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IN THE HIGH COURT OF DELHI AT NEW DELHI*Date of Decision: 24th March, 2022*

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CS (COMM) 657/2021 & I.A. 16736/2021**LEVI STRAUSS AND CO.**

..... Plaintiff

Through: Mr. Dushyant K. Mahant, Mr. Urfee Roomi and Mr. Vishesh Kumar, Advocates. (M:9811600017)

versus

**IMPERIAL ONLINE SERVICES PRIVATE LIMITED
& ORS.**

..... Defendants

Through: Ms. Shilpa Gamnani, Advocate.

CORAM:**JUSTICE PRATHIBA M. SINGH****Prathiba M. Singh, J. (Oral)**

1. This hearing has been done through hybrid mode.
2. The present suit seeking permanent injunction restraining trademark infringement, copyright infringement, passing off of trademark and other reliefs has been filed by the Plaintiff - Levi Strauss & Co. In the suit, the Plaintiff seeks protection of its stitching design, which is known as '*Arcuate Stitching Design*' mark. The said mark, as per the Plaintiff, was adopted in 1873 and is used on all the textiles including denim jeans, which are manufactured and sold by the Plaintiff. The said mark is as extracted below:





3. The grievance of the Plaintiff is that the Defendants were also selling denim jeans with the identical '*Arcuate Stitching Design*' mark through the website www.urbanofashion.com and other e-commerce platforms. The Plaintiff found the products with the infringing mark on various e-commerce platforms including amazon.in, flipkart.com, nykaafashion.com, myntra.com, snapdeal.com, limeroad.com and paytmall.com. The mark used by the Defendants is depicted below:



4. The Plaintiff had issued notices to the Defendants. Out of the Defendants impleaded in the present case, the Defendant Nos.2 to 5 are the directors of Defendant No.1 company. In response to the notices which were issued by the Plaintiff, the Defendants through their counsels had executed undertakings on 16th February, 2021. In the said undertakings, the Defendants acknowledged the sole and exclusive rights of the Plaintiff in the '*Arcuate Stitching Design*' mark. The Defendants also undertook that within six months from the date of undertakings, i.e., 15th August, 2021, all the infringing products would be removed and no further manufacturing, distribution, or sale of good including jeans shall be undertaken by the Defendants with the infringing mark or stitching design similar to Plaintiff's mark. The relevant extracts of the undertaking dated 16th February, 2021 are



set out below:

“4. IOSPL acknowledges that LS & Co. has sole and exclusive rights in the Arcuate Stitching Design trademark (as shown in Annexure A);

5. IOSPL has sold, and continues to sell, jeans bearing the stitching designs shown in Annexure B under its own brand names, including the brand name, NEOSTREAK and URBANO FASHION;

6. Within a period of six (6) months from the Effective Date, IOSPL will cease any and all uses of(a) the stitching designs shown in Annexure B; (b) the Arcuate Stitching Design trademark shown in Annexure A; (c) any marks incorporating the Arcuate Stitching Design trademark shown in Annexure A; or (d) any other marks similar to the Arcuate Stitching Design trademark shown in Annexure A, on and in relation to any goods and/or services, including, but not limited to, readymade garments and related goods and services. After a period of six (6) months from the Effective Date, IOSPL will destroy any inventory of finished or unfinished jeans, and any other materials, such as advertising and promotional materials bearing the marks in 6(a) to (d) above that are in its possession or control;

7. IOSPL undertakes that after a period of six (6) months from the Effective Date, IOSPL will never use or have any involvement in the manufacture, distribution or sale of goods, including jeans, at any future time, whether directly or indirectly, bearing any of the following (a) the stitching designs shown in Annexure B; (b) the Arcuate Stitching Design trademark shown



in Annexure A; (c) any marks incorporating the Arcuate Stitching Design trademark shown in Annexure A; or (d) any other marks similar to the Arcuate Stitching Design trademark shown in Annexure A;”

5. However, it is the submission of the ld. counsel for the Plaintiff that despite giving the undertaking, the Defendants continued to manufacture and offer for sale the said denim jeans with the Plaintiff’s ‘*Arcuate Stitching Design*’ mark, which has led to filing of the present suit by the Plaintiff.

