

(2003) 08 CAL CK 0047

In the Calcutta High Court

Case No : G.A. No. 1675 of 2003 and C.S. No. 138 of 2003

Heinz Italia Sr. L. and Another

APPELLANT

Vs

Dabur India Limited and Others

RESPONDENT

Date of Decision : 29-08-2003

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 2 Rule 2, Order 23 Rule 1, 11
Constitution of India, 1950 — Article 226

Citation : (2004) 1 CALLT 142

Hon'ble Judges : Mahemmad Habeeb Shams Ansari, J

Bench : Single Bench

Advocate : Gautam Chakraborty and Ranjan Bachawat, for the Appellant;
Sudipta Sarkar and Utpal Bose, for the Respondent

Final Decision : Dismissed

Judgement

Mahemmad Habeeb Shams Ansari, J.—Having heard Mr. Gautam Chakraborty, learned senior counsel, assisted by Mr. R. Bachawat, learned counsel appearing for the plaintiffs-petitioners and Mr. S. Sarker learned counsel along with Mr. Utpal Bose learned counsel for respondent-defendants and in the view formed by this Court, only certain relevant facts need to be stated. They are.

2. The first plaintiff claims to be the proprietor in India of inter alia the trade mark GLUCON-D registered under No. 304644 in class 30 and application for registration of the label in which the goods under the trade mark GLUCON-D were sold is pending with the Registrar of Trademarks including the application for recordal of the first plaintiff as the subsequent proprietor of the aforesaid trademarks are pending with the Registrar of Trademarks as also application for registration of present labels for the goods sold under trademark GLUCON-D are pending with the Registrar of Trademarks. The same trademark is claimed to have been assigned to the first plaintiff by Glaxo India along with goodwill of the business in which the mark was used by deed of assignment dated September 30, 1994. It is the further case of the plaintiffs that the energy drink under the

trademarks of GLUCON-D is sold in a distinctive packaging consisting of distinctive colour scheme predominantly of the colour green consisting inter alia of the photograph of a family of three father, mother and son drinking GLUCON-D. Plaintiffs claim that the packaging has been designed for and on behalf of the plaintiffs and the copyright in the artistic work with the packaging vests with the plaintiffs. It is the further case of the plaintiffs that in or about July, 2002 they learnt that the defendant No. 1 had started selling an energy drink under the trademark GLUCOSE-D in a packing, the overall impression of which was the same as that of the plaintiffs packaging of goods sold under the aforesaid trademark. The trademark of the defendants GLUCOSE-D and the packaging, it is stated, being deceptively similar and in violation of the rights of the plaintiffs in the trademark get up and trade dress related to the trademark GLUCON-D, a suit was instituted by the plaintiffs on February 19, 2003 in the learned District Judge's Court at Gurgaon for an injunction and for damages. The said suit is pending adjudication being suit No. 2 of 2003 and also the injunction application.

3. It appears that in the written statement filed on behalf of the defendants in the said suit No. 2 of 2003 before the learned Additional District Judge, Gurgaon, it was inter alia stated by the defendant No. 1 that it had discontinued the said packaging complained of in the said suit and the defendant No. 1 had introduced a new package. Plaintiffs are said to have become aware for the first time from a television commercial of defendant No. 1 introducing a new packaging for the energy drink under GLUCOSE-D. Enquiries made by the plaintiff revealed that the defendant had changed its packaging and the new packaging was deceptively and even more similar to the plaintiffs packaging. According to the plaintiffs, the new packaging was a clear attempt by the defendant No. 1 to come as close as possible to the packaging and trade dress of the plaintiffs and to trade upon the reputation and goodwill of the plaintiffs. Plaintiffs thereupon instituted the instant suit being C.S. No. 138 of 2003 on the file of this Court.

4. When the instant application was moved before this Court, an interim injunction was granted by P.C. Ghosh, J. by an order dated May 8, 2003 in terms of payer "b" which was modified by order dated May 15, 2003 directing the defendants to keep account in respect of the sale of the products.

