

**(2019) 05 DEL CK 0561**

**In the Delhi High Court**

**Case No :** Civil Suits (COMM) No. 10 Of 2018, Miscellaneous Application No. 131, 5045, 15098 Of 2018

Karans Gurukul Classes & Ors

APPELLANT

Vs

Gurukul Classes IIT Division & Ors

RESPONDENT

---

**Date of Decision :** 02-05-2019

**Acts Referred:**

Code Of Civil Procedure, 1908 — Order 13A, Order 7 Rule 1(f)  
Trade Marks Act, 1999 — Section 124, 134, 134(2)

**Citation :** (2019) 261 DLT 102 : (2019) 80 PTC 141

**Hon'ble Judges :** Rajiv Sahai Endlaw, J

**Bench :** Single Bench

**Advocate :** Manish Biala, Ashutosh Upadhyaya, Sagar Chandra, Srijan Uppal

---

## **Judgement**

Rajiv Sahai Endlaw, J

1. The plaintiff no.1 Karan's Gurukul Classes, a partnership of plaintiffs no.2&3 Hemant Kumar and Manish Kumar, has sued the defendant no.1 Gurukul Classes IIT Division, a partnership of defendants no.2&3 Pradip Giri and Dipak Giri, for permanent injunction restraining infringement of the device trade mark "GURUKUL CLASSES" and passing off by the defendants of their same business as that of the plaintiffs by adopting the mark "GURUKUL CLASSES IIT DIVISION" and for ancillary reliefs.
2. The suit was entertained, though no ex parte ad interim injunction sought granted.
3. Pleadings have been completed.
4. The suit is ripe for framing of issues and for hearing of (i) application of the plaintiffs for interim relief; (ii) application of the defendants for summary dismissal of the suit under Order XIII A of the Code of Civil Procedure, 1908 (CPC) as applicable to Commercial Suits; and, (iii) application of the defendants under Section 124 of the Trade Marks Act, 1999.

5. In accordance with the dicta of the Supreme Court in Patel Field Marshal Agencies Vs. P.M. Diesels Ltd. (2018) 2 SCC 112, before consideration of the application under Section 124 of the Trade Marks Act, issues have to be framed.

6. The counsel for the defendants has handed over proposed issues which are taken on record.

7. The counsel for the plaintiffs has not proposed any issues and the counsels have been heard on the proposed issues of the defendants.

8. On the pleadings of the parties, the following issues are framed:

(i) Whether the registrations obtained by the plaintiffs bearing Nos.1399868 in Class 41, 3498632 in Class 41, 3498623 in Class 42 and 3498626 in Class 41 are invalid and liable to be rectified on the grounds pleaded in the written statement? OPD

(ii) Whether this Court has the territorial jurisdiction to try and entertain the present suit? OPP

(iii) Whether the use of the mark "GURUKUL CLASSES IIT DIVISION" by the defendants amounts to infringement? OPP

(iv) Whether plaintiffs are not entitled to the reliefs claimed on account of laches, acquiescence and waiver? OPD

(v) Whether the discretion implicit in the grant of relief of injunction is not to be exercised in favour of the plaintiffs for the reasons pleaded in the written statement? OPD

(vi) If the above issues are decided in favour of the plaintiffs and against the defendants, to what relief, if any, is the plaintiffs entitled to and from which of the defendants? OPP

(vii) Relief.

9. No other issue arises or is pressed.

10. While hearing the counsels on framing of issues, it was enquired from the counsel for the defendants, why the issue as to territorial jurisdiction of this Court should be framed and the counsels were heard thereon.

11. On such hearing it transpires that as far as the issue no.(ii) above qua territorial jurisdiction is concerned, the same does not require any evidence.

12. The same is thus ordered to be treated as a preliminary issue and with consent, the counsels have been heard thereon.

13. The plaintiffs have invoked the territorial jurisdiction of this Court by pleading in para no.52 of the plaint as under:

"52. The Plaintiffs to the present Civil Suit Work for Gain at New Delhi through

it's Head Office. The Section-134 of the Trade Marks Act, 1999 vests the Territorial Jurisdiction to try, decide, adjudicate & entertain the present Civil Suit within the Territorial Jurisdiction of this Hon'ble High Court of Delhi at New Delhi."

