



\$~17

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Date of decision:-22nd November, 2023.

+ **CS(COMM) 189/2019, I.As. 5370/2019 & 8280/2023**
AERO CLUB Plaintiff
Through: Mr. Prithvi Singh, Ms. Devyani
Nath, Advs. (M. 8860680136)
versus
M/S SAHARA BELTS Defendant
Through: Mr. Bhuvneshwar Tyagi, Adv
CORAM:
JUSTICE PRATHIBA M. SINGH

JUDGMENT

Prathiba M. Singh, J.

1. This hearing has been done through hybrid mode.

Brief Facts

2. The present suit relates to the trademark 'WOODLAND'. The Plaintiff, filed the present suit, seeking an injunction against the Defendant, restraining them from manufacturing, offering for sale, selling, advertising, directly or indirectly any products bearing the registered trademark 'WOODLAND' of the Plaintiff.

3. The Plaintiff adopted the said mark in the year 1992 along with a distinctive device. The said mark is used for manufacture, sale and export of various products including footwear, apparel products, lifestyle products like belts, wallets, shoes, shirts, T-shirts *etc.* The mark 'WOODLAND', 'WDL',



'TREE device' and 'WOODLAND' label are registered by the



Plaintiff. The details of the registrations are set out in paragraph 7 of the plaint which are extracted below:

<i>Regn/ Appln No.</i>	<i>Trademark</i>	<i>Date of Appln / User Date:</i>	<i>Class</i>	<i>Status</i>
573949		<i>Date of Appln:</i> 25/05/1992 <i>User Date:</i> 21/05/1992	25	<i>Registered</i>
710548		<i>Date of Appln:</i> 23/07/1996 <i>User Date:</i> 31/12/1993	25	<i>Registered</i>
710551		<i>Date of Appln:</i> 23/07/1996 <i>User Date:</i> 01/01/1993	25	<i>Registered</i>
1487602		<i>Date of Appln:</i> 15/09/2006 <i>User Date:</i> 01/01/1993	18	<i>Registered</i>
1547117		<i>Date of Appln:</i> 05/04/2007	41	<i>Registered</i>
1547769		<i>Date of Appln:</i> 09/04/2007 <i>User date:</i> 17/01/1993	35	<i>Registered</i>



1547771		Date of Appln: 09/04/2007	37	Registered
1877596	WOODLAND	Date of Appln: 28/10/2009	32	Registered
1867259	WOODLAND ACTIVE OUTFITTERS	Date of Appln: 25/09/2009 User date: 31/05/2007	25	Registered
3727313		Date of Appln: 15/01/2018 User date: 22/01/2014	25	Registered
1029555		Date of Appln: 23/07/2001	25	Registered

4. The said marks are created by the Plaintiff with enormous precision as has been explained in paragraph 11 of the Plaint, which is extracted below:



“11. That the 'Tree Device' of the Plaintiff consists of a combination of 18 leaves that are carefully structured and uniquely designed to give it a distinctive overall get up. The 'Woodland Label'



comprises of the word 'WOODLAND' wherein the first letter 'W' and the last letter 'D' are written in a larger font than the rest of the letters. The



'Tree device' bearing 18 leaves arranged in a distinctive manner also appears in the centre of the said label mark."

5. It is also averred that the 'Tree Device' and 'Woodland Label' of the Plaintiff are also protected for its original artistic works under section 2 (c) of the Copyrights Act, 1957.

6. The 'WOODLAND' trademarks as per the Plaintiff have acquired extensive goodwill and reputation. The domestic sales of the Plaintiff under the 'WOODLAND' trademark for the financial year 2017-18 are stated to be almost Rs.1000 crores. The 'WOODLAND' marks have also been advertised in national newspapers. A substantial amount of Rs.17 crores has been incurred on promotion in the year 2017-18 for promoting and advertising the mark.

7. The Defendant is M/s Sahara Belts, having its office at 2322-A, Ground Floor, Navyug Guest House, Near Rui Mandi, Sadar Bazar, New Delhi-110006. The Plaintiff learnt about the Defendant sometime in March, 2019, that it has been selling counterfeit 'WOODLAND' products, and so it appointed an Investigator. The said Investigator's report revealed that the shop is owned by one Mr. Javed Alam who is marketing and selling counterfeit products *i.e.*, belts, belt-buckles and wallets bearing the registered 'WOODLAND' mark. The Investigator also effected purchase of the products at Rs.32/-, Rs.42/- and Rs.140/- for three belts which he had purchased. The *kaccha* invoice has also been placed on record. The investigator also observed that the Defendant shop had a warehouse located on the same premises. In view thereof, the Plaintiff filed the present case.

