



* IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on: 03rd July, 2024
Pronounced on: 19th July, 2024

+ CS(COMM) 582/2018, I.A. 14215/2019, I.A. 334/2020

ADIDAS AG Plaintiff

Through: Mr. Ranjan Narula, Ms. Aishani Singh and Ms. Shivangi Kohli, Advocates.

versus

KESHAV H TULSIANI & ORS Defendants

Through: None.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

J U D G M E N T

SANJEEV NARULA, J.

1. The Plaintiff, Adidas AG, manufacturer and distributor of sports accessories and apparel under the trademark "ADIDAS,"¹ has filed the present suit seeking to secure their rights against the use of an identical mark by the Defendants for various classes of goods, including textiles.

Plaintiff's case

2. The facts and contentions urged by Mr. Ranjan Narula, counsel for

¹ Includes formative marks detailed in paragraph no. 2.5 of this order



the Plaintiff are as follows:

2.1. *Adoption of the mark “Adidas”*: In 1948, the founder of the Plaintiff Company, Mr. Adolf Dassler, also known as ‘Adi’, coined the mark “Adidas” by combining his name ‘Adi’ with the first three letters of his surname ‘Das’. The mark was put to commercial use in 1949 when Mr. Dassler incorporated the company ‘Adolf Dassler adidas Sportschuhfabrik’ for manufacturing and marketing a wide range of sporting equipment, accessories, and apparels. Over the years, the company underwent corporate restructuring and is presently known as Adidas AG.

2.2. *Global reputation of the mark*: The Plaintiff launched several brands, including “Adidas Originals,” for its range of products. The cumulative global sales of the Plaintiff till the year 2010, the period preceding the filing of the suit, amounted to €11,990 million. The trademark “Adidas” has been registered in the Plaintiff’s favour in various countries, with the earliest one dating back to 1954. Furthermore, the Plaintiff expended substantial amounts in promoting its products across the world. Plaintiff’s products under the mark “Adidas” have been endorsed by various well-known celebrities in the fields of sports, music, and film at several events. The Plaintiff has also periodically sponsored popular football, rugby, and cricket leagues. Owing to Plaintiff’s extensive promotion and high-quality standards of the “ADIDAS” products, they are widely recognized all over the world and exclusively associated with the Plaintiff.

2.3. *Presence in India*: The Plaintiff’s predecessor first registered its mark “ **ADIDAS** ” in India in the year 1971. In 1989, the Plaintiff granted a license to commercially trade in India to M/s Bata India Pvt. Ltd., thus



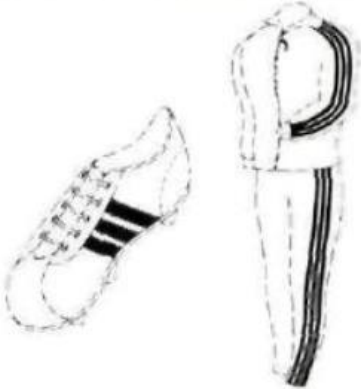

marking their entry in the Indian market. Later, in 1996, Plaintiff established a joint venture company named ‘Addidas India Marketing Private Limited’ (formerly, Adidas India Trading Private Limited) in India. This joint venture was terminated in 2006, when ‘Adidas India Marketing Private Limited’ became Plaintiff’s subsidiary. Thus, the Plaintiff has been openly and continuously carrying on their business in India since 1989. Even before 1989, the Plaintiff’s goods were being purchased by Indian consumers travelling abroad. Further, their products were also available in duty-free shops at Indian airports. That apart, there were extensive broadcasting in India of sporting events which were either sponsored by the Plaintiff or where competing players used the Plaintiff’s Adidas products. Such prevalence and widespread publicity even before their launch in India, indicate that Plaintiff’s reputation garnered in other countries spilled into India.

2.4. The sales figures of the Plaintiff’s products in India amounted to INR 3,35,81,72,000/- in the year 2009. To further promote their “ADIDAS” mark/ products, the Plaintiff sponsored several teams participating in the Indian Premier League along with other tennis, athletics, and football tournaments, and issued advertisements in print media extensively distributed throughout the country. The mark has also been endorsed by celebrated cricketers. The promotional expenses for “ADIDAS” products between 2000-2010 in India have been set out in paragraph No. 15 of the plaint.

2.5. *Trademark registrations in India:* The Plaintiff has, over the years, secured multiple registrations for “ADIDAS” trademark including it



variants,² particulars whereof are as follows:

<i>S.No.</i>	<i>Trademark and number</i>	<i>Date of application</i>	<i>Class and description of goods</i>
1.	ADIDAS 271863	06.05.1971	18 Bags, holdalls and containers, all included in class 18.
2.	 -adidas the brand with the 3 stripes- 271864	06.05.1971	25 Sportmen's shoes and Training suits
3.	 352655	22.08.1979	25 Clothing of all kinds, especially sport and leisure wear, sport and leisure shoes.
4.	ADIDAS 310844	15.12.1975	28 Balls for games, tennis rackets, rackets for squash and shuttlecock, skates, skis and attachments for skis, toys and games (other than ordinary playing cards) all being goods included in class 28.
5.	adidas	02.02.1985	3 All goods included in class 3.

