

Retail Royalty Company & Anr vs Nirbhay Marg News Broadcast Private ... on 1 September, 2022

Author: Jyoti Singh

Bench: Jyoti Singh

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* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CS(COMM) 601/2022

RETAIL ROYALTY COMPANY & ANR. Plaintiffs

Through: Mr. Urfee Romi, Ms. Deeksha Anand, Mr. Ritesh Kumar and Ms. Shruti Dhingra, Advocates.

versus

NIRBHAY MARG NEWS

BROADCAST PRIVATE LIMITED

Through: None.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

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01.09.2022

I.A. 14029/2022 (Exemption)

1. Subject to the Plaintiffs filing original, clearer copies and translated copies of the documents with proper margins, which they may seek to place reliance on, within four weeks from today, exemption is granted.

2. Application is allowed and disposed of.

I.A. 14028/2022 (seeking leave to file additional documents)

3. Present application has been preferred on behalf of the Plaintiffs seeking leave to file additional documents under Order 11 Rule 1(4) CPC.

4. Plaintiffs, if they wish to file additional documents at a later stage, shall do so strictly as per the provisions of the Commercial Courts Act, 2015.

5. Application is allowed and disposed of.

I.A. 14030/2022 (under Section 12A of the Commercial Courts Act)

6. Present application has been filed on behalf of the Plaintiffs seeking exemption from instituting pre-litigation mediation in accordance with Section 12A of the Commercial Courts Act (hereinafter referred to as the 'Act').

7. The present application will have to be examined in light of the judgment of the Supreme Court in *Patil Automation Private Limited and Others v. Rakheja Engineers Private Limited*, 2022 SCC OnLine SC 1028, wherein, examining the object and legislative intent of Section 12A, the Supreme Court held as under:-

"61. Timelines are contemplated, both in the matter of pleadings and also other steps to be taken. They are geared to ensure an expeditious culmination of the proceedings. Originally, the specified value within the meaning of Section 2(i) was fixed as 'which shall not be less than one crore rupees'. Within three years of the birth of the Act, Parliament found that it was necessary to reduce the specified value from the sum of Rs. 1 crore to Rs. 3 lakhs, which is what is reflected in the present avatar of the definition of the word 'specified value'. It is simultaneously with the reduction of the specified value and by the same amendment that Section 12A came to be inserted. We have already noticed the Statement of Objects and Reasons, which led to the amendment. On a conspectus of the Act, as from its birth till the Law-giver stepped-in with the amendment in 2018, the Act read with the Rules represent an economic experiment as much as it deals more directly with a vital aspect of administration of justice. Commercial disputes have been clearly identified. The value has been fixed. Courts, at different stages, have been contemplated. Timelines are contemplated. The whole object of the law is clear as day light. Disputes of a commercial hue, must be extinguished with the highest level of expedition. The dispute resolution would witness a termination of the lis between the feuding parties. But even, more importantly, it would prepare the ground for the country becoming a destination attracting capital by enhancing the ease of doing business. It does not require much debate to conclude that there is a direct relationship between ease of doing business and an early and expeditious termination of disputes, which may arise in commercial matters. The speed with which the justice delivery system in any country responds to the problem of docket explosion, particularly in the realm of commercial disputes can be regarded as a very safe index of the ease of doing business in that country. The Act, therefore, is, in the said sense, a unique experiment to push the pace of disposal of commercial disputes. It is in this background that the Court must approach the issue of whether Section 12A has been perceived as being a mandatory provision. We say this for the reason that the decisive element in the search for the answer, in the interpretation of such a Statute, must be to ascertain the intention of the Legislature. The first principle, of course, must be the golden rule of interpretation, which means, the interpretation in conformity with the plain language, which is used. There cannot even be a shadow of a doubt that the language used in Section 12A is plainly imperative in nature. However, we will not be led by the mere use of the word 'shall'. Even going by the sublime object of the Act, as we have unravelled, we are fully reinforced in our opinion that the pre- institution mediation is intended to produce results, which has a direct bearing on the fulfilment of the noble goals of the Law-giver. It is apparent that the Legislature has manifested a value judgment. We are not called upon to decide the constitutionality of the provision. Parliament is presumed to be aware of the felt necessities of the times. It

best knows the manner in which the problems on the ground are redressed. Section 89 of the CPC, does contemplate mediation ordered by a Court. However, it must be noticed that Section 12A contemplates mediation without any involvement of the Court as it is done prior to the institution of the suit."

