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

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Date of Decision: 27.11.2024

+ CS(COMM) 104/2023 & I.A. 3739/2023

NEW BALANCE ATHLETICS INC.

.....Plaintiff

Through: Mr. Urfee Roomi, Ms. Janaki Arun
and Mr. Ayush Dixit, Advs.
M: 7011629381

versus

ASHOK KUMAR & ORS.

.....Defendants

Through: Mr. Vijay Joshi, Mr. Mohit Joshi and
Mr. Shubham Chaturvedi, Advs. for
D-9 and 10
M: 9873677817
Email:
advocatevijayjoshi@gmail.com

CORAM:

HON'BLE MS. JUSTICE MINI PUSHKARNA

MINI PUSHKARNA, J (ORAL)

1. The present suit is filed seeking permanent injunction restraining trademark infringement, passing off of trademark, acts of unfair competition, seeking damages/rendition of accounts, freezing assets, delivery up and other reliefs. The same is sought on the ground that there are unknown defendants who are making sale of counterfeiting products, *inter alia* using and thereby infringing plaintiff's registered trademarks, i.e.



and "NEW

BALANCE".



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

2.1 The plaintiff first used the term ‘NEW BALANCE’ as part of its corporate name in the year 1906 and as a trademark for its retail services in 1951 in United States of America. Further, the plaintiff has several subsidiary companies all across the world, which use the term ‘NEW BALANCE’ as the corporate name, the Indian subsidiary being ‘New Balance IT Services India Private Limited’. Moreover, the combination of letters ‘NB’ in one form or another, is being used since the 1970s and the device marks were first used as trademarks on footwear in the year 1987 across the world.

2.2 The plaintiff under their marks sells products in over 120 countries, along with employing 8000 people worldwide. Furthermore, the plaintiff has spent substantial amounts on advertising and earned revenue in thousands of Crores of Rupees selling goods under their marks. The promotion campaign of the plaintiff also includes involvement of various Indian and Foreign celebrities.

2.3 The plaintiff in India has been engaged continuously as early as the year 1986, and currently is selling products through retail stores and various e-commerce websites, i.e. Amazon.in, Myntra.in, Ajio.com and Flipkart.in.

2.4 The plaintiff has successfully enforced its rights in relation to its trademarks in India on several occasions, wherein, the Courts have granted *ex-parte ad interim* injunctions in favor of the plaintiff.

2.5 The defendant nos. 1 & 11 own and operate the Impugned Website, i.e. www.luxurytag.in and offer for sale counterfeit products, such as foot wears with the plaintiff’s registered marks, without any due authorization. Further, the said defendants on their website admit the products sold by



them as not original and “*high quality products which look similar to the originals*”. Moreover, the said defendants sell counterfeit/fakes of plaintiff’s products, as well as, other well-known brands.

2.6 In February, 2023, a representative of the plaintiff discovered the Impugned Website and placed an order for the footwear bearing the plaintiff’s marks from the said website. Upon receipt of the product from the Impugned Website, the plaintiff identified their marks being used and ascertained the product to be a fake/counterfeit.

2.7 The website located at www.luxurytag.in, is a rogue website, as the same is being used for the purpose of marketing, offering for sale and selling counterfeit foot wear bearing the plaintiff’s marks. Such unfair and dishonest acts of the defendants amount to infringement of the plaintiff’s trademark rights, passing off and unfair competition. Thus, the present suit has been filed.

3. I have heard the learned counsel for the parties and perused the record.

4. It is noted that initially due to the unknown identities of defendant no. 1, the same was stated to be as ‘Ashok Kumar’ as the said defendant was operating through the Impugned Website, www.luxurytag.in. Subsequently, by way of an application for amendment of plaint and impleadment, i.e. IA/15834/2023 under Order I Rule 10 (2) of the Code of Civil Procedure, 1908 (“CPC”), filed by the plaintiff, on account of information provided by the other defendants, this Court vide order dated 22nd August, 2023 allowed the amendments and impleaded Mr. Indramani Sahu as defendant no. 1, due to his number being listed as the owner in the Impugned Website and Mr. Jagabandhu Sahoo as defendant no. 12, due to him being the beneficiary of



the UPI Id for transactions through the Impugned Website. Further, directions of the interim order dated 24th February, 2023 were extended towards the said defendants. The relevant portion of order dated 22nd August, 2023, is reproduced as under:

