

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

% **Pronounced on: 29th March, 2022**

+ R.F.A. (IPD) 4/2021, CM APPLs.6298/2020 (by the appellant u/S 151 CPC for stay) & 6300/2020 (by the appellant u/O 41 Rule 27 r/w Section 151 CPC for additional documents)

BURBERRY LTD Appellant

Through: Mr. Rishi Bansal & Mr. Krisna
Gambhir, Advocates

versus

ADITYA VERMA Respondent

Through: None

CORAM:

HON'BLE MS. JUSTICE ASHA MENON

J U D G M E N T

1. This is a Regular First Appeal filed under Section 96 read with Order XLI Rule 1 & 2 CPC and Section 151 CPC by the plaintiff before the learned Trial Court. The appeal is against the judgment dated 7th November, 2019 passed by the learned ADJ Patiala House Courts, New Delhi in TM No.204/2017, dismissing the suit.

2. The suit had been filed by the appellant/plaintiff under Sections 134 and 135 of the Trade Marks Act, 1999, and Section and 55 of the Copyright Act, 1957, for permanent injunction restraining the respondent/defendant from violating the appellant's/plaintiff's proprietary rights in its registered 'BURBERRY' trade marks and labels as also against passing off, delivery-up, rendition of accounts etc. The learned Trial Court had granted interim injunction to the appellant/plaintiff vide its order dated 12th October, 2017, also appointing a Local Commissioner.

3. The respondent/defendant filed his written statement on 22nd December, 2017. Issues were framed on 1st February, 2019 which are reproduced herein below for ready reference:-

*“1. Whether the suit is filed by duly authorised person?
OPP.*

2. Whether the plaintiff is entitled to decree for permanent injunction restraining defendants, their agents, representatives, stockists etc. for using selling, soliciting etc. of impugned goods containing Trade Mark “BURBERRY”? OPP.

3 Whether plaintiff is entitled to decree of injunction restraining the 'defendants and their subjects from dealing with or disposing of the merchandise containing Trade Mark 'BURBERRY". OPP.

*4. Whether plaintiff is entitled to decree of delivery up of impugned goods containing Trade Mark 'BURBERRY' ?
OPP.*

5 Whether plaintiff is entitled to Rendition of accounts and damages on account of profits made by the defendant by sale of goods containing Trade Mark 'BURBERRY'? OPP.

6. Relief.”

4. Vide the impugned judgement dated 07th November, 2019, the learned Trial Court answered the issue No.1 in favour of the appellant/plaintiff. In respect of the issues 2 to 6, it appears that a common reasoning has been given. The learned Trial Court returned a finding that the appellant/plaintiff had failed to prove that the goods that had been seized by the Local Commissioner were counterfeit products. In other words, the appellant/plaintiff had failed to discharge the onus of proving its case since no expert was examined nor any other evidence

produced to establish that the goods were counterfeit. The learned Trial Court concluded that the benefit of doubt would go to the respondent/defendant, and held that the seized goods were not proved to be counterfeit. Accordingly, the suit was dismissed.

5. Though notice of the appeal had been directed to be issued, none appeared for the respondent/defendant despite service.

6. Arguments have been advanced by Mr. Rishi Bansal, learned counsel for the appellant/plaintiff. Reliance has also been placed on the decisions of the Coordinate Benches of this Court in *Levi Strauss & Co. v. Rajesh Agarwal*, 2018 SCC OnLine Del 6421 and *Louis Vuitton Malletier v. Omi*, 2018 SCC OnLine Del 10343 to submit that the learned Trial Court had erred in concluding that there was no evidence to support the case of the appellant/plaintiff and had erroneously ignored the report of the Local Commissioner where it was recorded that the goods were counterfeit. Since the respondent/defendant had not chosen to file any objections to the Local Commissioner's report, the fact that goods bearing the 'BURBERRY' logo/tag had in fact been seized from the possession of the respondent/defendant, ought to have sufficed for the rights of the appellant/plaintiff to have been protected.

7. It is the submission of the learned counsel for the appellant/plaintiff that even if the Local Commissioner was not examined in the court, the report still formed evidence which could not have been overlooked. Furthermore, learned counsel submitted that the learned Trial Court had also ignored the testimony of PW-1 where she had asserted that the goods recovered from the possession of the respondent/defendant were fake and the products could be easily differentiated from an original

and that the quality sufficiently showed that what was in the possession of the respondent/defendant was in fact counterfeit products.

