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

Date of Decision 08th February, 2024

+ CS(COMM) 395/2019 & I.As. 10458/2019, 16292/2019, 1071/2020
GENEVA LABORATORIES LIMITED & ANR. Plaintiffs
Through: Ms. Anuradha Salhotra, Ms.
Vanshika Arora and Mr. Zeeshan
Khan, Advocates.

versus

MR. JAY KHODIYAR & ORS. Defendants
Through: *Ex-parte vide* orders dated 21st
September, 2022 and 23rd November,
2023.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

JUDGMENT

SANJEEV NARULA, J. (Oral):



1. The Plaintiffs, owners of the trademarks “Bio-Oil” and “”, seek redress against the sale of counterfeit products utilizing identical packaging and bearing their trademark by the Defendants. Despite being served with summons in the suit and being restrained by an interim order, the Defendants have failed to contest the proceedings. Consequently, their defence has been closed, leading to *ex-parte* proceedings. This matter is now before the Court for final disposal.

The Plaintiffs' case

2. Plaintiff No. 1, a company incorporated in the British Virgin Islands



on 11th August, 2000, is the exclusive manufacturer, seller and marketer of



various skincare products under the brand “BIO-OIL”/ “**Bio-Oil**” [hereinafter, “*Bio-oil trademark*”]. Plaintiff No. 2-company, founded in South Africa, is a licensee of Plaintiff No. 1 and as such, is manufacturing and distributing goods bearing the Bio-oil trademark.

3. The Plaintiffs’ Bio-Oil skincare oil formulation, curated by the German chemist Mr. Dieter Beier, contains a breakthrough ingredient – Purcellin Oil, which helps in healing scars, stretch marks, especially those caused by pregnancy, teenage growth spurts or sudden weight gain. This preparation, which contains plant extracts and vitamins suspended in an oil base, is light and non-greasy, ensuring that the goodness contained in the vitamins and plant extracts is easily absorbed by the skin. The product, prior to being sold, has to undergo multiple safety assessments in accordance with the Regulation of the European Parliament and Council on Cosmetic Products. The toxicological profile, chemical structure, level of inclusion, and total level of daily exposure of each ingredient used, are all assessed before to ensure superior quality.

4. Originally launched in South Africa in 1987, Bio-Oil products are now sold in over 139 countries. The products were first distributed in the Indian market in November, 2013. The Bio-oil trademark have enjoyed substantial global sales and market reputation since their launch. To establish this, the Plaintiffs have provided details of their annual global sales between the years 2008-2018 along with consolidated sales figures from



Indian units for the years 2013-2018, in the plaint,¹ which are also supported by an affidavit from Mr. Alastair George Rippon, IP Director of Plaintiff No. 2.

5. Till 04th July, 2017, the Plaintiffs were utilizing their registered device



“ ”, however, during the course of business, they fashioned a new



logo – “ ”, which also stands registered in the name of Plaintiff No.

1. The specifics of Plaintiff No. 1's registered marks are as follows:

<i>S. No.</i>	<i>Trademark and number</i>	<i>Class and description of goods</i>	<i>Date of Application</i>
1.	 Under No.: 1124058	03 Essential Oils, Cosmetics All Being Goods Falling In Class 3.	05.08.2002
2.	 Under No.: 3414832	03 Soaps; perfumery, essential oils, cosmetics.	21.11.2016

¹ At paragraphs No. 5 and 6.



6. The Bio-oil trademark is well-recognized across the world. These goods are sold in an attractive packaging, that prominently displays the



stylized Bio-oil logo “ ”. Plaintiff No. 1 also asserts copyright protection in above-noted artistic creation. The Plaintiffs have provided several supporting materials to demonstrate strong market reputation of Bio-oil trademark. Extensive advertising has contributed to brand recognition and trust. Furthermore, numerous awards and recognitions received globally (detailed in paragraph No. 12 of the plaint) serve as independent validation of the brand’s quality. The Plaintiffs have also submitted copies of their website, showcasing these awards, positive recommendations, and the high sales rankings their products have consistently achieved. The consumers therefore, exclusively associate the Bio-oil trademark with the Plaintiffs.

