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

+ **CS(OS) 2306/2013 & I.A.No.18933/2013**

BURBERRY LIMITED & ANR. Plaintiffs
Through: **Ms.Astha Joshi, Advocate.**

versus

99 LABELS.COM & ORS. Defendants
Through: **None**

% **Date of Decision: 10th July, 2017**

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 trademarks, passing off, damages and delivery up etc.

The prayer clause in the suit is reproduced hereinbelow:-

“a) A decree of permanent injunction restraining the Defendants, their companies, their Directors, partners or proprietors, as the case may be, its officers, servants, agents, associates and representatives or anyone who may be acting for and on its behalf

*i. from advertising, selling, offering for sale, marketing, trading, directly or indirectly dealing in any products bearing the trademarks **BURBERRY, BURBERRY CHECK and EQUESTRIAN KNIGHT***

DEVICE marks and/or any other trademarks(s) confusingly or deceptively similar to Plaintiffs BURBERRY, BURBERRY CHECK and EQUESTRIAN KNIGHT DEVICE trademarks;

- ii. from using the marks BURBERRY, BURBERRY CHECK and EQUESTRIAN KNIGHT DEVICE or any deceptively similar mark to the Plaintiffs BURBERRY, BURBERRY CHECK AND EQUESTRIAN KNIGHT DEVICE trade marks on their websites www.99labels.com and from other social networking websites that would result in dilution of the distinctive character of the Plaintiffs BURBERRY, BURBERRY CHECK and EQUESTRIAN KNIGHT DEVICE trademarks;*

b) A decree for permanent injunction restraining the Defendants, whether acting by itself or through its partners or proprietor, as the case may be, its officers, servants, agents and representatives, or any of them, from advertising, selling, offering for sale, marketing, trading directly or indirectly dealing in any products bearing the trademarks BURBERRY, BURBERRY CHECK and EQUESTRIAN KNIGHT DEVICE marks and/or any other trademarks(s) confusingly or deceptively similar to Plaintiffs BURBERRY, BURBERRY CHECK and EQUESTRIAN KNIGHT DEVICE trademarks or any deceptively similar mark/s and from doing any other thing as may be likely to lead to passing off of the Defendants goods or business as and for those of the Plaintiffs;

- c) *A decree for delivery up of all infringing/counterfeit materials including cartons bearing the impugned marks, labels, patches, tags etc. and of blocks, dies, stationery and any other printed matter bearing the impugned marks BURBERRY, BURBERRY CHECK and EQUESTRIAN KNIGHT DEVICE to the authorised representative of the Plaintiffs for the purpose of destruction/erasure.*
- d) *A decree of damages against the Defendants and in favour of the Plaintiffs, this relief is valued at Rs.20 Lac on account of their illegal activities.*
- e) *A decree for costs of the suit; and*
- f) *Any other orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case.*
- g) *An order for costs of the proceedings.”*

2. It has been averred in the plaint that plaintiff no.1 company is a world renowned designer, manufacturer, wholesaler, retailer, licensor and distributor of luxury products, particularly clothing and apparels, shoes and accessories including umbrellas, glasses, watches, headgear and jewellery. It has been further averred that over the past one hundred sixty years, the plaintiffs are trading under the marks “T.BURBERRY”, 'BURBERRY & SONS, BURBERRYS and now **BURBERRY** and the business has flourished to the extent that the plaintiffs are now one of the most renowned luxury brands in the world today. It has also been averred that the mark 'BURBERRY' in isolation and in combination with other words as well as the

BURBERRY CHECK (logo) and Equestrian Knight Device appears on majority of the plaintiffs' products. The logo and the mark are as under:-



BURBERRY CHECK (logo)



Equestrian Knight Device

3. Ms.Astha Joshi, learned counsel for the plaintiffs states that plaintiffs have valid registration for the mark 'BURBERRY' in numerous jurisdictions around the world including the United Kingdom, CTM, China, Australia, Indonesia. In India alone, the mark 'BURBERRY' is registered in classes 3, 9, 14, 18, 24 and 25. Further, the plaintiffs' mark 'BURBERRY CHECK' in classes 18, 24 and 25 and Equestrian Knight Device is registered under classes 18, 24 and 25. She further states that in 2013 the plaintiffs incurred expenditure of Rs.3,68,61,560/- towards promotional and advertisement expenses of mark BURBERRY and in 2013 the annual turnover of plaintiffs in India was Rs.6,97,018,581/-.