“xxx xxx xxx

4. In the plaint as originally filed, as the identities of the defendants engaged in the allegedly infringing activities were not known, they have been impleaded under the general appellation of “John Doe” as Defendant 1. It is stated, in this application, that the identities of the said defendants have subsequently become known from information provided by other defendants, and the plaintiff has come to learn that Mr. Indramani Sahu and Mr. Jagabandhu Sahoo are the persons engaged in the allegedly infringing activities. As such, by this application, the plaintiff seeks to substitute Defendant 1, here therefore impleaded as “John Doe”, with Mr. Indramani Sahu and to implead Mr. Jagabandhu Sahoo as Defendant 12. There can quite obviously no objection to this, Accordingly, the prayer is granted. The second amendment that the plaintiff seeks to carry out by this application is with respect to a typographical error contained in prayer (j) of the prayers in the suit, which, instead of seeking injunctive directions with respect to Mobile No. (+91) 7799453223, sought, instead, injunction with respect to Mobile No. (+91)7750098927. The application accordingly seeks to correct the reference to the Mobile No. in prayer (j) in the plaint.

5. This change, too, cannot be opposed and is accordingly allowed. The amendments sought by way of this application are accordingly granted. The amended plaint as well as the amended memo of parties filed with the application are taken on record.

6. The application stands allowed accordingly.

7. The interim order dated 24 February 2023 shall stand extended to Defendants 1 and 12 who stand impleaded by the order passed today. Equally, the direction (h) in para 19 of the order dated 24 February 2023 shall read thus:

“An order directing the Defendant/Non-Applicant No. 7 to suspend/block the WhatsApp account, linked with the mobile number (+91) 7799453223, and to provide complete details of the owner of the WhatsApp account linked with mobile number (+91) 7799453223 to this Hon'ble Court and the Plaintiff/Applicant's Indian representatives;”



8. The application stands allowed accordingly.

xxx xxx xxx”

5. Subsequently, since defendant no. 7 was deleted from the array of parties vide order dated 18th September, 2024, the defendant no. 12, i.e., Mr. Jagabandhu Sahoo, came to be arrayed as defendant no. 11. An amended memo of parties dated 25th September, 2024, came to be filed, accordingly.

6. This Court also notes that vide order dated 09th August, 2024, it has been recorded that defendant nos. 1 and 12, (now defendant no. 11), are the contesting defendants, who have failed to put in any appearance, or file any written statement, despite being served on 08th September, 2023 and 2nd September, 2023, respectively. Further, the other defendants are proforma defendants, who have either complied with the directions of this Court or their right to file written statement, was closed. The relevant portion of order dated 09th August, 2024, reads as under:

“xxx xxx xxx

1. A perusal of the order sheets shows that defendant nos. 1 and 12, who are the main contesting defendants, had been served. However, the said defendants have never put in appearance before this Court, and have also not filed any written statement.

2. The right to file written statement of defendant nos. 2 to 5 and 8, already stands closed.

3. Defendant nos. 9 and 10 had already stated that no written statement is to be filed on their behalf to the amended plaint.

4. Defendant nos. 6 and 7, have filed their written statement. It has already been recorded that the said defendant nos. 6 and 7, have already complied with the directions of this Court.

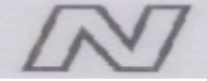
xxx xxx xxx”

7. Thus, since no written statement has been filed by the contesting party, the submissions made by the plaintiff in the plaint, stand admitted. No useful purpose will be served to commence a trial without a defense, thus,



this Court is empowered under Order VIII Rule 10 of CPC to proceed with the present matter, in accordance thereof.