² Collectively referred to as "ADIDAS marks"



	433357		
6.	adidas 574908	10.06.1992	9 Spectacle glasses, sun glasses.

2.6. *The Defendants and the impugned activities:* The Plaintiff's grievance arises from the Defendants' adoption of the word "ADIDAS" as a trademark as well as part of its tradename.³ Defendant Nos. 1 to 3 are Partners/Directors of Defendant Nos. 4, 5/6 respectively. Defendant Nos. 4, 5 and 6 are sister concerns established by Defendant Nos. 1, 2 and 3. They are all related to each other which can be seen by the commonality in partners/Directors, herein below:

DEFENDANT NO.	DEFENDANT NAME	DESIGNATION/ RELATION AS PER PLAINT
1	Keshav H. Tulsiani	Partner of Defendant No. 4 and Director of Defendant No. 6 Applied for registration of the mark ADIDAS in a number of classes including 16, 24, 29, 32, 33 and 34
2	Anand H. Tulsiani	Director of Defendant No. 5 and Defendant No. 6
3	Prakash H. Tulsiani	Partner of Defendant No. 4 and Director of Defendant No. 6
4	Adidas Weaving Mills	Established by Defendants No. 1 to 3
5	Adidas Textile Industries	Established by Defendants No. 1 to 3 The impugned trade mark in class 24 under number 472388 was applied for by the Defendant's successor in business, Mr. Bharat Hariram Tulsiani, trading as Defendant No. 5
6	Adidas Merchandise Private Limited	Incorporated by Defendants No. 1 to 3 after obtaining the erroneous registration of Defendant No. 1's impugned mark Note: Defendant No. 6 is no longer an active company and its status in ROC records is reflected as "strike off"

2.7. The Defendants in bad faith, with dishonest intent commenced using an identical term "ADIDAS" for their textiles business. Defendant No. 1



filed an application for registration of the wordmark “ADIDAS” under application number 472388 in class 24 (Textile Piece goods included in class 24) published in Journal No. 1029 dated 16th April, 1992. The said application was opposed by the Plaintiff’s Licensee and Distributor- M/s Bata India Pvt. Ltd. However, the Assistant Registrar of Trademarks, Bombay through order dated 22nd February, 1999 rejected the opposition and the trademark application was allowed to proceed to registration. Nonetheless, the operation of aforesaid was stayed by the High Court of Bombay through interim order dated 18th February, 2000. Subsequently, *vide* final order dated 7th February, 2002, the High Court of Bombay remitted the matter back to the Assistant Registrar of Trademarks for *de novo* consideration of the Opposition. In light of the above, while the Plaintiff was awaiting fixation of a date of hearing for fresh consideration before the Registrar of Trademarks, as per directions of the Bombay High Court, a review of the online records of the office of the Registrar of Trademarks in August 2010 revealed that the status of the trademark application as ‘registered’. Evidently, since the opposition against the impugned trademark was restored and was to be considered afresh as directed by the High Court of Bombay, the grant of registration was patently erroneous. Thereafter, the Plaintiff filed an application before the Intellectual Property Appellate Board⁴ for removal of the Defendants’ impugned trademark from the trademark register. During the pendency of the present suit, the IPAB *vide* order dated 24th August 2018, directed the removal of the impugned mark registered under no. 472388 in class 24 in

³ “Impugned mark”

⁴ “IPAB”



the name of the Defendant No. 1 from the Register of Trademark. In addition to trademark no. 472388 which now stands cancelled, the Defendants also filed applications under numbers 6919599, 1542135, 1745544, 1557821, 1557822, 1557823 for variants of the mark “ADIDAS” in various classes. Plaintiff has filed oppositions against all the aforesaid applications and the said oppositions are pending before the Registrar of Trademarks. The details of Defendants’ applications for the said marks and the oppositions filed by the Plaintiff are given below:

Application No.	Class	Year	Status/ Publication in TMJ No	Year when plaintiff filed Opposition
699599	24	1996	9999-0 25.08.2003	2003
1542135	16	2007	1399 1.09.2008	2008
1557821	32	2007	1424 16.09.2009	2009
1557822	33	2007	1399 1.09.2008	2008
1557823	34	2007	1399 1.09.2008	2008
1745544	29	2008	1423 1.09.2009	2009

Defendants’ case

3. In the absence of representation by counsel for Defendants during the hearing, their arguments, as presented in the written submissions, are summarized as follows:

3.1. Defendant No. 1 claims that the adoption of the trademark



“ADIDAS” was both *bona fide* and honest. The rationale for choosing a mark identical to that of the Plaintiff is rooted in personal affection. From childhood, Defendant No. 1 held deep admiration for his elder sister, addressed as ‘ADI’ in the Sindhi community. This admiration was so profound that he was commonly described as her devotee (‘Das’ in Sindhi). Consequently, the term “ADIDAS” (to mean devotee of elder sister) was conceived, combining ‘ADI’ (elder sister) and ‘DAS’ (devotee), to reflect this familial devotion.

