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

\+ CS(COMM) 114/2017

TOMMY HILFIGER EUROPE B.V. ..... Plaintiff
Through: Mr. Dhruv Anand, Ms. Udita M. Patro and Ms. Nimrat Singh, Advs.

versus

VAISHNO GARMENTS & ORS. ..... Defendants
Through:

CORAM:
HON'BLE MR. JUSTICE ANISH DAYAL

<u>O R D E R</u>

% **02.04.2024**

1. This suit was filed by the plaintiff seeking a decree of permanent injunction against the defendants and all those acting for or on their behalf from manufacturing, selling, advertising, dealing in any manner with goods bearing registered trademarks of the plaintiff. All the defendants have been proceeded *ex parte*. Settlements have been arrived between plaintiff and defendant Nos.1-4. A decree is, therefore, sought by the plaintiff against defendant Nos.5-8.

2. The plaintiff is a company incorporated and existing under the laws of Netherlands, founded in 1997 and is wholly owned subsidiary of the Tommy Hilfiger Group. Plaintiff is engaged in designing and manufacturing high end apparels for men, women and children and other licensed products including accessories and footwear under the trademark ‘TOMMY HILFIGER’, named after the founder of the company and one of the world’s leading designers for lifestyle brands. Sales figures which were claimed in

the plaint, in the year 2015, were in the range of 6.5 Billion USD. The plaintiff entered India in 2003, with a strategic licensing agreement with the Ahmedabad based Arvind Group, thereafter, their reach in India expanded.

3. The plaintiff has various registered trademarks in India including 'TOMMY HILFIGER', 'TOMMY', 'TOMMY SPORT' and (the Flag Logo). The tabulation provided by the plaintiff and supported by evidence of certificates filed in that regard has been perused. The said registered trademarks in favour of the plaintiff are as under:

S. No.	Trademark	Registration No.	Class
1.	TOMMY HILFIGER	725528	9
2.	TOMMY HILFIGER	465059	18
3.	TOMMY HILFIGER	1275397	35
4.	TOMMY	964905	14
5.	TOMMY	964904	9
6.	TOMMY	1195244	3
7.	TOMMY	1275396	25
8.	TOMMY SPORT	1114705	25

9.	TOMMY SPORT	1116005	18
10.	TOMMY GIRL	725529	3
11.	DREAMING TOMMY HILFIGER	1673064	3, 18, 25
12.	OR	726014	9
13.		528964	3
14.		528965	14
15.		528966	18
16.		528968	24
17.		528969	25
18.	OR	661684	3

4. The plaintiff's concern was the use of their flag logo trademark represented as under which has acquired a long and continuous reputation in favour of the plaintiff and is identified as a source of the products as that of the plaintiff:

5. Counsel for the plaintiff has also pointed out to various orders passed by this Court to protect the trademarks of the plaintiff. These orders have been perused as well, by this Court.

6. The grievance was against various defendants who were discovered

through market surveys and independent investigators, found to be selling counterfeit products of the plaintiff. An *ex parte ad interim* injunction was granted in favour of the plaintiff and against defendants by this Court *vide* order dated 15th February, 2017 in the following terms:

> *"14. Accordingly, the defendants, their partners, if any, officers, servants, agents, distributors, stockists and representatives are restrained from manufacturing, selling and/or offering for sale, advertising, directly or indirectly dealing, in any manner, in any of the goods bearing the registered trademark 'TOMMY HILFIGER' or any similar trademark amounting to an infringement of the registered trademarks of the plaintiff as mentioned in paragraph 16 of the plaint, till the next date of hearing."*

7. Local Commissioners were also appointed by this Court to visit the premises of defendant Nos.1, 3, 4 and 5. Considering that defendant Nos.1-4 have already settled the matter with the plaintiff *vide* settlement agreements dated 19th January, 2018 and 20th March, 2019, the residual issue is only with relation to defendant Nos.5 -8.

8. Report of the Local Commissioner dated 23rd February, 2017 in relation to defendant No.5 has been perused. As per the report of the Local Commissioner, he visited the premises of defendant No.5 M/s Rajan Knitwear (Defendant no. 5) at G-37/38, Dadar Manish Market, Senapati Bapat Marg, Dadar West, Mumbai – 400028, which was a shop selling garments. As per the Local Commissioner's report, about 180 +25 of pieces of the counterfeit items were sealed and were handed on *superdari* to defendant No.5. No further detail was available in relation to stocks or the stocks registered. Further, no disclosure was also made by defendant No.5 as to the source of getting the said products.

9. It is noted that no Local Commission was executed for defendant

Nos.6-8. As regards defendant Nos.6-8, counsel for the plaintiff points out to the investigator's affidavit which states that defendant Nos.6-8 were engaged in wholesale business and were found to infringe the registered trademarks of the plaintiff and other international brands as well. However, as part of the suit documents, there is nothing on record to prove the said statement of the investigator.