6. Vide order dated 22nd December, 2021, this Court had granted *ad-interim* injunction in terms of paragraphs (a) and (b) of the prayer in the application, which reads as under:

“a) An order for interim injunction restraining the Defendant No.1, and all others acting for and on behalf of the Defendant, including the Defendant Nos. 2 - 5, from manufacturing, marketing, offering for sale and selling, whether directly or indirectly, and whether on the internet or otherwise, any goods, including, most prominently, denim jeans, bearing the Impugned Stitching Design mark which are deceptively similar to the Plaintiffs Arcuate Stitching Design mark or any other stitching patterns/ designs that are identical/ deceptively similar to the Plaintiffs Arcuate Stitching Design mark as depicted in paragraph 2 of the instant application, thereby resulting in violation of the Plaintiffs statutory and common law rights in the Plaintiffs Arcuate Stitching Design mark as depicted herein more specifically



b) An order for interim in junction restraining the Defendant No.1, and all others acting for, and on behalf of, the Defendants, including the Defendant Nos. 2-5, from doing any act that amounts to trademark infringement of the Plaintiffs Accurate Stitching Design Marks bearing Registration Nos. 352692, 382357, 851939 and 1625122;

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24. Issue notice.

25. Notice is accepted on behalf of the defendants by Ms. Shilpa Gamnani. Reply, if any, be filed within four weeks with advance copy to learned Counsel for the plaintiff who may file rejoinder thereto before the next date of hearing.

26. List before the Court on 24th March, 2022.

27. Till the next date of hearing, there shall be an ad-interim order in terms of prayers (a) and (b) in this application”



7. Post the Defendants being served, written statement has been filed by them. In the written statement, it is explained that an initial extension of six months was sought for disposal of the stock, however, the same could not be diligently adhered to due to the pandemic period and lockdowns associated thereto. The relevant paragraphs read:

“8. During April-June 2021, the country was hit by the second wave of the COVID-19 pandemic and the resultant lockdowns in several states severely hampered the sales of the Defendant's products for more than 2 months. However, in compliance with its obligations as per the Undertaking, the Defendant cleared all stock containing the Arcuate Stitching Design Trademark and was in the process of updating its product listings across platforms to reflect its updated designs. However, on 09 September 2021, the Defendant was apprised of takedown requests by the Plaintiff for its product listings on the e-commerce website, Amazon.com. Upon enquiry, the Defendant received a letter dated 14 September 2021 from the Plaintiffs counsels alleging violation by the Defendant of its obligations in the Undertaking.

9. The Defendant, by way of its response dated 21 September 2021, informed the Plaintiff of the reason for the delay in updating the product listings i.e., the unforeseen pandemic situation and, in view of the resultant impact on its sales, sought an additional period of 3 weeks to effectuate the removal. Through its response dated 08 October 2021, the Plaintiff permitted the Defendant to cease any and all use of the Arcuate Stitching Design Trademark by 15



October 2021.

10. Thus, it is evident from the aforesaid that the Defendant's usage of the Arcuate Stitching Design Trademark was, at first, honest and concurrent usage and thereafter, till 15 October 2021 amounted to permitted use in terms of Section 2(r)(ii)(c) of the Trade Marks Act, 1999 (Act).

