

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

% *Date of Decision : 17th January, 2023*

+ **CS(COMM) 460/2016**

ZINO DAVIDOFF SA Plaintiff
Through: Mr. Ajay Amitabh Suman, Advocate.

versus

BHALANI ENTERPRISES & ORS Defendants
Through: Ms. Snehima Jauhari with Mr. Sohrab
Singh Mann, Advocates for D-3.

CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL

AMIT BANSAL, J. (Oral)

CS(COMM) 460/2016

1. The present suit has been filed seeking relief of permanent injunction restraining the defendants from infringing the trademarks and copyrights of the plaintiff, passing off their goods as that of the plaintiff's and other ancillary reliefs.

PLEADINGS IN THE PLAINT

2. The case set up by the plaintiff in the plaint is as follows:

2.1 The plaintiff is in the business of manufacturing, selling and distributing various products including perfumes and fragrances under the trademark 'DAVIDOFF'.

2.2 The plaintiff has been using the trademark 'DAVIDOFF' since 1984 in respect of its perfumes and fragrances.

2.3 The plaintiff is the proprietor of the registered trademark

‘DAVIDOFF’ and other related marks of the plaintiff in Classes 3, 33 and 25 of the Trade Marks Act, 1999, details of which are provided in paragraph 8 of the plaint. The said marks of the plaintiff are also registered by the plaintiff in various foreign countries.

2.4 The goods of the plaintiffs are sold in more than 100 countries of the world including India. The plaintiff’s trademark ‘DAVIDOFF’ has acquired vast goodwill and reputation all over the world including India. The trademark ‘DAVIDOFF’ of the plaintiff has come to be exclusively associated with the plaintiff.

2.5 The trademark ‘DAVIDOFF’ has also been adopted by the plaintiff in respect of its domain name www.zinodavidoff.com. The plaintiff has been using the said domain name in relation to its goods and businesses.

2.6 In April, 2015, the plaintiff came across the infringing activities of the defendants. The defendants no.1 and 2 are conducting their business of selling counterfeit perfumes and fragrances bearing the plaintiff’s trademark ‘DAVIDOFF’ (hereinafter ‘impugned products’) through the website of the defendant no.3, www.shopclues.com.

2.7 The packaging of the impugned products purchased by the plaintiff through the aforesaid website does not contain the names of the distributor and manufacturer, which indicates that the impugned products sold through the said website are counterfeit products.

2.8 The plaintiff issued cease and desist notice to the defendants on 30th April, 2015 calling upon the defendants to refrain from selling, displaying, advertising or offering for sale products bearing the plaintiff’s trademark ‘DAVIDOFF’. No response to the said notice was received by the plaintiff on behalf of the defendant no.1. The defendants no.2 and 3 replied to the

said notice vide letters dated 13th May, 2015 and 27th May, 2015 respectively. In its reply, the defendant no.2 pleaded ignorance on the counterfeit nature of the impugned products and undertook to refrain from dealing with the impugned products in future. The defendant no.3 in its reply denied its involvement in the infringement activities undertaken by the defendants no.1 and 2.

3. Accordingly, the plaintiff has filed the present suit.

PROCEEDINGS IN THE SUIT

4. This court, vide order dated 15th July, 2015, granted *ex parte* ad interim injunction in favour of the plaintiff under I.A. 13923/2015, restraining the defendants from selling impugned products under the trademark 'DAVIDOFF'. The relevant portion of the said order is set out as under:

*“I have heard the contentions of learned counsel for the plaintiff and perused the plaint along with documents annexed therewith and am of the view that plaintiff has disclosed a, prima facie, case in its favour for grant of ex-parte injunction. In case the defendants are not restrained from selling the counterfeit products under the mark 'DAVIDOFF', plaintiff shall suffer irreparable loss and injury, inasmuch as, balance of convenience is also in favour of the plaintiff and against the defendants. Accordingly, **till next date of hearing, defendants are restrained from selling the goods more particularly perfumes and fragrances under the mark 'DAVIDOFF' or any deceptively similar mark as that of the plaintiff, in any manner, including through the website www.shopclues.com.**”*

5. The matter was thereafter placed before the Joint Registrar on 7th October, 2015 for effecting service and completion of pleadings. Counsel appeared on behalf of the defendant no. 3 on the said date. The defendants no.1 and 2 could not be served despite repeated attempts. Ultimately, the

defendants no.1 and 2 were served by way of publication on 29th June, 2017.

6. Written statement was filed on behalf of the defendant no.3 on 20th October, 2015 and the replication thereto was filed by the plaintiff. Order dated 30th January, 2017 records the undertaking of the defendant no.3 to take down any existing listing with regard to the mark 'ZINO DAVIDOFF' within 72 hours and any other listing as and when identified by the plaintiff.