4. Learned counsel for the plaintiffs states that in July 2013, it came to plaintiffs knowledge that the defendants were dishonestly selling/counterfeit 'BURBERRY' and 'BURBERRY CHECK' products and also unauthorizedly using the aforesaid trademarks on their website www.99.labels.com without the permission and authorization from the plaintiffs. She further states that defendants

were offering for sale counterfeit BURBERRY merchandize like men's shirts, hand bags etc. which are bearing the plaintiffs' registered trade mark BURBERRY CHECK and Equestrian Knight Device with photographs of counterfeit products on their website www.99labels.com. She also states that defendants were advertising their infringing/counterfeit BURBERRY products on social networking sites i.e. www.facebook.com.

5. Ms. Astha Joshi states that in pursuance to plaintiffs sending the cease and desist notices dated 12th July, 2013 and 29th July, 2013 asking the defendants to immediately cease the products dealing with BURBERRY, BURBERRY CHECK or any other mark which is deceptively similar to the plaintiffs' registered trademarks and also remove the advertisements from their website, the defendants removed the advertisement and few BURBERRY products from their website www.99labels.com. Thereafter on 24th September, 2013 representative of the plaintiff no1 had a meeting with defendant no.5 wherein defendant No.5 informed that they are taking steps to find out the vendors who are supplying the infringing/counterfeit BURBERRY products, but no action was taken by the defendants.

6. Ms. Astha Joshi further states that numerous complaints had been filed by bonafide customers of the plaintiffs who happened to buy the infringing goods from the defendants believing them to be genuine BURBERRY products.

7. Today, learned counsel for plaintiffs has handed over a certificate by way of an affidavit filed under Section 65B of the Indian Evidence Act along with documents showing screenshots of a website

mouthshut.com—which is a consumer review website. The said affidavit is taken on record. On the mouthshut.com website there are large number of complaints from consumers stating that the defendants' website is selling damaged and counterfeit products of various companies on a large scale.

8. Vide order dated 25th November, 2013, this Court granted an ex-parte ad interim injunction in favour of the plaintiffs and against the defendants. The relevant portion of the said order is reproduced hereinbelow:-

“In my view, the plaintiffs have made out a prima facie case in their favour. Balance of convenience is also in favour of the plaintiffs. In case an ad interim ex parte injunction is not granted in favour of the plaintiffs, it will cause irreparable harm and injury to the plaintiffs.

Accordingly, the defendants, their directors, partners, associates are restrained by way of ex parte ad interim injunction from advertising, selling or offering for sale any products bearing the trade marks BURBERRY, BURBERRY CHECK and EQUESTRIAN KNIGHT DEVICE or any other mark deceptively similar to the plaintiffs' trade mark till further orders.”

9. Since the defendants did not appear after 16th February, 2017, they were proceeded ex-parte vide order dated 11th April, 2017.

10. The plaintiffs have filed their ex-parte evidence by way of affidavit of Mr. Rahul Sethi (PW1).

11. The plaintiffs' witness has proved the aforesaid averments and also proved the copies of the Trade Mark Registration Certificates in favour of the plaintiffs as Ex.PW1/7. The PW1 has further proved the screenshots taken from the defendant's website www.99labels.com

and social networking site www.facebook.com collectively as Ex.PW1/8 to Ex.PW1/10, evidencing sale of infringing/counterfeit BURBERRY products. PW1 has also proved copies of the cease and desist notices dated 12th July, 2013 and 29th July, 2013 as Ex.PW1/11 and Ex.PW1/12. The plaintiffs' witness also proved the complaint addressed by a bonafide customer to the plaintiff as Ex.PW1/16.

12. Having heard learned counsel for plaintiffs as well as having perused the papers, this Court is of the view that due to extensive worldwide use over substantial period of time, the plaintiffs' BURBERRY mark has acquired the status of well known mark globally as well as in India.

