015**

FLAMAGAS, S A & ANR Plaintiffs
Through **Ms. Herinder Kaur Brar, Advocate.**

versus

MR OJAS B SHAH Defendant
Through **None.**

% **Date of Decision: 28th November, 2018**

CORAM:
HON'BLE MR. JUSTICE MANMOHAN

J U D G M E N T

MANMOHAN, J: (Oral)

1. Present suit has been filed for permanent injunction restraining infringement of trademark, copyright, passing off, rendition of accounts and other reliefs against the defendant. The prayer clause in the present suit is reproduced hereinbelow:-

“39. It is therefore, respectfully prayed that this Hon’ble Court may be pleased to grant the following reliefs in favour of the Plaintiff:

- a) A decree for permanent injunction restraining the Defendant, their distributors, dealers, stockists, retailers, servants, agents and all others acting for and on their behalf from manufacturing, selling, importing, offering for sale, advertising and directly or indirectly dealing in any products which are identical or deceptively similar to the Plaintiff’s trademark No.709140 and 803833 in the shape of CLIPPER® lighter amounting to infringement of the trademark;*

- b) *A decree for permanent injunction restraining the Defendant, their distributors, dealers, stockists, retailers, servants, agents and all others acting for and on their behalf from manufacturing, selling, importing, offering for sale, advertising and directly or indirectly dealing in any products that amount to infringement of the Plaintiff's copyright in the shape of the CLIPPER® lighter and/or the unique packaging of the CLIPPER® lighters;*
- c) *A decree for permanent injunction restraining the Defendant, their distributors, dealers, stockists, retailers, servants, agents and all others acting for and on their behalf from manufacturing, selling, importing, offering for sale, advertising and directly or indirectly dealing in any products which are identical or deceptively similar to the Plaintiff's trademark for the shape of the CLIPPER® lighter amounting to passing off of the Defendant's goods as those of the Plaintiff;*
- d) *A decree for rendition of accounts of profits earned by the Defendant on account of sales of the counterfeit products, and a decree for the ascertained amount be passed in favour of the Plaintiff;*
- e) *A decree for delivery up by the Defendant of all the counterfeit materials including cartons, labels, stickers, blocks, dies, stationery and any other infringing material to the Plaintiff's representatives;*
- f) *A decree ordering the Defendant to provide to the Court all the documents and invoices connected with the counterfeits products;*
- g) *A decree declaring the Plaintiff's trademark for the shape of the CLIPPER® lighter is a well known trademark;*

- h) *A decree for damages to the sum of Rs.22,00,000 in favour of the Plaintiff and against the Defendant on account of loss of sales, reputation and goodwill of the Plaintiff's trademark caused by the activities of the Defendant;*
- i) *A decree directing the Defendant to permanently restrain and prevent import of lighters which are identical or deceptively similar to the Plaintiff's trademark for the shape of CLIPPER® lighter which constitute infringement of Plaintiff's intellectual property;*
- j) *An order for costs in the proceedings;*
- k) *Any such other relief as this Hon'ble Court deems fit to grant in the facts and circumstances of the present case."*

2. Vide order dated 30th July, 2015, this Court granted an *ex parte ad interim* injunction in favour of the plaintiffs. The relevant portion of the *ex-parte* injunction order is reproduced hereinbelow:-

"Accordingly, till the next date of hearing, the defendant, his partners, officers, directors, employees, assigns, servants, dealers, distributors, agents, etc., are restrained from manufacturing, selling, distributing, importing, offering for sale, advertising and directly or indirectly dealing in any products, which are identical or deceptively similar to the plaintiffs' trademark "CLIPPER" and/or any other marks that would amount to infringing the plaintiffs' statutory rights in their registered trademarks."

3. On 30th July, 2015, this Court appointed a Local Commissioner to visit the premises of the defendant. However, the Commission was not executed as the premises of the defendant was found closed.

4. Vide order dated 03rd February, 2017, the following issues were framed:-

- “i. Whether the plaintiff is entitled to the relief as claimed in clauses (a), (b), (c), (d), (e), (f), (g) and (i) in the prayer clause of the plaint? OPP*
- ii. Whether the plaintiff is entitled to relief of damages, if yes, to what extent? OPP*
- iii. Relief.”*

5. Although the defendant entered appearance and filed his written statement, yet neither the defendant nor his counsel appeared post 07th September, 2017. Consequently, he was proceeded *ex-parte* on 05th October, 2018.