5. The defendant No. 1 filed its affidavit-in-opposition and plaintiff filed their reply thereto.

6. I must state here that I had the benefit of hearing the arguments at length of the learned counsel for the respective parties. Very learned arguments were advanced before Court by the learned senior counsel for the respective parties. Elaborate reference has been made by the respective learned senior counsel to the material on record and to several judgments and authorities. However, one contention raised by Mr. Sudipta Sarkar, learned senior advocate for the defendants-respondents needs to be mentioned. It was contended by Mr. Sudipta Sarkar, learned senior advocate that the instant suit ought not to have been entertained by this High Court as because there is already a suit pending before

the learned District Court at Gurgaon in respect of the same issue as raised herein and, therefore, the petitioners-plaintiffs having already raised their grievance in respect of the activities complained of in the said suit being Civil Suit No. 2 of 2003, institution of the present suit is an abuse of the process of Court. Reference was made, by Mr. Sudipta Sarkar learned senior advocate to annexure "M" (collectively pages 73 to 84) to the affidavit-in-opposition wherefrom it would appear that along with the said suit, an application for injunction have been taken out and directions have been issued in the said suit for filing written statement and reply to the injunction application. Thereafter, directions were issued for filing replication and documents have been filed. Matter was listed for framing issues and argument in the application. The said injunction application stands adjourned to appear in mid September, 2003.

7. Mr. Sudipta Sarkar, learned senior advocate relied upon the judgment of the Supreme Court in K.K. Modi Vs. K.N. Modi and Others, and more particular to paragraph 44 (SCC) of that judgment as under:

"One of the examples cited as an abuse of the process of the Court is re-litigation. It is an abuse of the process of the Court and contrary to justice and public policy for a party to re-litigate the same issue, which has already been tried and decided earlier against him. The re-agitation may or may be barred as res judicata. But if the same issue is sought to be re-agitated, it also amounts to an abuse of the process of the Court. A proceeding being filed for a collateral purpose or a spurious claim being made in litigation may also in a given set of facts amount to an abuse of the process of the Court. Frivolous or vexatious proceedings may also amount to an abuse of the process of the Court especially where the proceedings are absolutely groundless. The Court then has the power to stop such proceedings summarily and prevent the time of the public and the Court from being wasted. Undauntedly, it is a matter of Court's discretion whether such proceedings should be stopped or not; and this discretion has to be exercised with circumspection. It is a jurisdiction which should be sparingly exercised, and exercised only in special cases. The Court should also be satisfied that there is no chance of the suit succeeding."

8. Though as noticed (supra), Mr. Sudipta Sarkar made these submissions on merits on behalf of the defendants-respondents, this Court was inclined to consider the above submission and for that purpose requested the learned counsel for the plaintiffs, Mr. Gautam Chakraborty to address the Court particularly with reference to Order 23 Rule 1 CPC. This is for the reason that a similar contention was considered by this Court in Architech Consultants (P) Ltd. v. Amiya Sales and Industries, G.A. No. 3854 of 2000 and C.S. No. 20 of 2003 which was disposed of by this Court by its order dated August 8, 2003. Though the said case was considered in the context of Chapter XIII A of the Original Side Rules one of the contentions raised was with regard to the maintainability of the second suit filed before this High Court during the pendency of suit filed in the District Court. On the authority of the judgment of the Supreme Court in Sarguja

Transport Services v. State Transport Appellate Tribunal Gwalior and Ors. AIR 1978 SC 88, this Court was of the view that the second suit was not maintainable and was prima facie of the view that as that question goes to the root of the matter, application filed under Chapter XIII A was dismissed.

9. Mr. Gautam Chakraborty learned senior counsel in reply submitted that provisions of Order XXIII Rule 1 CPC have no application to the case on hand for the reason that the earlier suit has neither been withdrawn nor the same has been abandoned and, therefore, the plaintiff is not precluded from filing fresh suit. Secondly, it was contended that the subject matter of the two suits is different. Thirdly, Mr. Gautam Chakraborty contended that in an action for infringement, as the suit on hand pertaining to infringement of a registered trademark, it is a case of continuous cause of action or recurring cause of action and, therefore, the plaintiff is not precluded from filing the instant suit nor the bar would apply more particularly in view of the averments, in the instant suit that the defendant had discontinued the packaging complained of in the Gurgaon suit being Suit No. 2 of 2003 and the defendant had introduced a new package. The instant suit, it was contended, is therefore in relation to the new cause of action when the defendant marketed its product in new packaging which is as close as possible to the packaging and trade dress of the plaintiffs. Reliance has been placed by Mr. Gautam Chakraborty, learned senior counsel upon the judgments in Bhagaban Das Mahesri Vs. Prosanna Dev Raikot and Others, ; Vallabh Das Vs. Madan Lal and Others, and Bengal Waterproof Ltd. v. Bombay Waterproof, AIR 1997 Cal 1398.