8. The plaintiff is the proprietor of various trademarks around the world and in India, which are valid and subsisting. Details of the Indian registrations of the plaintiff, are as shown below:

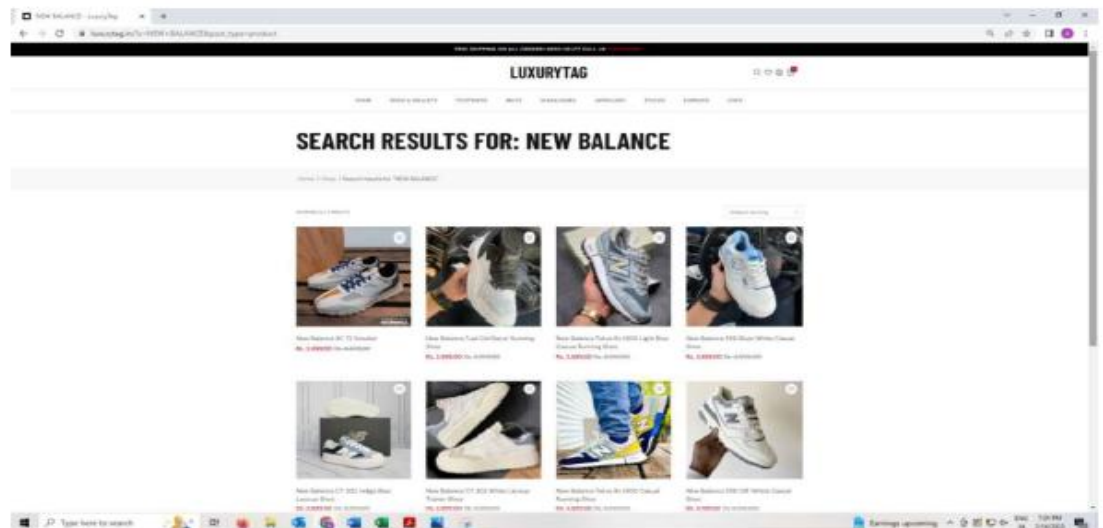
S. No.	Mark	Reg. No.	Class	Registration Date	Renewed Until
1.		472335	25	May 18, 1987	May 18, 2028
2.		768874	25	September 10, 1997	September 10, 2027
3.		1537347	25	March 6, 2007	March 6, 2027
4.		472334	25	May 18, 1987	May 18, 2027
5.		525286	18	February 27, 1990	February 27, 2024
6.		706035	18	May 20, 1996	May 20, 2026
7.		1637760	25	January 3, 2008	January 3, 2028
8.	NEW BALANCE	472336	25	May 18, 1987	May 18, 2028
9.	NEW BALANCE	525511	18	March 2, 1990	March 2, 2024

9. The plaintiff over the years has amassed large goodwill and reputation across the world and in India. The indication of the same is shown by the Net Revenue and the amount spent on advertisements under the plaintiff's marks from the year 2013-2020, reproduced under, as shown in the plaint:



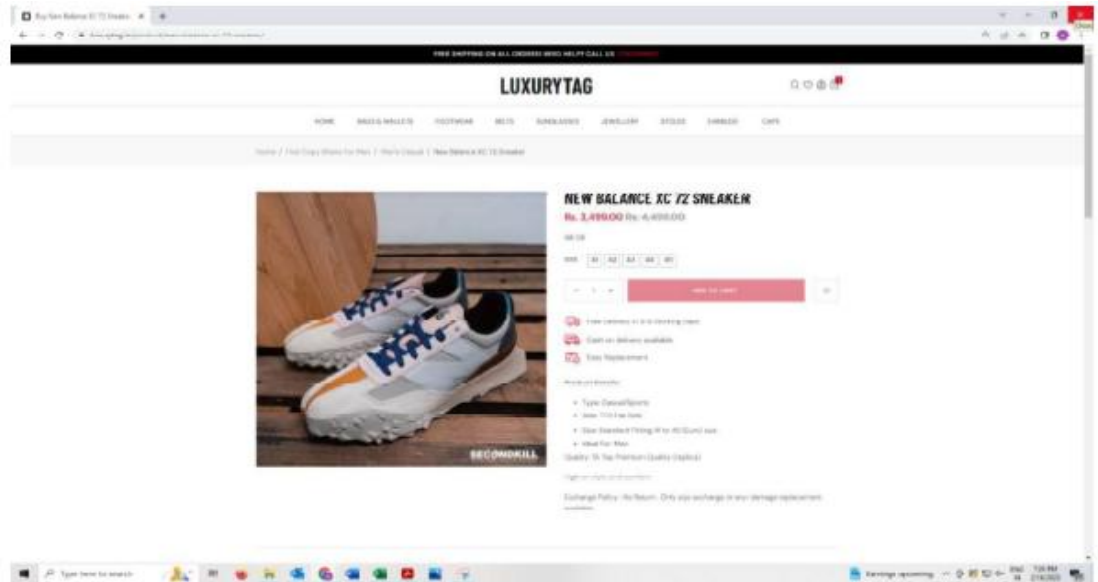
Year Ending	Net Revenue (INR in crores)	Year Ending	Advertising Expenses (INR in crores)
2013	22,363	2013	1,664
2014	25,676	2014	2,095
2015	28,160	2015	2,534
2016	30,644	2016	2,435
2017	33,957	2017	2,443
2018	37,270	2018	2,840
2019	28,160	2019	2,823
2020	22,362	2020	2,020

