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

Date of decision:-11th July, 2023.

+ **CS(COMM) 620/2019 and I.A. 15552/2019**

NEW ERA CAP CO. INC.

..... Plaintiff

Through: Mr. Saif Khan, Mr. Shobhit Agarwal
and Mr. Prajjwal Kushwaha,
Advocates.

versus

M/S GALAXY CAPS

..... Defendant

Through: None.

CORAM:

JUSTICE PRATHIBA M. SINGH

Prathiba M. Singh, J. (Oral)

CS(COMM) 620/2019 & I.A. 15552/2019 (u/Order XXXIX, Rule 1& 2 CPC)

1. This hearing has been done through hybrid mode.
2. The Plaintiff-New Era Cap Co. Inc., a US based company has filed the present suit seeking protection of its registered trade mark 'NEW ERA'.
3. The Plaintiff is a global headwear company founded in the year 1920, and is since stated to have become a global sports headwear designer and manufacturer. It makes more than 60 million licensed and non-licensed caps per year, as well as other apparel and accessories under the trademark 'NEW ERA' (hereinafter, 'subject trademark'). The Plaintiff claims to be the exclusive manufacturer and marketer of Major League Baseball's ('MLB') merchandise worn by the players of every major and minor league in the US. It is also officially licensed to manufacture and sell caps for the



National Football League (‘NFL’) and National Basketball Association (‘NBA’) and other sporting bodies in the US

4. The mark ‘NEW ERA’ and its accompanying logos are registered in India, the details of which are as under:-

S.No.	Trademark No.	Trademark	Registered w.e.f	Class
1.	964861		19/10/2000	25-ATHLETIC CAPS
2.	964862		9/10/2000	25-ATHLETIC CAPS
3.	964864	59 FIFTY (WORD)	19/10/2000	25-ATHLETIC CAPS
4.	1174383	BLANK BAR BLANK LOCK BOX VISOR STICKER DESIGN 	25/07/2013	25 – HEADWEAR
5.	1330468	NEW ERA FITS (WORD)	06/01/2005	25-ATHLETIC CAPS
6.	2051243	NE FLAG DEVICE 	09/11/2010	14. 16. 18,25
7.	3855739	NE BLACK BOX DESIGN 	08/06/2018	35- ADVERTISING DISTRIBUTION, MARKETING. WHOLESALE. RETAIL ETC.



5. Some of the artistic works accompanying the said subject trademarks being original artistic works are also entitled to copyright protection under the Copyright Act, 1957. The average global advertisement expenditure of the Plaintiff for its products are approximately 85 million dollars in 2017. Additionally, in India itself, the sales turnover since 2015 are more than Rs. 3.12 crores. In 2017, the Plaintiff had engaged Mr. Virat Kohli, the Indian Cricketer as its brand ambassador. The Plaintiff also claims that the subject mark, the flag device and the logos are well recognised marks in India.

6. The Plaintiff's grievance in the present case is related to Defendant-M/s. Galaxy Caps, a sole proprietary concern of Md. Aziz Hasan Siddiqui. The Defendant is engaged in the manufacture and sale of caps using the identical 'NEW ERA' brands, logos and artistic works. Thus, the Plaintiff had filed the present suit seeking permanent injunction and damages.

7. After perusing the record and the enquiries made by the Plaintiff, vide order dated 7th November 2019, this Court had granted an *ex parte ad-interim* injunction. The operative portion of the said order is set out below:-

"5. It is the case of the plaintiff that the plaintiff's genuine products are manufactured with precision after going through strenuous quality check points before being approved for sale in the market. Each of the products is manufactured and packed in a particular form and manner having specific dimensions, sizes, quantities, holograms, literature, get-up and artwork among others. The products sold by the defendant lack these features and by the look of it appear as cheap imitations making it evident beyond doubt that they are counterfeits made and sold without authorization from the plaintiff. According to the learned counsel for the plaintiff, the products sold by the defendant have not been manufactured by the



plaintiff and are not genuine New ERA products. The defendant is manufacturing the products and copyright them without the permission or license from the plaintiff. The infringing products being sold by the defendant further lack the quality and the plaintiff takes pains to achieve for a genuine product.

6. In substance, it is his plea that the products manufactured by the defendant is an infringement of the trademarks of the plaintiff and is a clear attempt by the defendant to passing off their goods as those originating from or having association with the plaintiff, thereby violating the plaintiffs common law rights in the trademark. My attention has been drawn by the learned counsel for the plaintiff to various documents attached along with the plaint in support of his submissions as noted above.

