

World Wrestling Entertainment Inc vs M/S Reshma Collection & Ors. on 5 October, 2016

Author: G.S.Sistani

Bench: G.S.Sistani

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* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CS(OS) 1801/2013

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Judgment dated 5th October, 2016

WORLD WRESTLING ENTERTAINMENT INC

..... Plaintiff

Through : Ms. D. Neha Reddy and Ms. Vaishali
Mittal, Advs.

versus

M/S RESHMA COLLECTION & ORS.

..... Defendants

Through : None

CORAM:

HON'BLE MR. JUSTICE G.S.SISTANI

G.S.SISTANI, J (ORAL)

1. The plaintiff has filed the present suit for permanent injunction restraining the defendants from infringement of copyright, infringement of trademarks; passing off; dilution; rendition of accounts; damages; etc. The plaintiff has additionally prayed for a declaration that its marks are well-known under Section 2 (zg) of the Trade Marks Act.

2. Prior to going into the averments made in the plaint, it would be necessary to give the details of the proceedings. The present suit was filed in the year 2013 and when it first came up before this court on 18.09.2013, this court adjourned the matter to enable the plaintiff to satisfy the court with regard to the jurisdiction of this court. Thereafter on 04.10.2013, after a detailed hearing this court returned the plaint for the want of territorial jurisdiction. The plaintiff herein preferred an appeal before a division bench of this court, being FAO (OS) 506/2013.

The division bench, vide judgment dated 15.10.2014, allowed the appeal holding that this court had the jurisdiction to try the suit. Summons in the suit were issued on 28.10.2014. The defendants were allowed to be served by publication on 23.12.2015. On 15.02.2016, considering that the defendants had been duly served by publication yet there was no appearance, this court passed an order of interim injunction. The plaintiff has also filed ex parte evidence of Mr. D.C. Sharma, constituted attorney of the plaintiff, who has deposed on the lines of the plaint.

3. As per the plaint, the plaintiff, which commenced its business in 1952, is an international integrated media and entertainment company principally engaged in the development, production and marketing of television programming, pay-per-view programming, live events and the licensing and sale of branded consumer products featuring its „WWE brand. Since as early as February, 1983, the plaintiff has been providing to the public live and televised wrestling and entertainment events on a regular basis in many major cities throughout the world including India.

4. The plaintiff was previously known as World Wide Wrestling Federation (WWWF) and later as World Wrestling Federation (WWF). In 1982, it was sold to the Titan Sports company, which later changed its name to World Wrestling Federation Entertainment (WWFE), before finally becoming World Wrestling Entertainment (WWE) in May 2002.

5. According to the plaintiff, since 1985 the plaintiff has an annual wrestling and entertainment event, broadcast live on pay-per-view worldwide called „WRESTLEMANIA which culminates the year's events and is the occasion for determining and crowning the champion WWE wrestler for that year. „Wrestlemania is the biggest wrestling event of the year attracting millions of viewers from all over the world. The plaintiff made history as „Wrestlemania 29 , televised live on pay-per-view 07.04.2013 worldwide, became the highest grossing event in WWE history. The event generated over 1 million pay-per-view buys in more than 105 countries and 20 languages, with global gross sales in excess of US \$72 million. With 80,676 in attendance, fans from all 50 states and 34 countries attended the sold out event at the MetLife Stadium in East Rutherford, New Jersey, USA. Besides Wrestlemania, the plaintiff is broadcasting twelve (12) other live events in 2013, televised via pay-per-view. Excluding Wrestlemania, such events include „Summerslam , „Royal Rumble , „Extreme Rules , „Money In The Bank etc. Since 2000, WWE pay-per-views have generated an average of approximately US \$100 million in revenue and over five million buys annually.

6. As per the plaint, consumers of the plaintiff's services and products are its ardent fans. For its clientele, the plaintiff offers a variety of memorabilia including, but not limited to apparels (including t-shirts, sweatshirts, masks, hats, caps, jerseys, and belts); posters; calendars; fact books; sunglasses; water bottles; key rings; action figures; DVDs; video tapes; etc. The plaintiff claims that it has more than 200 licensees distributing products in 86 countries, including India. In 2012, the plaintiff's consumer products had global netrevenues of US \$88Million. It also has a large digital presence. Its official homepage, i.e. wwe.com, averaged 12.4 million monthly unique visitors in 2012. More than 100 million videos are watched per month on wwe.com, YouTube.com/wwe and hulu.com/wwe, combined.