10. This Court notes the submission of learned counsel for the plaintiff that the defendant nos. 1 and 11 have admitted that the products sold by them on the Impugned Website are “*high quality products which look similar to the originals*”. Screenshots of the Impugned Website indicating the statement and the counterfeit products under the plaintiff’s marks, are reproduced as under:





2024:DHC:9345





ABOUT US

Home / About Us

Hello! We are LuxuryTag

India's first online store to sell replica products of all kind (Since 2015).

Just don't take our words **check yourself here**. The oldest / Most trusted / with most wide collection of products to choose from online store with a dedication to customer satisfaction.

We don't sell any Original products. We sell high quality products which look similar to the originals.

We don't confuse our buyers by saying a copy products as original.

With our high quality replicas you can make yourself look bold and stylish without spending lakhs of rupees.

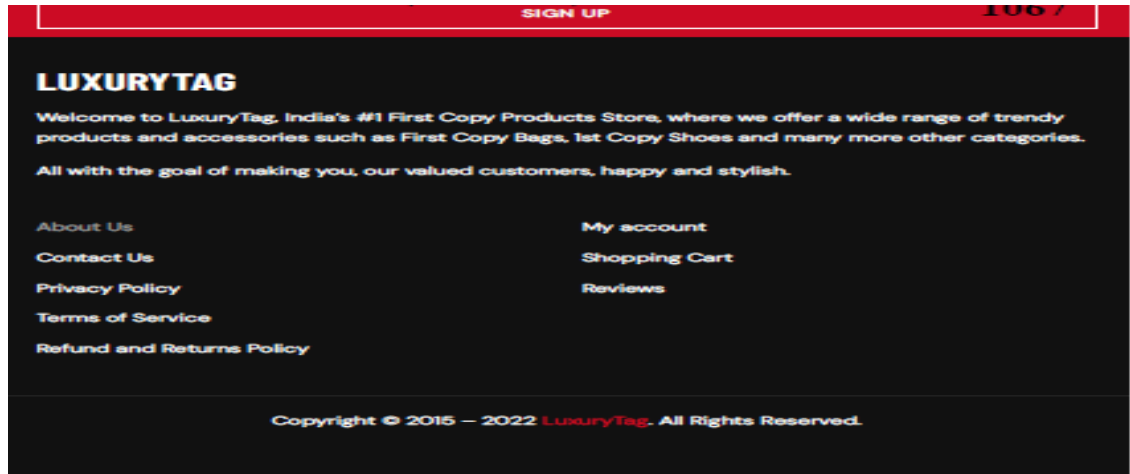
LuxuryTag.in is located at India.

WHY LUXURYTAG IS THE BEST PLACE TO BUY FIRST COPY / 1ST COPY / AAA QUALITY WATCHES IN INDIA:

- Quality:** We committed to provide best quality products. At any circumstances. If a product not qualify in our quality we make it unavailable. Whatever we have are Best in quality.
- Support:** Customers are most important part of any business. If you got any questions or concerns before or after your purchase **TRUE COPY** hesitate to contact us. We provide a wide range of methods to get in touch with our customers, including support over phone call, mail, on website chat, whatsapp, messenger, instagram etc.

<https://luxurytag.in/about-us/>

1/3



11. Perusal of the above clearly shows that defendant nos. 1 and 11 have made categorical statements admitting sale of replica/fake/counterfeit products. Some of the statements as observed above are recorded below:

- i. “India’s first online store to sell replica of all kind (Since 2015)”;
- ii. “We don’t sell Original products. We sell high quality products which look similar to the originals”;
- iii. “Welcome to LuxuryTag, India’s #1 First Copy products Store, where we offer a wide range of trendy products and accessories such as First Copy Bags, 1st Copy Shoes and many more other categories”.

