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

Date of Decision: 10th September, 2018

+ **CS (COMM) 1597/2016**

M/S TOMMY HILFIGER LICENCING LLC Plaintiff

Through: Mr. Dhruv Anand, Ms. Udit Patro &
Mr. Shamim Nooreydzan, Advocates
(M-9313399860).

versus

M/S IMPORTEXPORT & ORS Defendants

Through: None.

CORAM:

JUSTICE PRATHIBA M. SINGH

ORDER

% **10.09.2018**

Prathiba M. Singh, J. (Oral)

1. The present suit for permanent and mandatory injunction has been filed by the Plaintiff seeking protection of its trademarks “TOMMY HILFIGER”, “TOMMY”, ‘TOMMY GIRL’ and the ‘FLAG logo’ (Plaintiff’s trademarks). The Plaintiff was founded in the year 1977 and has been doing business in over 65 countries, through various subsidiaries. The Plaintiff’s trademarks are registered in classes 3, 25, 9 and various other classes under the Trade Marks Act, 1999. The Plaintiff had also entered into an arrangement with one M/s GVM International in 2004 for sale of readymade garments and accessories in India. The Plaintiff claims that though the mark was originally created in the U.S., due to extensive use in India through the above mentioned franchise, the Plaintiff’s marks are well known marks.

2. The allegation in the present suit is that Defendant No.1 and Defendant No.2 are selling infringing products bearing the Plaintiff’s

trademarks on the website of Defendant No.3 i.e. www.shopclues.com. The Plaintiff, in fact, made a purchase through the website on 5th July, 2014 and upon verifying the said T-shirt, it was found that the product was counterfeit. A legal notice was issued on 16th July, 2014 calling upon Defendants 1 and 3 not to use the impugned trademarks. In its reply dated 31st July, 2014, the Defendant No.3 claimed that it has removed the infringing products from the website. However, according to the Plaintiff, the products continued to remain on the website of the Defendants and hence the present suit came to be filed.

3. On 2nd September, 2014, an ex-parte ad interim injunction was granted in the following terms:

“I have heard counsel for the plaintiff and perused the plaint, application and the supporting documents. I am satisfied that this is a fit case for grant of ex parte ad interim injunction and in case an ex parte ad interim injunction is not granted, plaintiff will suffer irreparable loss. The balance of convenience is also in favour of the plaintiff. Accordingly, till the next date of hearing, defendants, their directors, principal officers, partners, agents, representatives, distributors, assigns, stockists are restrained from using, manufacturing, marketing, purveying, supplying, selling, soliciting, exporting, displaying, advertising on the online market place through the website www.ShopClues.com. or any other mode with respect to the impugned trade mark ‘TOMMY HILFIGER, TOMMY, TOMMY GIRL logo/ label and the FLAG Logo as well.”

4. Defendants No.2 and 3 were served in the matter on 29th January, 2015. Defendant No.3 made a statement that it was not selling any of the plaintiff's products, and undertook not to sell any of the same during the pendency of the suit. On 8th April, 2015, the Joint Registrar recorded that the

summons, which were issued to Defendant no.1, through speed post, were returned with a report of “refused”. Accordingly, the right of Defendant No.1 to file its written statement was closed. On 7th September 2016, Defendant no.1 was proceeded ex-parte. On 16th May, 2018, the suit was decreed as having been settled between the Plaintiff and Defendant No.3. Defendant No.1 never put in appearance, and accordingly the Defendant No.2 was only the contesting Defendant in the matter.

5. On 23rd July, 2018, it was recorded by the Joint Registrar that none had appeared for Defendant No.2 despite repeated calls.

6. The matter is taken up for hearing today. In view of the Joint Registrar’s order, however, none appears for the Defendant No.2.

7. A perusal of the written statement filed by the Defendant No.2, clearly shows that the said Defendant does not contest the proprietary rights of the Plaintiff as claimed in the plaint. Defendant No.2 repeatedly asserts that it is not a manufacturer of the products. Paras 2, 3 and 27 of the written statement are relevant and is set out herein below:

“2. That the defendant submits that the answering defendant has no relation whatsoever with defendant no.1&3 and the present suit is liable to be rejected for misjoinder of the parties and the answering defendant is only a small trader and has not manufactured under the impugned mark "TOMMY GIRL", "TOMY"[sic] and the FLAT[sic] logo which symbolizes the plaintiff company. It is submitted that with a view to harass the answering defendant he has been arrayed as a party in the present case. Without prejudice to the pleas of the defendants, it is submitted that the said acts of the defendants are completely bonafide and honest and the defendant undertakes to not to do any act which violates the intellectual property rights in future. It is

however submitted that the plaintiff has filed the present suit only to harass a small time trader like the answering defendant, and thus trying to throttle the small business of the defendants.