6. The contentions and submissions advanced by learned counsel for the plaintiff are as under:-

- i. The plaintiff no.1 is a Spanish company incorporated in 1959 and is engaged in the business of manufacturing and selling a wide range of pocket and multipurpose lighters, gas and gas refills under the mark “CLIPPER”. That plaintiff no. 2 is a company incorporated in India and responsible for managing plaintiff no.1’s business in India.
- ii. The plaintiffs were the first in the market to introduce refillable gas lighters in the world and for this purpose adopted the mark CLIPPER. The plaintiffs have now commercialized their products in over 100 countries worldwide.
- iii. The cigarette lighters of the plaintiffs are cylindrical in shape, the upper part of which is protected by a metal casing. The lighter stone is extractable and consists of a wheel fixed at the base, in a lengthened shape beside the stone there is a push button of plastic material, held

by a wing that is inserted diagonally along the body of the lighter, the size of which expands from the lower part to upper side.

- iv. The plaintiff no.1 has been granted trademark registrations in respect of its unique wing shaped lighter as a three-dimensional trademark in various foreign countries. In India also, the plaintiffs' are the registered proprietors of the CLIPPER word mark and the shape of the famous CLIPPER lighter under Classes 4 and 34 of the Trademarks Act, 1999. The said registrations are valid and subsisting. By virtue of continuous and uninterrupted use the aforesaid CLIPPER trademark the shape of the CLIPPER lighters of the plaintiff is now exclusively associated with the plaintiffs.
- v. The Spanish Provisional Court has held that the round-wing shape of the plaintiffs' lighters is famous under the Spanish Trademark Law.
- vi. The plaintiff no.1 claims to be the owner of the artistic work in respect of the "CLIPPER" mark/label as well as the unique wing shaped lighter with an additional feature of removable flint as they amount to an "original artistic work" within the meaning of Section 2(c) of the Copyright Act, 1957 and the plaintiff is entitled to copyright protection under the provisions of Section 14 of the Copyright Act, 1957.
- vii. The annual revenue generated by the plaintiffs in the year 2013-2014 from sale of its products under the mark CLIPPER was Rs. 41,85,74,880/- and the plaintiffs have spent large amounts of money in marketing and popularizing its products.
- viii. Learned counsel for the plaintiffs states that in June, 2015, the plaintiffs, through market sources, came to know about certain

lighters of shape identical to that of the plaintiffs' lighters being sold in Kolkata. Subsequently, the plaintiffs commissioned an investigation which revealed that the defendant was selling counterfeit products bearing the plaintiffs trademarks.

ix. Learned counsel for the plaintiffs states that upon further enquiry the investigator found that the defendant trading as Chandra Agencies imports lighters in bulk from China. The consignment arrives in bulk and is stored at the defendants' godown or is immediately distributed to various entities including traders who sell the infringing lighters in Delhi and Kolkata.

7. Learned counsel for the plaintiffs states that the defendant has infringed upon the statutory and common law rights of the plaintiffs by selling its counterfeit products in a packaging that is an exact replica/imitation of the plaintiffs' packaging with the sole intent to confuse unwary customers and to ride upon the plaintiffs' reputation and goodwill.

8. The plaintiffs filed their *ex parte* evidence by way of affidavit of Mr. Ashwini Kapoor (PW-1) the Constituted Attorney of the plaintiff no.1 and Authorized Representative of plaintiff no.2 and Mr. Mohd. Shahid (PW-2), private investigator of the plaintiff.

9. The plaintiffs' witness (PW1) has proved copy of the screenshot of the websites of the plaintiffs www.clipper.eu and www.clipper.in and is marked as exhibit PW1/6. The plaintiffs' witness has also proved a copy of the snapshot from the plaintiffs' official Facebook and Instagram page and is marked as Exhibit-PW1/6. The plaintiffs' witness has proved a copy of the Trademark Registration certificates granted to the plaintiffs in U.K. U.S.A, Brazil, etc., as Exhibit-PW1/7. He has also proved a copy of Spanish

Trademark Registration Certificate granted to the plaintiffs in respect of the shape of the CLIPPER lighter as Exhibit- PW1/8 and copy of the Trademark Registration Certificates issued in respect of the plaintiffs' trade mark CLIPPER in India as Exhibit- PW1/9. He has also proved printout of cover of the novel Figure of Eight as Exhibit PW1/10. Copy of the invoices of sale of the Plaintiff's CLIPPER lighter in India as Exhibit PW-1/16.

10. Mr. Mohammad Shahid, investigator deputed by the plaintiffs, has also filed his affidavit. The relevant portion of the same is reproduced hereinbelow:-

- "2. I state that during the period May to June, 2015 an investigation was commissioned by the Plaintiff through our agency. The mandate of the said investigation was to visit and identify markets in various parts of Delhi and Kolkata to ascertain the availability of counterfeit lighters, that is, lighters similar in shape to the Plaintiff's CLIPPER® lighter being sold without the authorization of the Plaintiff.*
- 3. Accordingly, I visited various markets in Delhi and Kolkata and made inquiries to check for availability of counterfeit lighters.*
- 4. I found that the key markets where the counterfeit goods are being sold is Old Lajpat Rai Market in Delhi and the counterfeit lighters are being imported/sourced from various parties in Kolkata. I say that various traders, including the present Defendant, were found stocking and selling the infringing lighters on a large scale.*
- 5. That my investigation revealed that the said infringing lighters are either imported from China or are locally manufactured, assembled and sold in Delhi and Kolkata.*

