



CASE COMMENT: LIFESTYLE EQUITIES CV & ANR. V. AMAZON TECHNOLOGIES INC. (DELHI HIGH COURT, 2025)

Shakthi Bharathee*

INTRODUCTION

The Delhi High Court's in its recent judgement, *Lifestyle Equities CV & Anr. v. Amazon Technologies Inc.*¹ made a major turning point in enforcing trademark rights in online marketplaces. This judgment awarded what is said to be the highest ever damages award in the history of Indian IP litigation. More importantly, the Court came up with the term "e-infringement", referring to the new and complex nature of trademark infringement in e-commerce environments, which might involve multiple players such as the platform in itself, sellers, brand owners, and logistics partners, all implicated in one infringement bracket. The case posed serious questions on intermediary liability, the operation of safe harbour protection under Section 79 of the Information Technology Act, 2000,² and the correct approach to calculating damages in trademark disputes online.³

FACTS OF THE CASE

The plaintiffs, Lifestyle Equities CV and Lifestyle Licensing BV, own and license the well-known luxury fashion brand Beverly Hills Polo Club (BHPC) in international markets, with its logo featuring an image of a polo player on horseback. BHPC has been in operation in India since 2007 and has proven to have a strong consumer base. In May 2020, the plaintiffs found that clothing with the imprint of a deceptively similar horse-and-rider mark was being offered on Amazon, which is known to be India's top e-commerce website. The products were offered under Amazon's in-house private label "Symbol" and marketed by Cloutail India Pvt. Ltd., which is an important third-party vendor on Amazon's platform. The infringing mark looked

*BBA LLB, FIFTH YEAR, VELLORE INSTITUTE OF TECHNOLOGY, CHENNAI.

¹ Lifestyle Equities CV & Anr v Amazon Technologies Inc CS (COMM) 443/2020 (Del HC).

² Information Technology Act 2000, s 79.

³ *Sri Kunal Bahl v State of Karnataka* 2021 SCC OnLine Kar 15706

and seemed to be close to the earlier registered mark in all aspects, reiterating the intent of the seller to pass off their goods under the reputation earned by BHCP.

The plaintiffs initiated a suit before the Delhi High Court against the three defendants, being, Amazon Technologies Inc., which is the US-based company which owned the Symbol brand, Cloudtail India Pvt. Ltd., which is the retailer of the impugned goods, and Amazon Seller Services Pvt. Ltd., which is the provider of the Indian marketplace platform. The plaintiffs requested a permanent injunction to stop them from further manufacturing and selling added with damages for the prior and continuous infringement of their trademark. As a response to this, an interim injunction was issued in October 2020. Cloudtail ultimately settled the case and paid nominal damages, and Amazon Seller Services was withdrawn as a party upon proving compliance with takedown notices. The case then went on *ex parte* against Amazon Technologies, resulting in a final judgment ordering the plaintiffs significant compensatory and restitutionary relief.

LEGAL ISSUES

1. Whether Amazon's adoption of a deceptively confusing mark amounted to infringement under Section 29 of the Trade Marks Act, 1999.⁴
2. Whether Amazon Technologies, as a licensor of a brand, could be held accountable for trademark-infringing products sold on its platform by a third-party seller.
3. Whether Amazon Seller Services, as an intermediary in an e-commerce platform, could ask for protection under Section 79 of the Information Technology Act.
4. What number of damages must be granted in a case of digital infringement which led to the loss of sales, dilution and disruption of the brand image?

OBSERVATION OF THE COURT

Justice Singh found out that there has been an explicit infringement by applying the "triple identity test." The offending Symbol mark was visually and conceptually the same as the BHPC trademark. The products were identical in terms of clothing, and even the distribution channel was the same, which undoubtedly increases the possibility of confusion among consumers. The Court pressed on the fact that BHPC's logo had gained huge goodwill and reputation, and the unauthorised use by Amazon's private label constituted an open breach of exclusive rights that

⁴ Trade Marks Act 1999, s 29.

had been enjoyed by them. Most importantly, the judgment invented the concept "e-infringement" to define a new type of trademark infringement that occurs exclusively in digital environments. In contrast to the conventional counterfeiting with one responsible party, e-infringement is characterised by several players, including platform operators, licensors of private labels, affiliated vendors, and warehouse operators. The Court recognised that this complex system makes it difficult for them to exactly identify and attribute liability to each of these players. Justice Singh emphasised that intellectual property law needs to constantly evolve with the ever-changing complexities that come as baggage with modern developments. Amazon's main defence was mainly based on citing the distance between its different entities, that is, the U.S.-based licensor, Indian seller and the platform owner. But the court tore down this defence by piercing the corporate veil, just to find that the entities had been working together to go about the joint business strategy. Evidence, including the Brand License and Distribution Agreement, disclosed that Amazon Technologies had considerable control over Cloutail and explicitly indemnified it against legal claims in its clauses. This proved that Amazon Technologies was not a passive owner of IP but actively managed the selling and promotion of Symbol-branded clothing. While Amazon Seller Services was excluded from the proceedings as a compliant intermediary, the Court noted that the larger Amazon Group could not avail itself of safe harbour protections. Separation of the platform from the brand owner was, de facto, a legal illusion. With the integration of branding, product development, and sales using multiple entities, Amazon appeared as one business entity to consumers, and the Court so treated it as one. The plaintiffs presented evidence that demonstrated the Indian sales of BHPC fell by over 40% since the entry of the Symbol brand in the market. Conversely, there was an increase in BHPC sales in markets where Symbol brands were not present during the same time. The court upheld such a comparative analysis as proof of causal harm. It also pointed out that Symbol products were selling at a fraction of BHPC's products, hence undermining the latter's premium brand image. Justice Singh pointed out that e-commerce sales are premised largely on visual impression, and therefore small differences between their trademarks or designs would be insignificant and mostly wouldn't be detected by typical consumers shopping through mobile screens and desktops. As such, the court held that there existed initial interest confusion as well as long-term brand destruction.