***11. The Defendant states that it has not sold any products bearing the Arcuate Stitching Design Trademark after 15 October 2021 and had also effectuated complete removal of its products containing the Trademark across all platforms by such date.** This fact was also informed to the Plaintiff by the Defendant's letter dated 16th December 2021. A copy of the letter dated 16th December 2021 sent by the Defendant via its counsel to the Plaintiff's counsel is being filed with the present Written Statement."*

8. Even today, submission of Id. Counsel for the Plaintiff is that the products of the Defendants are still available on various e-commerce platforms. It is further submitted that Defendants are not abiding by the undertakings given by them and the *ad interim* injunction granted by the Court vide order dated 24th March, 2022 and hence, the Defendants are guilty of contempt.

9. On the other hand, Id. Counsel for the Defendants submits that the Defendants are willing to suffer the decree of permanent injunction and they have no intention of manufacturing and offering for sale any fabrics or textiles or garments with the 'Arcuate Stitching Design' mark of the Plaintiff. However, she submits that the Plaintiff had demanded a sum of



Rs.8.5 lakhs as legal cost and damages, which is being objected to by the Defendants.

10. Heard the Id. Counsel for both the parties. The record in the present case reveals clearly that the Defendants had adequate notice of the Plaintiff's rights in the mark. They gave an undertaking on 16th February 2021, which was forwarded by their Id. counsels to the Plaintiff. However, they did not abide by the said undertakings leading to the filing of the present suit. An extension was sought by the Defendants on September 2021 prior to filing of the suit, which according to the Plaintiff, was again not adhered to by the Defendants. This led to the filing of the present suit.

11. It is not disputed by Id. Counsel for the Defendants that the images of the Defendants' products are available on the e-commerce platforms, though she submits that the Defendants have stopped the manufacturing and offering the products for sale.

12. In the opinion of this Court, once this Court has held that the Defendants shall be restrained from infringing the Plaintiff's mark, even exhibition of images, which are attributed to the Defendants on e-commerce platforms would be violative of the injunction order passed by this Court.

13. Insofar as the '*Arcuate Stitching Design*' mark is concerned, the Plaintiff seeks protection of the mark against misuse by the Defendants. The definition of mark under Section 2(m) is as under:

“(m) “mark” includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof;”

14. Under the law of trade marks, the definition of 'mark' has evolved



over time. Traditionally, trademarks included names, words, devices, logo, label/packaging, letters, numerals etc. However, this list of trademarks has expanded over the years to include colour, combination of colours, shape of goods, patterns of products, smell, and sound marks etc. These broad two categories of marks are loosely referred to as -

- Traditional Trademarks
- Non-Traditional Trademarks.

15. The present case relates to a stitching pattern which is not a product design i.e., the design of a product, but a pattern which is incorporated on Plaintiff's jeans products. The question in such a case would be as to whether mere appearance of the said stitching pattern would perform a trademark function i.e., associate the jeans with the Plaintiff. If the answer to this question is in the affirmative then the pattern would be construed as a trademark deserving protection. There may be a large number of stitching patterns which may be merely for aesthetic or visual appeal. However, when a trademark owner's stitching pattern *per se* identifies the jeans, even without a name or a logo, then the intention of the proprietor is for the pattern to perform the function of a trademark. In such a case, the Court would have to examine as to whether the stitching pattern has an 'acquired meaning', or is distinctive *per se*. The test of acquired meaning is similar to the test of secondary meaning applied to descriptive words. In **McCarthy on Trademarks and Unfair Competition** [4th Ed., Vol.1,], J. Thomas McCarthy while dealing with geometric shapes as trademark formats opines as under:

"However, uncommon or unusual shapes and symbols that contain some minimum amount of inventiveness or fancifulness can be regarded as inherently distinctive and



protected as such, without the need for proof of secondary meaning. The issue is whether this shape is so unusual for this type of goods or services that its distinctiveness can be assumed.”

