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

% *Date of Decision: 12th October, 2022*

+ **CS(COMM) 444/2022**

NEW BALANCE ATHLETICS INC. Plaintiff

Through: Mr. Dushyant Mahant, Mr. Urfee Roomi, Ms. Janaki Arun, Mr. Alvin Antony and Mr. Anubhav Chhabra, Advocates.

versus

**NEW BALANCE IMMIGRATION
PRIVATE LIMITED** Defendant

Through: None (Proceeded *ex-parte vide* order dated 15.09.2022)

**CORAM:
HON'BLE MS. JUSTICE JYOTI SINGH**

JUDGEMENT

JYOTI SINGH, J. (ORAL)

I.A. 10068/2022 (under Order 39 Rules 1 and 2 CPC, by Plaintiff)

1. Present application has been preferred on behalf of the Plaintiff under Order 39 Rules 1 and 2 CPC seeking temporary injunction against the Defendant.
2. It is averred that Plaintiff is a Company incorporated under the laws of the State of Massachusetts, United States of America. Plaintiff had its beginning in the year 1906 in U.S.A. and is currently engaged in designing, manufacturing, marketing and sale of footwear and readymade clothing in over 120 countries, including India.
3. It is further averred that Plaintiff is the proprietor of various trademarks in India and around the world, amongst which the most

prominent marks are NEW BALANCE, letter combination NB, NB Device and marks that incorporate the NEW BALANCE and NB marks. The letter combination 'NB' was first used as a trademark on footwear and readymade clothing in U.S.A in the year 1974 and since then, Plaintiff has been using the said combination as a trademark in relation to retail services in numerous countries, including India. Owing to the long term and extensive use, Plaintiff's marks have acquired immense goodwill and reputation in the market. The net revenue owing to sale of goods bearing the Plaintiff's marks has shown an impressive and steady increase over the years, as per the data furnished in the plaint. Plaintiff also claims to have promoted and advertised its goods and services bearing the marks around the world, on which it has incurred huge expenditure and the figures in respect thereof have been furnished in the plaint. Plaintiff has expanded its reach on the World Wide Web by establishing official accounts on various social media websites, which are immensely popular with the consumers worldwide. Plaintiff also claims to have over the years sponsored various sports teams, leagues, etc. Plaintiff's marks are stated to have acquired the status of well-known marks under Article 6bis of the Paris Convention.

4. Since 1986, Indian consumers, according to the Plaintiff, have purchased footwear bearing Plaintiff's marks, on travelling to various countries, where the Plaintiff operates retail stores. Indian consumers also purchase footwear through various e-commerce platforms, such as Amazon.in, Flipkart.in, etc.

5. In 2016, Plaintiff entered into a Franchisee Agreement with a leading Indian party, authorising it to operate retail stores to sell the Plaintiff's goods, including footwear, in India and in the same year, Plaintiff's flagship

store was opened in Noida, UP. Given the reputation attached to the trademarks and premium quality of Plaintiff's footwear and other goods, Plaintiff has received wide media coverage and publicity through magazines, blogs etc.

6. It is stated that in order to protect its intellectual property rights, Plaintiff has obtained registrations for its trademarks, including in Class 25 for clothing, footwear, headgear and the registrations are valid and subsisting.

7. Defendant, according to the Plaintiff, is a private limited Company incorporated in March, 2022 under the provisions of the Companies Act, 2013 and is engaged in the business of offering immigration and visa procurement services. In May, 2022, Plaintiff came across Defendant's marks being used as part of Defendant's Corporate name and a legal notice was sent informing the Defendant of Plaintiff's rights in its trademarks and demanding immediate cessation of unauthorised use. Upon failure of the Defendant to cease and desist, Plaintiff approached this Court, seeking a decree of permanent injunction.

8. As per the plaint, investigations conducted at the behest of the Plaintiff revealed that in addition to using the 'NEW BALANCE' as a part of its Corporate name, Defendant is also using 'NB' as its corporate logo for its services and domain name www.newbalanceimmigration.com on advertising and promotional material as well as social media pages.