7. The plaintiff (WWE) has more than 5 million „friends on Facebook, more than ESPN, Pepsi, MLB, Gatorade, NASCAR and the NFL. WWE has its official online e-commerce store at wweshop.com which processed over 307,000 orders in 2012, leading to net revenues of US \$15million. The plaintiff also operates other websites, such as www.wwe.sify.com. These websites are freely accessible to one and all and have served in making customers worldwide aware of the plaintiff and its goods and services.

8. The plaintiff also publishes books with Simon & Schuster Inc. The plaintiff's first biographies, "Hollywood Hulk Hogan" and "It's Good to be King...Sometimes" by Jerry Lawler, became New York Times Best Sellers. Plaintiff's other books include inter alia "The Stone Cold Truth"

and "WWE Unscripted." Since the plaintiff began publishing books, more than twenty-three books have made the New York Times Bestseller List, with three making it to the No. 1 position. The plaintiff's publishing operations also consist of „WWE Magazine“ and „WWE Kids Magazine“, special edition magazines and mini-magazines. The magazine business has a combined annual circulation of approximately six million subscribers.

9. The plaintiff submits that all its wrestling events feature professional wrestlers having distinctive appearances and carrying fictitious and unique names which are evocative of the image sought to be projected by the characters. The combination of both name and image, has the effect of making an indelible impression in the mind of the viewer. Thus, for instance, there are wrestlers with names such as „John Cena“, „Undertaker“, „Triple H (HHH)“, „Batista“, „Randy Orton“, „The Rock“, „CM Punk“, „Shawn Michaels“, „The Great Khali“, „Rey Mysterio“, „Edge“, etc. As a further example of the "images" of these characters, the character named „Undertaker“ typically appears in wrestling exhibitions and in printed matter as an intimidating figure in black with darkened eyes. The plaintiff claims intellectual property rights of the plaintiff in its characters like „The Great Khali“, „Undertaker“, etc., which are well recognized by the public.

THE TRADEMARK RIGHTS OF THE PLAINTIFF:

10. As per the plaint, the plaintiff has obtained registrations of its marks „World Wrestling Entertainment“ and „ (hereinafter „WWE Scratch Logo“ or „New Scratch Logo“) in relation to various goods in different countries worldwide, including in India. Additionally, some of the fictitious names of the wrestlers have been registered as trademarks by the plaintiff in relation to various goods in different classes in the USA and India. Registrations of the plaintiff are as under:

TRADEMARK	REG No.	INTERNATIONAL CLASS
NEW SCRATCH LOGO & ENTERTAINMENT		
ENTERTAINMENT & New Scratch Logo	1111006	
WORLD WRESTLING ENTERTAINMENT		
WORLD WRESTLING ENTERTAINMENT		

WORLD WRESTLING

ENTERTAINMENT

NEW SCRATCH LOGO &

ENTERTAINMENT

New Scratch Logo Design &

ENTERTAINMENT

ENTERTAINMENT

(Word)

11. The plaintiff has also registered its talent and their slogans. Details of which are as under:

TRADEMARK	REG No.	INTERNATIONAL CLASS
JOHN CENA	1318958	16,25,28,41
	1318955	28,41

1318946

28, 25, 41

RANDY ORTON

1318945

16, 25, 28, 41

BATISTA

1318951

16, 25, 28, 41

12. As per the plaint, the sporting events organized by the plaintiff are broadcasted on television networks across the world and their viewership rating constitutes a record of sorts. Each year, more than 7,500 hours of television programming can be seen in more than 145 countries and 30 languages around the world. WWE programming can be seen in half a billion television households worldwide. Versions of the plaintiff's „RAW“, „Smackdown“, „WWE Superstars“, and „WWE NXT“ programmes are shown in United States domestic and international markets.

13. In India, plaintiff's „RAW“, „Smackdown“, „WWE Superstars“ and „WWE NXT“ programmes are televised on Ten Sports. With millions of men, women and children patronizing hundreds of arenas around the world each year, and watching numerous televised and pay-per-view programming year-round, the plaintiff submits that „WWE“ is among the most popular brands in the world. Therefore, the plaintiff asserts statutory and common law rights in the WWE trademarks.