3.2. The lawsuit lacks the narration of facts demonstrating cause of action to invoke the territorial jurisdiction of this court. The Defendants neither reside nor conducts business within the Court’s jurisdiction, nor has any part of the cause of action arisen here. Consequently, the plaint is liable to be returned on account of lack of territorial jurisdiction.

3.3. Defendant No.1 applied for registration of the Impugned mark on 19th May, 1987 on proposed to be used basis and secured registration of the trademark “ADIDAS” under no 472388 on 29th September, 2006. The Defendants have been the prior adopter and user of this mark in India since 1987. No documents have been filed by the Plaintiff demonstrate usage of their mark prior to this period.

3.4. The lawsuit warrants dismissal on the grounds of the stale nature of the cause of action and the Plaintiff’s evident acquiescence and laches. Despite the Plaintiff’s acknowledged awareness of the Defendants’ use of the trademark since 1987, no suit for infringement was initiated until 2011. This prolonged period of inaction, spanning over two decades, implies a tacit consent to the Defendants’ use of the mark. Given this context, initiating a suit after such a significant delay not only undermines the



urgency normally associated with trademark infringement claims but also signals an abandonment of any objections to the Defendants' use. Consequently, the Plaintiff's claim is barred by principles of delay, estoppel, acquiescence, and waiver, each underscoring the unreasonable delay and its prejudicial impact on the Defendants.

3.5. There is no reasonable likelihood of confusion between the Plaintiff's and the Defendants' trademarks, despite their textual similarity. The Defendant's trademark "ADIDAS" is consistently used in all capital letters, distinctly differentiating it from the Plaintiff's use of lowercase letters in 'Adidas.' This deliberate stylistic choice mitigates confusion among consumers, emphasizing a visual distinction in branding.

3.6. Additionally, the Defendants' adoption of the trademark was conducted honestly at a time when the Plaintiff had not yet established any commercial presence in India. This timing further supports the argument that the Defendants' use of the trademark did not seek to capitalize on the Plaintiff's brand identity, as it was non-existent in the Indian market at that point.

Proceedings in the present suit

4. On 19th September, 2011, while issuing summons, the Court, on *prima facie* assessment of the facts presented, restrained the Defendants from manufacturing, trading or dealing with any goods falling in classes 16, 29, 32, 33 and 34 of the Trade Marks Act, 1999,⁵ and for sale of textile piece goods included in class 24 under the Plaintiff's ADIDAS marks or any other deceptively similar mark amounting to infringement or passing off.

5. On 18th July, 2018, the I.A 8736/2014 (under Order VII Rule 11 of the



CPC) seeking rejection of plaint was disposed of noting the agreement between the counsel that the issue of jurisdiction can be adjudicated at the final stage. Furthermore, both parties concurred that infringement under Section 28(3) read with Section 30(2)(e) of the Act too should be reserved for consideration at the final hearing stage.

6. While adjudicating I.A 832/2012 (under order XXXIX Rule 4 of CPC) on 31st October, 2018, the Court noted that the registration of the Defendant No.1's mark 'ADIDAS' in class 24 stood cancelled *vide* order dated 24th August, 2018 passed by the IPAB. It was also observed that a writ petition challenging the IPAB's order had been filed. Consequently, the application was withdrawn, granting the Defendants liberty to file a new application contingent upon the outcome of the writ petition. Additionally, the Court proceeded to frame the issues to be determined in the suit.

7. On 16th January, 2019, the court observed that all part B witnesses for the Plaintiff were editors of magazines and newspapers. Accordingly, the Court directed the Plaintiff to either obtain certified copies from these publications or submit downloaded printouts alongwith a certificate under Section 65B of the Indian Evidence Act, 1872. Consequently, it was determined that part B witnesses of the Plaintiff were not required to appear for oral evidence. The matter then progressed to the stage of recording of oral evidence.

8. The Plaintiff initially examined Mr. Vikas Ranjan (PW1), their employee at the time. After he left the company and his whereabouts became unknown, the Plaintiff sought to substitute the said witness. They proposed Mr. Vivek Tyagi as a replacement, but he too left Plaintiff's

⁵ "the Act"



employment. Subsequently, on 2nd March, 2020 the Plaintiff sought to introduce Ms. Florence Wong, a Senior Trademark Counsel, as their witness stating that the affidavit filed by Ms. Florence Wong shall be mirror copy of the affidavit filed by Mr. Vikas Ranjan. Counsel for Plaintiff also stated that the examination of Mr. Vikas Ranjan already done may be retained on record and the Plaintiff would stand by the statements made by him. On these submissions, Mr L.B.Rai, counsel for Defendant, stated that he had no objection if fresh affidavit was filed by Ms. Wong to enable him to continue the cross-examination from the stage the examination of Mr. Vikas Ranjan was deferred. In this background, on 2nd March, 2020, this Court allowed the Plaintiff to file evidence by way of affidavit of Ms. Wong and listed it before the Local Commissioner for her cross-examination.