8. The learned counsel urged that since the trade mark 'BURBERRY' was registered in the name of the appellant/plaintiff and this fact stood admitted by the respondent/defendant, there was sufficient evidence to protect the interests of the registered proprietor of the trade mark 'BURBERRY', by issuing the injunctions prayed for.

9. A perusal of the impugned judgment would reveal that the learned Trial Court has completely misdirected itself in placing undue emphasis on proof of counterfeit products whereas the issue before it was whether there was an infringement of the registered trade mark of the appellant/plaintiff by the respondent/defendant and/or whether the respondent/defendant was passing off his own goods as those of the appellant/plaintiff or was indicating the source of his goods as that of the appellant/plaintiff and thus infringing the registered trade marks of the appellant/plaintiff, and to its detriment by dilution.

10. Had this been the focus of attention, the learned Trial Court would have been quick to note that the proof required was not of whether there was counterfeiting, but of infringement by use of the registered trade marks unauthorizedly. Had the products been not counterfeit, even then, if the trade marks used were to mislead the public regarding the origin of the products, a case for injunction would have been made out.

11. It is stranger still that the learned Trial Court while dealing with the civil matter had chosen to decide the case on the standard of criminal jurisprudence to hold that the case had not been proved beyond doubt and grant the benefit of the doubt to the respondent/defendant.

12. The seizure by the Local Commissioner has been treated as if these were samples from a seizure made from an offender by an investigating officer, overlooking the fact that the court had directed the Local Commissioner to inspect the site and seize goods that were infringing or appeared counterfeit products and to hand over the seized goods on execution of an indemnity bond.

13. The Local Commissioner's Report was also discarded on the ground that the appellant/plaintiff had not examined the Local Commissioner in the witness box.

14. These shortcomings in the judgment impugned by the appellant/plaintiff would suffice to set it aside, however, this Court considers it fit to assess the evidence to determine whether the appellant/plaintiff had a case on merits.

15. The appellant/plaintiff had placed on record as Exhibit PW-1/3 the registration certificates pertaining to its Trade Marks. Therefore, its rights are protected under Section 28 of the Trade Marks Act 1999. Exhibit PW-1/1 (colly), is the representation of its own trademark/label. Exhibit PW-1/2 (colly) is the representation of the impugned goods of the respondent/defendant bearing the registered Trade Mark of the appellant/plaintiff. Assuming that the photographs did not help the learned Trial Court to come to any conclusion, it could not have overlooked the Local Commissioner's Report.

16. The Local Commissioner had been appointed by the learned Trial Court vide its orders dated 12th October, 2017 with the following directions:-

“The Local Commissioner shall seize all impugned goods including bags, wallets, apparel, fashion accessories and cognate goods and make an inventory of goods like moulds, packing material, pouches, cartons, blocks, containers, display boards, sign boards, advertising material, dyes or blocks, semi finished/unfinished products packed/unpacked, stationery, wrappers etc bearing the impugned trade marks/label "BURBERRY" as, per para 23 of the plaint or bearing any other mark/label identical with or deceptively similar' to the plaintiff's trade mark with or without logo/device found at the aforementioned place of the defendant. After inventorising the stock, the same be released to the plaintiff on supardari. The Local Commissioner shall sign the account books, if any, of the said defendant including ledgers, cash register, stock register, invoices, books etc.”

17. In the Report, the Local Commissioner recorded that she had gone to the shop bearing No.73B Khan Market, Delhi. The respondent/defendant, Mr. Aditya Verma was informed about the execution, whereafter the premises were inspected and the Local Commissioner found the counterfeit/infringing goods “bearing the Trademark Burberry”. The Local Commissioner also prepared the inventory of the seized goods as follow:

Bags: x 2 Pieces,

Hand clutches: 1 Piece,

Clothes- Shirt with one box: 1 Piece,

MT Boxes: 3 Pieces,

which were all seized. The remaining goods were handed over to Mr. Rahul Sharma, advocate for the appellant/plaintiff on *superdari* after two

pieces were taken out for production before the Court. The use of the words sample need not have been treated by the learned Trial Court as a reflection of the whole and the entire case property could have been produced before the Court if there was any need.

18. Unlike in a criminal case, in a case of infringement of registered Trade Marks or of passing off, similarity of the marks used is to be considered. There is no call to have an expert witness to testify to the use of an identical or similar Trade Mark. The emphasis is on the branding and not on the manufacture of the goods in question. It is the false branding that results in the product being counterfeit. Thus the learned Trial Court fell into grave error in holding that the absence of expert testimony disproved the case of infringement and passing off.