7. Having heard the learned counsel for the plaintiff, this court is of the view that the plaintiff has made out a prima facie case and the balance of convenience is also in favour of the plaintiff. Accordingly, this court restrains the defendant, its proprietors or partners as the case may be, agents, servants, distributors and any other persons acting for and on behalf of the defendants from using the mark 'NEW ERA' (word), 59



FIFTY (word), {NE Flag Device} [Visor Sticker Design] and/or NEW ERA logo/device or any other mark deceptively similar thereto or in relation to manufacturing, selling, offering for sale, advertising, importing, exporting, or in any manner commercially dealing in any goods or services using the said trademarks, including as part of any domain name/s, company name/s, website, social media, email, or any online material, amounting to infringement of the plaintiff registered trademarks till the next date of hearing.”



8. Three Local Commissioners ('LCs') were also appointed by the Court to conduct the search and seizure. The said LCs filed their reports in 2019 which reveals that a total of more than 200 products bearing the 'NEW ERA' mark, logo and artistic works were seized. The inventory prepared by the said LCs are set out below:-

<i>Location of the LC</i>	<i>Description of goods seized</i>	<i>Qty of goods seized</i>
M/S GALAXY CAPS, 4973, Ground Floor and First Floor, Sadar Manzil, Gali Maliyan, Ahata ki Dera Chowk, Opp Patna Wall Masjid, Bara Hindu Roa, Delhi-110006.	Caps with the logo of the subject mark	32 pieces
	Caps with tags bearing the subject mark	52 pieces
Building No. 5171, Shop No. 01, 5 7, First Floor, Rui Mandi, Main Road, Sadar Bazar, Near Bara Tuti Chowk, Delhi-110006	Caps with the logo of the subject mark	81 pieces
6986-6987, Ground Floor, Gali Kumharan, Opposite Phool Mandir, Pahadi Dheeraj, Sadar Bazar, Delhi - 110006	Caps with the logo of the subject mark	49 pieces
Total		214 pieces

9. Since the filing of the suit and execution of the LC, the Defendant has not appeared in the matter. The Defendant had initially entered appearance in 2020 and 2021, but thereafter there was no appearance. Even today, the Defendant has not entered appearance. Additionally, even the written statement was not filed, and continued to remain under objections. A perusal



of the order sheet would show that repeated orders have been passed by the Id. Joint Registrar to bring the written statement on record. Vide order dated 15th September 2022, it has been categorically recorded that the Defendant has not refiled the written statement.

10. Subsequently, the written statement has been belatedly brought on record. As per the written statement, the Defendant asserts that it is using a completely different brand and logo. It also claims to be a proprietary concern run by two persons i.e. Defendant-Md. Aziz Hasan Siddiqui *alias* Chhotan Laheri, and Mrs. Mehzabin Khatun at the address mentioned below:-

“That the Defendant, namely. Galaxy Caps, is a sole Proprietorship concern which is being run by its sole Proprietor Mahjabin Khatun and Mr. Aziz Hassan Siddiqui alias Chhotan Laheri who is mentioned in the plaint as a proprietor but in fact he is the husband of Mahjabin Khatun. The defendant having its shop at - 4973, First Floor, Sadar Manzil, Gali Maliyan, Ahta Ki Dera Chowk, Opposite Patna Wali Masjid, Bara Hindu Rao, Delhi 110006 , also having its shop at - 5171, shop no. 01, 5 & 7, First Floor, Rui Mandi, Main Road, Sadar Bazar, Near Bara Tuti Chowk, Delhi - 110006, and also having its Godown at- 6986-6987, Ground Floor, Gali Kumharan, Opposite Phool Mandir, Pahadi Dheeraj, Sadar Bazar, Delhi - 110006, is engaged in the manufacturing, marketing and selling



of the caps under the trademark/logo ”

11. In addition, the Defendant also claims to be using the mark 'GALAXY' for its caps. In para 4 of the written statement, the Defendant categorically



makes an assertion that it has never manufactured and sold any counterfeit caps under the subject mark. The said paragraph reads:

“4. That the defendant never manufactured/ marketed/sold any counterfeited caps using the identical NEW ERA trademark and trade dress. The Defendant and her husband were out of Delhi and in their absence some caps were purchased from one Mr. Kalam R/o. Chithi Cover, Jama Masjid, in front of Gate No.1, Delhi. These purchased goods were supplied to the defendant in beg in which some impugned goods were also supplied without any knowledge of defendant. The defendant totally unaware about the infringing goods. It is pertinent to mention herein that some impugned caps supplied defendant by one Mr. Kalam have been recovered during the raid conducted by the local commissioner in accordance with the order, but the Defendant is not engaged in the manufacturing/ marketing/ supplying of the impugned goods under the trademark/logo 'NEW ERA' or any other similar/ identical trademark to the 'NEW ERA'.”

