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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Date of Decision: 11th July, 2023

+ **CS(COMM) 782/2022 & I.A. 18343/2022, 11834/2023 & 12263/2023**

CHAPTER 4 CORP.

..... Plaintiff

Through: Mr. Dushyant K Mahant, Mr. Jaskaran Singh and Mr. Alvin Antony, Advocates. (M-9496067371)

versus

DHANPREET SINGH TRADING AS M/S PUNJABI ADDA,

..... Defendant

Through: Mr. Dhanpreet Singh, present in person.

CORAM:

JUSTICE PRATHIBA M. SINGH

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.


I.A. 11834/2023 (for substitution)

2. This is an application seeking substitution of the authorized representative of the Plaintiff.

3. The earlier authorized representative was Major Sanjeev Chowdhry who has been replaced by Mr. Harshit Gupta. In view of the averments made in the application, substitution is allowed. Application is disposed of.

CS(COMM) 782/2022 & I.A. 18343/2022 (u/O XXXIX, Rule 1&2 CPC), 12263/2023 (u/O XXIII Rule 3 CPC)






4. The present suit for grant of permanent injunction was filed by the Plaintiff-Charter 4 Corp., seeking protection of its mark red-box device

mark 'SUPREME'  in respect of readymade clothing, accessories, etc. The Plaintiff adopted the mark 'SUPREME' in 1994 in the



U.S.A., and the same has been used in India since 2006 among Indian customers.

5. The Plaintiff also has a website supremenewyork.com, for promoting and marketing its goods. The Plaintiff has more than 700 registrations, globally for the mark 'SUPREME' in classes such as Class-25, and it has been in continuous use. The Plaintiff also avers that it has filed applications for its 'SUPREME' red box device mark in India. The details of the Plaintiff's trade mark applications in India are contained below:

S. No	Mark	Application no.	Date of filing	Class
1		5584334	August 26, 2022	9
2		5584335	August 26, 2022	18
3		5584337	August 26, 2022	25
4		5584338	August 26, 2022	28
5		5584339	August 26, 2022	35

6. In the present case, the grievance against the Defendant-Dhanpreet Singh, trading as M/s. Punjabi Adda, is that the Defendant was using the mark 'SUPREME' on its T-shirts and was selling them through their websites, www.punjabiadda.com and www.punjabiadda.us. The Plaintiff became aware of the Defendant's activities, and use of the mark 'SUPREME' in July 2022. The Plaintiff then filed the present suit seeking permanent injunction.



7. Vide order dated 11th November, 2022, an *ex-parte ad-interim* injunction was granted wherein it was observed as follows:

“I.A. 18343/2022 (under Order XXXIX Rules 1 and 2 CPC, by Plaintiff)

13. Present application has been preferred by the Plaintiff under Order XXXIX Rules 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908 for grant of an *ex-parte ad-interim* injunction.

14. Issue notice to the Defendant through all prescribed modes, returnable on 31.01.2023, before the Court.

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16. It is averred that over the years Plaintiff has been using different iterations of the said trademark with varying colours, fonts, backgrounds etc. For the past several years due to the extensive use and high quality, the business model of the Plaintiff has made its readymade clothing etc. bearing the Plaintiffs mark so desirable that these products are advertised by third parties even without solicitation by the Plaintiff and in fact Plaintiffs old advertisements are now auctioned online for hundreds of dollars. Plaintiff has received extensive media coverage from leading media houses and the trademarks are exclusively associated in the minds of the public with the Plaintiff and none else. In the year 2000, Plaintiff registered the domain name SUPREMENEWYORK.COM. Plaintiff has expanded its reach on the World Wide Web by establishing official accounts on Facebook, Instagram etc. and has enormous social media presence.

17. It is stated that Plaintiff has collaborated and partnered with various prominent and high-profile global brands to launch its limited edition collaborative merchandise and other products such



as with Louis Vuitton, Burberry, Nike, Timberland etc. Plaintiff has also worked with several renowned designers, artists, photographers and musicians, who have consistently endorsed the brand. The reputation and goodwill of the goods of the Plaintiff under its trademarks is evident from the volumes of production of goods under Supreme x Hanes collab in India which was 542,360 packages. Plaintiff has filed applications for registration of the SUPREME red box device mark in India in multiple classes, which are pending.