COPYRIGHT OF THE PLAINTIFF

14. The plaintiff also claims to be the copyright owner of the pictorial representations of the „WORLD WRESTLING ENTERTAINMENT“ and „WWE wrestlers“ and the „WWE Scratch Logo“ as they appear on the various publicity material/promotional merchandise of the plaintiff. Apart from this the plaintiff is also the proprietor of the events that are relayed through various satellite channels throughout the world in various languages and the same are sold in VCD/ DVD formats through authorized publishers. The plaintiff submits that India and USA being signatories to the Universal Copyright Convention as well as to the Berne Convention, protection is afforded to the plaintiff's works since they are created by authors of member countries, originate from and are first published in the said member countries. This is by virtue of the Copyright Act, 1957 read along with the International Copyright Order, 1958.

15. As per the plaint, the plaintiff acquires ownership of the copyright to the photographs of these talents/characters by virtue of express declaration of assignment given by the talents/characters and photographers in writing at the time of undertaking a project. The declaration of the Talent, which is in a standard format, states:

"Wrestler hereby grants to PROMOTER the exclusive right during the term to video tape, film, photograph, or otherwise record, or to authorize others to do so, by any

media now known or hereinafter discovered, Wrestler's appearance, performance, commentary, and any other work product for or related to the events or for or related to any and all of the services performed by WRESTLER pursuant to the terms herein."

16. Relying upon the foregoing, the counsel for the plaintiff submits that the talent/character assigns entire rights to the plaintiff to the use of the photographs. The plaintiff, as a purchaser for valuable consideration, has all such rights as are vested by the copyright law in the owner of such photographs which are original artistic works. Further, being registered with the Copyright Office in the United States of America the overall format, structure, photographs, sequence, layout, etc. of the plaintiff's magazines are also protected copyright works. These copyrights of the plaintiff extend to India by virtue of the International Copyright Order, 1991 read along with Berne Convention and the Universal Copyright Convention. The plaintiff further submits that the present suit concerns infringement of copyright by the defendants in the photographs carried in the plaintiff's talents/characters from time to time.

17. The plaintiff submits that it licenses the images and character of its talent to third parties under strict conditions to ensure proper quality. The plaintiff claims exclusive right to license to others to manufacture or deal in or to reproduce the characters; the public is also aware of such merchandising. The plaintiff's merchandising program at present includes a product line of sales of goods falling under nearly 25 different categories; including various types of apparels, action figures and toys, video games, trading cards, sticker albums, music CDs, and shows featured in VCD's and DVD's.

18. In the Indian market, plaintiff licenses among other things, T-shirts, sweat shirts, caps, vests and other licensed products like CDs, VCDs and DVDs reproducing the well known trademarks World Wrestling Entertainment, WWE, the WWE Scratch Logo, and the WWE characters of the plaintiff on the said products.

PRESENCE OF THE PLAINTIFF IN INDIA

19. The plaintiff submits that the above mentioned rights of the plaintiff extend to India among other countries and are valuable for the Plaintiff in as much as substantial revenues are earned by the plaintiff by virtue of its business in India. Several Indian wrestlers like „The Great Khali“ and „Jinder Mahal“ are a part of the plaintiff's business and have gained immense popularity with audiences worldwide, including India. The plaintiff has also recently opened an office in India at Mumbai. The plaintiff's licensees in India market licensed products of the plaintiff, reproducing its trademarks and characters on the said products; more particularly mentioned in paragraph 18 foregoing.

20. On Indian television, Ten Sports broadcasts WWE shows on a regular basis. Public awareness of the Plaintiff, its trademarks and its activities which receive unprecedented media coverage and publicity. The plaintiff submits that thus, the activities of the Plaintiff under the trademark/trading style „World Wrestling Entertainment“, „WWE“ and the trademarks „WWE logo“ are very

well-known in India and the different WWE characters, each with his unique and highly distinctive name and image, are also exclusively associated with the plaintiff.

21. I have heard the learned counsel for the plaintiff and examined the plaint, affidavit of PW-1 and the documents placed on record. I deem it appropriate to deal with the prayers of the plaintiff under different heads.

WELL-KNOWN MARK

22. The plaintiff in paragraph 34 (vi) of the plaint has sought a declaration that its marks: „WWE ; „World Wrestling Entertainment ; and the New Scratch Logo are well-known marks in India in terms of Section 2 (zg) and 11 (6) of the Trade Marks Act, 1999.