14. The counsel for the defendants has drawn attention to para no.3 of the preliminary objections in the written statement of the defendants as under:

"3. At the outset, it is submitted that the present suit is liable to be dismissed as the Hon'ble Court does not have the territorial jurisdiction to adjudicate the present matter. It is submitted that the Plaintiffs are conscious of the fact that the Defendants are residents of Aurangabad and are carrying on their business at Railway Station Road, First Floor, Sarda Arcade, above Syndicate Bank, Padampura, Aurangabad, Maharashtra-431001 and the same is evident from the Memo of Parties. Furthermore, the Plaintiffs are admittedly carrying on business in Aurangabad through their Trademark Licensee Ms. Tanushree Nirmal Biswal and Mr. Nirmal Kumar Biswal and the same is evident from the Caution Notice dated 6th December, 2017 wherein the Plaintiffs have claimed that Ms. Tanushree Nirmal Biswal and Mr. Nirmal Kumar Biswal are the sole license holders and registered user of their brand GURUKUL CLASSES in the State of Maharashtra and have all the allied rights with regard to the same for the business of running education institutions. It is stated that as per the interpretation of Section 134(2) of the Trade Marks Act, 1999 by the Hon'ble Supreme Court and the Division Bench of this Hon'ble Court, if the cause of action has arisen at a place where the Plaintiff has a branch office, the Plaintiff cannot institute a suit where the Plaintiff has a registered office. In the present case, cause of action if any has arisen in Aurangabad where the Plaintiffs have a branch office through their sole trade mark licensee in the State of Maharashtra. In light of the same, the present suit for infringement of trade mark has to be filed in District Court at Aurangabad. "

15. The counsel for the defendants has also drawn attention to pages no. 72 to 84 of the Part-IIIA file, being the documents filed by the plaintiff, being a Trade Mark License Agreement dated 18th September, 2017 entered into between the plaintiffs no.2 and 3 with one Tanushree Nirmal Biswal and Nirmal Kumar Biswal, residents of Aurangabad and has contended that since the plaintiffs through their licensee are carrying on business at Aurangabad where alone the defendants are situated, per dicta of the Division Bench of this Court in Ultra Home Construction Pvt. Ltd. Vs. Purushottam Kumar Chaubey 227 (2016) DLT 320, the plaintiffs are disentitled from invoking jurisdiction under Section 134 of the Act on the basis of its own office or principal office being at Delhi. It is argued that the entitlement if any of the plaintiffs to sue the defendants would be in the Court at Aurangabad where the plaintiffs as well as the defendants are carrying on business and this Court would not have territorial jurisdiction.

16. In Ultra Home Construction Pvt. Ltd. supra it was held that where the plaintiff has the principal office at one place and the cause of action has arisen at the place where its subordinate office is located, the plaintiff would be deemed to be

carrying on business within the meaning of Section 134 of the Trade Marks Act at the place of its subordinate office and not at the place of the principal office and the plaintiff can sue at the place of subordinate office and under the scheme of the provisions of Section 134, cannot sue at the place of principal office.

17. The plaintiffs as well as the defendants in the present case are in the business of imparting coaching for competitive exams. Considering the nature of the said business, the place where the plaintiffs as well as the defendants carry on business is the place where they are imparting coaching.