9. After the Plaintiff concluded their oral evidence, Defendant No. 1, presented Mr. Keshav H. Tulsiani, as their witness. He initially filed his affidavit but was permitted to refile due to inadvertent errors in the document. Despite this, Mr. Tulsiani failed to appear before the Local Commissioner for the formal recording of his statement. On 19th March 2024, Mr. Ranjan Narula, counsel for the Plaintiff, informed the Court that Mr. L.B. Rai, representing the Defendants, intended to withdraw from the case due to lack of instructions, suggesting the Defendants' lack of interest in contesting the suit. Subsequently, a default notice was issued to the Defendants to be served through their counsel, Mr. Rai. Although Mr. Rai acknowledged receipt of the notice, he failed to appear in court to explain the Defendants' absence. Mr. Narula reported that Mr. Rai had returned the case files to his clients.

10. On 1st May, 2024 the Court noted the Defendants' continuing



absence. It was noted that Defendants had filed affidavit of one witness, but the said witness never appeared before the Court to record his statement. As a result, the affidavit (examination-in-chief) had not been tendered in evidence. Accordingly, Defendants' right to lead evidence was closed and they were proceeded *ex-parte*. Consequently, there is no oral evidence from the Defendants. The documentary evidence produced by them remains unproven and unverified. Subsequently, counsel for Plaintiff was heard, and the order was reserved on 6th May, 2024.

11. While reviewing the case record, the Court had some queries requiring clarification from the counsel for the Plaintiff. The matter was listed for clarification on 1st July, 2024. During the said hearing, Mr. Narula confirmed that the writ petition before the High Court of Bombay filed by the Defendants against the cancellation of the impugned mark, is still pending. Thereafter, on 3rd July, 2024, Mr. Narula, on instructions, stated that since the Defendants had not presented any evidence and are proceeded *ex-parte*, the Plaintiff was only pressing the case for trademark infringement and not passing-off, and requested for the issues framed to be decided accordingly.

12. The issues framed for trial on 31st October, 2018 are as follows:

- "i) Whether the Court has the territorial jurisdiction to try and entertain the present suit? OPD*
- ii) Whether the suit filed by the Plaintiff is barred by delay, acquiescence and laches? OPD*
- iii) Whether the Plaintiffs mark 'ADIDAS' had trans-border reputation in India prior to 1987? OPP*
- iv) Whether the use of the mark 'ADIDAS' in respect of textile pieces by the Defendants results in infringement/passing off? OPP*
- v) Whether the Defendants are the prior user of the mark 'ADIDAS' in India and if so, to what extent? OPD*
- vi) Relief."*



13. It should be noted that issue no. 3, concerning trans-border reputation, was framed to determine whether a case of passing off was established in this matter. Since the Plaintiff is no longer pursuing the claim of passing off, this Court refrains itself from rendering a finding on issue no. 3. Additionally, findings on issue no. 4 will be limited to trademark infringement.

i) Whether the Court has the territorial jurisdiction to try and entertain the present suit? OPD

14. The burden of proving this issue lies with the Defendants. In assessing this issue, it is crucial to consider the relevant statutory provisions and judicial precedents that govern territorial jurisdiction in trademark infringement cases. The Plaintiff asserts that this Court has jurisdiction under Section 134(2) of the Act. This provision stipulates that a suit for infringement of a registered trademark can be instituted in a court within the local limits of whose jurisdiction the person instituting the suit actually and voluntarily resides or carries on business or personally works for gain. The Plaintiff contends that it conducts business through its wholly owned subsidiary, ADIDAS India Marketing Pvt. Ltd, which is located at C-2, Ansal Villa, Satbari, New Delhi, thus falling within the jurisdiction of this Court. The Plaintiff's witness has testified regarding the operations of the subsidiary in Delhi, a point which has not been effectively countered by the Defendants. To further substantiate its claim, the Plaintiff has produced sales invoices [Exhibit PW 1/9 (colly)], some of which indicate the address of ADIDAS India Marketing Pvt. Ltd in Delhi. These invoices demonstrate



that the Plaintiff's goods are sold and marketed within the jurisdiction of this Court, supporting the assertion of conducting business in Delhi. Furthermore, the annual returns of sale ADIDAS India Marketing Pvt. Ltd, [Exhibit PW1/10] also reflect that their registered office is at New Delhi. Moreover, the Plaintiff emphasizes the substantial presence of its products within this jurisdiction. The goods are extensively sold and marketed through both online platforms and physical stores operated by Adidas India Private Limited, indicating extensive and continuous business presence in Delhi.

15. Additionally, to demonstrate territorial jurisdiction on the basis of the cause of action, Plaintiff draws attention to the Defendants' own statements made during opposition proceedings before the Trademark Registry. In these proceedings, as recorded by the Assistant Registrar of Trademarks in opposition proceeding no. BOM/8932, the Defendants, through an affidavit, acknowledged that the goods under the trademark "ADIDAS" were available all over India. The Registrar, on the basis of the averments made by the Defendants in the evidence filed before him, has arrived at the following findings:

"...The applicants have stated in his affidavit under Rule 54 filed by the present applicants at page 5 that he has already honestly adopted the said trademark ADIDAS in respect of "textile fabrics " and they have continuously used the same since May 1987 and they have sold the trademark all over India. Exhibit E is the list of dealers all over India who have stocked the applicants suitings and shirtings..."