23. The law in respect of declaration of a mark to be well-known in India is no longer res integra. A coordinate bench of this court had in the case of Tata Sons Ltd. v. Manoj Dodia & Ors., 2011 (46) PTC 244 (Del.) had summed up the tests to be applied by court as to whether a mark is well-known or not. The relevant paragraphs read as under:

"5. A well known trademark is a mark which is widely known to the relevant general public and enjoys a comparatively high reputation amongst them. On account of advancement of technology, fast access to information, manifold increase in international business, international travel and advertising/publicity on internet, television, magazines and periodicals, which now are widely available throughout the world, of goods and services during fairs/exhibitions, , more and more persons are coming to know of the trademarks, which are well known in other countries and which on account of the quality of the products being sold under those names and extensive promotional and marketing efforts have come to enjoy trans-border reputation. It is, therefore, being increasingly felt that such trademark needs to be protected not only in the countries in which they are registered but also in the countries where they are otherwise widely known in the relevant circles so that the owners of well known trademarks are encouraged to expand their business activities under those marks to other jurisdictions as well. The relevant general public in the case of a well known trademark would mean consumers, manufacturing and business circles and persons involved in the sale of the goods or service carrying such a trademark. ...

13. Trademarks Act, 1999 does not specify the factors which the Court needs to consider while determining whether a mark is a well known mark or not, though it does contain factors which the Registrar has to consider whether a trademark is a well known mark or not. In determining whether a trademark is a well known mark or not, the Court needs to consider a number of factors including (i) the extent of knowledge of the mark to, and its recognition by the relevant public; (ii) the duration of the use of the mark;

(iii) the extent of the products and services in relation to which the mark is being used; (iv) the method, frequency, extent and duration of advertising and promotion of the mark; (v) the geographical extent of the trading area in which the mark is used; (vi) the state of registration of the mark; (vii) the volume of business of the goods or services sold under that mark; (viii) the nature and extent of the use of same or similar mark by other parties; (ix) the extent to which the rights claimed in the mark have been successfully enforced, particularly before the Courts of law and trademark registry and (x) actual or potential number of persons consuming goods or availing services being sold under that brand. A trademark being well known in one country is not necessarily determinative of its being well known and famous in other countries, the controlling requirement being the reputation in the local jurisdiction."

(Emphasis Supplied)

24. Further, in the case of *Rolex SA v. Alex Jewellery Pvt. Ltd.*, 2014(60)PTC131(Del), it was held that:

"38. Section 2(zg) of the TM Act defines a 'well known trade mark' in relation to any goods or services to mean 'a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or service would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.' Under Section 11(9)(i) and (v), for the purposes of registration of a well-known mark it is not necessary for such mark to have been used in India or be well-known to the public at large in India. It must be well known to a substantial segment of the relevant public."

(Emphasis Supplied)

25. In order to support his case that its marks are well-known, the counsel for the plaintiff has argued the following grounds:

a. The plaintiff's marks are well recognized and are within the knowledge of the public. To establish the same, the counsel relies upon the fact that the plaintiff has more than 200 licensees marketing products in more than 86 countries in India; more than 100 million views per month cumulatively on wwe.com, YouTube.com/wwe, and hulu.com/wwe; and its regular broadcasts in India on Ten Sports.

b. The marks of the plaintiff have been used for extended period: the marks have been used at least since 2002, when the plaintiff changed its name from World Wrestling Federation (WWF) to World Wrestling Entertainment (WWE); further, the talents/characters' marks have been used even by the plaintiff's predecessor in interest prior to 2002.

c. Plaintiff has a substantial market in India: the plaintiff licensees market, inter alia, T-shirts, sweat shirts, caps, vests and other products such as CD s VCD s and DVD s in India.

d. The plaintiff s marks enjoy a broad-based public awareness and an unprecedented media coverage.

e. The plaintiff s goods and merchandise reproducing its marks are available for sale through its interactive online e-commerce store at wweshop.com; orders from the said website can, and have been, placed throughout India and abroad.

f. The plaintiff enjoys numerous trademark registrations in India and abroad.

g. The volume of the business and sales under the marks: the plaintiff has garnered tremendous business for its goods sold under its marks; the plaintiff s online e-commerce store processed over 307,000 orders in 2012 alone, leading to net revenues of US\$15 Million. Further, one of the Plaintiff s pay-per-view televised events, „Wrestlemania 31 held in 2015, generated over 1.3 million pay-per-view and WWE Network Over-the-Top (OTT) buys in over 100 countries. Since 2000, the plaintiff s pay-per-view events have generated an annual average of approximately US \$100 million in revenue.

h. The plaintiff has successfully enforced its rights and obtained a recognition of its rights in the said marks by this court; i. The plaintiff has a vast number of actual and potential persons consuming its goods and merchandise.

