



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

% *Date of decision: 1st June, 2023*

+ **CS(COMM) 444/2022**

NEW BALANCE ATHLETICS INC. Plaintiff
Through: Mr. Dushyant K. Mahant, Mr. Urfee
Roomi, Ms. Janaki Arun and
Mr. Anubhav Chhabra, Advocates.
versus

NEW BALANCE IMMIGRATION PRIVATE LIMITED
..... Defendant
Through: Ms. Nidhi Gupta, Advocate.

CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL

AMIT BANSAL, J. (Oral)

I.A. 9041/2023 (u/S 151 of the CPC r/w O-IX R-7 of the CPC)

1. The present application has been filed on behalf of the defendant under Section 151 read with Order IX Rule 7 of the Code of Civil Procedure, 1908 (CPC).
2. Despite service, none appeared on behalf of the defendant and hence, the defendant was proceeded against *ex parte* on 15th September, 2022. Thereafter, on 12th October, 2022 the application for interim injunction filed on behalf of the plaintiff, under Order XXXIX Rules 1 and 2 of the CPC was allowed and an *ex parte* judgment was passed in favour of the plaintiff restraining the defendant from using the marks 'NEW BALANCE' and 'NB' in any manner including in relation to advertising of services or use as



the defendant's corporate name, corporate logo or domain name.

3. Counsel for the defendant submits that the defendant could not appear on the hearing on 15th September, 2022 and 12th October, 2022 due to personal exigencies as he was occupied with the medical treatment of his uncle, who was suffering from cancer and who expired on 15th October, 2022. Subsequently, counsel appeared on behalf of the defendant on 23rd January, 2023. On 8th May, 2023, the present application was filed on behalf of the defendant.

4. Counsel for the plaintiff does not seriously contest the present application.

5. Accordingly, the present application is allowed and the defendant is permitted to participate in the suit from the date it entered appearance i.e., 23rd January, 2023.

6. The application stands disposed of.

I.A. 2807/2023 (O-XI R-1(5) of the Commercial Courts Act)

7. The present application has been filed on behalf of the plaintiff seeking to place on record additional documents.

8. Sometime in February, 2023, the plaintiff came to know that defendant is continuing to use the impugned marks as a part of its corporate name, corporate logo as well as domain name.

9. Accordingly, the present application was filed to place on record material to show the user of the impugned marks by the defendant even after passing of injunction order dated 12th October, 2022.

10. No reply has been filed on behalf of the defendant to the present application.



11. For the reasons stated, the application is allowed and the aforesaid documents are taken on record.

I.A. 1264/2023 (O-XIII-A R-3 & 6(1)(a) of the CPC), I.A. 1336/2023 (O-XXXIX R-2A of CPC) & CS(COMM) 444/2022

12. The present suit has been filed seeking relief of permanent injunction restraining the defendant from infringing the trademarks of the plaintiff, passing off its goods and services as that of the plaintiff's and other ancillary reliefs.

PLEADINGS IN THE PLAINT

13. The case set up by the plaintiffs in the plaint is as follows:

13.1. The plaintiff company incorporated under the laws of USA, is engaged in the designing, manufacturing, marketing and sales of footwear, readymade clothing in about 120 countries including India

13.2. The plaintiff first used the 'NEW BALANCE' mark as part of its corporate name in 1906 in the United States of America and since then, the 'NEW BALANCE' mark has been used as part of the plaintiff's corporate name and the corporate names of the plaintiff's companies around the world.

13.3. The plaintiff is the registered proprietor of 'NEW BALANCE', 'NB', the 'NB' device mark and other marks that incorporate the NEW BALANCE and NB marks around the world including India. The use of the mark 'NEW BALANCE' began in India in 1986.

13.4. Pursuant to a franchise agreement in the year 2016, the plaintiff authorised an Indian party to operate retail stores throughout India. The plaintiff's products are being sold through various e-commerce platforms



such as amazon.in, myntra.in, etc. Additionally the plaintiff has its presence on various social media platforms.

13.5. The plaintiff owns various valid and subsisting registrations in India in respect of its 'NEW BALANCE' marks in Class 25 and other classes, details of which are given in paragraph 36 of the plaint. Further, the plaintiff also got the domain name, 'NEWBALANCE.COM' registered in its favour in 1995.

13.6. The plaintiff has also tabulated the advertising expenses incurred and net revenue earned owing to the sale of goods bearing the plaintiff's marks from the financial year 2013 to 2020. In the year 2020 the net revenue earned by the plaintiff was USD 2.7 billion and the advertising expenses incurred by the plaintiff during the same period was USD 244 million as stated in paragraph 19 and 20 of the plaint.

13.7. It is the case of the plaintiff that in May, 2022, the plaintiff came across the use of impugned marks by the defendant as a part of the defendant's corporate name. The defendant is stated to be engaged in the business of, *inter alia*, offering immigration and visa procurement services.