8. The Court, vide an order dated 12th April, 2019, passed an *ex parte*



ad interim injunction and appointed a local commissioners to effect a search and seizure of the infringing products at the Defendant's premises in the following terms:

"11. The plaintiff, on the basis of the averments made in the plaint and documents filed therewith has made out a case for grant of ex-parte ad interim injunction.

12. Till further orders, the defendant in both the suits are restrained from manufacturing, selling, offering for sale, advertising or otherwise dealing in products bearing the plaintiffs label 'WOODLAND' and/or the plaintiffs tree device as depicted herein below:



[Woodland Tree Device]



[Woodland Label]

13. The plaintiff has also sought appointment of Court Commissioner to visit the premises of the defendant in both the suits and to seize the counterfeit / infringing goods.

14. The plaintiff, on the basis of the averments in the plaint and the documents filed therewith, has also made out a case for ex parte issuance of Commission.

15.....appointed as the Court Commissioners to visit the premises mentioned against their names and to make an inventory of and take into custody the goods / material bearing the label / mark 'WOODLAND' or the tree device of the plaintiff or any deceptively similar mark including packaging, blocks, dies, cartons and any printed matter and to inspect all books of account including ledgers, cash books, purchase and sale records etc. The seized goods be offered on superdari, if any offered by the defendant."

9. The Local Commissioner's report dated 3rd May, 2019 has been placed on record which reveals that a large quantum of counterfeit products



like belts, wallets and belt-buckles were found at the Defendant's premises. The photographs from the Local Commissioner's report are extracted herein below:





2023 : DHC : 8423





2023 : DHC : 8423





2023 : DHC : 8423





2023 : DHC : 8423





10. The Local Commissioner also prepared an inventory of all the counterfeit belts, wallets and belt-buckle which are as under:



S. No.	Bags	No. of goods
1	54 Bags (Serial No. 1 to 54) containing 150 Belts in each bag.	8,100
2	1 Bag (Serial No. 55) containing 90 Belts.	90
3	1 Bag (Serial No. 56) containing 120 Belts.	120
4	5 Bags (Serial No. 57 to 61) containing 240 Belts in each. (5X240)	1,200
5	1 Bag (Serial No. 62) containing 600 Belts.	600
	Total Belts	10,110
6	1 Bag (Serial No. 63) containing 400 Wallets	400
7	1 Bag (Serial No. 64) containing 300 Wallets	300
8	1 Bag (Serial No. 65) containing 171 Wallets	171
	Total Wallets	871
9	1 Bag (Serial No. 66) containing 903 Buckle	903
	Total Buckle	903

(Total 66 Bags)

11. Thereafter, the Plaintiff moved an application *i.e.*, **I.A. 8280/2023** under Order XIII-A CPC, 1908 seeking a decree by way of a summary judgment.

Submissions

12. Today, Mr. Prithvi Singh, Id. Counsel for the Plaintiff has submitted that an identical mark has been used and the Defendant is guilty of counterfeiting. Moreover, the written statement also does not reveal any substantive defence and the suit is therefore liable to be decreed.



13. On the other hand, on behalf of the Defendant, it is submitted by the Id. Counsel for the Defendant that he is merely a shopkeeper and is not aware as to who manufactures these products. However, the Defendant is willing to reveal the person or entity from whom he has purchased these products.

Findings and Analysis

14. The Court has perused the pleadings and the report of the Local Commissioner in the matter as also the pleadings in the applications. A perusal of the report of the Local Commissioner and the inventory shows that the Defendant is selling infringing products with an identical 'WOODLAND' mark, logo, tree device and packaging as that of the Plaintiff. Further, more than 11,000 counterfeit products were seized from the Defendant's premises consisting of wallets, bags, belts, belt-buckles, etc. Thus, it is clear that the Defendant is aware that products sold by him are counterfeit products and cannot be sold in this brazen manner.

15. The plea taken in the written statement is that the Defendant's product price would itself show the intended buyer that the product is not that of the Plaintiff, hence, there is no confusion or deception. Apart from this, there is an allegation that the Plaintiff intends to sabotage the Defendant's entrepreneurship and services. There are also no other substantive defence raised by the Defendant's in their written submission. The said relevant paragraphs from the written statement are extracted below:

"13. That the Plaintiff has tried to invoke jurisdiction of this Hon'ble Court for without sufficient cause and it has deceptively mislead this Hon'ble Court. The instant Suit filed by the Plaintiff is completely devoid of merits and amounts to serious misuse of process of law and



the Plaintiff enjoys no cause of action against the Defendant, whatsoever for instituting the instant Suit and the instant litigation so filed by the plaintiff is nothing but an attempt to exert unfair commercial pressure and burden upon the Defendant with a view to claim exclusive monopoly and sabotage Defendant entrepreneurship and services. The instant Suit is liable to be return/ reject on this ground alone.