9. Drawing the attention of the Court to a tabular representation of the comparative of the rival trademarks in para 45 of the plaint, learned counsel for the Plaintiff contends that Defendant has misappropriated Plaintiff's NB trademarks in entirety, with no plausible explanation to do so. The dishonest

adoption of deceptively similar marks by the Defendant is with a view to encash upon the immense goodwill and reputation of the Plaintiff.

10. It is further contended that being a registered proprietor of the trademarks NEW BALANCE/NB and its various formatives and the registrations being valid and subsisting, Plaintiff has an exclusive right to use the trademarks and protect them from infringement under Section 28(1) of the Trade Marks Act, 1999 (hereinafter referred to as the 'Act'). Any unauthorised use of the trademark by any third party, amounts to infringement of Plaintiff's statutory rights under Section 29(2) of the Act as well as common law rights. Defendant's adoption of NB marks is with a view to misrepresent the consumers that its services emanate from the Plaintiff or have some connection or association and there is every likelihood of confusion.

11. Next plank of the argument is that although services offered by the Defendant are dissimilar from the goods sold by the Plaintiff, yet, on account of the immense and stellar reputation of the Plaintiff, evident from the sales figures, advertisement and promotional expenses etc., infringement is made out under Section 29(4) of the Act, as Defendant's mark is unregistered and the adoption is without due cause, to take unfair advantage of repute of Plaintiff's trademarks. Defendant is also guilty of passing off its services by using a deceptively similar mark and the misrepresentation will result in causing irreparable harm and injury to Plaintiff's reputation, built over the years. Reliance is placed on the judgment in *Honda Motors Co. Ltd. v. Charanjit Singh & Ors.*, 2002 SCC OnLine Del 1332.

12. I have heard learned counsel for the Plaintiff. Since Defendant had chosen to stay away from the proceedings, despite service and has been

proceeded *ex parte*, there is no rebuttal to the averments in the plaint or the arguments canvassed on behalf of the Plaintiff.

13. Plaintiff is a proprietor of valid and subsisting registrations for the marks NEW BALANCE, NB, NB device and their variations, in India. A comparison of the rival marks shows that they are phonetically identical and visually deceptively similar to the Plaintiff's marks. As per the Plaintiff, Defendant's mark is unregistered and this averment is uncontroverted. Plaintiff, thus, has the exclusive right to use its registered trademarks to the exclusion of the Defendant and also to prevent their infringement, under Section 28(1) of the Act. A comparison of the rival marks is as follows:

Defendant's marks	Plaintiff's marks
NEW BALANCE	NEW BALANCE
	NB 

14. Perusal of the aforesaid marks shows that Defendant has misappropriated Plaintiff's NB marks in entirety, with no justification or plausible explanation to do so, with an intent to come as close as possible to the Plaintiff's marks and evoke an association with it. Despite being put to notice of Plaintiff's proprietary rights, Defendant has continued using the impugned marks on and in relation to its services and part of its corporate name and corporate logo.

15. Defendant is *ex parte*, having opted not to contest the suit and thus at this stage, facts averred by the Plaintiff are uncontroverted. From the narrative in the plaint, it emerges that Plaintiff began its venture in the year 1906 in U.S.A., with the founding of predecessor-in-interest 'New Balance Arch Support Company', engaged in the manufacture and sale of footwear. Since 1986, Indian customers are purchasing or have been able to purchase footwear and clothing bearing Plaintiff's marks on travelling abroad, where Plaintiff operated the retails stores. Plaintiff has also incorporated subsidiary companies in India since the year 2007. For many years, Indian customers have also been able to purchase Plaintiff's goods through various e-commerce platforms such as amazon.in, myntra.in, flipkart.in. Plaintiff is today engaged in design, manufacture and sale of footwear and clothing in over 120 countries including India. Plaintiff has numerous subsidiaries and related entities worldwide including U.K., Singapore, Canada, Australia etc. Plaintiff's net revenue has been showing an impressive and steady increase over the years and was USD 2.7 billion in the year 2020. Plaintiff has spent enormous amount of money on promoting and advertising and the expenses incurred in the year 2020 are to the tune of USD 244 million. Plaintiff has received expansive media coverage over the years, in support of which plethora of documents have been placed on record. Apart from the domain name NEWBALANCE.COM, Plaintiff owns over 300 country-code top level domain names.