18. The next question to be considered is whether the plaintiff can be said to be carrying on business at Aurangabad where the defendants are situated and / or carrying on business, by having a licensee at Aurangabad. In this context, the plea of the plaintiffs in the plaint itself may be noted. The plaintiffs in para no.12 of the plaint have pleaded to have "issued a Master License on 18.09.2017 for the State of Maharashtra to Tanushree Nirmal Biswal & Nirmal Kumar Biswal to render the education services under the trade mark "GURUKUL CLASSES", who are based in the city of Aurangabad in Maharashtra". The plaintiffs in para no.13 of the plaint have pleaded that the defendant no.2 Pradip Giri was a business associate of the said Nirmal Kumar Biswal vide Partnership Deed dated 21st October, 2009 till the dissolution of the said partnership vide a deed dated 31st March, 2016. The plaintiffs in para no.14 of the plaint have pleaded that the defendant no.2 Pradip Giri approached the plaintiffs for the grant of license in favour of the defendants for the city of Aurangabad in Maharashtra to deal in the education services under the trade mark "GURUKUL CLASSES". In para no.15 of the plaint, it is pleaded that the plaintiffs advised the defendants to seek a business alliance from the Master Licensee. The plaintiffs along with their documents have filed a copy of the Master License Agreement dated 18th September, 2017 and a perusal whereof shows (i) the plaintiffs to have granted an irrevocable but non exclusive license to Tanushree Nirmal Biswal & Nirmal Kumar Biswal ("Biswals") to use the licensed trade mark of the plaintiffs for Maharashtra State with permission to give sub-license in the state of Maharashtra; (ii) the plaintiffs having permitted the Biswals use of the licensed trade mark in respect of services related to standards of quality prescribed for the materials, design, workmanship, use, advertising, promotion etc.; (iii) Biswals to be responsible to furnish to the plaintiffs statistics of the education services provided by them under the licensed trade mark; (iv) Biswals to have agreed to inform the plaintiff of any infringement of the licensed trade mark and the proceedings for such infringement though to be initiated by the plaintiffs but at the cost and expense of the said Biswals and the recoveries made towards damages / compensation for infringement of the licensed trade mark to be shared equally between the plaintiffs and the Biswals; and, (v) Biswals to have paid to the plaintiffs a sum of Rs.22,50,000/-.

19. Section 134(2) of the Trade Marks Act vests additional jurisdiction in a plaintiff in a suit for infringement of trade mark, to sue at the place where the

plaintiff "actually and voluntarily resides or carries on business or personally works for gain". A clear distinction is made between "actually and voluntarily resides", "carries on business" and "personally works for gain". The words "actually and voluntarily resides" contemplate a case where the plaintiff, if a natural person, actually resides and where a juristic person like a company, has its registered office. The words "personally works for gain" connote the plaintiff, whether a natural or a juristic person, of its own carrying on business. However, the words "carries on business" would in my view connote carrying on business, whether "personally" or otherwise and which can be through an agent or through a licensee or under any other arrangement. The words "carries on business" in my view are not confined to only principal place of business or to the place where the plaintiff on its own carries on the business. Reference in this regard may be made to *Dhodha House Vs. S.K. Maingi* (2006) 9 SCC 41 and *Wipro Limited Vs. Oushadha Chandrika Ayurvedic India (P) Limited* 2008 SCC OnLine Mad 172 (DB). Thus carrying on business at a particular place through another entity even if not registered user within the meaning of Trade Marks Act would definitely amount to carrying on business at such place even if through a licensee or under some other arrangement. I have dealt with the said aspect in detail in *Zenner International GMBH & CO KG Vs. Anand Zenner Company Pvt. Ltd.* 2018 SCC OnLine Del 7011 and thus the need to elaborate further is not felt.

20. The counsel for the plaintiffs though does not controvert but contends that the defendants have a website and which is accessible also at Delhi and thus the Courts at Delhi also would have territorial jurisdiction.

21. However, the counsel for the plaintiffs admits that the plaintiffs have not invoked the territorial jurisdiction of this Court on the aforesaid ground.

22. The counsel for the plaintiffs has however drawn attention to paras no.8 and 11 of the Preliminary Submissions in the written statement of the defendants and which are as under:

"8. It is submitted that the Defendant No.3 registered the website [www.gurukulclassesiit.com](http://www.gurukulclassesiit.com) on 1st December, 2015. It is submitted that the Defendants also have a mobile application on the Google Play Store by the name of "GURUKUL IIT DIVISION" which has 500-1000 Downloads. It is pertinent to note that by downloading this Application, the students can view marks, hall tickets, upcoming events and news etc. It is submitted that Defendants have a Facebook Page by the name of "GURUKUL CLASSES IIT DIVISION" which has 679 likes and 705 Followers.