12. The Defendant also claims that the said products were purchased from one Mr. Kalam, R/o. Chithi Cover, Jama Masjid, in front of Gate No. 1, Delhi and were stocked in the Defendant's shop. No documents have been placed on record to support this plea. Apart from the above pleas as stated in the written statement, no other substantive plea has been raised in the written statement.

13. Clearly, based on the seizures made by the LCs, there is no doubt that the Defendant was using the trademark 'NEW ERA' along with the accompanying logos and devices. The Plaintiff is the registered proprietor of the mark 'NEW ERA' and its logos, vide trade mark registration bearing no.



3855739 in Class 35. The Plaintiff also has other registrations. The same have been detailed at para 4 of this order, and para 4 of the plaint.

14. In *K.R Impex v. Punj Lloyd [CS(Comm) 646/2016, decision dated 8th Jan. 2019]*, this Court considered whether the Plaintiffs, in a suit of permanent injunction, are entitled to summary judgment on the basis of the pleadings and documents. The Id. Single Judge of this Court granted a summary judgment for permanent injunction on the basis of the pleadings and documents filed, and observed as follows:

“26. Though proviso to Rule 2 of Order XIII A unequivocally lays down that no application for summary judgment may be made after the Court has framed the issues, but it cannot be forgotten that Supreme Court in ITC Limited Vs. Debts Recovery Appellate Tribunal (1998) 2 SCC 70 has held that merely because issues have been framed, is no reason for the trial to be undertaken, if it is brought to the notice of the Court that the same is not necessary. The Courts have in innumerable judgments referred to in Dr. Zubair Ul Abidin Vs. Sameena Abidin @ Sameena Khan (2014) 214 DLT 340 (DB) (SLP(C) No.369/370 preferred whereagainst was dismissed on 16th January, 2015), Geodis Overseas Pvt. Ltd. Vs. Punjab National Bank 2016 SCC OnLine Del 1037 as well as in A.N. Kaul Vs. Neerja Kaul 2018 SCC OnLine Del 9597 held that the Court on each and every date of hearing has to ensure that no litigation which is deadwood remains pending on the roster of the Court at the cost of other deserving litigations and it is the duty of the Court to eliminate the deadwood on each and every stage. Rule 1 of newly added Chapter XA of the Delhi High Court (Original Side) Rules, 2018, introduced with effect from 1st November, 2018 also permits the Court to, of its own, pass summary judgment at the time of Case



Management Hearing which can also be post framing of issues in the suit.

27. The purpose of the proviso to Rule 2 of Order XIII A is to discourage filing of applications for summary judgment after issues have been framed, thereby delaying trial and to empower the Court to, if finding the same to be dilatory, dismiss the same in limine. The proviso to Rule 2 of Order XIII A, in my opinion, cannot be read mandatorily and to that extent is directory.

28. The objective of the Commercial Courts Act even otherwise is to expedite the disposal of the commercial suits and none of the provisions thereof can be interpreted as counterproductive to the said objective of the Commercial Courts Act and it would delay rather than expedite the disposal of commercial suits, if inspite of finding a suit to be befitting of summary judgment, the Court considers itself constrained merely on account of issues having been framed.”

15. The use of any identical mark, name and logo would constitute infringement and passing off. In addition, it would also dilute the Plaintiff's mark. There is sufficient evidence to show that the Defendant has, in fact, been using the Plaintiff's mark and selling its caps with the Plaintiff's mark. The Defendant in its written statement claims that it has not manufactured or sold such products with the Plaintiff's mark. It is, thus, clear that there is no impediment in injuncting the Defendant from using the Plaintiff's marks and logos.

16. Accordingly, the prayer for permanent injunction is granted, and following directions are issued:

- a) The Defendant No.1-Galaxy Caps shall stand restrained from using the trade mark 'NEW ERA' and/or 'NEW ERA' logos,



devices or any other marks deceptively similar in respect of caps, headwear or any other apparel.

- b) The Defendant No. 1- Galaxy Caps shall also stand restrained reproducing, or otherwise using the 'NEW ERA' logos, labels, and trade dress/packaging of the 'NEW ERA' products amounting to infringement of the Plaintiff's copyright.
- c) In addition, considering the seizure of the goods made by the LCs and taking into account the expenses incurred by the Plaintiff towards LC expenses and the Court fee, costs of Rs.4,00,000/- are awarded in favour of the Plaintiff.
- d) The goods which were seized by the LCs shall be destroyed by the Defendant in the presence of the Plaintiff.

17. The suit is decreed in the above terms. Decree sheet be drawn accordingly.

18. All pending applications are disposed of.

PRATHIBA M. SINGH
JUDGE

JULY 11, 2023

mr/dn