13.8. A legal notice dated 12th May, 2022 and reminder notice dated 27th May, 2022 was served upon the defendant which was not responded by the defendant.

13.9. Thereafter, the plaintiff engaged an investigator to ascertain the extent of use of the impugned marks by the defendant. The investigator's report revealed that the defendant in addition to using the 'NEW BALANCE' mark as a part of its corporate name and the 'NB' device mark as a part of its corporate logo, also uses the impugned mark as a part of its domain name,



‘NEWBALANCEIMMIGRATION.COM’.

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

PROCEEDINGS IN THE SUIT

14. Summons in the suit and notice in the application under Order XXXIX Rules 1 & 2 of the CPC filed on behalf of the plaintiff were issued on 5th July, 2022.

15. On 24th August, 2022, fresh summons were issued to the defendant. The order dated 14th September, 2022 passed by the Joint Registrar records that the defendant was served on 22nd July, 2022 and 23rd July, 2022. Since the defendant did not appear despite being served, it was proceeded against *ex parte* on 15th September, 2022.

16. This Court, vide order dated 12th October, 2022 granted an *ex parte* injunction order in favour of the plaintiff under I.A.10068/2022, restraining the defendant from using the trademark ‘NEWBALANCE’. The relevant portion of the said order is as under:

“23 . For all the aforesated reasons, this Court is of the view that Plaintiff has made out a prima facie case for grant of temporary injunction. Balance of convenience lies in favour of the Plaintiff and in case the injunction is not granted, Plaintiff is likely to suffer irreparable loss.

24. Accordingly, Defendant, its shareholders, directors, officers, agents, representatives, managers, employees and agents, companies or entities that 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 using the marks NEW BALANCE and NB or marks that are identical/similar to Plaintiffs marks, in any manner whatsoever, including, in relation to sale, advertising, and marketing of goods and/or



services, or use as Defendant's corporate name, corporate logo, domain name, and/or on Defendant's business incidentals, during the pendency of the suit.”

17. Since the defendant failed to comply with injunction order dated 12th October, 2022, the plaintiff sent a letter dated 7th November, 2022 to the defendant requesting compliance of the aforesaid order. However, since the defendant failed to comply with the aforesaid order, an application, being I.A. 1336/2023 under Order XXXIX Rule 2A of the CPC was filed on behalf of the plaintiff.

18. The defendant has failed to file written statement and the maximum prescribed period for filing written statement is already over. Therefore, the defendant has failed to bring forward any defence on record.

19. Counsel for the plaintiff presses for exemplary costs on account of the infringing activities of the defendant and failure to comply with the interim injunction order passed by this Court.

20. In the reply filed on behalf of the defendant to I.A. 1264/2023_it has been stated as under:

- i. Despite service of summons, the defendant could not appear due to personal exigencies.
- ii. The marks used by the defendant are completely different from the marks of the plaintiff. Further, the defendants are using the marks in completely different trade channels so there is no likelihood of confusion.

ANALYSIS AND FINDINGS

21. I have heard the counsels for the parties and perused the record of the case.



22. At the outset, it may be relevant to note that despite being served, neither did the defendant enter any appearance before the Court nor did it file a written statement. The maximum permissible period of 120 days in filing written statement is already over.

23. 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 plaintiff, the documents filed by the plaintiff shall be deemed to be admitted.

24. From the averments made in the plaint and the documents filed therewith, the plaintiff has been able to prove that it is the registered proprietor of the 'NEWBALANCE' marks and 'NB' device marks (hereinafter " 'NEW BALANCE' marks"), in various classes and the said registrations are valid and subsisting. The plaintiff has also been able to show its goodwill and reputation in respect of the 'NEWBALANCE' marks, which extends beyond the plaintiff's goods. The plaintiff has established statutory as well as common law rights on account of long usage of the 'NEWBALANCE' marks.

25. At this stage, it may be relevant to make a comparison between the mark of the plaintiff and the defendant, which is as under:



Defendant's Marks	Plaintiff's Marks
NEW BALANCE	NEW BALANCE
	<p data-bbox="1054 533 1114 566">NB</p>  

26. From the comparison above, it is clear that the defendant's mark is deceptively similar to the plaintiff's marks. The defendant is also using a 'NB' device mark that incorporates the plaintiff's 'NB' mark in its entirety, which evokes an association with the plaintiff.

27. The defendant has used the impugned marks in its trade name i.e., 'NEWBALANCEIMMIGRATION', which is identical to the plaintiffs' name, with an intent to springboard its business by drawing association with the plaintiff and its trademark and to ride on the goodwill and reputation of the mark of the plaintiff. The acts of the defendant amount to infringement of the trademarks of the plaintiff in terms of Section 29(4) of the Trade Marks Act, 1999 and passing off the services of the defendant as that of the plaintiff. The defendant has not only taken unfair advantage of the reputation and goodwill of the plaintiff's mark but also deceived unwary



consumers of their association with the plaintiffs.