26. In view of the foregoing and applying the test laid down, I find the marks of the plaintiff to be well-known in India. I do so as all the tests laid down in Tata Sons Ltd. (Supra) stand satisfied. The marks of the plaintiff has been extensively used in India and has garnered wide recognition;user since 2002, after the plaintiff was changed to its present form;use in respect of varied products, enumerated paragraph 17 foregoing;extensive promotion in India; wide and numerous registrations; the volume of sales of the plaintiff s merchandise as well as the viewership of its events; regular enforcement of the rights; and the consumer base of the plaintiff.

27. Accordingly, I am of the view that the marks „WWE ; „World Wrestling Entertainment ; and its new scratch logo, i.e. „ are well-known marks in India.

DEFENDANT'S ACTIVITIES

28. It is the case of the plaintiff that in the month of July, 2013, the plaintiff learnt that the defendants are engaged in selling and offering for sale counterfeit products includingT-shirts, caps and wrist bands bearing the images of its talents. In the goods of the defendants, the characters „Randy Orton , „CM Punk and „John Cena were displayed. The goods further displayed the plaintiff s registered trade mark „New Scratch logo . In addition, the defendants were also offering for sale T-shirts and caps bearing the plaintiff s device mark „U CANT SEE ME .

29. Thereafter, in order to determine the extent of the infringing activities of the defendants. On 13.07.2013, a private investigation was carried out. As per the plaintiff, during the investigation the following infringements were established:

S. No.	Defendants' Product	Infringement
1.		<p>i. Reproduction of the Plaintiff s talent "JOHN CENA".</p> <p>ii.Representation of the WWE Talent "JOHN CENA" is distorted and in the wrong colour.</p> <p>iii. Reproduction of the Plaintiff s marks "NEVER GIVE UP" and "10 YEARS STRONG"</p>
	<p>i. Reproduction of the Plaintiff s mark "YOU CANT SEE ME"</p> <p>ii. The "YOU CANT SEE ME" device mark font is incorrect.</p>	
	<p>i. The neck tag is that of a third party "4 PLAY - FUN UNLTD" and not the "Authentic Wear" tag used on the Plaintiff s genuine merchandise.</p> <p>ii. The Hologram placed on the neck of the t-shirt is that of a third party "4 PLAY - FUN UNLTD" and not an authentic hologram of the Plaintiff.</p> <p>iii. Hang tag on the neck is that of a third party "4 PLAY - FUN UNLTD" and not that of the Plaintiff s</p>	

iv. None of the tags or the hologram are correct (does not have "WWE Authentic" marking" or the trademark registration "@" symbol).

i. Reproduction of the Plaintiff s mark "HUSTLE LOYALTY RESPECT"

ii. Reproduction of the Plaintiff s mark "10 YEARS STRONG"

i. Reproduction of the Plaintiff s mark "HUSTLE LOYALTY RESPECT"

2. i. Reproduction of the "YOU CANT SEE ME" mark.

ii. The font of the logo is smaller than it should be.

iii. Reproduction of the Plaintiff s mark "HUSTLE LOYALTY RESPECT"

iv. There are no tags anywhere on this product.

i. Reproduction of the Plaintiff s mark

"HUSTLE LOYALTY
RESPECT"

3.

i. There are no tags
anywhere on this product.

ii. The Skull in head-
dress logo is unrelated to
the Plaintiff, however, the
inside neck bears an
infringing WWE Scratch
Logo.

30. The plaintiff submits that common to all of the counterfeit goods is the fact that none of them bear the "Authentic Wear" tag on them nor do they carry the proper trade mark registration „® symbol. The infringing activities have also been corroborated by the report of the local commissioner dated 10.12.2014 which affirms the activities of the defendant.

INFRINGEMENT OF TRADE MARK AND COPYRIGHT

31. The plaintiff claims that the marks under its registered marks „WWE ;

„New WWE scratch logo ; the words marks „Undertaker , „John Cena , „Batista , Randy Orton and „Triple H .

32. Section 29 (2) of the Trade Marks Act stipulates the conditions when usage by a person amounts to infringement of a registered trademark. Section 29 (2) and (3) read as follows:

"(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of--

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark, is likely to cause confusion on the part of the

public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public."