18. The grievance of the Plaintiff is that the Defendant is selling/offering for sale counterfeit readymade clothing using the SUPREME red box device mark as well as other trademarks with the word 'PUNJABI' written inside the box, either in English or Gurmukhi or the word 'BROWNMUNDE' written in English.

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20. The contention of the learned counsel is that not only are the rival marks identical but the goods are also identical and therefore, confusion is to be presumed under Section 29(3) of the Trade Marks Act, 1999. The three elements of passing off namely, misrepresentation, damage to Plaintiffs reputation by use of identical/deceptively similar mark are satisfied in the present case and it is clear that Defendant is passing off the goods misrepresenting them to be those emanating from the Plaintiff and confusing the consumers. It is further submitted that Plaintiff has copyright in the artistic work in the SUPREME red box device mark and the unauthorized copying by the Defendant constitutes copyright infringement under the Copyright Act, 1957, Berne Convention and the International Copyright Order.

21. 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.”

8. In the above order, this Court restrained the Defendant, and anyone acting on their behalf from engaging in activities such as offering for sale, selling, displaying, or using the Plaintiff's 'SUPREME' red box device mark and the word mark 'SUPREME'.

9. Vide order 13th January 2023 the Ld. Joint Registrar records that the Defendant had not filed its written statement in the present suit. Additionally, the said order acknowledged that there were settlement talks ensuing between the parties.

10. Today, ld. Counsel for the Plaintiff and the Defendant- appearing in person, inform the Court that the parties have settled their disputes and filed the present application under Order XXIII Rule 3 of CPC.

11. In the present suit for permanent injunction, the Plaintiff also seeks a decree declaring the Plaintiff's 'SUPREME' red box device mark to be recognised as a '*well-known*' mark under Section 2(zg) Trade Marks Act, 1999. The prayer in paragraph 61(f) is as follows:

“f. An order declaring the Plaintiff's Marks, including the Plaintiff's SUPREME Red Box Device Mark, to be well-known trade marks in view of the averments, elaborate documentary evidence, and contentions put forward by the Plaintiff;”

12. Ld. Counsel for the Plaintiff-Mr. Dushyant Mahant relies upon the long adoption and extensive use of the mark 'SUPREME' in red box device



Supreme

. According to the Plaintiff, it has 14 exclusive retail stores under the mark 'SUPREME' around the world including in Japan, UK, France, Italy and Germany. It is also working with various renowned photographers, artists, musicians, filmmakers & designers to create a unique brand identity of its mark.

13. In regard to the duration or extent of the geographical area, the Plaintiff relies on the fact that its valuation was estimated to be 1 billion USD in the year 2017. Furthermore, in 2020, M/s. VF Corporation acquired the Plaintiff for 2.1 billion dollars. According to the Plaintiff, this particular transaction itself establishes the well-known nature of its mark 'SUPREME'.

14. The Plaintiff is stated to have a unique business model of scarcity, combined with high demand and low supply. This in itself creates enormous notoriety for the brand, as customers strive to purchase the Plaintiff's products. The Plaintiff claims that under this unique business model, it solely manufactures and offers for sale readymade clothing, footwear, and accessories in extremely limited quantities. These limited editions are launched or "dropped" with only a few days' prior notice.

15. The Plaintiff also claims to have obtained over more than 700 trademark registrations globally in respect of the mark 'SUPREME' covering, *inter alia* readymade clothing in Class 25. The mark is registered across the world in almost all major jurisdictions, including, but not limited to, the United States of America, European Union, the United Kingdom, France, New Zealand, China, Australia and Singapore. The details of these registrations have been placed on record by the Plaintiff.

16. The Plaintiff avers that it has been able to protect its rights in the mark



'*SUPREME*' through enforcement proceedings in countries like France, Turkey, Italy, Spain and China. It is stated that these verdicts acknowledge the 'well-known' status of the Plaintiff's mark.

