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

% **Date of decision: 21st October, 2024**

+ **CS(COMM) 452/2024 & I.A. 30633/2024**

NEW BALANCE ATHLETICS, INC.Plaintiff

Through: Mr. Urfee Roomi, Ms. Janaki Arun,
Mr. Ayush Dixit, Mr. Jaskaran Singh
and Ms. Chahat Bhatia, Advs.
M: 9811600017

versus

PULKIT KHUBCHANDANIDefendant

Through: Mr. Sanjeev Singh and Mr. Sanchit
Bhushan, Advs. with defendant in
person
M: 9821974055
Email: sanchitbhushan99@gmail.com

**CORAM:
HON'BLE MS. JUSTICE MINI PUSHKARNA**

MINI PUSHKARNA, J (ORAL)

1. The present suit has been filed seeking permanent injunction restraining trade mark infringement, passing-off, and acts of unfair competition, arising out of the defendant's manufacturing, marketing, and sale of footwear bearing the marks, N Device, K Device and 550, which are nearly identical and/or deceptively similar to the plaintiff's N Device and 550 marks.

2. The case, as canvassed by the plaintiff, is as follows:

i. The plaintiff, New Balance Athletics Inc., incorporated under the laws of the State of Massachusetts, United States of America, with its global



headquarters at 100 Guest Street, Boston, Massachusetts, 02135-2088, United States of America, commenced its business in the year 1906 and since then, has been engaged in the design, manufacture, marketing and sale of footwear.

ii. The plaintiff first used 'N' and '550' ("plaintiff's marks") as trademark on footwear in the United States of America in the year 1970 and 1989, respectively. The plaintiff's marks have acquired immense goodwill and reputation in the market, owing to such long term and extensive use, and are associated solely with the plaintiff and its goods/services.

iii. The plaintiff started its footwear business in the year 1986. The earliest registration in India for the N Device mark is dated 1987. Owing to extensive and continuous use as well as registrations, the plaintiff enjoys exclusive rights in the plaintiff's marks.

iv. In India, the plaintiff owns valid and subsisting registrations for the plaintiff's N marks. Details of the aforesaid registrations are provided as under:

S. No.	Mark	Reg. No.	Class	Registration Date	Renewed Until
1.		472335	25	May 18, 1987	May 18, 2028
2.		768874	25	September 10, 1997	September 10, 2027
3.		1537347	25	March 6, 2007	March 6, 2027



v. The defendant, Mr. Pulkit Khubchandani, trading as Kiran Shoe Company, is engaged in the business of manufacturing, marketing and selling footwear bearing the marks N Device, K Device and 550 (“defendant’s marks”).

vi. The defendant sells/offers for sale footwear bearing the defendant's marks throughout the country, including, in Delhi, through his own website, through e-commerce platforms such as Amazon, Flipkart and third-party business listing websites such as, IndiaMart, and JustDial etc.

vii. The defendant’s marks are nearly identical to the plaintiff’s marks. A table demonstrating the near identity between the defendant’s marks and the plaintiff’s marks, is provided as under:

Plaintiff's Marks	Defendant's Marks	Changes made by the Defendant
 	 	The Defendant has copied the entirety of the Plaintiff's N Mark along with the stylization and font. Additionally, the structure and placement of the Defendant's mark on the Defendant's footwear is identical to that of the Plaintiff's footwear.



<u>550</u>	<u>550</u>	The Defendant has copied the entirety of the Plaintiff's 550 mark. Additionally, the Defendant has merely replaced the Plaintiff's N Mark with the Defendant's K Device mark. The overall structure, placement, and the font of the Defendant's K Device mark and the 550 mark on the Defendant's footwear remains identical to that of the Plaintiff's footwear which is likely to lead to public confusion and association of the Defendant's footwear with the Plaintiff.
		
		
		

viii. The defendant is actively and extensively conducting his business through his own website i.e., www.knoos.in (registered on 13th July, 2022 as per the record of WHOIS.com), as well as through e-commerce websites, such as, Amazon, Meesho, Flipkart, and Ajio, etc., and through third-party business listing websites, such as, IndiaMart and JustDial. Additionally, the defendant actively promotes his footwear through social media platforms, such as Instagram and Facebook.

ix. In May 2024, the plaintiff upon knowledge of the infringing acts of the defendant conducted a private investigation through an investigation firm which revealed that the defendant is actively engaged in the manufacture, marketing and sale of footwear bearing the defendant's marks throughout the country. Thus, the present suit was filed.