8. A Co-ordinate Bench of this Court in Bolt Technology OU v. Ujoy Technology Private Limited & Anr., CS(COMM) 582/2022, while dealing with a preliminary objection on behalf of the Defendant seeking rejection of the plaint for non-compliance of Section 12A of the Act observed as under:-

"17. As per the experience seen in intellectual property cases, the relief of interim injunction, including at the ex-parte stage and ad-interim stage, is extremely important. Such matters do not merely involve the interest of the Plaintiff and the Defendants, which are the contesting parties before the Court, but also involve the interest of the customers/consumers of the products and services in question. Intellectual property cases relate to a wide gamut of businesses such as - medicines, FMCG, food products, financial services, technology, creative works such as books, films, music, etc. Recent trends also point towards large scale misuse on the internet. In some cases, due to misuse of known marks and brands, the consumers are being duped into parting with large sums of money. The rights of the parties are affected almost on a daily basis as there is continuous manufacturing, selling, and offering of services or goods to the customers. The ambit of urgent interim relief that may be required to be granted is extremely varied and depends on the facts of each case. Such reliefs are usually granted by Courts not merely for protection of statutory and common law rights, but also in order to avoid confusion, deception, unfair and fraudulent practices, etc., in the marketplace."

9. The Court also noted that the Supreme Court in Patil Automation Private Limited and Others (supra) was dealing with suits which did not contemplate urgent interim reliefs and therefore the question as to whether an urgent interim relief is being sought would have to be determined by the Court in each case in order to grant exemption from instituting pre- litigation mediation under Section 12A of the Act. Court also observed that in cases relating to infringement of copyright or trademarks in any case delay by itself does not disentitle a Plaintiff to urgent interim relief as held by the Supreme Court in Midas Hygiene Industries (P) Ltd. & Anr. v. Sudhir Bhatia & Ors., (2004) 3 SCC 90.

10. Plaintiffs No. 1 and 2 are wholly owned subsidiaries of the parent company, American Eagle Outfitters Inc. which is claimed to be a world- renowned company. Plaintiffs have been engaged in the business of designing, marketing and selling readymade clothing, footwear, fashion accessories etc. over the years across the world, including India using the registered Flying Eagle device mark. Defendant is using a mark identical to the Plaintiffs' mark, as its corporate logo and on its promotional and marketing materials as well as websites and is engaged in the business of broadcasting services etc. As per the Plaintiffs, Defendant provides its services under the impugned mark to consumers across India and offers or advertises its services through its website. Defendant's mark is prominently featured on its website as a corporate logo and as a favicon. Consumers from

across India including Delhi can enquire about and avail or subscribe to the services offered by the Defendant through its website. The mark is being extensively used on different social media platforms.

11. Having examined the case set forth by the Plaintiffs, this Court is of the view that Plaintiffs would be entitled to seek urgent interim relief in the present case. It also needs to be noted that Plaintiffs had issued a cease and desist notice to the Defendant on 27.07.2022 and in order to resolve the issue, Plaintiffs informed the Defendant that they had no objection to the use of words NIRBHAY MARG appearing in the trademark of the Defendant but were only concerned with the use of the Eagle Device mark. This was followed by a Reminder dated 09.08.2022, however, Defendant has chosen not to respond and this is an indicator of the fact that Defendant is not interested in amicable resolution of the disputes. Therefore, on account of the fact that Plaintiffs seek an urgent interim relief. Plaintiffs are entitled to exemption from instituting pre-litigation mediation in accordance with Section 12A of the Act.

12. The application is accordingly allowed and disposed of, in the above terms.

CS(COMM) 601/2022

13. Let plaint be registered as a suit.

14. Upon filing of process fee, issue summons to the Defendant, through all permissible modes, returnable on 28.11.2022 before the learned Joint Registrar.