.....

17. That without prejudice to the above, it is respectfully submitted that the Defendant, Javed Alam is the proprietor of the M/s Sahara Belts and carrying business of trading in various kinds of belts and purses at 2322-A, Ground Floor, Navyug Guest House, Near Rui Mandi, Sadar Bazaar, New Delhi-110006. It is further submitted that the defendant is trading the general quality of belts and purses which are to be original and genuine products of the supplier to the prudence of the defendant without any intention to cause any public confusion and / or deception. It is further submitted that the price of goods itself speak about the quality of goods to the intended buyer, hence the plaintiff is not entitled for any relief from this Hon'ble Court, Hence, the present suit of the plaintiff is liable to be dismissed."

16. Apart from this, no substantive defence has been raised. There is and there can be no answer as to how the Defendant could use identical marks, logos and devices for its products. The entire written statement as also the reply to the summary judgment application consists of bare denials which are baseless and untenable. Moreover, the manner in which the Defendant has filed the written statement and the reply would itself show that the Defendant is completely unapologetic for using the Plaintiff's 'WOODLAND' mark and selling counterfeit products. Since there is no substantive defence raised by the Defendant, the principles of summary



judgment would be liable to be invoked in the present case for passing of the decree. In ***Rockwool International A/S & Anr. v. Thermocare Rockwool (India) Pvt. Ltd., 2018:DHC:6774***, the Court while adjudicating observed pre-conditions for passing off a summary judgement. The relevant part is set out below:

“13. In the present case, the Court is at this stage dealing with applications for summary judgment. The kind of cases that can be decided in a summary manner have to be those cases where a party has no real prospect of succeeding in the claim. A perusal of Order XIII A Rule 3 as amended by the Commercial Courts Act reads as under:

“Order XIII-A Summary Judgment

1.....2.....

3. Grounds for summary judgment. - The Court may give a summary judgment against a plaintiff or defendant on a claim if it considers that -

(a) the plaintiff has not real prospect of succeeding on the claim or the defendant has no real prospect of successfully defending the claim, as the case may be; and

(b) there is no other compelling reason why the claim should not be disposed of before recording of oral evidence.”

14. The pre-conditions for passing of a summary judgment under this provision are:

i) that there is no real prospect of a party succeeding in a claim;

ii) that no oral evidence would be required to adjudicate the matter;



iii) there is a compelling reason for allowing or disallowing the claim without oral evidence.

17. Applying the tests laid down for an application under Order XIII A, to the facts of the present case, all the essentials have been fulfilled for passing of a summary judgement.

18. In fact, the Defendant's counsel submits that his client has no objection if a permanent injunction is passed but no order of damages be passed against the Defendant.

19. On the aspect of damages, the Court has perused the record and the Local Commissioner's report. It is also the settled position in law that the Local Commissioner's report can be read in evidence in terms of the provisions of Order XXVI Rule 10 (2) CPC, 1908 where it is not challenged by any party. The same was held in the case of ***M L Brother LLP v. Mahesh Kumar Bhuralal Tanna, 2022: DHC: 1879***. The relevant part of the same is as under:

"10. Order 26 Rule 10(2) CPC stipulates that the report of the Commissioner and the evidence taken by the Commissioner shall be evidence in the suit and shall form part of the record. The said provision reads as under:

10. Procedure of Commissioner.—

(1) The Commissioner, after such local inspection as he deems necessary and after reducing to writing the evidence taken by him, shall return such evidence, together with his report in writing signed by him, to the Court.

(2) Report and depositions to be evidence in suit. Commissioner may be examined in person.—The report of the Commissioner and the evidence taken by him (but not the evidence without the report) shall be evidence in the suit and shall form



part of the record; but the Court or, with the permission of the Court, any of the parties to the suit may examine the Commissioner personally in open Court touching any of the matters referred to him or mentioned in his report, or as to his report, or as to the manner in which he has made the investigation.