10. In any event, taking holistic perspective in the matter, and considering these facts and circumstances stated above, the plaintiff shall be entitled to a decree in their favour in terms of Para 52(i), (ii) and (iii) against defendant Nos.5-8:

> *"(i) An order for permanent injunction restraining the Defendants, their partners, if any, officers, servants, agents, distributors, stockists and representatives from importing, manufacturing, warehousing, selling and/or offering for sale, advertising, directly or indirectly dealing, in any manner, in any goods bearing the registered trademarks of the Plaintiff as mentioned in paragraph 16 of the plaint, specifically registration nos. 725528, 465059, 1275397, 964905, 964904, 1195244, 1275396, 1114705, 725529, 1673064, 726014, 528964, 528965, 528966, 528968, 528969, 661684, 1116005 and or any similar trademark amounting to an infringement of registered Trademarks of the Plaintiff;*
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> *(ii) An order for permanent injunction restraining the Defendants, their partners, if any, their officers, servants, agents, distributors, stockists and representatives from importing, manufacturing, warehousing, selling and/or offering for sale, advertising, directly or indirectly dealing, in any manner, in any goods bearing the trademarks of the Plaintiff as mentioned in paragraph 16 of the plaint or any similar trademark or doing any other act amounting to passing off of the Defendants' products as those of the Plaintiff;*
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> *(iii) An order for permanent injunction restraining the Defendants, their principal officers, servants, agents, their affiliates, subsidiaries,*

distributors, and all others acting for and on their behalf from using trademarks, patterns, labels, logos or devices, which are identical or deceptively or confusingly similar to the Plaintiffs trademarks as mentioned in paragraph 16 of the Plaint or any similar trademark so as to misrepresent the quality/ origin of their goods and from taking unfair advantage of the Plaintiffs reputation and goodwill in the said trademarks or any similar trademark thereby causing dilution and tarnishment of the Plaintiffs abovementioned trademarks;"

11. In terms of damages and costs, counsel for the plaintiff has placed the statement of costs in the range of Rs.16.36 Lacs and has calculated damages towards amount of sale and loss of profit to the plaintiff at about Rs.59,04,000/- in respect of defendant No.5 on the basis of the 205 counterfeit products which were seized. Using this estimate, the same claim for damages is made against defendant Nos.6-8.

12. Counsel for the plaintiff also points out to the obstructive attitude adopted by defendant No.5 at the time of the execution of the Local Commission to press for his claim for damages.

13. In this view, two aspects need to be taken into account in respect of costs and damages which have been enunciated by this Court in ***Koninlijke Philips N.V. v. Amazestore***, 2019 SCC OnLine Del 8198 as also in the decision in ***Inter Ikea Systems BV v. Sham Murari***, 2018 SCC OnLine Del 11221.

14. In ***Koninlijke Phillips*** (*supra*), this Court has stated as under:

*"**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:—*

#	***Degree of mala fide conduct***	***Proportionate award***

(i)	*First-time innocent infringer*	*Injunction*
(ii)	*First-time knowing infringer*	*Injunction + Partial Costs*
(iii)	*Repeated knowing infringer which causes minor impact to the Plaintiff*	*Injunction + Costs + Partial damages*
(iv)	*Repeated knowing infringer which causes major impact to the Plaintiff*	*Injunction + Costs + Compensatory damages.*
(v)	*Infringement which was deliberate and calculated (Gangster/scam/mafia) + wilful contempt of court.*	*Injunction + Costs + Aggravated damages (Compensatory + additional damages)*

> ***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."*

15. The said decision was cited with approval also in ***Puma SE v. Ashok Kumar*** 2023 SCC OnLine Del 6764.

16. In ***Inter Ikea Systems BV*** (supra), the issue of damages has been dealt with *inter alia* in para 20 wherein reference to ***Hindustan Unilever Limited v. Reckitt Benckiser India Limited***, ILR (2014) 2 Del 1288 was made. It has been noted that the Courts have upheld the procedure of using rough and ready calculation for award of damages.

17. Reference was also made to the Delhi High Court Intellectual Property Rights Division Rules, 2022 in particular Rule 20 which provides a basis for assessment of damages, as under:

> *"**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."

18. Taking a holistic perspective keeping in account the facts and circumstances as noted above, the following points may be necessary to appreciate as regard these defendants:

(i) Defendant No.5 was found in possession of about 205 counterfeit products and was a shop selling the said counterfeit products. Counsel for the plaintiff states that he was not an innocent infringer but also there is no evidence on record that he was a repeated-knowing infringer. Using the tabulation of ***Koninlijke Phillips*** (supra), at best the defendant No.5 will be considered as a 'first-time knowing infringer' and the proportionate award in that regard in view would be of injunction and partial costs.

(ii) As regards defendant Nos.6-8, there is no evidence on record to state as to what the nature of quantity of goods were available with them and in what capacity. However, even taking the investigator's affidavit on face value, they would have to be burdened with an injunction, as well as, partial costs considering they have not appeared before the Court at any stage despite notice.

19. Accordingly, considering these circumstances and that the costs of Rs.16.36 Lacs approximately have been stated by the plaintiff, it would be appropriate if the defendants are burdened with certain costs. The settlements with defendant Nos.1-4 were settled for amounts of Rs.1.5 Lacs with defendant Nos.3 and 4, and Rs.25,000/- with defendant No.1.

20. In this view of the matter, partial costs are awarded in favour of the plaintiff to be paid by defendant Nos.5-8, of Rs.2.5 Lacs each, to the plaintiff.

21. Accordingly, the decree be passed in terms of the injunction, as directed above, as well as, in regard to the costs as determined above by the Court.

22. Decree-sheet be drawn up accordingly.

23. Suit is disposed of. Pending applications, if any, also stand disposed of.

24. Order be uploaded on the website of this Court.

ANISH DAYAL, J

APRIL 2, 2024/MK/ig