(Emphasis Supplied)

33. Since the marks being used are identical and the goods being applied to are also identical, it stands proved that the activities of the defendant no. 3 are infringing the registered mark of the plaintiff under Section 29 of the Trade Marks Act. The presumption contained in sub-section (3) of Section 29 also comes to the aid of the plaintiff in the present matter.

34. Additionally, the counsel for the plaintiff submits that the illegal representation of the WWE characters and „WWE Scratch Logo by the Defendant on the impugned counterfeit products has led to intentional infringement of the copyrights belonging to the plaintiff as per the Copyright Act, 1957.

35. In *Burroughs Wellcome (India) Ltd. v. Uni-Sole Pvt. Ltd. & Anr.*, 1999(19)PTC188(Bom), the Bombay High Court observed as under:

"8. Copyright is a form of intellectual property. With advancement in technology it is very easy to copy. The basic test in actions based on the infringement of the copy right is that if a thing fetches a price, it can always be copied and therefore, it needs adequate protection. It is well settled that although under the Copy Right Act 1957, there is a provision of registration, under section 44 of the Act. It is not in doubt that the said procedure is an enabling provision and registration is not compulsory for the purpose of enforcing copy right. Section 44 of the Act provides for registration of work in which copy right exists but in order to claim copy right registration is not necessary. This is because registration is only to raise a presumption that the person shown in the certificate of registration is the author. This presumption is not conclusive, but no further proof is necessary unless there is a proof rebutting the contents of the said certificate. Under section 48 of the Registration Act therefore, the act of registration is ex-fade prima-facie evidence of the particulars incorporated in the certificate. There is no provision under the Act which deprives the author of his rights on account of non-registration of the copy right. There is nothing in the Act to suggest that the registration is condition precedent to the subsistence of the copy right or acquisition of copy rights or owner-ship there of or for reliefs of infringement of copy rights. The sine-qua- non of existence of a copy right is expenditure of skill, labour and capital on any work expended by a person/author and unless the original work is produced in Court to prima-facie show that the work has originated from author, no relief can be granted. In other words, copy right exists even without it being registered for the purposes of its enforcement. The nature of copy right is also meant to be borne in mind. It subsists in any material form in which ideas are translated. Copy right is a incorporeal right. It does not lie in any idea, but it lies in

the expression in which the idea is expressed. The work of an author therefore becomes the subject matter of the copy right. In essence the copy right is a negative right of preventing copying of physical material in the field of art, literature etc. Once an idea is written down, the writing becomes the subject matter of copy right..."

(Emphasis Supplied)

36. In the present case, it is evident from the photographs in the plaint and reproduced in paragraph 29 foregoing and the photographs taken during the visit of the local commissioner on 14.11.2014 that the defendants have applied the marks of the plaintiff as well as the photographs of its talent, which are within the exclusive domain of the plaintiff. Further, the declaration signed by the talent of the plaintiff, reproduced in paragraph 15 foregoing, leaves no room for doubt that the plaintiff is the copyright owner in the said works.

37. Accordingly, in my view, the defendants have infringed the copyright and trademarks of the plaintiff.

PASSING OFF

38. The counsel for the plaintiff submits that the WWE characters and its marks are immensely popular and appear on the plaintiff's publicity material/merchandise. Further, the Plaintiff by its long and continuous use of its characters and other WWE Trade Marks has acquired immense reputation and goodwill for its business. Accordingly, the plaintiffs have acquired common law rights in the same marks.

39. Counsel further submits that the use of the same by the defendants is blatantly dishonest and a mala fide attempt by them to derive an unfair advantage by creating the impression that their products emanate from the plaintiff and have some connection, nexus, association, affiliation with or endorsement by the plaintiff.

40. I have heard the learned counsel in this regard, prior to proceeding further, it is necessary to appreciate the nature of a passing off action. Passing Off action arises out of common law and is not pre-conditioned on registration. The term „passing off“ was explained by James, L.J. in *Singer Manufacturing Co. v. Loog*, (1880) 18 ChD 395 as under:

"...I have often endeavoured to express what I am going to express now (and probably I have said it in the same words, because it is very difficult to find other words in which to express it) -- that is, that no man is entitled to represent his goods as being the goods of another man; and no man is permitted to use any mark, sign or symbol, device or other means, whereby, without making a direct false representation himself to a purchaser who purchases from him, he enables such purchaser to tell a lie or to make a false representation to somebody else who is the ultimate customer."