15. Summons shall state that the written statement shall be filed by the Defendant within 30 days from the receipt of summons. Along with the written statement, Defendant shall also file an affidavit of admission/denial of the documents filed by the Plaintiffs.

16. Replication be filed by the Plaintiffs within 15 days of the receipt of the written statement. Along with the replication, an affidavit of admission/ denial of documents filed by the Defendant, shall be filed by the Plaintiffs.

17. If any of the parties wish to seek inspection of any documents, the same shall be sought and given within the timelines.

I.A. 14027/2022 (under Order 39 Rules 1 and 2 CPC, by Plaintiffs)

18. Present application has been preferred by the Plaintiffs under Order 39 Rules 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908 for grant of an ex-parte ad-interim injunction.

19. Issue notice to the Defendant through all prescribed modes, returnable on 13.12.2022, before Court.

20. It is averred that Plaintiff No. 1 is a company incorporated under the laws of the State of Nevada, United States of America and Plaintiff No. 2, is a company incorporated under the laws of the State of Delaware, United States of America. Plaintiffs are wholly owned subsidiaries of a common parent company, American Eagle Outfitters, Inc. (hereinafter collectively referred to as the 'Plaintiff').

21. It is further averred that Plaintiff, a publicly listed company, was founded in 1977 in the United States of America and has been engaged in the business of designing, marketing and selling readymade clothing, footwear, fashion accessories and related goods, around the world, including India. Plaintiff has been using one or more eagle device marks on readymade clothing, fashion accessories and related goods and services, such as retail store services and online retail store services.

22. It is stated in the plaint that Plaintiff's Mark was created in the United States of America by Keith Fiori, an employee of the Plaintiff, in early 2003. The same is scanned and placed below:

23. It is further stated in the plaint that Plaintiff has obtained trademark registrations for Plaintiff's trademark in over sixty-five countries/ jurisdictions. So far as the trademark registrations in India are concerned, Plaintiff is the registered proprietor of valid and subsisting trademark registrations details whereof are as follows:

S. No.	Mark	Reg. No.	Class(es)
1.		1463555	3, 18 and 25
2.		2195681	14 and 35
3.		2552604	9, 16, 24, J 36 and 38 20
4.		3729369	3

24. It is averred that by virtue of the provisions of the law in the United States of America, Plaintiff is the author/claimant of the copyright in its trademark and is entitled to protection in India by virtue of the Berne Convention, 1886 and the International Copyright Order, 1999. Plaintiff is the first owner of copyright in trademark by virtue of the Copyright Act, 1957. Plaintiff is also the owner of Registration No. A - 122033/2017 for its trademark. Besides India, the Copyright Offices of many countries, including, the United States of America and Canada, have issued registrations for Plaintiff's trademark.

25. It is averred that Plaintiff's goods bearing registered trademark are sold in over one thousand three hundred retail stores, owned and/or operated by Plaintiff and/or its licensees, around the world, including in India. In addition, Plaintiff's goods bearing trademark are sold through Plaintiff's e-commerce website www.ae.com and consumers in more than eighty countries, including India, can purchase goods through this e-commerce website. Since June, 2018 Plaintiff has opened 27 Retail Stores in India.

26. It is stated in the plaint that Plaintiff's revenues owing to sale of its goods bearing its registered trademark have shown substantial increase throughout the years, which is evident from the revenue for the year 2021- 2022, which is to the tune of 5.010 billion US Dollars.

27. It is averred that Plaintiff has run highly successful advertising campaigns throughout its long, celebrated history. Plaintiff's goods, including those bearing its trademark, have been advertised in a number of widely circulated magazines, which include Cosmopolitan, People, Seventeen, Teen Vogue, Maxim, In Style etc. Plaintiff has spent enormous amounts of money on its advertising initiatives and the same is evident by the expenditure incurred for the year 2021 i.e. 173.6 million US Dollars.

28. It is stated in the plaint that Plaintiff vigilantly polices any unauthorized third-party usage of registered trademark that may be similar to that of Plaintiff's. It has proactively enforced its rights in its trademark in various countries, including, India, China, Canada, the United States and Taiwan, among countless other countries.