[Emphasis supplied]

Counsel for Plaintiff submits that this admission further substantiates the Plaintiff's claim of jurisdiction as it implies that the Defendants have



business operations within this Court's jurisdiction i.e, New Delhi. This argument is also noted in order dated 31st October, 2018 when the Court dealt with the Defendants' request for framing of preliminary issue in respect of territorial jurisdiction. Upon noting the Plaintiff's argument that the Defendants had presence in New Delhi, the Court specifically directed the Defendants to produce the list of dealers which is referred as 'Exhibit E' in the above extracted paragraph. However, in response, the counsel for Defendants submitted that the entire record of the Trademark Registry was missing, and they were unable to produce a copy of the same. Under these circumstances, the adjudication on the question of jurisdiction was deferred to until after the trial of the suit. The trial stands concluded, and the Defendants have failed to adduce evidence to counter the Plaintiff's submission. They have failed to lead their own evidence, and their cross-examination of the Plaintiff's witnesses did not effectively challenge or rebut the Plaintiff's assertions. Thus, in addition to the Plaintiff's reliance on section 134(2) of the Act, they can also rely upon Section 20(c) of the Code of Civil Procedure, 1908, which provides that a suit can be filed in a court within whose local limits the cause of action, wholly or in part, arises. Judicial precedents, such as in the case of *Dhodha House v. S.K. Maingi*,⁶ elucidate that for a Court to assume jurisdiction, it must be shown that the Plaintiff carries on business within the jurisdiction and that a part of the cause of action arises within the territorial limits of the court. The Plaintiff has successfully demonstrated both these aspects through substantial evidence. They have proved business activities and their presence in Delhi through their subsidiary. In addition, Defendants' acknowledgment of sales

⁶ (2006) 9 SCC 41



in Delhi establish that a part of the cause of action arose within Court's jurisdiction.

16. In view of the above evidence and legal principles, the Plaintiff has convincingly established that this Court has territorial jurisdiction to entertain the present suit under Section 134(2) of the Act and Section 20 of the Code of Civil Procedure, 1908.

17. Accordingly, the issue of territorial jurisdiction is decided in favour of the Plaintiff and against the Defendants.

ii) Whether the suit filed by the Plaintiff is barred by delay, acquiescence and laches? OPD

18. The burden of proving this issue lies with the Defendants. However, the Defendants have not led any evidence to discharge this burden. Despite this, the Court has independently considered whether the lawsuit is barred on account of delay, acquiescence, or laches.

Prior Legal Proceedings

19. The Plaintiff contends that the cause of action arose in August 2010 when they became aware of the erroneous registration of the impugned mark in favour of Defendant No.1. Conversely, the Defendants argue that the suit should be dismissed due to delay, acquiescence, and laches, alleging that the Plaintiff had known of the Defendant's use of the mark since 1987 and had not taken timely action, resulting in a delay of almost 20 years.

20. At this juncture, it would be apposite to discuss and review the prior legal proceedings between the parties, which are relevant to the issues raised in the present case. Defendant No.1 had filed an application for the trademark "ADIDAS" bearing No. 472388 in class 24. This application was



published in Journal No. 1024 dated 16th April 1982, prompting the Plaintiff to file an opposition against the application. The opposition was dismissed, and the mark was allowed to proceed to registration *via* an order dated 22nd February, 1999, passed by the Assistant Registrar of Trademarks.

21. Plaintiff subsequently challenged this order before the High Court of Bombay. The court stayed the Assistant Registrar's order dismissing the opposition and, through an order dated 07th February, 2002, decided the petition in favour of the Plaintiff. The matter was remanded back to the Assistant Registrar of Trademarks for a *de novo* consideration of the opposition. While awaiting a fresh hearing date, the online records of the Trademarks Registry in August 2010 revealed that the status of the mark was shown as 'Registered'. Although there is some delay on the part of the Plaintiff in checking the status of the mark, yet they have duly explained in their plaint that there was no official record or notification issued to them regarding the outcome of the reconsideration by the Trademark Registry, nor did the Defendants provide any decision or notification to the Plaintiff. Nonetheless, since the opposition against the impugned trademark was still pending, the registration of the mark was plainly erroneous. The Plaintiff then in April 2011 applied before the IPAB under Section 47/57 of the Act, for the cancellation/removal of the Defendant No.1's trademark from the register. The IPAB decided in favour of the Plaintiff, directing the rectification of the register by removing Defendant No. 1's trademark. The suit was promptly instituted on 13th September, 2011 after the Plaintiff became aware of the registration of Defendant No.1's trademark.

22. The Plaintiff has demonstrated a consistent effort in challenging the Defendants' attempts to register the impugned trademark "ADIDAS." As



detailed in paragraph 2.7 of this judgment, these oppositions form part of the Plaintiff's legal actions to protect their rights and prevent the unauthorized use of a trademark that closely resembles or infringes upon their own established mark.

