

(2008) 04 DEL CK 0048

In the Delhi High Court

Case No : IA. No. 238 of 2006 in CS (OS) 1420 of 2005 and IA. No. 5271 of 2006 in CS (OS) 1420 of 2005

Archie Comic Publications, Inc.

APPELLANT

Vs

Purple Creations Pvt. Ltd. and Others

RESPONDENT

Date of Decision : 22-04-2008

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 6 Rule 17, Order 7 Rule 10, Order 7 Rule 11, 151

Trade Marks Act, 1999 — Section 134(2), 23(1)

Citation : (2008) 9 ILR Delhi 20 : (2008) 37 PTC 279

Hon'ble Judges : Badar Durrez Ahmed, J

Bench : Single Bench

Advocate : Rajiv Nayar and Manmohan Singh, for the Appellant; Neeraj Kaul Sanjeev Sachdeva, Pritpal Singh, Amit Kumar Singh, Shikha Sarin, Karun Mehta and Chetan Chopra, for the Respondent

Judgement

Badar Durrez Ahmed, J.—The plaintiff had instituted the present suit for permanent injunction, infringement of trademark, damages etc. against the defendants. The plaintiff claims to be engaged in the field of printed matter, paper articles, newspapers, periodicals, comic magazines, cartoon strips, story books, films etc. The plaintiff claims to be the proprietor of the Archie Comic Publications as well as the "ARCHIE" Trademark and its variations which, inter alia, include ARCHIE'S, LITTLE ARCHIE, THE ARCHIES, ARCHIE COMICS etc. The plaintiff has alleged that the trademark "ARCHIE" was adopted by it in 1942. It also forms part of the plaintiff's trade name. It is contended that by virtue of the long, continuous, open and extensive use by the plaintiff, the "ARCHIE" trademarks have become intertwined with the identity of the plaintiff and as a result, consumers all over the world, including those in India, associate the "ARCHIE" trademarks with the plaintiff and nobody else.

2. It is also alleged in paragraph 4 of the plaint that in 1966 Archie Comics were imported into India. There is also a reference to an invoice issued by the plaintiff

to Variety Book Depot in New Delhi on 08.05.1979 with regard to the plaintiff's publications. The plaintiff had applied for registration of the "ARCHIE and Heads" composite trademark/ label bearing the application No. 518483 on 17.10.1989 in Class 16 and the plaintiff has alleged that it has been extensively using the mark in India since 1979. It is alleged that the "ARCHIES", "PURPLE ARCHIE", ARCHIES trademark and device are being used by the defendants and the same are identical and/ or deceptively similar to the plaintiff's trademarks "ARCHIE" and "ARCHIE and HEAD". It is alleged that the defendants in spite of the knowledge of the said trademark and/ or activities of the plaintiff, decided to use the said mark without authorization or consent of the plaintiff. The plaintiff allegedly came to know about the defendants for the first time in June 2004 when they came across the advertisement for the "ARCHIES and device", "PURPLE ARCHIE" and "ARCHIES" trademarks bearing application Nos. 597802, 846978, 1062578 and 1222947, all in Class 25. The defendants are allegedly involved in the business of manufacturing and selling kids wear under the "ARCHIES/ PURPLE ARCHIES" and "ARCHIES" trademarks. It is consequently alleged on the part of the plaintiff that the defendants are infringing the propriety rights of the plaintiff in the said trademarks. The defendants are also alleged to have passed off their goods and business as those of the goods and business of the plaintiff.

3. The suit has been filed in this Court claiming that it has jurisdiction to entertain the same on the basis of the averments made in paragraph 32 of the plaint. Since the applications under consideration relate to the question of jurisdiction, it would be pertinent to set out the entire paragraph 32 of the plaint:

32. That this Hon"ble Court has the jurisdiction to entertain, try and determine the present suit as a part of the cause of action arose within the territorial jurisdiction of this Hon"ble Court. The Defendant's mark has been advertised in the Trade Marks Journal which was circulated in Delhi, within the jurisdiction of this Hon"ble Court. Therefore, this Hon"ble Court has the jurisdiction to entertain, try and decide the present suit u/s 134(2) of the Trade Marks Act, 1999 as the plaintiff is carrying on its business in Delhi at least since 1979.