16. Plaintiff is stated to have expanded its reach on the World Wide Web by establishing official accounts on Facebook (8.5 million followers), Twitter (260k followers) and Instagram (6.4 million followers). Plaintiff has for several years sponsored and continues to sponsor variety of sports teams,

leagues and individuals which includes Sponsorships like NEW YORK ROAD RUNNERS, MAJOR LEAGUE BASEBALL, BOSTON RED SOX etc. and even currently has many endorsement deals. Plaintiff has trademark registrations across the globe in many jurisdictions including India, U.S.A, U.K. Singapore etc. Significantly, this Court in *New Balance Athletics, Inc. v. Apex Shoe Company Private Limited*, CS(COMM) 850/2018 has observed that Plaintiff's NEW BALANCE mark is a century old brand that deserves protection.

17. In view of the undisputed averments in the plaint, as aforementioned, which have not been traversed and a host of documents filed in their support thereof, in my view, the case of the Plaintiff fits in the four corners of Section 29(4) of the Act and therefore, the fact that the Defendant is offering services which are different from the goods for which the Plaintiff is registered, is irrelevant.

18. In *Bloomberg Finance LP v. Prafull Saklecha & Ors.*, 2013 SCC OnLine Del 4159, this Court held that Section 29(4)(c) does not expect the registered trademark of the Plaintiff to have become a 'well-known' trademark within the meaning of Section 2(1)(zg) of the Act for seeking protection against infringement and it would suffice if 'reputation' is established *albeit* if the Plaintiff establishes the status of a mark as a well-known trademark the burden would be easier to discharge. As noticed above, the long length of user of the trademarks by the Plaintiff, sales figures, amounts expended on promotion and publicity, number of outlets, subsidiaries etc. do reflect that Plaintiff has built a strong reputation and its trademark NEW BALANCE with its formatives has become a household name across India *qua* its products i.e. footwear and clothing.

19. In this context, I may also allude to a judgment of this Court in *Aktiebolaget Volvo & Ors. v. Mr. Vinod Kumar & Ors., 2011 SCC OnLine Del 1180*, where the registered trademark of the Plaintiff was VOLVO for goods including buses, cars, automobile parts etc. and a claim for infringement and passing off was laid against the Defendant who was using the mark VOLVO for ice creams. In the said case, the Defendant was not the registered proprietor of the trademark VOLVO in respect of ice creams. Court observed that Plaintiff has been able to make out a *prima facie* case, being a registered proprietor of the trademark and trade name in respect of various categories of goods. It is established that the word VOLVO was not generic and over a period of time starting from 1915 all over the world and from 1975 in India at least has attained certain amount of distinctiveness and reputation which distinguishes it from the rest and, therefore, Defendant cannot be permitted to infringe or dilute the mark in terms of Section 29(4)(c) of the Act even for dissimilar products namely, ice cream.

20. Learned counsel for the Plaintiff has strenuously articulated that Defendant is also guilty of passing off its goods as that of the Plaintiff. It is a settled law that the ingredients of passing off are: (a) misrepresentation, (b) made by a trader in course of trade, (c) to prospective customer of his goods or services, and (d) calculated to injure the business or goodwill of another trader. [*Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd., 1980 RPC 31*]. The principle or the edifice underlying a passing off action is that no one has a right to represent his goods or services as those of someone else and Courts must therefore come to the aid and restrain misrepresentation even though it may not be fraudulent. Since the services rendered by the Defendant under the impugned trademark are dissimilar, in

my view, the case of the Plaintiff would be squarely covered by the observations of the Allahabad High Court in ***Bata India Limited v. Pyare Lal & Co., Meerut City and Others, AIR 1985 All 242***, relevant paras of which are as follows:

“36. Great emphasis was laid by the learned counsel for the respondents on the underlined portion to say that there should be some similarity or relationship between the two products. This argument is supplemented by another argument that the plaintiff was not producing any goods like foam or analogous product. Consequently, there was no question of any deception being practised on the purchaser of foam materials in the market. This argument loses sight of an important feature viz., how would a lay customer know in the first place that the plaintiff was not producing foam or foam material? How would the customers know that Bata were not producing foam? It is well known that the name represented makers of shoes and analogous products, but a question would also arise in the mind of the lay customers whether Bata were also producing foam. Who is going to answer this question? Does an ordinary customer ask the seller as to whose product it is? The answer generally is in the negative. He buys a thing on the basis of his own impression.

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40. With great respect, I regret my inability to subscribe to the view taken by the Calcutta High Court. Merely because the plaintiff in the present case is not producing foam is not enough to hold that there can be no passing off action in respect of the user of the name ‘Bata’ to the products marketed by the defendants. The user of the name or mark ‘Bata’ by the defendants is indicative of their intent. It appears that they desire to market their foam with a view to gain some advantage in a competitive market. As seen earlier, there is no plausible explanation as to why the name ‘Bata’ was being used by them. A passing off action would lie even if the defendants were not manufacturing or producing any goods similar to that of the plaintiff. A passing off action would lie where a

misrepresentation is likely to be caused or a wrong impression created, as if the product was of someone else.”

21. Relevant would be to refer to a passage from the judgment in ***Thomas Bear and Sons (India) Ltd. v. Prayag Narain, (1941) 58 RPC 25***, which is as follows:

“A man is not to sell his own goods under the pretence that they are the goods of another man; he cannot be permitted to practise such a deception nor to use the means which contribute to that end. He cannot, therefore, be allowed to use names marks, letters or other indicia, by which he may induce purchasers to believe that the goods which he is selling are the manufacture of another person.”

22. Applying the aforesaid judgments and tested on their anvil, this Court is of the view Defendant’s use of the impugned mark which is deceptively similar to Plaintiff’s registered trademarks, in respect of the impugned services, is likely to cause confusion in the minds of the consumers that the services of the Defendant emanate from the Plaintiff, especially keeping in view the immense and formidable reputation of the Plaintiff. Misrepresentation by the Defendant is evident from the endeavour to come as close as possible to the trademarks of the Plaintiff and is with the sole purpose of encashing upon and taking unfair advantage of Plaintiff’s reputation, resulting in injury and harm to the formidable and immense goodwill and reputation of the Plaintiff as well as blur its reputed and registered trademarks. Defendant’s unauthorized use of the registered marks of the Plaintiff, therefore, amounts to infringement and passing off.

23. For all the aforestated reasons, this Court is of the view that Plaintiff has made out a *prima facie* case for grant of temporary injunction. Balance

of convenience lies in favour of the Plaintiff and in case the injunction is not granted, Plaintiff is likely to suffer irreparable loss.

24. Accordingly, Defendant, its shareholders, directors, officers, agents, representatives, managers, employees and agents, companies or entities that are related or affiliated to the Defendant, as the case may be, and all others, acting for and on behalf of the Defendant, are restrained from using the marks NEW BALANCE and NB or marks that are identical/similar to Plaintiff's marks, in any manner whatsoever, including, in relation to sale, advertising, and marketing of goods and/or services, or use as Defendant's corporate name, corporate logo, domain name, and/or on Defendant's business incidentals, during the pendency of the suit.

25. It is made clear that the views expressed in the present judgment and observations made are only *prima facie* and will have no bearing on the final adjudication of the suit.

26. Application is disposed of, in the above terms.

CS(COMM) 444/2022

27. List on 23.01.2023.

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JYOTI SINGH, J

OCTOBER 12, 2022/rk/shivam