10. The principle underlying Order XXIII Rule 1 CPC is to prevent a litigant from abusing process of Court by instituting suits again and again in the same cause of action. The principle is founded on public policy but is not the same as the rule of res judicata. In Sarguja Transport Service's case, cited supra, Sarguja Transport Service Vs. State Transport Appellate Tribunal, M.P., Gwalior and Others, , Supreme Court construed the provisions contained in Order XXIII Rule 1 CPC after the amending Act 104 of 1976, which came into effect from February 1, 1977 and held as follows:

"The Code as it now stands thus makes a distinction between "abandonment" of a suit and "withdrawal" from a suit with permission to file a fresh suit. It provides that where the plaintiff abandons a suit or withdraws from a suit without the permission referred to in Sub-rule (3) of Rule 1 of Order XXIII of the Code; he shall be precluded from instituting any fresh suit in respect of such subject matter or such part of the claim. The principle underlying Rule 1 of Order XXIII of the Code is that when a plaintiff once institutes a suit in a Court and thereby avails of a remedy given to him under law, he cannot be; permitted to institute a fresh suit in respect of the same subject matter again after abandoning the earlier suit or by withdrawing it without the permission of the Court to file fresh suit, invito beneficium non datur. The law confers upon a man no rights or benefits which he does not desire. Whoever waives abandons or

disclaims a right will lose it. In order to prevent a litigant from abusing the process of the Court by instituting suits again and again on the same cause of action without any good reason the Code insists that he should obtain the permission of the Court to file a fresh suit after establishing either of the two grounds mentioned in Sub-rule (3) of Rule 1 of Order XXIII. The principle underlying the above rule is founded on public policy, but it is not the same as the rule of *res judicata* contained in Section 11 of the Code which provides that no Court shall try any suit or issue in which the matter directly or substantially in issue has been directly or substantially in issue in a former suit between the same parties, or between parties under whom they or any of them claim, litigating under the same title, in a Court competent to try such subsequent suit or the suit in which such issue has been subsequently raised, and has been heard and finally decided by such Court. The rule of *res judicata* applies to a case where the suit or any issue has already been heard and finally decided by a Court. In the case of abandonment or withdrawal of a suit without the permission of the Court to file a fresh suit, there is no prior adjudication of a suit or an issue involved, yet the Code provides, as stated earlier, that a second suit will not lie in Sub-rule (4) of Rule 1 of Order XXIII of the Code when the first suit is withdrawn without the permission referred to in Sub-rule (3) in order to prevent the abuse of the process of the Court."

11. In that judgment the principle underlying Rule 1 of Order XXIII of the Code was applied to and extended even to writ petition filed under Article 226 of the Constitution in the following terms:

"..... But we are of the view that the principle underlying Rule 1 of Order XXIII of the Code should be extended in the interest of administration of justice to cases of withdrawal of writ petition also, not on the ground of *res judicata* but on the ground of public policy as explained above. It would also discourage the litigant from indulging in bench-hunting tactics... the remedy under Article 226 of the Constitution should be deemed to have been abandoned by the petitioner in respect of the cause of action relied on in the writ petitioner when he withdraws it without such permission....."

12. No doubt as contended by Mr. Gautam Chakraborty, learned senior counsel, based on the authority of the judgment of the Supreme Court in *Bengal Waterproof Ltd. case*, cited *supra* wherein it was held that an action for passing off is a common law remedy being an action in substance of deceit under the Law of Torts. Wherever and whenever fresh deceitful act is committed, the person deceived would naturally have a fresh cause of action in his favour. The said observations have to be understood in the context of Order 2 Rule 2 CPC as will be evident from the following observations:

".....Thus every time when a person passes off his goods as those of another he commits the act of such deceit. Similarly whenever and wherever a person commits breach of a registered Trade Marks of another he commits a recurring act of breach of infringement of such trade mark giving a recurring and fresh

cause of action at each time of such infringement to the party aggrieved. It is difficult to agree how in such a case when in historical past earlier suit was disposed of as technically not maintainable in absence of proper reliefs, for all times to come in future defendant of such a suit should be armed with a license to go on committing fresh acts of infringement and passing off with impunity without being subjected to any legal action against such future acts. We posed a question to the learned counsel for the defendants as to whether after the disposal of the earlier suit if the defendants had suspended their business activities and after a few years had resumed the same and had started selling their goods under the trademark "DACK BACK" by passing them off, the plaintiff could have been prohibited and prevented by the bar of Order 2 Rule 2, Sub-rule (3) from filing a fresh suit in future when such future infringement or passing off took place. He rightly and fairly stated that such a suit would not be barred. But his only grievance was that whatever was the infringement of passing off alleged against the defendants in 1980 had, according to the plaintiff, continued uninterrupted and, therefore, in substance the cause of action in both the suits laws identical. It is difficult to agree. In cases of continuous causes of action or recurring causes of action bar of Order 2, Rule 2, Sub-rule (3) cannot be invoked."