4. The defendants filed the application (IA 238/2006) for return of the plaint. Though the application was styled as one under Order 7 Rule 11 of the Code of Civil Procedure, 1908 (hereinafter referred to as the "CPC"), since the prayer is for return of the plaint for filing before a proper and competent court, the same is being treated as one under Order 7 Rule 10 CPC. It is the case of the defendants that a plain reading of the plaint makes it obvious that plaintiff is carrying on its business outside India, that is, in New York, U.S.A. and that the plaintiff has no place of business in India nor has the plaintiff any exclusive distributor of its products within the jurisdiction of this Court. It has also been contended that the defendants reside and carry on business and work for gain outside the jurisdiction of this Court. The defendants do not have a branch office at Delhi nor do they have any distributor at Delhi nor are the goods of the

defendants bearing the trademark "ARCHIES" available within the jurisdiction of this Court. It is contended that, in any event, the plaintiff has not so pleaded. On behalf of the defendants it was contended that the jurisdiction of this Court has primarily been invoked by the plaintiff on the ground that the defendants' mark "ARCHIES" in respect of ready-made garments had been advertised in the Trademarks Journal which is circulated in Delhi. It was also alleged that the plaintiff was carrying on its business in Delhi, though the plaintiff has failed to disclose in the plaint the address of its branch office or the name and address of any of its exclusive distributors within the territory of Delhi. It was contended that on account of non-disclosure of particulars in the plaint which are necessary for invoking the territorial jurisdiction of this Court and more particularly in view of the decision of the Supreme Court in the case of Dhodha House Vs. S.K. Maingi, , the plaint does not disclose as to how this Court has territorial jurisdiction to entertain and try the present suit and consequently the defendants have prayed that the plaint be returned to the plaintiff for filing before a proper and competent court.

5. The plaintiff, faced with this situation, subsequently moved an application being is 5271/2006 under Order 6 Rule 17 read with Section 151 CPC seeking amendment of the plaint and in particular of paragraph 32 thereof by incorporating additional facts. The proposed paragraph 32 reads as under:

32. That this Hon''ble Court has the jurisdiction to entertain, try and determine the present suit as a part of cause of action arose within the territory of this Hon''ble Court. The plaintiff is also carrying on its business at least since 1979 and the plaintiff has its sole distributor i.e. Variety Book Depot, Connaught Circus, New Delhi who is exclusively selling Archie Comics on behalf of the plaintiff within the territory of this Hon''ble Court and who has also been importing books from the plaintiff in a substantial way. The defendants had been selling their products to their distributor within the territory of this Hon''ble Court. The defendants are also advertising their products bearing the trademark Archies in the newspapers which are printed and have circulation within the territory of this Hon''ble Court. The defendants have also been operating their website, namely, www.purplearchies.com which can be accessed from anywhere in India including Delhi. In view of the above this Hon''ble Court has got the jurisdiction to entertain and try the suit.

It was contended that the case was at the initial stage and no prejudice would be caused to the defendants if the said amendment was allowed inasmuch as the defendants themselves had taken the objection in the written statement as well as in is No. 238/2006 regarding territorial jurisdiction. It was stated in the application that it is in these circumstances that it had become necessary to move the application for amendment of the plaint.

6. It was contended on behalf of the plaintiff that the amendment application ought to be considered first and then the defendants' application for return of the plaint be considered. Several decisions were cited by the learned senior

counsel Mr. Rajiv Nayar in support of the contention that Order 6 Rule 17 is not controlled by and is not subservient to Order 7 Rule 11. The decisions were:

- (1) Wasudhir Foundation Vs. C. Lal and Sons, ;
- (2) Kundan Lal Mehta, Satish Kumar Mehta, Suresh Kumar Mehta, Vijay Kumar Mehta, Suman Kumari Mehta and Roshan Lal Vs. Prakash Wati, ;
- (3) Harl Bhagwan Sharma and Others Vs. Badri Bhagat Jhandewalan Temple Society and Others, ; and
- (4) Suraj Bhan Anil Kumar and Another Vs. Molu Ram Kapoor Chand, .