3.1 On behalf of the plaintiff, it is submitted that the defendant's submissions recorded in order dated 03rd September, 2024, claiming



cessation of infringing activities post the injunction order, and asserting that he was not the manufacturer, but procured goods from a third party, are factually incorrect. The defendant has operated his business under Kripa Kiran Shoe Co. since 2015, as evidenced by the affidavit filed by the defendant before the Trade Marks Registry, showing the sales running into crores during 2015-2018.

3.2 It is submitted that the defendant's listings on Amazon and markings on the seized footwear show that he is the manufacturer of counterfeit shoes. The defendant's claim that marks like "N" and "550" were adopted for boosting sales, similar to brands like New Balance, reveals his intention of deliberate infringement. Further, during the raid, footwear bearing the NIKE mark, along with the defendant's KNOOS mark, was also found, indicating further counterfeiting.

3.3 It is, thus, submitted that the aforesaid conduct of the defendant makes it clear that the defendant has been engaged in counterfeiting since 2015, and his false statements before the Court, are an attempt to avoid penalties. The plaintiff, having incurred substantial costs in this action, seeks appropriate relief and costs from the defendant.

4. When the present suit came up for hearing, this Court, vide order dated 28th May, 2024, granted an *ex-parte ad interim* injunction restraining

the defendant from dealing with footwear bearing the marks N/ ,



/ 550 marks, or any other mark deceptively similar to the plaintiff's marks.

5. This court also appointed a Local Commissioner to visit the



defendant's premises, to seize the infringing products and prepare an inventory. Upon the execution of the commission on 30th May, 2024, the Local Commissioner seized a large quantity of infringing products including, about hundred pairs of counterfeit footwear. The relevant portion of the Report of the Local Commissioner dated 22nd June, 2024, reads as under:

“xxx xxx xxx

11. As soon as this process was completed, the undersigned requested the defendant to co-operate in searching the premises and entered the factory premises. Pursuant to this, the defendant removed and set-aside products bearing 'N' mark and '550' mark in co-operation with the Commission. **However, the undersigned conducted a thorough search of the entire factory, and inter alia found few more products bearing the marks of the Plaintiff that were about to be shipped to online customers on 30.05.2024.**

12. **During the search, the undersigned found various goods**



with and [bearing Article/Serial No. 480 and No. 550 respectively], which were being manufactured/sold/used by the defendant firm. The undersigned most humbly submits that, to execute the directions issued by the Hon'ble Court in paragraph 3(c) of the Order, reproduced hereinabove, qua inspection and taking screenshots of books of accounts, ledgers, stock registers, invoices, et cetera, the undersigned further conducted a thorough search of the entire factory premises, however, could not find anything of such nature. When the undersigned enquired about the whereabouts of the said documents the defendant informed him that the books of accounts are in the custody of his accountant who is not available as he is not in the city. He further informed that his accountant does not have any associate or subordinate who can provide the required documents. Also, the defendant stated that they do not maintain stock registers, sale records, inventory, thus the said documents were also not provided to the undersigned.

xxx xxx xxx

15. Thereafter, in compliance of the Order dated 28.05.2024, passed



by the Hon'ble Court, all the seized goods were sealed with the help of packing tape and plastic ropes. It is most respectfully submitted that the undersigned also put a seal on the seized goods with his name, signature, and the details of the case. All the seized goods were also inventoried. An Attendance Sheet of all the persons who were present during the execution of the Commission was also prepared. It may be noted that 32 [Thirty-Two] pairs of shoes bearing "K-550" mark having serial/article no: 550 and 64 [Sixty-Four] pairs of shoes bearing "N" mark having serial/article no: 480 were found and seized by the undersigned. The original copy of the Inventory Sheet along with its true typed copy is annexed herewith, and is marked as Annexure-5. The original Attendance Sheet, along with its true typed copy, is annexed herewith as and is marked Annexure- 6.

xxx xxx xxx"

(Emphasis Supplied)

6. Vide order dated 07th October, 2024, this court had recorded that, the affidavit of the defendant has come on record, wherein, the defendant has undertaken that he has stopped using the infringing mark, and shall not deal with the counterfeit products of the plaintiff or any other mark, which is similar or deceptively similar to the plaintiff's mark, in future. The order dated 07th October, 2024, is reproduced as under:

"1. Perusal of the order dated 03rd September, 2024, shows that this Court has already given a prima facie finding that the use of the plaintiff's marks by the defendant, is in the nature of infringement of the plaintiff's registered trademark.

2. Pursuant to the order dated 03rd September, 2024, an affidavit of undertaking filed by the defendant, is already on record, to the effect that the defendant has stopped using the infringing mark, and shall not deal with the counterfeit products of the plaintiff or any other mark, which is similar or deceptively similar to the plaintiff's mark, in future.