6. *That, I found that the lighters are imported by the Defendant who, as per the records available with the Customs office, carries on business or manufacture and sale of electronic items, especially lighters and the like. The Defendant imports consignments in bulk (around 500 cartons or so at a time). The counterfeit product is imported under the general head "lighters" so that the lighters are cleared by the Custom authorities. Thereafter, after such clearance, the lighters so imported are immediately distributed and sold to other traders in Kolkata and Delhi. The entire operation is conducted in a clandestine manner and all the entities involved act in concert with each other.*
7. *That, it was also discovered during enquiries that these infringing lighters are being imported with under valuation/under invoicing thus causing a huge revenue loss to the Government of India through lower paid duties. The infringing product is imported at value of Rs.3/- or Rs.4/- and sold in the market at Rs.15/- to Rs.20/-.*
8. *In particular, the Defendant owns a shop at 138, Canning St., 4th Floor, Kolkata, 700001 wherein the counterfeit lighters are stocked on the walls of the shop. The lighters are exactly of the same shape as lighters sold under the mark CLIPPER. I was given to understand that the Defendant owns a warehouse at D-660, 2nd Floor, Sonapur Road, Kolkata-700088 where the counterfeit goods are stored. The Defendant constantly keeps shifting the counterfeit goods to various other warehouses owned by other entities.*
9. *I say that the lighters being sold by the Defendant are cylindrical in shape with a wing for a removable flint and are infringing/counterfeit lighters. Comparison of the Plaintiff's original CLIPPER lighter and the infringing lighter sold by the Defendant is shown herebelow.*

Some of the lighters bear the mark GOAL while some are without any trade mark.

10. *That, the lighters sold by the Defendant are compared here below with that of the Plaintiff's product for ready reference:*



11. *I say that my investigations have revealed that these counterfeit lighter are sold on cash basis, without issuing any receipts. Each lighter is sold for Rs.12-15. A pack of 5 lighters is available for about Rs.70 and a pack of 40-60 lighters costs Rs.500-600.”*

11. In the opinion of this Court, the defendant has no real prospect of defending the claim as despite entering appearance and filing a written statement, it has not lead any evidence. In any event, the plaintiffs' evidence has gone un rebutted.

12. This Court is of the view that due to extensive use, the plaintiffs mark CLIPPER has acquired reputation and goodwill globally as well as in India.

13. Moreover, as the defendants are selling counterfeit products bearing the plaintiffs CLIPPER trademark and product packaging, it is a clear case of infringement of the plaintiffs' registered trade mark.

14. Since the defendant has not led any evidence and no seizure has been made, the plaintiff is not entitled to a decree under paragraphs 39 (d) to (g) of the plaint.

15. As far as the prayer for damages under paragraph 39 (h) of the plaint is concerned, this Court is of the opinion that since the plaintiffs have not led any evidence with respect to the quantum of damages suffered by the plaintiffs, the same cannot be granted in light of the Division Bench judgment of this Court in ***Hindustan Unilever Limited Vs. Reckitt Benckiser India Limited, 2014 (57) PTC 495 [Del][DB]***. In fact, this Court in ***Super Cassettes Industries Private Limited Vs. HRCN Cable Network, CS(COMM) 48/2015 dated 09th October, 2017*** has held as under:-

*“19. However, this Court is not satisfied on the evidence led in the present case that the compensation awarded is inadequate in the circumstances having regard to the three categories in ***Rookes v. Barnard, [1964] 1 All ER 367*** and also the five principles in ***Cassell & Co. Ltd. v. Broome, 1972 AC 1027***. In the event punitive damages are awarded in the present case, it would be an ad-hoc judge centric award of damages, which the Division Bench specifically prohibited in ***Hindustan Unilever Limited*** (supra)...”*

16. In view of the aforesaid as well as the judgments passed by the learned Single Judge of this Court in ***Flamagas, SA Vs. Irfan Ahmed & Ors., CS (COMM) 895/201***; ***Flamagas, SA Vs. Sunder & Ors., CS (COMM) 896/2016*** and ***Flamagas, SA Vs. Mahadev & Ors., CS(COMM) 897/2016*** dated 04th November, 2016, the suit is decreed in favour of the

plaintiffs and against the defendant in accordance with paragraph 39(a), (b), (c) and (i) of the plaint along with costs. The costs shall amongst others include lawyers' fees as well as the amounts spent on purchasing the Court fees. Registry is directed to prepare a decree sheet accordingly. Consequently, the present suit and application stand disposed of.

MANMOHAN, J

NOVEMBER 28, 2018

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