But, the real issue which arises in this case is whether a Court which does not have jurisdiction on the basis of the averments made in the plaint as originally filed, can even entertain an application for amendment of the plaint which if allowed would bring the case within the jurisdiction of such Court? The issue of whether Order 6 Rule 17 is subservient or not to the provisions of Order 7 Rule 11 also does not arise in the present case because though is No. 238/2006 is styled as an application under Order 7 Rule 11 (albeit wrongly) it is, in point of fact, an application under Order 7 Rule 10 for the return of the plaint for presentation before the competent Court. Therefore, the decisions relied upon by the learned Counsel for the plaintiff would not have much relevance in the context of the issues which are required to be resolved in the present case.

7. Mr. Neeraj Kishan Kaul, the learned senior counsel appearing on behalf of the defendants, had contended that before any application under Order 6 Rule 17 could be considered by this Court, it had to rule with regard to its jurisdiction. The ruling would have to be on the basis of the averments made in the plaint as originally filed and if the Court came to the conclusion that it had jurisdiction then and only then could the Court consider the application filed by the plaintiff for amendment of the plaint.

8. Considering the arguments advanced by the counsel for the parties, the key question that needs to be resolved is whether this Court has jurisdiction to entertain the suit on the basis of the averments made in the plaint as originally filed? If the answer is in the affirmative, that is, if it is held that this Court has jurisdiction then, obviously, the defendants' application (IA No. 238/2006) for return of the plaint would have to be rejected and the plaintiff's application (IA No. 5271/2006) for amending the paragraph 32 of the plaint would have to be allowed inasmuch as the amendments would be merely in the form of additional pleas regarding jurisdiction and since the suit is at the initial stage no prejudice would be caused to the defendants. On the other hand, if the answer to the question is in the negative, that is, this Court does not have jurisdiction, then the application (IA 5271/2006) under Order 6 Rule 17 would not be maintainable and the defendants' application (IA No. 238/2006) for return of the plaint would have to be allowed. In *Hans Raj Kalra v. Kishan Kalra* AIR 1977 NOC 267 (Delhi) it was noted that a Court having no jurisdiction over the suit, inherent or

pecuniary, is not competent to allow amendment of the plaint, even if the amendment sought brings the suit within the court's jurisdiction. In *Anil Goel Vs. Sardari Lal*, a learned Single Judge of this Court, following an earlier decision in the case of *Lok Kalyan Samiti Vs. Jagdish Prakash Saini and Others*, held:

...that if a court does not have jurisdiction to try the suit, no amendment can be allowed to bring the suit within the jurisdiction of the court. The court having no jurisdiction in the matter cannot pass orders so as to assume jurisdiction and the plaint in such a case has to be returned for presentation in proper court.

The Division Bench decision of the Patna High Court in the case of *Pandit Rudranath Mishir and Others Vs. Pandit Sheo Shankar Missir and Others*, is to the same effect. After referring to several decisions of other High Courts, the Division Bench observed as under:

The granting of an amendment postulates an authority of the Court to entertain the suit. But where there is inherent lack of jurisdiction in the Court to entertain the suit itself, it cannot make any order for amendment of the plaint to bring the suit within its jurisdiction. In such a case the Court would be exercising its jurisdiction which is not vested in it and, Therefore, passing of any order would amount to usurping a jurisdiction not vested in it. In such a case the Court is bound to return the plaint to be represented to the proper court in which the suit ought to have been instituted. After the plaint is returned for presentation to the proper Court, the plaintiff can amend the plaint and represent it to the same Court.

These decisions unmistakably lead to the conclusion that if this Court does not have jurisdiction to entertain the suit on the basis of the averments made in the plaint as originally filed, then the plaintiff's application under Order 6 Rule 17 would not be maintainable and cannot be entertained. The result would be that the defendants' application under Order 7 Rule 10 would have to be allowed and the plaint would have to be directed to be returned to the plaintiff for filing before the competent Court.