3. Learned counsel appearing for the plaintiff points out that the affidavit with regard to quantum of costs, which are payable to the plaintiff, has been filed.

4. Accordingly, list for hearing on 21st October, 2024."



(Emphasis Supplied)

7. The relevant portion of the affidavit of the defendant, stating that he has ceased the selling of the footwear under the plaintiff's trademarks, and his undertaking to the effect of not adopting/registering any similar mark, is reproduced as under:

“xxx xxx xxx

4. I state that following the execution of the local commission. I have ceased selling shoes under the trademark in issue in the present proceeding.

5. I undertake not to adopt or use any other mark deceptively similar to mark which infringes the Plaintiff's mark/logo N and numeral 550 at any point or time.

6. I further undertake not to adopt/ register/ use directly or indirectly, any trade mark similar/ identical to Plaintiff's trade mark/logo N or numeral 550.

xxx xxx xxx”

(Emphasis Supplied)

8. When the matter was listed for hearing on 21st October, 2024, learned counsel appearing for the defendant submitted that, the defendant is ready to suffer the decree of injunction.

9. Today, learned counsel for the defendant submits that the defendant has already stopped dealing in goods bearing the infringing marks of the plaintiff completely.

10. Per contra, learned counsel appearing for the plaintiff, presses for costs and damages. He submits that the plaintiff has incurred various costs, including, payment of court fees, as well as counsels' fees, and payment to the Local Commissioner.



11. This Court notes that no plausible justification or explanation has been given by the defendant as to why the trademarks ‘N’ or ‘550’ were adopted. Moreover, the statement of the defendant provided to the investigator of the plaintiff records that the defendant adopted the infringing marks, in order to boost its sales, highlights his *mala fide* and dishonesty in adopting the same marks, as that of the plaintiff’s. The relevant portion of the affidavit of the plaintiff’s investigator, Mr. Rahul, is reproduced as under:

“xxx xxx xxx

6. That, during the course of my investigation, I inquired Mr. Khubchandani about the reason for adoption and use of the letters "N" and "K" and the numeric "550" in the manner shown above on his footwear. **In response, Mr. Khubchandani informed me that the use of these marks helps boost sales. In particular, Mr. Khubchandani informed that big brands like New Balance use the letter "N" and the numeric " 550" on their shoes, however, these shoes are offered at a higher price by New Balance.** Given this, he provides footwear bearing these marks at a lower price.
xxx xxxxxx”

(Emphasis Supplied)

12. Thus, it is clear that the defendant has infringed the plaintiff’s registered trademark. The defendant is not entitled to use the mark ‘N’ or ‘550’, or any other mark, which is deceptively similar to the plaintiff’s trademark.

13. An ordinary consumer, having average intelligence and without minute examination on the background of the defendant, is likely to be confused that the defendant has some association or connection with the plaintiff. Thus, use of the plaintiff’s marks by the defendant gives an unfair advantage to the defendant and is detrimental to the distinctive character or repute of the plaintiff’s registered trademark.



14. Accordingly, considering the aforesaid discussion and the statement of the defendant, expressing his readiness to suffer the decree of injunction, the plaintiff is entitled to decree of permanent injunction in its favour, and against the defendant.

15. On the issue of costs and damages, this Court notes that the defendant's adoption of the infringing mark, cannot be considered to be *bona fide* or honest. The defendant knowingly infringed the plaintiff's trademarks and cannot plead ignorance of prior existence, as well as the reputation of the plaintiff's registered trademark. The defendant has no plausible justification for adopting the plaintiff's trademark, other than to ride upon the plaintiff's immense reputation and goodwill. The plaintiff has filed its affidavit of costs and has also demonstrated its entitlement for damages.

16. Considering the aforesaid facts and circumstances of the present case, and taking into account the large quantity of goods confiscated by the Local Commissioner, this Court holds that the plaintiff is entitled to costs and damages.

17. Accordingly, considering the submissions made before this Court, the following directions are issued:

- I. The suit is decreed in favour of the plaintiff and against the defendant in terms of Para 64 (a) to (e) of the prayer clause of the plaint.
- II. The infringing products, which were confiscated by the Local Commissioner and returned on *Superdari* to the defendants, shall be destroyed by the defendant, in the presence of the representative of the plaintiff.
- III. The plaintiff is entitled to Costs of ₹ 5,00,000/- and Damages of



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₹2,00,000. The aforesaid amount shall be paid by the defendant to the plaintiff within a period of four months, from today.

18. Decree sheet be drawn up.
19. With the aforesaid directions, the present suit is disposed of.

MINI PUSHKARNA, J

OCTOBER 21, 2024/kr