11. In view of the widespread promotion, advertisement, excellent results and continuous use of the mark GURUKUL CLASSES since 2009 by the Defendant No.2 and GURUKUL CLASSES IIT DIVISION since 2015 by the Defendants, the said institute of the Defendants is one of India's top institutes and enviable goodwill and reputation has been accrued to the Defendants' GURUKUL CLASSES IIT DIVISION."

23. The counsel for the plaintiffs contends that since it is the case of the defendants in their own written statement that they are advertising themselves on the electronic media accessible from everywhere, this Court would have territorial jurisdiction.

24. Not only am I unable to find any admission in the aforesaid paragraphs, of the defendants carrying on business electronically at Delhi but even otherwise Order VII Rule 1(f) of the CPC requires the plaintiff in a suit to plead the facts on which territorial jurisdiction of the Court is invoked. This Court in Lok Nath Prasad Gupta Vs. Bijay Kumar Gupta 57 (1995) DLT 502 held it to be well settled that the question of territorial jurisdiction has to be decided by looking into the averments made in the plaint and not by the plea taken in the written statement.

25. The plaintiffs in this suit for permanent injunction restraining infringement of trade mark and passing off and for ancillary reliefs, having opted to invoke the territorial jurisdiction of this Court only by pleading Section 134 of the Trade Marks Act, and which as per Ultra Home Construction Pvt. Ltd. supra is not available, and the plaintiffs having not opted to amend the plaint till date, it is now not open to the plaintiffs to argue beyond their pleaded case of this Court having territorial jurisdiction otherwise also. I may emphasize that had the plaintiffs taken any such plea in their plaint, the defendants would have had an opportunity to respond thereto and in the absence of the plea, the defendants had no opportunity to respond thereto.

26. Even otherwise, though the counsel for the plaintiffs contends otherwise, the business of coaching services for IIT is by and large territorial in nature. In the absence of any pleadings in support of the arguments as are now urged, citing the example of the city of Kota, Rajasthan to which school students from all over the country flock would not apply.

27. As far back as in Banyan Tree Holding (P) Ltd. Vs. A. Murali Krishna Reddy 2009 SCC OnLine Del 3780, it was held by the Division Bench of this court that (i) mere accessibility of the defendants' website in Delhi would not enable this Court to exercise jurisdiction; (ii) a passive website, with no intention to specifically target audiences outside the State where the host of the website is located, cannot vest the forum court with jurisdiction; (iii) it is not enough to show that the website hosted by the defendant is an interactive one; it would have to be shown that the nature of the activity indulged in by the defendant by use of the website was with the intention to conclude a commercial transaction with the website user; (iv) the plaintiff has to show that the defendant "purposefully availed" itself of the jurisdiction of the forum court; (v) the plaintiff must necessarily plead and show prima facie that the specific targeting of the forum state by the defendant resulted in an injury or harm to the plaintiff within the forum state; (vi) to show that injurious effect has been felt by the plaintiffs, it would have to be shown that viewers in the forum state were specifically targeted. In Impresario Entertainment & Hospitality Pvt. Ltd. Vs. S&D Hospitality 2018 SCC OnLine Del 6392, it was held in the context of the business

of restaurant, that though the defendant through Zomato and Dine Out will be able to invite the customer and reserve a table at the restaurant of the defendant at Hyderabad but the commercial transaction would take place only on the customer availing the service of the defendant at Hyderabad.

28. Needless to reiterate, there are no pleadings as have been held in the judgments aforesaid to be required.

29. Issue no. (ii) aforesaid qua territorial jurisdiction is thus decided in favour of the defendants and against the plaintiffs.

30. Resultantly, this Court does not have territorial jurisdiction to entertain the suit and the plaint is rejected.

31. The plaintiffs are burdened with costs of the suit with professional fee assessed at Rs.1 lac.