23. The legal doctrines of delay, laches, and acquiescence serve to prevent Plaintiff from asserting their rights if they have unduly delayed taking action to the detriment of the Defendants. Delay and laches is an equitable defence that bars claims where the Plaintiff has delayed unreasonably, and the delay has prejudiced the Defendant. However, these defences require a thorough examination of the Plaintiff's conduct and the surrounding circumstances. To establish that delay and laches bars the maintainability of a suit, it must be demonstrated that the Plaintiff unreasonably procrastinated in initiating the action, thereby causing demonstrable prejudice to the defendant. In this case, rather than delaying, the Plaintiff actively opposed the Defendant No.1's trademark applications and promptly challenged the registration when they became aware of it in 2010. This negates the argument of unreasonable delay and laches.

24. Acquiescence requires proof that the Plaintiff, by their actions or inaction, has given the impression that they will not assert their trademark rights, leading the Defendants to believe that the use of the Defendant's mark is accepted. For acquiescence to be a valid defence, there must be clear evidence of positive acts of encouragement by the Plaintiff, not mere silence or inaction. In this case, the Plaintiff's oppositions and legal actions to the Defendant No.1's registration, demonstrates a clear lack of acquiescence. Rather, the Plaintiff's actions reflect an active effort to protect their trademark rights. They consistently opposed the Defendant's trademark



applications and sought legal redress promptly upon discovering the erroneous registration. There is no evidence of positive encouragement or consent from the Plaintiff regarding the Defendant's use of the mark. The continuous legal efforts since the early 1980s, demonstrate Plaintiff's commitment to protecting their trademark rights and negate any claims of delay, laches, or acquiescence.

25. Therefore, the defences of delay, laches, and acquiescence do not apply in this case. The Plaintiff has consistently and diligently pursued their rights without unreasonable delay, and there is no evidence of acquiescence or laches.

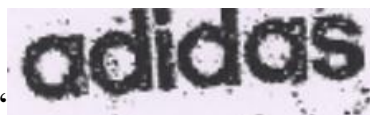
26. Accordingly, this issue is decided in favour of the Plaintiff and against the Defendants.


iii) Whether the Plaintiffs mark "ADIDAS" had trans-border reputation in India prior to 1987? OPP

27. This issue was framed to determine whether a case of passing off was established by the Plaintiff. However, as already noted, on 3rd July, 2024, Mr. Narula, on instructions, stated that the Plaintiff is no longer pursuing the claim of passing off and hence, this court refrains itself from rendering a finding on this issue.

iv) Whether the Defendants are the prior user of the mark "ADIDAS" in India and if so, to what extent? OPD

28. The Plaintiff adopted the trademark "ADIDAS" and secured its first registration in India in class 18 bearing registration no. 271863 on proposed to be used basis on 6th May, 1971. Notably, the Plaintiff also secured



registration of the mark “” bearing registration no. 352655 in class 25 with user claim dating back to April, 1960. That apart Plaintiff has also secured multiple registration of the Adidas marks in classes 28 and 03 on a proposed-to-be-used basis in 1975 and 1985, respectively.

29. Conversely, the Defendants’ claim they adopted and applied for registration of the identical mark “ADIDAS” for textiles in 1987 and secured registration for this mark in class 24 bearing registration no. 472388, with claimed use beginning that same year. While the Defendants were prior in registration with respect to the mark “ADIDAS” in class 24, during the pendency of this suit, the Defendants have lost their status as registered owners, and their registration has been cancelled, resulting in the removal of the mark from the register of trademarks.

30. The Defendants contend that they are the prior users of the “ADIDAS” trademark for textiles, arguing that when they adopted and began using the mark in 1987, the Plaintiff’s products were not commercially available in India under that trademark. However, the Plaintiff’s evidence shows that their products bearing the “ADIDAS” mark were introduced into the Indian market in 1989 through Bata India Pvt Ltd., who acted as their licensee and distributor. A registered proprietor can initiate legal proceedings for infringement, without actual use of the registered mark. Thus, the relevant date for the purpose of establishing prior use in the present case would be the date of registration of the mark and not when the Plaintiff actually started using it.⁷ Therefore, for proving prior use,

⁷ *Worknest Business Centre LLP & Anr v Ms Worknests through Sh Rajesh Goyal* 2023:DHC:2023.



it is necessary for Defendants to satisfy usage before the date of registration of the Plaintiff's marks i.e, 6th May, 1971, 15th December, 1975 and 22nd August, 1979 and 2nd February, 1985.⁸ The Defendants have unequivocally acknowledged their adoption and use of the mark starting in 1987. Consequently, this admission, coupled with the lack of substantial evidence to prove earlier usage, establishes the Plaintiff as the prior user of the mark in classes 18, 25, 28, and 03, as stipulated under Section 34 of the Act.

