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

% *Date of Decision : 25th April, 2023*

\+ CS(COMM) 601/2022 and I.A. 14027/2022 (O-XXXIX R-1 & 2 of CPC)

RETAIL ROYALTY COMPANY & ANR. ..... Plaintiffs
Through: Mr.Urfee Roomi, Mr.Anubhav Chhabra, Mr.Ritesh Kumar, Advocates.

versus

NIRBHAY MARG NEWS BROADCAST PRIVATE LIMITED ..... Defendant
Through: None.

CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL

AMIT BANSAL, J. (Oral)

1. The present suit has been filed seeking the relief of permanent injunction restraining the defendant from the infringement of the trademark and copyright of the plaintiffs, passing-off and other ancillary reliefs.

BRIEF FACTS

2. The case setup by the plaintiff is as follows:

2.1 Plaintiff no.1, Retail Royalty Company and plaintiff no. 2, AEO Management Co., incorporated under the laws of the State of Nevada, United States of America are wholly owned subsidiaries of a common parent company, American Eagle Outfitters, Inc.

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2.2 The parent company of the plaintiffs, since its foundation in 1977 has been engaged in the business of designing, marketing and selling readymade clothing, footwear, fashion accessories and related goods, around the world, including in India.

2.3 The plaintiffs are the proprietors of various trademarks including the Flying Eagle device mark  (hereinafter referred to as the "Flying Eagle mark"), that is used on and in relation to readymade clothing, footwear and related accessories. Over the years, the plaintiffs have also used a variation of the plaintiffs' mark  , which features additional serrations on the right wing. The Flying Eagle mark was created by an employee of the plaintiffs in 2003.

2.4 The Plaintiffs' goods bearing the Flying Eagle mark are sold in over one thousand three hundred (1300) retail stores around the world, including in India. The plaintiffs have opened 33 stores in India. The goods of the plaintiffs are available in their retail stores as well as on the e-commerce websites such as www.ae.com, www.myntra.com, amazon and more.

2.5 The plaintiff no.2 is the first owner of the copyright in the Flying Eagle mark, bearing registration no.AA-122033/2017 by virtue of the Copyright Act, 1957.

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2.6 The plaintiffs are the registered proprietors of the Flying Eagle mark in various Classes including Class 38 of the Trade Marks Act, 1999 dealing in telecommunications. The earliest registration for the Flying Eagle mark in India dates back to the year 2006. Details of the trademark registrations of the plaintiffs' Flying Eagle mark in India have been tabulated in paragraph no.17 of the plaint. The said mark of the plaintiffs is also registered by the plaintiffs in various other countries.

2.7 The plaintiffs have also filed their global sales turnover in respect of the goods bearing the Flying Eagle mark from the financial year 2009-2010 to 2021-2022. The turnover of the plaintiffs in the year 2009-2010 was around 2.928 billion USD, whereas the turnover in the financial year was around 5.010 billion USD. The plaintiffs' revenues have shown substantial increase.

2.8 The plaintiffs have also provided the advertising expenses incurred by the plaintiffs in respect of the goods bearing the Flying Eagle mark. In the year 2009, the plaintiffs spent around 68.9 million USD towards advertising expenses and in the year 2021 the plaintiffs spent around 173.6 million USD. The plaintiffs have also advertised goods bearing the Flying Eagle mark in various print medias, direct mailings and other channels.

2.9 Owing to the extensive and continuous use of the Flying Eagle mark within India, the said mark has acquired a status of 'well-known trademark' under Section 2(1) (zg) of the Trademarks Act, 1999.

2.10 Defendant, Nirbhay Marg News Broadcast Private Limited is a company engaged in the business of providing broadcasting services, transmitting streamed sound and audio-visual recordings via the internet, transmission of advertising programs and media advertising communications

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via digital communications and related services under the marks,  

(hereinafter referred to as 'impugned marks'). The impugned marks features the Device of Eagle. The defendant offers/ advertises its services through its website located at http://nirbhaymargnews.com/, where the defendant's mark is prominently featured as a corporate logo and as a favicon.

2.11 The plaintiffs became aware of the defendant's unauthorized adoption and illegal use of the impugned marks in July, 2022, when it discovered the defendant's trademark application no.5374572 for registration of one of the impugned marks in Class 38, which was opposed. A cease and desist notice dated 27th July, 2022 was issued to the defendant followed by a reminder, which was not replied to by the defendant.

2.12 Subsequently, in August 2022, upon further research, the plaintiffs discovered the defendant's use of the impugned marks in relation to broadcasting and transmission services on the defendant's website located at http://nirbhaymargnews.com/ and its social media pages.

2.13 Accordingly, the plaintiffs have filed the present suit.

PROCEEDINGS IN THE SUIT

3. This Court, vide order dated 1st September, 2022 granted an *ex parte* ad interim injunction in favour of the plaintiffs under I.A.14027/2022, restraining the defendant from using the mark impugned marks. The relevant

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portion of the said order is as under:

> *"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 Plaintiffs statutory and common law rights.*"

4. The order dated 23rd January, 2023 passed by the Joint Registrar records that the defendant has been served through e-mail, however the process issued through speed post was 'refused' and hence, the defendant was deemed to have been served. None appeared on behalf of the defendant

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on 17th March, 2023 and 13th April, 2023 also. Consequently, the defendant was proceeded against *ex parte* on 13th April, 2023.

5. Despite granting an opportunity to file written statement, the defendant has failed to rebut the case of the plaintiff. No written statement has been filed by the defendant. It is indicative of the fact that the respondent no.1 has nothing substantial to urge, by way of a response to the averments in the plaint.