17. Thus, Harvard Business School is also stated to have published a study titled '*Supreme: Remaining Cool While Pursuing Growth*' [Jill Avery, Sandrine Crener, Marie-Cecile Cervellon, and Ranjit Thind, Harvard Business School Case 522-006, July 2021, (Revised January 2022)] on the sales pattern of '*SUPREME*', which is termed by the author as a '*guerrilla approach*'. According to the Plaintiff, this approach refers to a brand marketing and advertising strategy where the products speak for themselves. This is achieved through exclusivity in both who purchases the product, and who endorses it.

18. Various celebrities, who have endorsed the Plaintiff's clothing include Justin Bieber, Beyonce, Madonna, Rihanna, Sade etc. and other well-known international celebrities. In India, the Plaintiff's products bearing the mark '*SUPREME*' have been endorsed by the celebrities such as Diljit Dosanjh, Ranbir Kapoor, Karan Johar etc. It is, thus, prayed that the mark be declared as a '*well-known*' mark.

19. This Court has, in *Levi Strauss and Co. v. Interior Online Services Pvt. Ltd.* [CS (COMM) 657/2021, decision dated 24th March 2022], after perusing the extent of reputation in the mark, granted a '*well-known*' status to the Plaintiff's 'Arcuate Stitching Mark'. The Court observed as follows:

"16. In Lois Sportswear, USA, Inc. v. Levi Strauss & Co., 631 F. Supp.735 (S.D.N.Y. 1985), the US District Court for the Southern District of New York, while considering this very 'Arcuate Stitching Design' mark, held as under:



“Based on the above analysis, Levi’s arcuate mark is a strong mark that qualifies for a high degree of protection. In addition to its status as an incontestable registered mark, the Levi’s arcuate mark is a fanciful design which has no function other than as a source indicator. Furthermore, assuming Levi needed to establish secondary meaning, Levi has presented evidence of widespread advertising and promotion of Levi’s jeans featuring the Levi’s arcuate mark, continuous use of the mark for more than a century, and sales of more than 800 million pair of jeans bearing the Levi’s mark since 1971. Evidence of sales success, advertising expenditures, and length and exclusivity of use are factors relevant to a determination of the strength of a mark.

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In the present case, the Levi accurate mark is not merely a fragment of a larger mark including the Levi name but instead has an independent degree of recognition and connection with Levi Strauss, unlike, for example, the McGregor-Drizzle mark in McGregor-Doniger, supra.

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19. *It is important to note that the trade mark in question i.e., the ‘Arcuate Stitching Design’ mark has been used on jeans, pants, and trousers of the Plaintiff since the first pair of jeans were created by it in the year 1873 and **it serves as a unique identifier in respect of the goods of the Plaintiff.** The first trade mark registration for the ‘Arcuate Stitching Design’ mark dates back to 1943, granted in the US. Since then, the mark has been registered as a trade mark by the Plaintiffs in numerous countries, as is evident from the documents placed on record.*

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20. This Court is of the opinion that the ‘Arcuate



‘Stitching Design’ mark has become ‘well known’ to the public which uses garments carrying the said mark, that the use of the ‘Arcuate Stitching Design’ mark in relation to other goods or services would likely be taken as indicating a connection between those goods and the Plaintiff. The mark of the Plaintiff is thus an extremely distinctive mark which has acquired secondary meaning due to extensive use spanning over one and a half century.’

20. In addition, reliance is also placed upon *Hermes International v. Crimzon Fashion Accessories Pvt. Ltd.* [2023 SCC OnLine 883], wherein the factors outlined by the Id. Single Judge under Section 11(6) of the Trade Marks Act, 1999, which would be relevant for declaring the mark as well-known, are as follows:

“(i) *The knowledge or recognition of that trade mark in the relevant section of the public, including knowledge in India obtained as a result of promotion of the trade mark.*

(ii) *The duration, extent and geographical area of any use of that trade mark.*

(iii) *The duration, extent and geographical area of any promotion of the trade mark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trade mark applies.*

(iv) *The duration and geographical area of any registration of, or any application for registration of that trade mark under the Trade Marks Act to the extent that they reflect the use or recognition of the trade mark.*

(v) *The record of successful enforcement of the rights in that trade mark, in particular the extent to which the trade mark has been recognised as a well-known trade mark by any court or Registrar under*



that record.”