31. That apart, the Plaintiff adopted the "ADIDAS" trademark in 1971 and secured registration of the said trademark before Defendant No 4's registration, making the Plaintiff's adoption *ex-facie* prior. The Plaintiff has documented the use of the "ADIDAS" mark internationally well before 1987. They have also proved their commercial use in India from 1989 through their witness testimony, who has stated that Bata India Pvt Ltd. was appointed as the Plaintiff's licensee and distributor in 1989. Furthermore, they have also produced sales invoices dating back from 1996 [Exhibit PW 1/9 (colly)] evidencing the use of the said marks. The Defendants assert that they adopted and used the mark "ADIDAS" for textiles starting in 1987. However, they have failed to substantiate this claim with credible evidence. The sales invoices, advertisements, promotional materials, and bank statements from 1987, upon which they rely, have not been proved. Furthermore, the Defendants' lack of engagement in the proceedings casts further doubt on the credibility of their claim.

32. Contrastingly, the Plaintiff has submitted comprehensive evidence demonstrating the international use of the "ADIDAS" mark well before 1987, and its use in India starting in 1989. Their documentary evidence

⁸ Details mentioned in paragraph no. 35 of this judgement.



proved through witness testimony starkly contrasts with the Defendants' failure to provide substantive evidence supporting their claims.

33. In view of Defendants' failure to substantiate their claim of prior use and their disengagement from the legal process, the Court finds no basis to accept Defendant's defence of prior use claim. This conclusion is further supported by the Defendants' inability to demonstrate honest adoption—a crucial element in claims of prior use where the mark is identical to an established mark.



34. Consequently, this issue is decided against the Defendants and in favour of the Plaintiff. The Defendants have not met their burden of proof to establish prior use of the "ADIDAS" mark in India effectively or to any substantial extent.

v) Whether the use of the mark "ADIDAS" in respect of textile pieces by the Defendants results in infringement/passing off? OPP

35. The Defendants registration for the "ADIDAS" mark concerning textile goods under Class 24, has been cancelled pursuant to the IPAB's order dated 24th August 2018. The Plaintiff, on the other hand, has proved that they are the prior adopter and registered proprietor of the trademark "ADIDAS" in India in Classes 18 and 25, 29 and 03 since 1971, 1975 1979 and 1985 respectively. Details of the same are reproduced herein below:

<i>S.No.</i>	<i>Trademark and number</i>	<i>Date of application</i>	<i>Class and description of goods</i>
1.	ADIDAS 271863	06.05.1971	18 Bags, holdalls and containers, all included in class 18.
2.		22.08.1979	25 Clothing of all kinds,



	 352655		especially sport and leisure wear, sport and leisure shoes.
3.	ADIDAS 310844	15.12.1975	28 Balls for games, tennis rackets, rackets for squash and shuttlecock, skates, skis and attachments for skis, toys and games (other than ordinary playing cards) all being goods included in class 28.
4.	 433357	02.02.1985	3 All goods included in class 3.

36. The issue of identity between the Plaintiff’s and Defendant’s use of the “ADIDAS” mark cannot be understated, as the marks in question are structurally and phonetically identical. The Defendants tried to distinguish between their mark and that of the Plaintiff, by stating that Defendants’ trademark “ADIDAS” is consistently used in all capital letters while the Plaintiff uses lowercase letters in “Adidas”. This is a flimsy argument and untenable. Moreover, as evident from the aforementioned table, Plaintiff also has the registration of the mark ‘ADIDAS’ in all capital letters bearing registration no. 310844. The competing marks are thus identical.

37. Under Section 29(2)(a) of the Act, infringement occurs when a person, who is not the registered proprietor or a permitted user, uses a mark in the course of trade that is identical to the registered trademark and is used in relation to goods or services similar to those for which the trademark is registered. The Defendants’ use of “ADIDAS” for textiles, classified under



Class 24, needs to be evaluated against the Plaintiff’s registered use of the same mark in Class 25 for readymade garments. Given the intrinsic relationship between textiles (raw materials) and garments (finished products), the goods are undeniably similar in nature and purpose. This similarity meets the requirement of Section 29(2)(a) of the Act where the identity of the mark and the similarity of the goods covered by the trademark registration can lead to public confusion. The identity of the marks combined with the similarity between the goods— textiles and garments— creates a real likelihood of confusion. Consumers encountering Defendants’ “ADIDAS” branded textiles could logically assume that they originate from or are associated with the same source as the Plaintiff’s “ADIDAS” branded garments due to the use of the identical mark. This is particularly probable given that both types of goods could be encountered in similar retail environments, further blurring distinctions in the minds of consumers. The courts have consistently interpreted Section 29(2)(a) of the Act to protect registered trademarks from uses that exploit their standing, particularly where such use involves identical marks and similar goods. This is critical for the protection of the public from confusion regarding the source or endorsement of goods. Given that both the Plaintiff and Defendants operate in closely related sectors—readymade garments and textiles, respectively— the likelihood of overlap in trade channels is high, potentially leading to consumer confusion. Therefore, the Plaintiff has successfully established a case of trademark infringement.

38. That apart, the identical nature of the two marks also raises significant concerns especially considering that “ADIDAS” is a coined term with no inherent linguistic meaning and thus a unique word. Invented or arbitrary



marks, such as “ADIDAS,” do not exist in language until created and used as trademarks. They are thus deemed to have a high degree of distinctiveness and are given a wide ambit of protection under trademark law. This distinctiveness means that the likelihood of confusion or deception among the public can be presumed when such a mark is replicated by another party, especially in the same or closely related fields of business.