19. It is to be noted that the plea taken by the respondent/defendant that the premises did not belong to him and that the recovery was made outside his shop was rejected by the learned Trial Court for reason that it was upon the respondent/defendant to prove that his shop was 73A whereas the goods were seized from shop no. 73B, but the respondent/defendant did not lead any evidence in this regard, making his argument baseless. Clearly, the learned Trial Court accepted that the infringing goods had been seized by the Local Commissioner from the premises of the respondent/defendant. The Local Commissioner had also taken photographs in accordance with the directions of the learned Trial Court and the registered trade mark of the appellant/plaintiff were in fact found on some of the goods. That should have sufficed to establish the case of the appellant/plaintiff for injunction.

20. The Local Commissioner acts on behalf of the court and instead of the Court physically moving to the spot, information is obtained by the court through the Local Commissioner. That being so, under Order XXVI Rule 10(2) of the CPC, the report of the Local Commissioner is to be treated as evidence in the suit, forming part of the record. No objections have been filed against the report of the Local Commissioner. In fact, the learned Trial Court appears to have overlooked the decision of the Apex Court in **Misrilal Ramratan v. A.S. Shaik Fathimal**, 1995 Supp (4) SCC 600 where it has been held as under:-

“3. ...It is now settled law that the report of the Commissioner is part of the record and that therefore the report cannot be overlooked or rejected on spacious plea of non-examination of the Commissioner as a witness since it is part of the record of the case...”

In the present case therefore, the report of the Local Commissioner established the fact that products not originating from the appellant/plaintiff, were found in the possession of the respondent/defendant bearing the registered trade mark of the appellant/plaintiff, who ought to have then explained how he had come in possession of the same; whether the products were original products or whether he was authorized to sell the same or that he was not selling the products originating from the appellant/plaintiff. In any case, clearly, he had to be restrained from doing any act harmful to the interests of the appellant/plaintiff as also the general public.

21. That apart, the learned Trial Court has also chosen to ignore the testimony of PW-1 Ms. Meena Bansal was also cross-examined and was

questioned whether she could differentiate between the original and the duplicate product and her answer was in the affirmative. A further question was put to her as to how she could differentiate between them, by seeing them or by checking their quality. Her answer was – *“By checking its quality as the original product is very expensive and is very high quality and merely by seeing the product it can be differentiated whether it is fake or its original.”* There could be no clearer answer. It is but obvious, that the products of the appellant/plaintiff, which is a company having worldwide operations and having earned reputation for the various products manufactured by it and sold under the trade mark “BURBERRY” with its logo and labels, would have a quality that would be far superior to the goods found from the respondent/defendant, who himself claims, that he is selling various products at a stall in Khan Market. But the fact that people coming to Khan Market would be familiar with the label and trade mark “BURBERRY”, apparently prompted him to try and cash in on the appellant’s/plaintiff’s reputation and make a neat profit for his products. Since, the original would not be kept by the respondent/defendant, no customer would have had the benefit of comparison to know that they were at risk of purchasing a fake product.

22. It is thus, clear, that the appellant/plaintiff has, in fact, proved its entitlement to the reliefs claimed by it and the suit ought to have been decreed rather than dismissed.

23. Since there has been no evidence of the profit that the respondent/defendant has made or of any other product apart from those seized by the Local Commissioner, while the issues 2 and 3 are answered

in favour of the appellant/plaintiff, the issues 4 and 5 are answered against the appellant/plaintiff.

24. In the light of the foregoing discussion, the appeal is allowed and the impugned judgment and decree dated 7th November, 2019 is set aside and the suit decreed.

25. The respondent/defendant, as also related individual proprietors/partners, agents, representatives, distributors, assignees, heirs, successors, stockists and all other persons acting for or on their behalf are restrained by means of a permanent injunction, from manufacturing, marketing, purveying, supplying using, selling, soliciting, exporting, importing, displaying, advertising or by any other mode or manner dealing in or selling/ soliciting, through online websites or online platforms or through social medias or in any other manner or mode using the registered Trade Mark 'BURBERRY' and labels or depicting the logo of the appellant/plaintiff on his products. No order as to costs.

26. The Decree sheet be drawn up.

27. The appeal along with the pending applications stands disposed of.

28. The judgment be uploaded on the website forthwith.

(ASHA MENON)

JUDGE

MARCH 29, 2022/ak