29. It is further stated in the plaint that Defendant, Nirbhay Marg News Broadcast Private Limited, is a company incorporated under the Companies Act, 2013 and is engaged in the business of providing broadcasting services, transmitting streamed sound and audio-visual recordings via the Internet, transmitting advertising programs and media advertising communications via digital communications and related services, under trademark:-

30. It is case of the Plaintiff that Plaintiff first learnt about Defendant's unauthorized adoption and illegal use of trademark in July 2022, when it came across Defendant's trademark application, namely, Application No.5374572, to register Defendant's Mark, in Class 38. On 27.07.2022, Plaintiff's Indian representative filed a Notice of Opposition, being No. 1180478, against registration of Application No. 5374572 and simultaneously sent a cease and desist notice for immediate

cessation of use of the eagle device incorporated in Defendant's Mark and withdrawal of Application No. 5374572.

31. Since no response was forthcoming, a reminder was sent on 09.09.2022, but it did not elicit any response from the Defendant. In August 2022, Plaintiff's Indian representative engaged the services of an investigative firm to investigate into the use of Defendant's Mark. The investigation revealed that Defendant is engaged in providing broadcasting and other telecasting services under the impugned mark and also using it as a corporate logo on business incidentals, name boards/hoardings, business cards, rate cards for advertisement, its website as well as on social media pages. It was also learnt that Defendant provides its services under the impugned mark, all across India, including Delhi and if a consumer from Delhi wishes to advertise his/her goods/services through Defendant's channel, he/she may do so.

32. It is further averred that the eagle device in Defendant's mark is identical to Plaintiff's Mark reflecting a dishonest adoption, as can be seen from the comparative. The competing marks are scanned and placed below:

Defendant's Mark Plaintiff's Mark

33. It is contended by learned counsel that Plaintiff is a registered proprietor of its trademark in various classes, including in class 38. Keeping in mind the goodwill, repute and well-known nature of Plaintiff's mark, any unauthorized use by the Defendant of identical or deceptively similar mark constitutes trademark infringement as there is a clear likelihood of confusion or association with the Plaintiff's mark. Plaintiff, through its efforts, and extensive and continuous use of the mark, has established an enormous reputation and goodwill globally. Defendant is clearly misrepresenting to the consumers and deceiving them into believing that there is a trade connection between the Plaintiff and Defendant, with a view to free ride on Plaintiff's reputation. Defendant's activities have and will seriously prejudice Plaintiff's current and future business and any attempt by the Defendant to pass off its services as that of the Plaintiff ought to be enjoined. Plaintiff has a copyright in the original artistic work in the Eagle Device, which is the most prominent element of Defendant's mark and thus there is an infringement of the copyright under Section 51 of the Copyright Act, 1957.

34. Having heard learned counsel for the Plaintiff, this Court is of the view that Plaintiff has made out a prima facie case for grant of ex parte ad-interim injunction. Balance of convenience lies in favour of the Plaintiff and it is likely to suffer irreparable harm in case the injunction, as prayed for, is not granted.

35. Accordingly, till the next date of hearing, Defendant, its directors, employees, agents, dealers, licensees, related/affiliated companies/entities, retailers, wholesalers, distributors or any persons/entities, under the control of the Defendant or are related or affiliated to the Defendant, as the case may be and all others, acting for and on behalf of the Defendant, are restrained from advertising, marketing and offering, whether directly or indirectly and whether on the internet or otherwise, its broadcasting services, transmitting streamed sound and audio-visual recordings via the Internet, transmitting advertising programs and media advertising communication via digital

communication and other related services, bearing Defendant's mark or any mark identical or deceptively similar to Plaintiff's mark , as part of its corporate logo or for advertising and using it on promotion material, such as corporate brochures visiting cards, name boards/hoardings, on its website www.nirbhagmargnews.com, as a favicon, on social media platforms and in any other manner, resulting in violation of Plaintiff's statutory and common law rights.

36. Plaintiff shall comply with the provisions of Order 39 Rule 3 CPC within a period of one week from today.

JYOTI SINGH, J SEPTEMBER 01, 2022/rk