39. The legal protection of trademarks is predicated not only on preventing consumer confusion but also on protecting the owner’s investment in the mark. The term “ADIDAS” being invented and highly distinctive is unlikely to be chosen innocently. The unauthorized use of such a mark not only infringes on the trademark owner’s rights but also risks diluting the mark’s unique identity. Therefore, it was incumbent upon the Defendants to demonstrate that their adoption of the identical mark was honest and in good faith. However, they failed to provide credible justification or evidence to support this claim. While the Defendants submitted a summary of search results for the mark ‘ADIDAS’ to suggest that due diligence was performed through legal services, this documentation was not substantiated. Moreover, the explanation that the mark ‘ADIDAS’ was chosen out of Defendant No.1’s affection for his sister lacks evidentiary support, further undermining their claim of honest adoption.

40. It is also pertinent to note that the IPAB *vide* order dated 24th August, 2018 held the Plaintiff’s mark “ADIDAS” to be a well-known mark. Thus, when a mark as distinctive and well-known as “ADIDAS” is copied, it can dilute the mark’s distinctiveness and harm the brand’s reputation, irrespective of the differences in the product categories. Therefore, the unauthorized use of such a mark by the Defendants, especially without



evidence of honest adoption must be viewed as an attempt to benefit from the established reputation and goodwill of the Plaintiff.

Conclusion:

41. Given the identity of the marks, the allied nature of the goods under Classes 24 and 25, and the significant overlap in trade channels, there is a high likelihood of confusion among consumers. The Defendants have not provided evidence to counter this presumption of confusion or to show honest and distinct commercial use. Therefore, based on the statutory provisions of Section 29(2)(a) of the Act and the factual circumstances of this case, the use of “ADIDAS” by the Defendants on textiles meets the criteria for trademark infringement. This conclusion is supported by the clear likelihood for confusion among the consuming public about the origin of the goods, which is precisely what trademark law seeks to avoid. The Plaintiff’s claim of infringement is thus well-founded, given the similarity of goods and the identity of the marks used. The Defendants have failed to substantiate their claims of prior use or honest adoption with credible evidence and have lost their registration status. The issue is decided against the Defendants and in favour of the Plaintiff.

vi) Reliefs

42. In view of the above finding of trademark infringement, this court finds that the Plaintiff is entitled to grant of a permanent injunction.

43. Accordingly, the Defendants or anyone acting on their behalf are restrained from manufacturing, trading, selling, marketing, offering for sale or dealing in any way in textile piece goods included in class 24, under the ADIDAS marks or any other marks deceptively similar to the Plaintiff’s ADIDAS marks amounting to trademark infringement.



44. Damages: The Plaintiff seeks damages amounting to INR 20,00,000/-. However, the Plaintiff has not led any evidence to demonstrate the actual damages suffered by them resulting from the Defendants' infringing use. In fact, in paragraph no. 35 and 36 of the PW-1's testimony, it is stated that the damages cannot be quantified in monetary terms and exemplary costs and damages were sought. The relevant portion of the testimony is reproduced herein below:

“35. I say that the Defendant's adoption of an identical mark/name is dishonest and motivated by a desire to usurp the vast reputation and goodwill which is enjoyed by the Plaintiff not only in India but throughout the world. The Defendant's unlawful adoption of an identical mark/name is calculated to cause loss and injury to the Plaintiff's reputation and business and dilute the distinctiveness of its adidas mark. The loss and injury to the Plaintiffs reputation being caused / likely to be caused by such dilution is not capable of being calculated in monetary terms. Hence, an immediate order of injunction restraining the Defendant is imperative.

36. I say that in the light of the above, this Hon'ble court may be pleased to grant a decree in terms of the reliefs prayed for in paragraph no. 42 of the plaint and award exemplary cost and damages in view of willful infringement.”

45. Apart from PW-1's testimony, which merely states that Plaintiff is entitled to exemplary costs and damages, no concrete evidence has been produced to prove damages or exemplary costs. Furthermore, there has been no recovery of infringing goods through appointment of a Local Commissioner which could have assisted the court to assess award of damages. Therefore, the Plaintiff is not entitled to damages amounting to INR 20,00,000/- as prayed for. However, considering that the Defendants have abstained from participating in the court proceeding from the stage of leading their evidence, as well as the overall facts of the case, the Court is of the opinion that Plaintiff is entitled to nominal damages of Rs. 3,00,000/-,



recoverable jointly and severally from the Defendants.

46. Costs: The Plaintiff is found to be entitled to cost of litigation amounting to Rs. 11,22,060/- inclusive of the fees paid to the Local Commissioner for recording evidence as per order dated 31st October, 2018.

The breakup of the said costs is follows:

Expense Details	Amount (In INR)
Cost of filing the suit including court fees/photocopy/process fees expenses	22,060
Fees of the Local Commissioner for recording evidence	2,00,000
Counsel Fees for preparing and filing the suit, attending hearings in the matter for last 13 years	9,00,000
Total	11,22,060

47. The suit and pending applications, if any, are disposed of in the above terms.

SANJEEV NARULA, J

JULY 19, 2024

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