16. In *Lois Sportswear, USA, Inc. v. Levi Strauss & Co.*, 631 F. Supp.735 (S.D.N.Y. 1985), the US District Court for the Southern District of New York, while considering this very ‘Arcuate Stitching Design’ mark, held as under:

“Based on the above analysis, Levi’s arcuate mark is a strong mark that qualifies for a high degree of protection. In addition to its status as an incontestable registered mark, the Levi’s arcuate mark is a fanciful design which has no function other than as a source indicator. Furthermore, assuming Levi needed to establish secondary meaning, Levi has presented evidence of widespread advertising and promotion of Levi’s jeans featuring the Levi’s arcuate mark, continuous use of the mark for more than a century, and sales of more than 800 million pair of jeans bearing the Levi’s mark since 1971. Evidence of sales success, advertising expenditures, and length and exclusivity of use are factors relevant to a determination of the strength of a mark.

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In the present case, the Levi accurate mark is not merely a fragment of a larger mark including the Levi name but instead has an independent degree of recognition and connection with Levi Strauss, unlike, for example, the McGregor-Drizzle mark in McGregor-Doniger, supra.”



17. The US District Court, thus, held that the ‘Arcuate Stitching Design’ mark is fanciful and a registered trademark deserving of protection. The said decision has been affirmed by the United States Court of Appeals, Second Circuit in *Lois Sportwear, U.S.A., Inc., v. Levi Strauss & Co.* 799 F.2d 867 (1986). The observations of the said Court establish, without any doubt, the global reputation in the ‘Arcuate Stitching Design’ mark. The same reads –

“We affirm the district court's grant of summary judgment in favor of appellee. When the Polaroid factors are applied to the undisputed facts in the instant case within the context of the proper likelihood of confusion possibilities, it is clear that the district court was correct in enjoining appellants' use of appellee's trademark back pocket stitching pattern. Judge Sweet's opinion evidences an excellent understanding of the trademark law of this Circuit. While appellants' trade dress may dispel some point-of-sale confusion engendered by appellants' use of appellee's distinctive trademark, the labeling does nothing to prevent consumers from mistakenly assuming that appellee is somehow associated with appellants or has consented to the mark's use. Also, the record shows the distinct likelihood of post-sale confusion. In light of the undisputed evidence which compels these legal conclusions, summary judgment in favor of appellee was appropriate. In short, we hold that the Lanham Act forecloses one jeans manufacturer from using another jeans manufacturer's distinctive back pocket stitching pattern trademark when the evidence is undisputed that the trademark



stitching pattern is intimately associated with its owner and the infringing use likely will cause confusion as to the source of the jeans and an unfair shift of goodwill.”

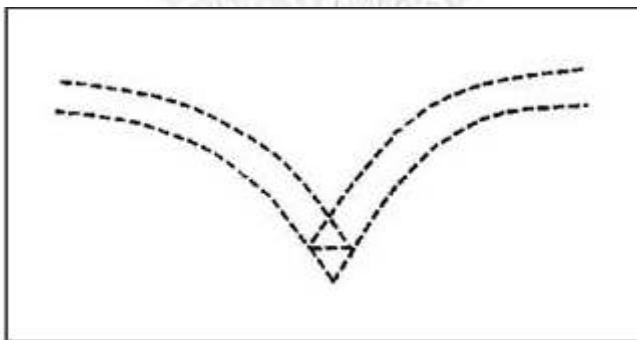
18. The United States Court of Appeals, Ninth Circuit, in *Levi Strauss Co. v. Abercrombie Fitch* 633 F.3d 1158 (9th Cir. 2011) while considering aspects of dilution of the ‘Arcuate Stitching Design’ mark observed:

“Levi Strauss created, and began selling, blue jeans in the 1870s. Since 1873, the company has stitched the back pocket of its jeans with two connecting arches that meet in the center of the pocket; Levi Strauss holds a federally registered trademark on this "Arcuate" design. Sales of garments bearing the Arcuate mark have accounted for more than ninety-five percent of Levi Strauss's revenue over the past thirty years, totaling roughly fifty billion dollars. Levi Strauss actively monitors use of competing stitching designs and enforces its trademark rights against perceived infringers.”