11. In *Levi Strauss & Co. v. Rajesh Agarwal* 2018 IAD (Delhi) 622, this Court examined the said provision and held that once the Commissioner has filed the evidence along with his report, it becomes evidence in the suit itself. Under Order 26 Rule 10(2) CPC it is not mandatory to examine the Commissioner to admit the report of the Commissioner as evidence in the suit. The relevant observations are as under:

8. The Local Commissioner is in fact a representative of the Court itself and it is for this reason that Order 26 Rule 10 (2) of CPC clearly provides that once the Commissioner has filed the evidence along with his report the same shall be treated as evidence in the suit and shall form part of the record. XXX XXX XXX

10. The rationale behind Order 26 Rule 10 (2) of CPC is clear i.e., the Commissioner is appointed as a representative of the Court and evidence collected by the Commissioner along with the report of the Commissioner would be evidence in the suit, subject to any objection raised by any party. If any party has any objection to Commissioner's report or to the evidence, such party has an option to examine the Commissioner personally in open Court. Such examination is however, neither compulsory nor required especially in cases where the party does not challenge the report. In the present case, a perusal of the written statement filed by the Defendant clearly reveals that the Defendant does



not challenge the Commissioner's report. Para of the written statement is set out below...

12. This position of law has been reiterated by this Court in Vinod Goel v. Mahesh Yadav [RFA 2022/DHC/004806 CS (COMM) 413/2021 Page 9 of 14 598/2016 decided on 23rd May, 2018] wherein the Court observed as under:

*“7. It is the settled proposition in law that when a Commissioner is appointed, he acts as the officer of the Court and it is not necessary for the Commissioner to be examined. This is clearly laid down by the Supreme Court in **Misrilal Ramratan & Ors. Mansukhlal & Ors. v. A. S. Shaik Fathimal & Ors., 1995 Supp (4) SCC 600**, wherein the Court held as under:*

“It is now settled law that the report of the Commissioner is part of the record and that therefore the report cannot be overlooked or rejected on spacious plea of non-examination of the Commissioner as a witness since it is part of the record of the case.”

*8. Even this Court, recently in **Levis Strauss v. Rajesh Agarwal [RFA 127/2007 decision dated 3rd January, 2018]**, held as under: “11. The rationale behind Order 26 Rule 10 (2) of CPC is clear i.e. the Commissioner is appointed as a representative of the Court and evidence collected by the Commissioner along with the report of the Commissioner would be evidence in the suit, subject to any objection raised by any party. If any party has any objection to Commissioner’s report or to the evidence, such party has an option to examine the Commissioner personally in open Court. Such examination is however, neither compulsory nor required especially in cases where the party does not challenge the report.”*

9. Mr. Prag Chawla clearly concedes that there 2022/DHC/004806 CS (COMM) 413/2021 may be



no requirement to examine the Local Commissioner once the Commissioner is appointed by a Court.

10. Under these circumstances, since the Commissioner had visited the suit property and had submitted the report, it is deemed appropriate that the matter is remanded back to the Trial Court to decide the matter afresh after taking into consideration the report of the Local Commissioner, Mr. Y.D. Nagar dated 5th January, 2000 in Suit No.2198/1999.”

20. In view of Order 26 Rule 10(2) CPC, 1908 and the judgment discussed above, the settled legal position that emerges is that the report of the Local Commissioner can be treated as evidence in the suit where it is not challenged by any party. In the present case, the photographs of the counterfeit products which are placed on record and the inventory which has been prepared, is also not denied by the Defendant either in the pleadings or in its reply. Accordingly, the report of the Local Commissioner and the contents therein can be relied upon by the Court as evidence to assess the damages, as the same stands unchallenged.

21. Under such circumstances, this Court is of the view that in the present case, a summary judgment in favour of the Plaintiff deserves to be passed. Accordingly, the suit is decreed against the Defendant and the Defendant is restrained by way of a permanent injunction from manufacturing, selling, offering for sale, advertising or in any manner selling any products bearing



the ‘WOODLAND’ word mark ‘TREE device’, ‘WOODLAND’ label or any other mark which is identical or deceptively similar to the



Plaintiff's mark.

22. The entire seized products shall now be handed over by the Defendant to the Plaintiff's representative on 10th December, 2023, when the Plaintiff's representative may visit the Defendant's premises. The Plaintiff is free to destroy or donate the said products to some charity, if the same are usable.

Damages

23. Insofar as the prayer for damages/costs is concerned, considering the quantum of seized goods being more than 11,000 products, it is clear that the Defendant has indulged in deliberate piracy and manufactures/sales of counterfeit products. Under such circumstances, bearing in mind the sales that may have been made by the Defendant and considering the quantity of the products which was seized, a query was asked from the Id. Counsel for the Defendant as to since when the Defendant has been using the said marks. The Id. Counsel pleaded ignorance on the said query.