13. Further, as the plaintiffs' evidence has gone unrebutted, said evidence is accepted as true and correct. Consequently, the allegation that the BURRBERY products put up for sale by the defendants on their website were infringing/counterfeit products is accepted. The use of an identical mark/name of the plaintiffs by the defendants was illegal, dishonest and was bound to deceive and cause confusion amongst the public at large. The defendants' action eroded the goodwill and reputation that the plaintiffs have built for the mark/name BURRBERY for the last so many years. In fact, from the said facts it is apparent that the defendants had malafidely and illegally used the plaintiffs' mark BURRBERY to earn profit illegally by diluting the reputation and goodwill of the plaintiffs' company.

14. Consequently, the plaintiffs are entitled not only to compensatory damages, but also to punitive damages owing to the defendants illegal acts of passing off and infringement.

15. In fact, this Court in ***Disney Enterprises, Inc. Vs. Mr. Rajesh Bharti & Ors.***, CS (OS) 1878/2009 decided on 13th February, 2013 has held as under:-

“16. Further, this Court in ***Microsoft Corporation Vs. Rajendra Pawar & Anr.***, CS(OS) 530/2003 decided on 27th July, 2007 has held “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.”

17. This Court is also of the view that before award of damages it is not necessary that the plaintiff must show some particular benefit has accrued to the defendant or that the plaintiff must satisfy the Court by leading evidence that it has suffered actual loss. In ***Microsoft Corporation Vs. Ms. K. Mayuri & Ors.***, 2007 (35) PTC 415 Del., this Court has held “The practice of grant of exemplary damages needs to be strengthened particularly in those cases where flagrant infringement is found. Such an exercise of power is not to be fettered by any requirement that the plaintiff must show some particular benefit which has accrued to the defendant or that the plaintiff must satisfy the court by leading evidence that he has suffered actual loss. In a case where the plaintiff proves such actual loss, he would be entitled to the same. However,

even without such a proof, in case of flagrant infringement, the court has the complete discretion to make such award of damages as may seem appropriate to the circumstances, so that it acts as deterrent. In some cases, it is not possible to prove the actual damages, namely, that there is a normal rate of profit or that there is a normal or establish licensed royalty. Yet, clearly, the damages have to be assessed.”

18. In *Disney Enterprises Inc. & Anr. Vs. Harakchand Keniya & Ors.*, CS (OS) 1254/2007 decided on 24th October, 2011 wherein the defendants were engaged in selling the counterfeit party hats and other party decoration products bearing the DISNEY characters, this Court while stating that the plaintiffs are the proprietor of the trademark in question and the said trademarks have been infringed by the defendants, awarded damages to the tune of Rs. 2,00,000/- against the defendants.

19. In fact, punitive damages have the effect of deterring not only the defendant from repeating the offence, but also deterring others from committing the same, preserving peace, inducing private law enforcement; compensating victims for otherwise uncompensable loss and payment of the plaintiff's counsel fees. 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, copy rights, 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.” In the said case the court held that the defendants' magazine which used the Hindi

translation of the word 'Time' with the distinctive red border, was a slavish imitation of the plaintiff's trademark and held the defendants are liable for infringement."

16. In ***Proctor & Gamble Company Vs. Joy Creators, 2011 (450 PTC 541 (Del)***, a Coordinate Bench of this Court has held as under:-

"Also, the court needs to take note of the fact that a lot of energy and resources are spent in litigating against those who infringe the trademark and copyright of others and try to encash the goodwill and reputation of other brands by passing off their goods and/or services as those of that well-known brand. If punitive damages are not awarded in such cases, it would only encourage unscrupulous persons who actuated by dishonest intention, use the well reputed trademark of another person, so as to encash the goodwill and reputation which that mark enjoys in the market, with impunity and then avoid payment of damages by remaining absent from the court, thereby depriving the Plaintiff an opportunity to establish actual profit earned by him from use of the infringing mark, which can be computed only on the basis of its accounts books. This would therefore amount to putting premium on dishonesty....."

17. Keeping in view the aforesaid facts, mandate of law and the persistent conduct of the defendants in selling damaged and counterfeit products of various companies on a large scale, the suit is decreed in terms of prayers (a), (b) and (d) of the prayer clause.

MANMOHAN, J

JULY 10, 2017

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