7. In June 2019, Plaintiffs learnt of online sale of skincare products bearing the Bio-oil trademark and packed in an identical trade dress. Investigations conducted by the Plaintiffs on certain samples revealed counterfeiting of their products. They specifically identified Defendant No. 1, trading as M/s Maahi Enterprises, as a participant in the import and wholesale supply of counterfeit cosmetics, including those replicating the Plaintiffs’ skin oil sold under the Bio-oil trademark. The impugned products bear virtually no difference from the Plaintiffs’, except printing of the word “BAHUBALI” on the rim of the infringing goods. Further, lab analysis reports (annexed with the plaint) obtained by the Plaintiffs confirm the counterfeit nature of the Defendant No. 1’s products. Hence, the Plaintiffs



initiated the instant suit.

Proceedings till date

8. At the preliminary stage, on 02nd August, 2019, alongside issuing summons, the Court granted an ad-interim *ex-parte* injunction preventing Defendant No. 1 from using, infringing upon, or passing off the Plaintiffs' registered Bio-oil trademark or any identical/ deceptively similar marks. Furthermore, a Local Commissioner was appointed to visit the premises of M/s Maahi Enterprises and confiscate and inventorize the infringing goods.

9. During the execution of the Commission on 17th August, 2019, Defendant No. 1 disclosed that he neither manufactured nor imported the counterfeit products; instead, he procured them from dealers located in Musafirkhana, Manish Market, Mumbai. Following these initial findings, the Plaintiffs commissioned an investigation in Mumbai, leading to the identification of Defendants No. 2, 3, and 4 as importers and sellers of



counterfeit "BIO-OIL" / "Bio-Oil" products, who allegedly also supplied the infringing products to Defendant No. 1.

10. In view of the above-noted, the aforesaid Defendants were joined to the present proceedings on 22nd November, 2019, and the *ex-parte* ad-interim injunction was extended against Defendants No. 2 to 4 on 10th January, 2020. On the same date, a Local Commissioner was appointed to inspect Defendants No. 1 to 4's premises and seize all infringing material found thereon.

11. Thereafter, contending that Defendant No. 5 is a manufacturer and



nationwide supplier of these counterfeit products with established links to Defendants No. 2 to 4, Plaintiffs filed I.A. 1070/2020 to array Defendant No. 5. Their application was allowed, and the ad-interim directions operating against Defendants No. 1 to 4 were also directed to apply to Defendant No. 5 on 27th January, 2020. Another Local Commissioner was also appointed in respect of Defendant No. 5's premises.

12. Since the receipt of summons, Defendants No. 1, 3 and 5 never entered appearance to contest the suit claims. Defendants No. 2 and 4 were represented through counsel, however, despite opportunities, failed to file a written statement. In these circumstances, on 21st September, 2022, the Court proceeded *ex-parte* against Defendant No. 1, and also closed the right to file written statement of Defendants No. 2 and 4. Although Defendant No. 3 filed a written statement, they never initiated any steps to cure the defects in filing so that the same could be brought on record. As regards Defendant No. 5, he was served through citation on 21st March, 2023, but did not join the instant proceedings. Considering the above, the Court proceeded *ex-parte* against Defendants No. 2 to 5 on 23rd November, 2023.

The Local Commissioners' Reports

13. Visits by the Local Commissioners to Defendants' premises resulted in the seizure of materials, a full inventory of which is as follows:

<i>Name of Defendant</i>	<i>Quantity of goods found</i>
Mr. Jay Khodiyar [Defendant No. 1]	a. 41 BIO OIL 60 ML (White Packaging with Orange Printing) b. 17 BIO OIL 125 ML (White Packaging with Orange Printing)



Rose Collection [Defendant No. 2]	No stock found
A.A. Collection [Defendant No. 3]	No stock found
Maharashtra Store [Defendant No. 4]	467 finished products
Mr. Aslam Khan [Defendant No. 5]	a. 100 finished counterfeit products b. 482 loose panels of packaging material with the imprint of the packaging. c. Each of such panels had 2 boxes printed on them

Analysis and findings

14. A visual representation of the conflicting products is as follows:

<i>Plaintiffs' product</i>	<i>Defendants' products</i>
	 Defendant No. 1



Defendant No. 2



Defendant No. 3



Defendant No. 4





	Defendant No. 5
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15. The above-noted comparison demonstrates that the Defendants' impugned products are exact replicas of the Plaintiffs' original products. Adopting an identical mark for identical goods and the imitation of product description, application guidelines, and packaging aligns with the criteria of clear and direct infringement outlined in Section 29(2)(c) of the Trademarks Act, 1999.