3. That the defendant submits that the present suit has not been valued properly and the damages as claimed in the present case are not correct and based on material facts. The defendant submits that the plaintiff has failed to establish on record that how the plaintiff has suffered damages to the tune of Rs.20.00 lacs. It is submitted that the answering defendants has a very small business as a trader and is not engaged in manufacturing under the impugned mark "TOMMY HILFIGER", "TOMMY GIRL" "TOMMY" as well as "TOMMY HILFIGER" logo. It is submitted that the answering defendant is not a manufacturer of the goods alleged and the same were sold under a bonafide and honest intention. It is submitted that - the answering defendants are law abiders and have highest respect to the laws of this country. It is submitted that the plaintiff has failed to substantiate before this Hon'ble Court that as on what grounds the plaintiff has claimed a sum of Rs.20.00 lacs as compensatory damages in the present case. It is submitted that the said figure, which has been claimed by the plaintiff in the present suit is hypothetical figure and based on imaginary averments, which cannot be acceptable before this Hon'ble Court. It is submitted that as the entire suit claim made by the plaintiff is false and fictitious, hence the suit is liable to be dismissed on this ground alone.

27. That the contents of Para no. 27 are wrong and denied. It is denied that the plaintiff again conducted test purchase of stocks bearing the plaintiff's said Trademark on 21st August, 2014 vide Order No.18880199. It is further denied that Copy of the order placed on the impugned website of the defendant etc, is failed herewith. It is further denied

that the important thing to note that the retailer for this purchase was defendant No.2 whose name was not given in the list provided by the defendant No.3 with the letter dated 31st July 2014. The answering defendant submits that the answering defendant is a mere dealer has no relation whatsoever with defendant No.1 & 3 and the present suit is liable to be rejected for misjoinder of parties and the answering defendant is only a small trader and has not manufactured any goods under the impugned mark TOMMY GIRL” “TOMMY” and the FLAG logo which symbolizes the plaintiff company. It is submitted that the answering defendant has been made a party in the present case only to harass the answering defendant without prejudice to the pleas of the defendants, it is submitted that the said acts of the defendants are completely bona fide and honest and the defendant undertakes not to do any act which violates the intellectual property rights in future. It is, however, submitted that the plaintiff has filed the present suit only to harass a small-time trader like the answering defendant, and thus trying to throttle the business of the defendants.”

8. A perusal of the written statement shows that the Defendants have undertaken not to violate the Plaintiff’s rights in any manner. The rights of the Plaintiff have also been established in view of the registration certificates placed on record for the various brands of the Plaintiff. The Plaintiff has also placed on record the license agreement entered into with the Indian franchise – M/s GVM International, which shows use of the mark since 1st January, 1999 in India. Ex.P1, which is a printout of a screenshot from the website – www.shopclues.com, was admitted by Defendant No.3 and the same shows that sale of the products was made. Ex. P-5, which is screenshot of an email from Defendant No.3’s website confirming the order, shows the name of the

merchant as M/s Arihant Store i.e. Defendant No.2. Thus, there is no doubt that Defendant No.2 was selling counterfeit products bearing the Plaintiff's trademarks on the website of Defendant no.3. The Plaintiff has also placed on record the purchases made and the invoices in respect thereof. In view of the exhibits on record and the stand of the Defendant No.2, the suit is liable to be decreed in favour of the Plaintiff against Defendants No.1 and 2 as well.

9. Insofar as the plea of rendition of accounts/damages is concerned, as per the statute, the Plaintiff can either seek damages or rendition of accounts and costs. The Defendant No.3 having already suffered a decree in this matter and the Defendants No.1 and 2 being the merchants whose products were being sold, costs of Rs.1 lakh is awarded against both Defendants No.1 and 2.

10. The suit is decreed in terms of the para 38(a) to (e) along, with costs of Rs.2 lakhs against Defendants No.1 and 2. Decree sheet be drawn accordingly.

11. The Plaintiffs have filed an application under Order XII Rule 6. Since the suit is being decreed today, the same is dismissed as infructuous.

PRATHIBA M. SINGH
JUDGE

SEPTEMBER 10, 2018

Rahul