The High Court took a strict approach in awarding quantum, particularly as Amazon Technologies did not oppose the suit at its last stage. The plaintiffs used a Trademark License Agreement with Major Brands in India, which outlines the anticipated royalties and sales

targets. The Court applied this information to project lost royalties and business opportunities and awarded ₹293 crore as compensatory damages. An additional cost of ₹43 crore was granted for the damages caused by corrective advertising, which was backed up by the precedent of *Hindustan Unilever Ltd. v. Reckitt Benckiser India Ltd* in 2014.⁵ Lastly, ₹3.23 crore was awarded for the costs of justice. Overall, the damages package sought to compensate the plaintiffs and act as a deterrent against such abuses by other influential digital players in the future.

DECISION

The Delhi High Court ordered a permanent injunction against Amazon Technologies and its subsidiaries, prohibiting any further use of the BHPC mark or any deceptively similar device. The damages of ₹339.25 crore were a combination of compensatory, restorative, and deterrent aims.⁶ Although Cloutail had previously settled for a nominal amount of ₹4.78 lakh, Amazon Technologies, being the mastermind and brand owner, suffered the lion's share. The ruling instituted that where there is a wilful and systemic breach made possible through complex business structures, courts would not shy away from imposing substantial penalties even if they do not happen to have full involvement with the defendants.

ANALYSIS

This case indicates an increasing judicial readiness to subject e-commerce sites and their associated companies to closer examination. Indian courts have already seen the extent of protection of intermediaries under Section 79 of the IT Act. In the case of *Christian Louboutin v. Nakul Bajaj*,⁷ the Delhi High Court held that platforms that curate and advertise infringing products lose the status of an intermediary. Similarly, in the current case, Amazon Technologies was held to be heavily engaged in the management and branding of infringing products, thus excluding it from obtaining the protection of safe harbour. The ruling upholds the doctrine that safe harbour is a privilege of neutral intermediaries and not for those that gain a commercial benefit from infringement. Section 29 of the Trade Marks Act, 1999, provides for a strong legal framework to deal with unauthorised use of registered marks. The triple

⁵ *Hindustan Unilever Ltd v Reckitt Benckiser India Ltd 2014 (57) PTC 495 (Del)*.

⁶ Bar & Bench, 'Delhi HC Slaps ₹339 Crore Fine on Amazon in Landmark Trademark Case' (25 February 2025) <<https://www.barandbench.com/news/law-policy/delhi-hc-fine-amazon-trademark-bhpc> accessed 18 June 2025> accessed 16 June 2025.

⁷ *Christian Louboutin SAS v Nakul Bajaj & Ors* AIR Online 2018 Del 1962.

identity test applied by the court successfully brought these principles into action in the digital environment. The ruling recognised the reality of online consumer behaviour, where errors in the visual image and spontaneous interest significantly contribute to buying decisions. By doing so, it enhances Indian jurisprudence on online infringement, bringing it closer to statutory law and the realities of the digital marketplace.

The court used the pre-existing contracts and how closely the entities worked together to pierce the corporate veil. Although it didn't follow strict legal theories like agency or alter ego, the decision focused on the real nature of the relationship rather than treating the companies as completely separate. But future courts have to be doctrinally consistent, especially when it comes to ensuring accountability of foreign parent companies over the actions of their Indian subsidiaries. The quantum of damages creates a new benchmark for IP enforcement in India. It marks a shift away from the practice of nominal relief and an intention to render infringement economically punitive. The ruling will probably have an impact not only on private litigants but also on regulatory regimes.⁸ The idea of "e-infringement" might stimulate legislative evolution of online brand protection. Online marketplaces might react with tighter due diligence procedures, improved takedown procedures, and prudent management of private label initiatives.

CONCLUSION

The judgement in this case is set to be a turning point for Indian trademark enforcement in the aspects of today's digital world. It makes clear that online sites and their affiliates cannot depend upon legal technicalities or inter-corporate agreements to avoid responsibility for trademark infringement. The recognition of the theory of "e-infringement" and acceptance of online-specific harms like brand dilution and initial interest confusion are instances of jurisprudential progress. By holding Amazon Technologies liable and ordering record-breaking damages, the Court has set a benchmark precedent for subsequent enforcement proceedings. Nevertheless, the judgment also asks for temperance. Its strategy for corporate attribution, intermediary liability, and damages can be fine-tuned on appeal. Legal requirements have to be clearly defined so as not to have unintended effects on truly passive intermediaries. Apart from this, the essential message is clear enough concerning digital business, which cannot be allowed to be an IP haven. The ruling thus draws a balance on varied fronts, including

⁸ DPIIT, 'Draft National E-Commerce Policy 2024' (Ministry of Commerce and Industry, India) <<https://dpiit.gov.in/sites/default/files/draft-ecommerce-policy-2024.pdf>> accessed 16 June 2025.

innovation and responsibility, consumer access and brand protection, and ease of use and legal accountability. As online shopping grows, the ruling will be a landmark reference guide for courts, regulators, and stakeholders. It captures India's motivation towards building a strong IP protection in the digital era and marks the judicial expectation that with great digital power comes equal responsibility.