SUBMISSIONS OF THE PLAINTIFF

6. Counsel for the plaintiffs places reliance on the judgment of this Court in ***Satya Infrastructure Ltd. and Ors.* v. *Satya Infra & Estates Pvt. Ltd.***, 2013 SCC OnLine Del 508 to contend that in the event the defendants have failed to appear in the proceedings and voluntarily chosen not to respond to the plaint, it is indicative of the fact that the defendants have nothing substantial to urge, by way of a response to the allegations in the plaint. Counsel for the plaintiffs submits that this is a fit case where a Summary Judgment in terms of Order XIII-A of the Code of Civil Procedure, as applicable to commercial disputes of a specified value, read with Rule 27 of the Delhi High Court Intellectual Property Rights Division Rules, 2022 (in short, 'IPD Rules'), deserves to be passed in favour of the plaintiffs and against the defendant.

7. In view of the above, the counsel for the plaintiffs prays for a decree of permanent injunction and damages along with costs in the suit.

ANALYSIS AND FINDINGS

8. I have heard the counsel for the plaintiffs and perused the record of the case.

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9. At the outset, reference may be made to the judgment of a Division Bench of this Court in ***Surya Food & Agro Ltd.* v. *Om Traders***, 2023 SCC OnLine Del 265, where this Court has observed that under Rule 3 of Chapter X-A of the Delhi High Court (Original Side) Rules, 2018, a Court can on its own decide the disputes by a summary judgment without a formal application being moved by any party.

10. It may be relevant to note that the defendant has deliberately chosen not to enter appearance. Ample opportunity has been given to the defendant to appear before the Court and defend the case, however, no written statement has been filed by the defendant. It is evident that the defendant has no defence to put forth on merits.

11. In terms of Rule 4 of Chapter VII of the Delhi High Court (Original Side) Rules, 2018, since the defendant has failed to file the affidavit of admission/denial of documents filed by the plaintiffs, the documents filed by the plaintiffs shall be deemed to be admitted.

12. From the averments made in the plaint and the documents filed therewith, the plaintiffs have been able to prove that they are registered proprietors of the Flying Eagle mark and the said registrations are valid and subsisting. The plaintiffs have also been able to show their goodwill and reputation in respect of their Flying Eagle mark. Further, the plaintiffs have placed on record various order passed by Indian Courts against the infringers using the mark similar to the plaintiffs' mark even in respect of goods/services that are not similar to the plaintiffs' good. Plaintiffs have established statutory as well as common law rights on account of long usage of the Flying Eagle mark.

13. At this stage, it may be relevant to note the comparison between the

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mark of the defendant and the plaintiffs, which is as under:

Defendant's Mark	Plaintiff's Mark
	

14. From the above comparison, this Court is of the view that the impugned marks of the defendant is identical/deceptively similar to the Flying Eagle mark of the plaintiffs. It is clear that the device of Eagle, which is an essential part of the plaintiffs' trademark has been reproduced by the defendant. This is further evidenced from the prominent use of the impugned marks on the defendant's website, screenshots of which have been annexed at pages 662 to 668 of the documents filed along with the plaint.

15. The plaintiffs own copyright registration for the Flying Eagle mark in India, which is valid and subsisting. The reproduction of the whole or a substantial part of the copyrighted artistic work by the defendant constitutes copyright infringement. The acts of the defendant would also lead to dilution of the plaintiffs' Flying Eagle mark.

16. In view of the above, it appears that the defendant does not have any real prospect of successfully defending the claims in the present suit.

17. I am of the opinion that no purpose would be served by directing the

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plaintiffs to lead *ex parte* evidence by filing an affidavit of examination in chief.

RELIEF

18. The registration and the long usage of the Flying Eagle mark by the plaintiffs, as also the goodwill vesting in the Flying Eagle mark, entitles the plaintiffs for grant of permanent injunction and decree in terms of the plaint.

19. Accordingly, the present suit is decreed against the defendant in terms of the relief of permanent injunction as sought in prayer clauses 66 (b), (c) and (e).

20. Insofar as the relief of damages as sought in prayer clauses 66 (k) and (l) is concerned, reference may be made to the judgment in ***Hindustan Lever Ltd.*** **v.** ***Satish Kumar***, 2012 SCC OnLine Del 1378. The relevant observations are set out below:

> *"23. One of the reasons for granting relief of punitive damages is that despite of service of summons/notice, the defendant had chosen not to appear before the court. It shows that the defendant is aware of the illegal activities otherwise, he ought to have attended the proceedings and give justification for the said illegal acts. Since, the defendant has maintained silence, therefore, the guilt of the defendant speaks for itself and the court, under these circumstances, feels that in order to avoid future infringement, relief of punitive damages is to be granted in favour of the plaintiff."*

21. In the present case, the defendant has blatantly infringed the trademark of the plaintiffs and have also failed to appear before this Court. Applying the above principles and considering the nature of infringement by the defendant, the plaintiffs are entitled to damages of Rs.3,00,000. Additionally, Rs.3,00,000/- is awarded to the plaintiffs as costs to be paid by

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the defendant.

22. The defendant shall pay the said amount to the plaintiffs within eight weeks, failing which the plaintiffs are permitted to commence execution proceedings against the defendant.

23. In view of the above, counsel for the plaintiffs does not press for reliefs as sought in prayer clauses 66 (a), (d), (f), (g), (h), (i) and (j) against the defendant.

24. All pending applications are disposed of.

25. Decree sheet be drawn up.

AMIT BANSAL, J

APRIL 25, 2023
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