28. The domain name of the defendant is also deceptively similar to that of the plaintiff and is likely to deceive the public of its association with the plaintiff. In *Anugya Gupta v. Ajay Kumar and Anr.*, 2022 SCC OnLine Del 1922, this Court applying the principles of the trade mark law has held that the right of a proprietor in a domain name is entitled to equal protection. The user traffic may be diverted due to the use of the same or similar domain name, which could result in a user mistakenly accessing one domain name instead of the one intended. A domain name may therefore, have all the characteristics of a trademark and could result in an act of passing off. Similarly, the use of 'NEWBALANCEIMMIGRATION' as a part of its trade name by the defendant is also likely to deceive unwary consumers of their association with the plaintiff.

29. In view of the observations made above and undisputed factual position, it appears that the defendant does not have any real prospect of successfully defending the claims in the present suit.

30. I am of the opinion that no purpose would be served by directing the plaintiff to lead *ex parte* evidence by filing an affidavit of examination in chief.

31. The defendant has admitted that it was duly served with the summons of the suit and despite the same, the defendant neither entered appearance nor filed a written statement even after the maximum prescribed statutory period of 120 days was over.

32. In any event, the defendant has failed to explain as to how it adopted the marks 'NEW BALANCE' and the 'NB' device marks, which are



deceptively similar to the plaintiff's registered marks. Clearly, the adoption by the defendant was dishonest.

33. During the course of submissions, counsel for the defendant submitted that the defendant does not object to a decree of permanent injunction being passed against the defendant. However, she submits that in the facts and circumstances of the present case, costs may not be imposed.

RELIEF

34. In view of the fact that the plaintiff has established a case of infringement as well as passing off, the plaintiff is entitled to a decree of permanent injunction.

35. Accordingly, the present suit is decreed in terms of the prayer clauses 'a', 'b', 'c', 'd' and 'e'.

36. In respect of prayer clause '1', I am of the considered view that costs have to be imposed on the defendant taking into account the following:

- i. The adoption of the aforesaid marks by the defendant was neither *bonafide* nor honest.
- ii. Before filing the present suit, a cease and desist notice was sent on behalf of the plaintiff to the defendant on 12th May, 2022, followed by a reminder on 27th May, 2022. However, the defendant neither responded to the aforesaid notices nor discontinued its use of the impugned marks.
- iii. Despite the interim injunction order passed by this Court on 12th October, 2022, the defendant continued to use the impugned marks in relation to its services.
- iv. Even after the injunction order was passed by this Court, a



communication was sent on behalf of the plaintiff to the defendant on 7th November, 2022. Once again, the defendant continued with its infringing activities and did not respond to the aforesaid letter.

- v. It was only on 30th May, 2023, that the defendant company passed a resolution to voluntarily wind up the defendant company, bearing the name 'New Balance Immigration Private Limited'.
- vi. Defendant incorporated a new company for its business of immigration services only on 13th April, 2023.
- vii. Even till February, 2023, the website of the defendant continued to use the infringing marks 'NB' as well as 'NEW BALANCE' for its immigration services'.
- viii. The office of the defendant company also continued to have the board bearing the impugned mark 'NEW BALANCE'.

37. In view of the aforesaid conduct of the defendant, I am of the considered view that the plaintiff is entitled to costs of Rs.4,00,000/-, payable by the defendant. The aforesaid costs shall be paid on or before 30th July, 2023.

38. In view of the above, counsel for the plaintiff does not press for remaining reliefs except for the relief sought in prayer clause 'h'.

39. Let the decree sheet be drawn up.

40. Pending applications stand disposed of.

41. The suit shall proceed insofar as the prayer clause 'h' is concerned.

42. Let an affidavit of evidence be filed by the plaintiff within six weeks from today.

43. List before the Joint Registrar on 27th July, 2023.

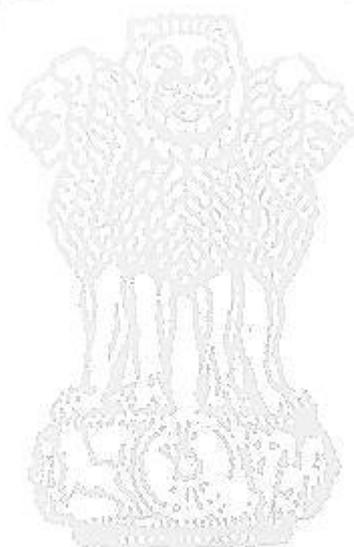


JUNE 1, 2023

at/sr

AMIT BANSAL, J.

HIGH COURT OF DELHI



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