(Emphasis Supplied)

41. Lord Diplock in Erven Warnink Besloten Vennootschap v. J.

Townend & Sons (Hull) Ltd.,[1979] A.C 731 had identified five essentials to establish an action of passing off. The relevant excerpt is as under:

"My Lords, A.G Spalding and Brothers v. A. W. Gamage Ltd., 84 L.J.Ch 449, and the later cases make it possible to identify five characteristics which must be present in order to create a valid cause of action for passing off: (1) a misrepresentation, (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so."

(Emphasis Supplied)

42. The foregoing essentials have been accepted by the Supreme Court in Cadila Health Care Ltd.v.Cadila Pharmaceuticals Ltd., (2001) 5 SCC 73 and Heinz Italiav. Dabur India Ltd., (2007) 6 SCC 1. In Cadila Health Care Ltd. (Supra), the Supreme Court had further laid down the following decisive tests for checking deceptive similarity:

"35. Broadly stated, in an action for passing-off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors are to be considered:

(a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.

(b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.

(c) The nature of the goods in respect of which they are used as trade marks.

(d) The similarity in the nature, character and performance of the goods of the rival traders.

(e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

(f) The mode of purchasing the goods or placing orders for the goods.

(g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

36. Weightage to be given to each of the aforesaid factors depending upon facts of each case and the same weightage cannot be given to each factor in every case."

(Emphasis Supplied)

43. In the present case, applying the foregoing test I am of the view that the defendants have tried to dupe the general public by portraying their products in a manner that they originate from the plaintiff. The defendants have used the marks of the plaintiff, photographs of its talent as well as their tag-lines. Such usage would inevitably lead to loss of revenue as also that of goodwill. Accordingly, the defendants have not only indulged in infringement, but also into the offence of passing off.

DILUTION OF THE TRADEMARK OF THE PLAINTIFF

44. Having held the marks of the plaintiff to be well-known in paragraph 27 foregoing, I must deal with the aspect of dilution. In this respect, in *Tata Sons Ltd. (Supra)* it was held as under:

"6. The doctrine of dilution, which has recently gained momentous, particularly in respect of well known trademarks emphasises that use of a well known mark even in respect of goods or services, which are not similar to those provided by the trademark owner, though it may not cause confusion amongst the consumer as to the source of goods or services, may cause damage to the reputation which the well known trademark enjoys by reducing or diluting the trademark's power to indicate the source of goods or services."

(Emphasis Supplied)

45. From the foregoing observations, it is clear that dilution occurs when the power of the trademark to indicate the source of the goods gets reduced. A well-known trademark, owing to its use and reputation, establishes a clear origin of the goods in the mind of every consumer who may come across it. This is its primary purpose. Whenever any other person tries to use the mark, the same may reduce the capacity of the mark to indicate to the origin of the goods and lead to dilution of this differentiating capacity of the mark.

46. Applying the said principle in the present case, the use of the marks by the defendants will inevitably create a confusion as to the origin of the products and dilute its distinctiveness. Therefore, I am of the view, that the defendants have also diluted the well-known marks of the plaintiff.

47. Having held that the defendants have infringed the copyright and registered trademarks of the plaintiff, committed the tort of passing off and dilution, the only other issue which remains in the present suit is damages.

PUNITIVE DAMAGES

48. With regard to the relief of damages as claimed by the plaintiffs in paragraph 34 (v) of the plaint pertaining to rendition of accounts and decree for the amount so determined, it is pertinent to note that since the defendants have chosen not to contest the present proceedings, it is not possible to ascertain as to the specific amounts raised from the use of the infringing marks. But, the same cannot handicap the courts from giving punitive/ tentative damages.