12. Further scrutiny would also reveal that the products being sold on the Impugned Website bear the marks of the plaintiff, which are being sold to the same consumer base as that of the plaintiff. The statements as aforementioned, on the Impugned Website, which can be found in plain view, for the consumers to observe, is sufficient admittance on its own by the said defendants, and *prima facie* amounts to the acts of infringement and passing off of the plaintiff’s marks, by selling of products, which are counterfeit.

13. Moreover, the defendants are not just selling counterfeit products bearing the plaintiff’s marks, but rather they have admitted to selling



replica/copy/counterfeit products of various other brands.

14. It is also to be noted that the fact that defendant nos. 1 and 11 have not participated in the present proceedings and have failed to file the written statement or make any averments contrary to the case of the plaintiff, the submissions and the facts as asserted by the plaintiff would stand admitted and uncontested.

15. Thus, a Coordinate Bench of this Court in the case of ***Puma SE Versus Brijendra Singh trading AS Sastajoota, 2023 SCC OnLine Del 6690***, while dealing with similar facts relating to sale of counterfeit products through a website and noting the seriousness in counterfeiting of products, made the following observations:

“xxx xxx xxx

14. The aforementioned facts make it clear that Defendant 1 is using marks which are identical to the plaintiff's registered trademarks, on goods which are identical to the goods on which the plaintiff uses its marks and is selling the goods to the very same consumers who form the consumer target base of the plaintiff through the very same channels. As such, the triple identity test, which envisages identity of marks, goods and consumers and availability of the goods through identical sources and outlets, is satisfied in the present case. One may even say the quadruple identity test stands satisfied.

15. The facts of the present case, in fact, directly invoke Section 29 (2)(c) read with 29(3)1 of the Trade Marks Act, 1999, under which, where the rival marks are identical, and used in respect of identical goods or services, the Court would presume the likelihood of confusion in the minds of the consumer.

16. The assertions in the plaint, thus, clearly make out a case of infringement and passing off, by the defendant, of the registered PUMA word mark as well as the registered device marks and of the plaintiff.

17. The Division Bench of this Court has, vide order dated 10 April 2023 in FAO (OS) (COMM) 65/2023 (Jawed Ansari v. Louis Vuitton Malletier), endorsed the view passed by this Bench that counterfeiting is a serious economic offence, and, inasmuch as it



erodes long established brand value and also misleads consumers into believing fake goods as to be genuine, has to be dealt with strictly and no leniency can be shown in that regard.

18. The fact that Defendant 1 has not chosen to respond to this plaint indicates that the defendant is well aware of the correctness of the assertions in the plaint and has allowed them to go unrebutted.

xxx xxx xxx”

(Emphasis Supplied)

16. At this stage, this Court notes the submission on part of learned counsel for the plaintiff that they are pressing for actual costs borne towards litigation expenses and Local Commissioner fees, as indicated in the Affidavit of Cost dated 21st November, 2024. The actual cost of litigation claimed by the plaintiff is Rs. 11,02,460/-, which includes Court fees of Rs. 2,01,000/- and Local Commissioner's fee of Rs. 1,00,000/-.

17. In view of the above and on account of a clear case of counterfeiting and infringing activity being made out against defendant nos. 1 and 11, the present is a fit case for awarding actual costs in favor of the plaintiff and against defendant nos. 1 and 11.

18. Accordingly, the following directions are passed:

- i. The suit is decreed in favour of the plaintiff and against the defendant nos. 1 and 11, in terms of paragraph 68 (a), (b), (c) and (e) of the plaint.
- ii. Plaintiff is held entitled to actual costs in terms of the Affidavit of Cost amounting to Rs. 14,51,670/-, payable by defendant nos. 1 and 11, jointly and severally, within a period of eight weeks from today.

19. Suit is decreed in the aforesaid terms. Registry is directed to draw up the decree sheet.



2024:DHC:9345



20. With the aforesaid directions, the present suit, along with the pending application stand disposed of.

MINI PUSHKARNA, J

NOVEMBER 27, 2024/kr