24. The Delhi High Court Intellectual Property Rights Division Rules, 2022 provide guidance on the manner in which the damages could be calculated in such cases. Rule 20 of the IPD Rules, 2022 is set out below:

“20. Damages/Account of profits A party seeking damages/account of profits, shall give a reasonable estimate of the amounts claimed and the foundational facts/account statements in respect thereof along with any evidence, documentary and/or oral led by the parties to support such a claim. In addition, the Court shall consider the following factors while determining the quantum of damages:

- (i) Lost profits suffered by the injured party;*
- (ii) Profits earned by the infringing party;*



(iii) *Quantum of income which the injured party may have earned through royalties/license fees, had the use of the subject IPR been duly authorized;*
(iv) *The duration of the infringement;*
(v) *Degree of intention/neglect underlying the infringement;*
(vi) *Conduct of the infringing party to mitigate the damages being incurred by the injured party;*
In the computation of damages, the Court may take the assistance of an expert as provided for under Rule 31 of these Rules.”

25. In *Koninlijke Philips and Ors. v. Amazestore and Ors.*, 2019:DHC:2185, the Court laid down certain standards for grant of damages in the following terms:

“41. Keeping in view the aforesaid, this Court is of the view that the rule of thumb that should be followed while granting damages can be summarised in a chart as under:—

#	<i>Degree of mala fide Conduct</i>	<i>Proportionate award</i>
(i)	<i>First-time innocent infringer</i>	<i>Injunction</i>
(ii)	<i>First-time knowing infringer</i>	<i>Injunction + Partial Costs</i>
(iii)	<i>Repeated knowing infringer which causes minor impact to the Plaintiff</i>	<i>Injunction + Costs + Partial damages</i>
(iv)	<i>Repeated knowing infringer which causes major impact to the Plaintiff</i>	<i>Injunction + Costs + Compensatory damages.</i>
(v)	<i>Infringement which was deliberate and calculated (Gangster/scam/mafia) +</i>	<i>Injunction + Costs + Aggravated</i>



	<i>wilful contempt of court.</i>	<i>damages (Compensatory + additional damages)</i>
--	----------------------------------	--

42. It is clarified that the above chart is illustrative and is not to be read as a statutory provision. The Courts are free to deviate from the same for good reason.”

26. Considering the above judgment, it is clear that the Plaintiff is liable to be awarded damages. The infringement conducted by the Defendant by imitating Plaintiff's mark 'WOODLAND' as also 'tree device' has been deliberate and calculated. Thus, the Defendant falls within the categories laid down above against which damages ought to be awarded by the Court.

27. Under such circumstances, even presuming that the quantity which has been seized as being stock for one month and even by conservative estimates, the Defendant's monthly sale is over Rs.5 lakhs per month. Taking the annual figures of sales by the Defendant and the deliberate act of counterfeiting with complete knowledge of the fact that 'WOODLAND' brand and 'tree device' cannot be used, imitated the same and earned profits shows lack of any *bona fide* intent. Even in the present proceedings and the continued intent of the Defendant to contest the proceedings without even disclosing the person from whom the purchase has been effected by the Defendant, is deliberate and calculated.

28. The Defendant's use of the 'WOODLAND' mark and logo on substandard goods not only violates the Plaintiff's statutory and common law rights but also jeopardizes the Plaintiff's brand equity and dilutes its



marks. If such infringement is not addressed, it would adversely affect consumer interests. Such sale of counterfeits destroys the market for genuine goods and may render the trade mark and brand itself completely useless as large scale piracy of a brand, reduces the value of the brand. The sale of such counterfeit goods also goes against public interest.

29. Under such circumstances this Court is of the opinion that the present suit is liable to be decreed in favour of the Plaintiff against the Defendant, towards:-

- i. Damages to the tune of Rs.10,00,000/-
- ii. Costs of Rs. 1,00,000/-

30. The Defendant being the sole proprietary concern of Mr. Javed Alam, therefore the liability of paying the damages and costs would rest on him. Damages and costs awarded by the Court qua prayer 47 (vi) & (vii), shall be paid by the Defendant within eight weeks, failing which the Plaintiff is free to seek execution and avail other remedies in accordance with law. Accordingly, a decree of injunction is liable to be passed in terms of prayer 47(i), (ii) & (iii) of the suit and for a sum of Rs. 11,00,000/- as damages and costs.

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

32. All applications are disposed of.

**PRATHIBA M. SINGH
JUDGE**

NOVEMBER 22, 2023

Rahul/ks