49. Further this court has also frequently resorted to the practice of granting punitive damages in addition to compensatory damages. To this end, in *Time Incorporated v. Lokesh Srivastava & Anr.*, 2005 (30) PTC 3 (Del): 2005 (116) DLT 599, while awarding punitive damages of Rs. 5 lakhs in addition to compensatory damages also of Rs. 5 lakhs, Justice R.C. Chopra observed as under:

"8. This Court has no hesitation on saying that the time has come when the Courts dealing actions for infringement of trade marks, copy rights, patents etc. should not only grant compensatory damages but award punitive damages also with a view to discourage and dishearten law-breakers who indulge in violations with impunity out of lust for money so that they realise that in case they are caught, they would be liable not only to reimburse the aggrieved party but would be liable to pay punitive damages also, which may spell financial disaster for them. In *Mathias v. Accor Economy Lodging Inc.*, 347 F.3d 672 (7th Cir. 2003) the factors underlying the grant of punitive damages were discussed and it was observed that one function of punitive damages is to relieve the pressure on an overloaded system of criminal justice by providing a civil alternative to criminal prosecution of minor crimes. It was further observed that the award of punitive damages serves the additional purpose of limiting the defendant's ability to profit from its fraud by escaping detection and prosecution. If a torfeasor is caught only half the time he commits torts, then when he is caught he should be punished twice as heavily in order to make up for the times he gets away. This Court feels that this approach is necessitated further for the reason that it is very difficult for a plaintiff to give proof of actual damages suffered by him as the defendants who indulge in such activities never maintain proper accounts of their transactions since they know that the same are objectionable and unlawful. In the present case, the claim of punitive damages is of Rs. 5 lacs only which can be safely awarded. Had it been higher even, this Court would not have hesitated in awarding the same. This Court is of the view that the punitive damages should be really punitive and not flea bite and quantum thereof should depend upon the flagrancy of infringement."

(Emphasis Supplied)

50. This court in the case of *Microsoft Corporation v. Rajendra Pawar & Anr.*, 2008 (36) PTC 697 (Del.) has held:

"22. Perhaps it has now become a trend of sorts, especially in matters pertaining to passing off, for the defending party to evade Court proceedings in a systematic attempt to jettison the relief sought by the Plaintiff. Such flagrancy of the Defendant's conduct is strictly deprecatory, and those who recklessly indulge in such shenanigans must do so at their peril, for it is now an inherited wisdom that evasion of Court proceedings does not de facto tantamount to escape from liability. Judicial Process has its own way of bringing to task such erring parties whilst at the same time ensuring that the aggrieved party who has knocked the doors of the Court in anticipation of justice is afforded with adequate relief, both in law and in equity. It is here that the concept of awarding punitive damages comes into perspective.

23. Punitive damages are a manifestation of equitable relief granted to an aggrieved party, which, owing to its inability to prove actual damages, etc., could not be adequately compensated by the Court. Theoretically as well as practically, the practice of awarding of punitive damages may be rationalized as preventing under-compensation of the aggrieved party, allowing redress for undetectable torts and taking some strain away from the criminal justice system. Where the conduct of the erring party is found to be egregiously invidious and calculated to mint profits for his own self, awarding punitive damages prevents the erring party from taking advantage of its own wrong by escaping prosecution or detection."

(Emphasis Supplied)

51. A coordinate bench of this court in the case of *The Heels v. Mr. V.K Abrol and Anr.*, CS(OS) NO.1385 of 2005 decided on 29.03.2006 has held:

"11. This court has taken a view that where a defendant deliberately stays away from the proceedings with the result that an enquiry into the accounts of the defendant for determination of damages cannot take place, the plaintiff cannot be deprived of the claim for damages as that would amount to a premium on the conduct of such defendant. The result would be that parties who appear before the court and contest the matter would be liable to damages while the parties who choose to stay away from the court after having infringed the right of the plaintiff, would go scotfree. This position cannot be acceptable.

12. No doubt it is not possible to give an exact figure of damages on the basis of actual loss, but certain token amounts on the basis of the sales of the plaintiff can certainly be made. The plaintiff is unnecessarily dragged into litigation and the defendants must bear consequences thereof. In fact in such a case both compensatory and punitive damages ought to be granted apart from the costs incurred by the plaintiff on such litigation. In view of the given sales figure of the plaintiff, I consider it appropriate to grant a decree of damages in favor of the plaintiff and against the defendants for a sum of Rs 3 lakh apart from costs of the suit."

(Emphasis Supplied)

52. Having regard to the facts of this case, rupees five lakhs is awarded as punitive damages in favour of the plaintiff and against the defendant in terms of para 34 (v) of the plaint.

53. Accordingly, the present suit is decreed in favour of the plaintiff and against the defendants in terms of paragraphs 34 (i), (ii), (iii), (iv) and

(vi) of the plaint along with damages of rupees five lakhs.

54. Let a decree sheet be drawn accordingly.

G.S.SISTANI, J OCTOBER 05, 2016 //