9. This discussion, Therefore, clearly indicates that the question of jurisdiction has to be determined on the basis of the averments made in the plaint as originally filed. It must also be kept in mind that at the stage of consideration of the return of the plaint under Order 7 Rule 10 CPC what has to be looked into is the plaint and the averments made therein though the plaint must be read in a meaningful manner to find the real intention behind the suit. This is what has been held in *Begum Sabiha Sultan Vs. Nawab Mohd. Mansur Ali Khan and Others*, . A reading of paragraph 32 of the plaint, which has been set out above, indicates that the plaintiff has invoked the jurisdiction of this Court on two grounds:

(I) That part of the cause of action arose within the territorial jurisdiction of this Court on account of the fact that the defendants' mark has been advertised in the Trademarks Journal which was circulated in Delhi; and

(II) This Court has jurisdiction to entertain the present suit in view of the provisions of Section 134(2) of the Trademarks Act, 1999 as the plaintiff is carrying on business in Delhi at least since 1979.

As regards the first aspect with respect to the advertisement in the Trademarks Journal, the Supreme Court decision in *Dhodha House* (supra) has settled the issue in the following words:

...a suit may lie wherein infringement of trademark and copyright takes place. But a cause of action for filing the suit would not arise within the jurisdiction of the court only because an advertisement has been issued in the Trademarks Journal or any other journal, notifying the factum of filing of such an application.

In *Pfizer Products Inc. Vs. Rajesh Chopra and Others*, , I had occasion to consider the decision in *Dhodha House* (supra) and it was concluded that the ratio in *Dhodha House* (supra) is that an advertisement by itself in a Trademarks Journal would not confer jurisdiction upon a court within whose territorial limits the advertisement is published or is seen. This being the legal position, the mere allegation that the defendants' mark had been advertised in the Trademarks Journal which was circulated in Delhi would not constitute a part of the cause of action. Consequently, the plea of this Court having territorial jurisdiction, which has been founded on this allegation, is untenable.

10. It was sought to be contended on behalf of the plaintiff that when the plaint was filed, the decision of the Supreme Court in *Dhodha House* (supra) had not been rendered. And, at that point of time, the legal position was that a suit could be filed in a Court within whose territorial limits an application for registration of the trademark had been filed and/or advertised. In *Sudhir G. Angur and Others Vs. M. Sanjeev and Others*, (a case cited on behalf of the plaintiff on another point), the Supreme Court observed with approval that in *Shiv Bhagwan Moti Ram Saraoji Vs. Onkarmal Ishar Dass and Others*, it has been held that no party has a vested right to a particular proceeding or to a particular forum and that all procedural laws are retrospective unless the legislature expressly states to the contrary. The Supreme Court held that it is the law on the date of trial of the suit which is to be applied. It agreed with the observations in *Shiv Bhagwan Moti Ram Saraoji* (supra) that the procedural laws in force must be applied at the date when the suit or proceeding comes for trial or disposal and that a Court is bound to take notice of the change in the law and is bound to administer the law as it is when the suit comes up for hearing. It was also noted that if a Court has jurisdiction to try the suit, when it comes up for disposal, it then cannot refuse to assume jurisdiction by reason of the fact that it had no jurisdiction to entertain it on the date when it was instituted. This latter observation was relied upon by the learned Counsel for the plaintiff for the purposes of claiming jurisdiction u/s 134(2) of the Trademarks Act, 1999 on the ground that subsequently the plaintiff's application for registration had been allowed and registration had been granted. I shall deal with that later. For the present, it is clear that the law as it stands today would have to be taken into account to determine the question of

jurisdiction. Therefore, the plea that when the suit was filed, the decision in the case of *Dhodha House* (supra) had not been rendered by the Supreme Court and, Therefore, the question of jurisdiction ought to be considered de hors the Supreme Court decision in *Dhodha House* (supra), is untenable.