16. As noted above, the Defendants have refrained from contesting the case. Due to the absence of any specific denials, the allegations of trademark infringement and passing off, in conjunction with the supportive evidence, fall within the ambit of deemed admissions of all facts mentioned in the plaint.² Though the Court has the discretion to require further proof, the Plaintiff has, through the documents presented on record, satisfied the test required to prove infringement. The reports submitted by the Local Commissioners, which can be read into evidence,³ provide unassailable substantiation implicating Defendants No. 1, 4, and 5 in the direct sale of counterfeit goods bearing the Plaintiffs' registered Bio-oil trademark. Further bolstering their case, an investigation commissioned by the Plaintiffs resulted in the procurement of sample products from Defendants No. 2 and 3, which were subsequently confirmed as counterfeit by laboratory analysis. The Plaintiffs have also presented the affidavit of the investigator, Mr. Amarjeet Choudhary, of 09th January, 2020, and the accompanying laboratory report. Therefore, the Court deems it appropriate to dispense with

² Refer: *Balraj Taneja v. Sunil Madan*, (1999) 8 SCC 396.

³ See: *ML Brother LLP v. Mahesh Kumar Bhuralal Tanna*, 2022 SCC OnLine Del 1452.



the requirement of leading *ex-parte* evidence.⁴

17. Given that the Defendants have not submitted their defence to the present suit, despite sufficient knowledge of the proceedings, the present suit is liable to be decreed in favour of the Plaintiffs, as per Order VIII Rule 10 read with Order XIII-A of the Code of Civil Procedure, 1908, as applicable to commercial suits, and Rule 27 of the Delhi High Court Intellectual Property Rights Division Rules, 2022.

Relief

18. Accordingly, the suit is decreed in terms of paragraph No. 39(a) to (c) and (h) of the plaint. The goods seized by the Local Commissioners, which are lying on *superdari* with the Defendants, details whereof are recorded in the Reports of the Local Commissioners, are forthwith directed to be handed over to counsel for Plaintiffs or Authorised Representative of the Plaintiffs, who are then permitted to destroy the same, in accordance with law.

19. As regards claim of damages, this Court is convinced that this is not a case of innocent adoption, and Defendants' conduct invites the award of damages. Taking a reasonable assessment of the volume of seizure made, nature of counterfeiting, in the opinion of the Court, Plaintiffs are entitled to nominal damages, to the tune of Rs. 12,00,000/-, recoverable from the Defendants in the following proportions:

<i>Name of the Defendant</i>	<i>Amount of damages to be paid</i>
Mr. Jay Khodiyar [Defendant No. 1]	Rs. 2,00,000/-
Rose Collection [Defendant No. 2]	Rs. 1,00,000/-

⁴ See: *Disney Enterprises Inc. and Anr. v. Balraj Muttneja and Ors.*, 2014 SCC OnLine Del 781, *Cross Fit LLC v. RTB Gym and Fitness Centre*, 2022 SCC OnLine Del 2788, and *The Indian Performing Right Society Ltd. v. Gauhati Town Club*, 2013 (134) DRJ 732.



A.A. Collection [Defendant No. 3]	Rs. 1,00,000/-
Maharashtra Store [Defendant No. 4]	Rs. 3,00,000/-
Mr. Aslam Khan [Defendant No. 5]	Rs. 5,00,000/-

20. Plaintiffs are also entitled to actual costs, in terms of the Commercial Courts Act, 2015 and Delhi High Court (Original Side) Rules, 2018 read with Delhi High Court Intellectual Property Division Rules, 2022 from the Defendants. Plaintiffs shall file their bill of costs in terms of Rule 5 of Chapter XXIII of the Delhi High Court (Original Side) Rules, 2018 on or before 31st March, 2024. As and when the same is filed, the matter will be listed before the Taxing Officer for computation of costs.

21. Decree sheet be drawn up.

22. The suit, along with pending applications, is disposed of.

SANJEEV NARULA, J

FEBRUARY 8, 2024

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