19. It is important to note that the trade mark in question i.e., the ‘Arcuate Stitching Design’ mark has been used on jeans, pants, and trousers of the Plaintiff since the first pair of jeans were created by it in the year 1873 and it serves as a unique identifier in respect of the goods of the Plaintiff. The first trade mark registration for the ‘Arcuate Stitching Design’ mark dates back to 1943, granted in the US. Since then, the mark has been registered as a trade mark by the Plaintiffs in numerous countries, as is evident from the documents placed on record. It is also a registered trade mark in India, details of which is as under:



TM Application No.	851939
Class	25
Date of Application	19/04/1999
TM Applied for	Device
Trade Mark Type	Device
Valid Upto/Renewed upto	19/04/2029
Proprietor Name	(1) LEVI STRAUSS & CO. Trading As: Levi Strauss & Co., Body Incorporate
Goods & Service Details	[CLASS: 25] Clothing, Headgear and Footwear.



20. This Court is of the opinion that the '*Arcuate Stitching Design*' mark has become 'well known' to the public which uses garments carrying the said mark, that the use of the '*Arcuate Stitching Design*' mark in relation to other goods or services would likely be taken as indicating a connection between those goods and the Plaintiff. The mark of the Plaintiff is thus an extremely distinctive mark which has acquired secondary meaning due to extensive use spanning over one and a half century.

21. On facts, the Defendants have already agreed to the passing of a permanent injunction. Considering the stand taken by Id. Counsel for the



Defendants before the Court, it is deemed appropriate to bring an end to this dispute by decreeing the suit by awarding partial costs to the Plaintiff.

22. Accordingly, in recognition of the trademark rights and common law rights in the '*Arcuate Stitching Design*' mark in favour of the Plaintiff, the suit is decreed in terms of paragraphs 76(a), 76(b), 76(c) & 76(d) of the plaint. The Defendants also stand restrained from seeking any statutory rights by applying for trademarks or copyrights in respect of the '*Arcuate Stitching Design*' mark. If any applications have been filed by the Defendant, the same shall be withdrawn within 30 days.

23. Insofar as the images, which are currently being displayed on various e-commerce platforms, are concerned, the Defendants shall write to the said e-commerce platforms and shall ensure that the said images are removed within a maximum period of 30 days from today. Ld. counsel for the Plaintiff shall be kept in the loop of communication which will be addressed to the e-commerce platforms. All the e-commerce platforms are directed to ensure that the said images containing the '*Arcuate Stitching Design*' mark of the Plaintiff are removed from their websites and that no further sale of any garments with the '*Arcuate Stitching Design*' mark is permitted on their platforms by the Defendants.

24. The Defendants shall further pay a sum of Rs.4 lakhs within four weeks to the Plaintiff as nominal costs in view of the fact that the Defendants have completely failed to abide by their repeated undertakings, as also the fact that exhibition of images on e-commerce platforms constitutes violation of the *ad interim* injunction passed by this Court. However, if it is found that there is non-compliance of the present order within the period of 30 days or if the Defendants indulge in any action



which is violative of the injunction orders being passed, the Plaintiff is given liberty to approach this Court.

25. Considering the long period of 150 years, during which the ‘*Arcuate Stitching Design*’ mark has been used for Levi’s jeans, trousers, pants and other garments, and the factors outlined above, the said mark has achieved the status of a well-known mark. Accordingly, a decree of declaration declaring the said mark as a ‘*well-known*’ mark in terms of paragraph 76(h) of the plaint is also passed.

26. The suit is decreed in the above terms. The decree sheet be drawn up accordingly.

27. The suit, along with all pending applications, is disposed of.

28. The next date of hearing before the Joint Registrar i.e., 18th May, 2022 stands cancelled.

PRATHIBA M. SINGH
JUDGE

MARCH 24, 2022/dk/sk
(corrected & released on 05th April, 2022)