11. On the question of jurisdiction based on the argument that the plaintiff was carrying on business in Delhi at least since 1979, it was contended by the defendants that the admitted position is that the plaintiff does not have any office in Delhi and the only allegation which is discernible from a reading of the entire plaint and in particular paragraphs 4 and 32 thereof is that the plaintiff's books were available in India through its distributor "Variety Book Depot" at Delhi. In this context it was submitted on behalf of the defendants that there is a difference between an agent carrying on business for and on behalf of principal and a distributor who does business not as an agent but on a principal to principal basis. It was contended that the Variety Book Depot was alleged to be a distributor and that the documents filed along with the plaint show that Variety Book Depot was neither an agent of the plaintiff nor did the plaintiff have any control over the way the business was conducted by it. Reliance was placed, once again, on the Supreme Court decision in *Dhodha House* (supra) for explaining the expression "carries on business". The Supreme Court was of the view that for the purposes of carrying on business, the presence of the businessmen at a particular place is not necessary inasmuch as his business may be carried on at that place through an agent or a manager or through a servant. The owner of the business may not even visit that place. The Supreme Court noted that the phrase "carries on business" at a certain place would, Therefore, mean having an interest in a business at that place, a voice in what is done, a share in the gain or loss and some control over the same. It was observed that the expression is much wider than what the expression in normal parlance connotes. But it is necessary that the following three conditions should be satisfied:

- (1) The agent must be a special agent who attends exclusively to the business of the principal and carries it on in the name of the principal and not a general agent who does business for any one that pays him;
- (2) The person acting as agent must be an agent in the strict sense of the term; and
- (3) To constitute "carrying on business" at a certain place, the essential part of the business must take place in that place.

One of the illustrations given in respect of condition (1) above by the Supreme Court would be quite apposite. The illustration reads as under:

So a firm in England, carrying on business in the name of A.B. & Co., which employs upon the usual terms a Bombay firm carrying on business in the name of C.D & Co., to act as the English firm's commission agents in Bombay, does not "carry on business" in Bombay so as to render itself liable to be sued in Bombay.

12. The plaintiff has alleged that it has been carrying on business in Delhi at least since 1979. The further allegation is that its business has been conducted in Delhi through its sole distributor "Variety Book Depot". It has not been pleaded that "Variety Book Depot" attends exclusively to the business of the plaintiff. Moreover, the business of "Variety Book Depot" is not done in the name of the plaintiff. Therefore, "Variety Book Depot" cannot be regarded as an agent of the plaintiff for the purposes of considering the expression "carries on business" appearing in Section 134(2) of the said Act. It is, Therefore, clear that on the basis of the averments made in the plaint itself the plaintiff has been unable to show that it is carrying on business in Delhi. Consequently, the provisions of Section 134(2) of the Trademarks Act, 1999 cannot be invoked by the plaintiff.

13. This conclusion is inevitable without this Court going into the question of whether the plaintiff could at all have invoked Section 134(2) of the Trademarks Act, 1999 in view of the fact that on the date on which the suit was filed, the plaintiff did not have any registered trademark in India. It had been contended by the learned Counsel for the defendants that in view of the provisions of Section 27 of the Trademarks Act, 1999, no suit for infringement could have been filed by the plaintiff in respect of an unregistered trademark inasmuch as the plaintiff's application for registration was pending on that date. It was, however, contended by the learned Counsel for the plaintiff that subsequently registration had been granted and this Court would have to consider the plaint as if the plaintiff's trademark had been registered in view of the provisions of Section 23(1) of the Trademarks Act, 1999 which stipulates that a trademark, when registered, shall be registered as of the date of the making of the application. Without going into this question and assuming that the plaintiff is suing on the basis of a registered trademark, the provisions of Section 134(2) of the Trademarks Act, 1999 cannot be invoked because, as observed earlier, the plaintiff cannot be said to be carrying on business in Delhi.

14. The result of this discussion is that, considering the averments made in the plaint as originally filed, this Court does not have territorial jurisdiction to entertain the present suit. The effect of such a conclusion, as noted earlier, is that the plaintiff's application under Order 6 Rule 17 cannot be heard by this Court and the same would not be maintainable before this Court inasmuch as this Court does not have jurisdiction in the matter. As a result, the plaint is liable to be returned to the plaintiff for the purposes of filing before the competent court.

15. is 5271/2006 (under Order 6 Rule 17 CPC) is dismissed as not maintainable. is 238/2006 filed on behalf of the defendants for return of the plaint is allowed.