7. On 16th November, 2017, the defendants no.1 and 2 were proceeded against *ex parte* in the present suit.

8. On 1st March, 2018, the following issues were framed:

1. Whether the suit against the defendant no. 3 being an intermediary as provided under Section 2(1)(w) of the Information Technology Act, 2000 is maintainable or not? OPD

2. Whether the defendant no. 3 had 'actual knowledge' of the allegedly infringing nature of the goods listed by defendant nos. 1 and 2 on its website www.shopclues.com and if so, how the knowledge mandated by Section 79(3)(b) of the Information Technology Act, 2000 was satisfied to render the defendants liable? OPP

3. Whether the defendants had conspired or abetted or aided or induced, whether by threats or promise or otherwise in the commission of the acts of passing off and/or infringement by defendant nos. 1 and 2? OPP

4. Relief.

9. On 10th April, 2019, the matter was referred for mediation and the matter was settled vide Settlement Agreement dated 5th December, 2022 entered into between the plaintiff and the defendant no.3. The Settlement Agreement dated 5th December, 2022 has been placed on record. The said Settlement Agreement has been signed by the representatives of the plaintiff and defendant no.3. It is stated in the Settlement Agreement that the terms of

the settlement are confidential.

10. In view of the above, the counsel for the plaintiff prays for a decree of permanent injunction and damages along with costs in the suit against the defendants no.1 and 2 and a decree in terms of the Settlement Agreement against the defendant no.3.

ANALYSIS AND FINDING

11. I have heard the counsel for the plaintiff and the defendant no.3 and perused the record of the case.

12. In the present case, the defendants no.1 and 2 have failed to appear before this Court despite service. Therefore, the defendants no.1 and 2 have been proceeded against *ex parte* on 16th November, 2017.

13. Since the aforesaid defendants have failed to enter appearance or even take any requisite steps to contest the present suit, despite having suffered an ad interim injunction order, it is evident that they have no defence to put forth on merits.

14. From a perusal of the material on record, this Court is of the view that the defendants no.1 and 2 have been selling impugned products with a view to trade upon the established goodwill and reputation of the plaintiff. By their aforesaid conduct, the defendants no.1 and 2 are infringing the trademarks of the plaintiff, as also passing off their goods as that of the plaintiff.

15. Based on the averments in the plaint and the discussion above, this Court is of the view that this is a fit case for granting relief of permanent injunction in favour of the plaintiff and against the defendants no.1 and 2. Accordingly, the defendants no.1 and 2 are restrained from manufacturing and selling counterfeit products bearing the plaintiff's trademark

‘DAVIDOFF’ or any other trademark deceptively similar to the ‘DAVIDOFF’ marks of the plaintiff on the website, www.shopclues.com, or any other website in relation to the business of perfumes, fragrances and related products.

16. In so far as the reliefs of damages and cost prayed for in the plaint, the defendant no.2 has given an undertaking not to deal with the impugned products vide reply dated 13th May, 2015 to the cease and desist notice. In my considered view, it is not the case of the plaintiff that after the aforesaid reply, the defendant no.2 continued to sell the impugned products. Therefore, I do not deem it proper to award damages and costs against the defendant no.2.

17. As regards defendant no.1, the defendant no.1 neither replied to the legal notice, nor appeared before this Court. There can be no justification for manufacturing and selling perfumes and fragrances in counterfeit ‘DAVIDOFF’ branded packaging. The use of the impugned products on human body can cause adverse reactions. Clearly, customers are being misled by the defendants no.1 and the entire effort is deliberate and dishonest. This amounts to dilution of the reputation and goodwill of the plaintiff’s trademarks and causing loss to the plaintiff in business and reputation. The defendant no.1 has been making unlawful gains at the expense of the plaintiff.

18. In view of the foregoing facts and circumstances, this Court is of the view that this is not a case of innocent adoption by the defendant no.1. The Court cannot ignore such flagrant misuse of the plaintiff’s marks by the defendant no.1. Therefore, the suit is decreed in favour of the plaintiff for Rs.3,00,000/- towards damages to be paid by the defendant no.1.

Additionally, Rs.2,00,000/- is awarded to the plaintiff as costs to be paid by the defendant no.1.

19. The defendants no.1 shall pay the said amount to the plaintiff within eight weeks, failing which the plaintiff is permitted to commence execution proceedings against the defendant no.1.

20. Accordingly, the present suit is decreed against the defendant no.1 in terms of prayer clauses 'a', 'e' and 'g' of the plaint and against the defendant no.2 in terms of prayer clause 'a' of the plaint.

21. Counsel for the plaintiff does not press for the reliefs contemplated in prayer clauses 'b', 'c', 'd' and 'f' of the plaint against the defendants no.1 and 2.

22. Insofar as the defendant no.3 is concerned, the suit is decreed against the defendant no.3 in terms of the Settlement Agreement dated 5th December, 2022. The said Settlement agreement shall form part of the decree.

23. Decree sheet be drawn up.

24. All pending applications stand disposed of.

JANUARY 17, 2023
at

AMIT BANSAL, J.