21. Further, this Court in *Disruptive Health Solutions v. Registrar of Trade Marks [C.A. (COMM.IPD-TM)] 133/2022, decision dated 8th July 2022*] discussed test of distinctiveness of trade marks. The relevant extract of the said decision is as follows:

“10. The general rule regarding distinctiveness is that a mark is capable of being protected if either it is inherently distinctive or has acquired distinctiveness through secondary meaning. In the spectrum of distinctiveness, the first category of marks is of arbitrary, fanciful and invented marks which is of absolute distinctiveness. Similarly, suggestive marks can also be registered due to their inherent distinctiveness. Descriptive marks can be registered as trademarks provided secondary meaning is established. Insofar as descriptive marks are concerned, just because some portion of the mark may have some reference or indication as to the products or services intended for, the same may not be liable to be rejected straightaway. In such a case, the merits of the marks would have to be considered along with the extent of usage. Other registrations of the applicant would also have a bearing on the capability of the mark obtaining registration. The owner of a mark is always entitled to expand the goods and services, as a natural consequence in expansion of business.”

22. Today, the Defendant-Mr. Dhanpreet Singh-the Defendant is present in Court. He also submits that he entered into a Settlement Agreement dated 20th June 2023 with the Plaintiff. The same has been placed on record by way of an application *I.A.12263/2023*.

23. The settlement terms are contained in paragraphs 2(a) to (p) of the



application. According to these terms, the Defendant agrees not to file any trademark/copyright application to register the Plaintiff's '*SUPREME*' marks or any mark similar to the Plaintiff's marks for any goods or services such as readymade clothing and related goods and services. Further, the Defendant has paid a sum of Rs.2 lakhs by way of demand draft, as acknowledged by the Plaintiff. The Defendant is present in Court, and has handed over his Aadhaar Card as identity proof.

24. The application has been signed by both the parties and the Id. Counsel for the Plaintiff. The Court has also perused the settlement application. The terms of the Settlement Agreement are lawful and there is no impediment in recording the same.

25. Accordingly, in recognition of the trademark rights and common law rights in the red-box device mark '*SUPREME*' in favour of the Plaintiff, the suit is decreed in terms of paragraphs 2(a)- (p) of the application under Order XXIII Rule 3 CPC. The Defendant shall also stand restrained from seeking any statutory rights by applying for trademarks or copyrights in respect of the red-box device mark '*SUPREME*'.

Declaration as well-known mark:

26. On the strength of averments in the plaint, and the documents placed on record, and the reputation in the red-box device mark '*SUPREME*' as gleaned from the record, it is clear that the Plaintiff has acquired a '*well-known*' status. The red-box device '*SUPREME*' has acquired a secondary meaning keeping in mind the extent of usage of the said device mark. Therefore, the said red-box device mark deserves to be protected. Considering the period of 29 years, during which the red-box device mark



‘SUPREME’ has been used for readymade clothing, and the factors outlined in paragraph 19 above, the said mark has achieved the status of a ‘*well-known mark*’. Accordingly, a decree of declaration declaring the Red-box device mark as a ‘well-known’ mark in respect of apparel and clothing.

27. Further, since the word ‘*SUPREME*’ is a dictionary word, the declaration of well-known is limited to the ‘*SUPREME*’ red-box logo and not the word itself.

28. Since the matter has been settled between the parties, 50% of the court fee is directed to be refunded to the Plaintiff through counsel.

29. The suit is decreed in the above terms. The decree sheet be drawn up accordingly.

30. The suit, along with all pending applications, is disposed of.

PRAITHIBA M. SINGH
JUDGE

JULY 11, 2023

Rahul/dk/dn

(corrected & uploaded on 18th July, 2023)

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