13. In that case, the first suit was disposed of unlike the case of hand where the first suit is pending. Neither the plaintiff has withdrawn the first suit nor is it his case that he has abandoned the same nor does it appear that any leave has been obtained for instituting a fresh suit. The observations quoted supra cannot, in my respectful view, be construed that in case of recurring act of breach of infringement of trade mark, a new suit has to be filed by the aggrieved party.

14. The Division Bench judgment of this High Court in Bhagaban Das Mahesri Vs. Prosanna Dev Raikot and Others, is of no assistance to the petitioner in the present case as that was rendered prior to the Act 104 of 1976.

15. No doubt as contended by Mr. Gautam Chakraborty, learned senior counsel, the bar under Order XXIII Rule 1 CPC would have no application unless the subject matter of the two suits is the same. The expression "subject matter" has been construed in Vallabh Das Vs. Madan Lal and Others, as under:

"... The expression "subject matter" is not defined in the Civil Procedure Code. It does not mean property. That expression has a reference to a right in the property which the plaintiff seeks to enforce. That expression includes the cause of action and the relief claimed. Unless the cause of action and the relief claimed in the second suit are the same as in the first suit, it cannot be said that the subject-matter of the second suit is the same as that in the previous suit...."

16. I cannot, however, accede to Mr. Chakraborty's contention that the subject matter of the two suits is different. In my view, the subject matter of the two suits being on the same cause of action viz. infringement and passing off by the defendants and the identity of relief prayed for in the two suits would amply

show that the subject matter of the two suits is the same. The contention that the packaging (carton) of the goods of defendant was discontinued and new packaging more similar to the plaintiffs' goods had been started by defendant No. 1 from, 2003 would not alter the cause of action based upon which the first suit was instituted. Distinction has to be made between the facts constituting the cause of action and facts which are necessary to establish those facts comprised in the cause of action. The change in the packaging by the defendant would at most be regarded as a piece of evidence which may be necessary to prove the fact constituting the cause of action based on which the suit is instituted for the infringement/ passing off by the defendant of his goods as that of the plaintiff. The fact comprising the cause of action is the act of the defendant in allegedly infringing the trademark of the plaintiffs and using the packaging deceptively similar to that of the plaintiff. The subsequent packaging/trade dress adopted by the defendants would constitute evidence of such fact but would not by itself constitute a fresh cause of action for a second suit to be filed during the pendency of the first suit.

17. Thus, in my view, the institution of the present suit without leave of the Court wherein the first suit has been instituted would prima facie render the instant suit not maintainable on the authority of the judgment of the Supreme Court in Sarguja Transport Service's case, cited above. In my view therefore, going into the merits of the contentions with respect to main controversy would be a futile exercise apart from judging an issue which is pending consideration in the first suit which is still pending on the file of the learned Additional District Judge, Gurgaon. It is, therefore not a case of abandonment and, therefore, plaintiff is entitled to pursue the same and obtain such relief and remedies to which he may be entitled to in law in these proceedings in the pending suit and application before the learned Additional District Judge, Gurgaon.

18. Mr. Gautam Chakraborty, learned senior counsel, however, is right in his submission that the objection raised by Mr. Sudipta Sarkar is not founded upon the provisions in Order XXIII CPC and that a separate application has been taken out by the defendant for stay of the instant suit ostensibly u/s 10 of the CPG. However, as noticed (supra), in my view, the question as to maintainability to the instant suit being one which goes to the root of the matter, the same has been considered in this application without going into the merits of the other contentions for the reasons already stated (supra), and for the said reason it is but appropriate that while dismissing the application on this short ground, the interim order dated May 8, 2003 as modified by order date May 12, 2003 subsisting on date should be allowed to continue for a further period of 15 days from the date hereof.

19. In the result, application is dismissed. The modified interim order dated May 12, 2003 shall continue for a further period of 15 days from date hereof.

20. Be it placed on record that this Court has not gone into the merits of the main controversy and all questions with respect thereto are kept open. It is

further clarified that no statement made in this judgment and order shall prejudicially affect either party in the pending suit being Suit No. 2 of 2003 pending on the file of the learned Additional District Judge, Gurgaon nor shall any statement made in this judgment and order be construed as having decided any question with respect to the alleged infringement/ passing off on merits or with any finality.

Let Xerox copy of the above judgment and order counter signed by the Assistant Registrar of this Court be made available to the appearing parties on usual undertaking.