

(2013) 11 DEL CK 0052

In the Delhi High Court

Case No : CS (OS) 1188 of 2011, IAs 7950 of 2011, (u/O 39 R. 1 and 2 CPC) ,
3388 of 2013, (u/O XXVI R. 2 CPC) , 18427 of 2013 and (by Plaintiff
u/O VII R. 14 CPC)

LT Foods Limited

APPELLANT

Vs

Heritage Foods (INDIA) Limited

RESPONDENT

Date of Decision : 20-11-2013

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 7 Rule 10, Order 7 Rule 11, Order 7 Rule 14
Trade Marks Act, 1999 — Section 134, 28(3)

Citation : (2014) 1 AD 55 : (2013) 205 DLT 280 : (2013) 56 PTC 566

Hon'ble Judges : Muralidhar, J

Bench : Single Bench

Advocate : J. Sai Deepak and Mr. Julien George, for the Appellant; Pratibha M. Singh and Mr. Arjun Mukherjee, for the Respondent

Final Decision : Allowed

Judgement

Muralidhar, J.

IA No. 10244 of 2011 (by Defendant u/O VII R. 10 & 11 CPC)

1. This is an application by the Defendant, Heritage Foods (India) Limited ("HFIL") under Order VII Rule 10 and 11 of the Code of Civil Procedure, 1908 ("CPC") seeking rejection of the plaint. LT Foods Limited (LTFL) has filed the above suit seeking a permanent injunction to restrain HFIL from infringing LTFL's trademark HERITAGE under Class 30 and also restraining HFIL from processing, selling, exporting, marketing, advertising or offering for sale of rice or any other cereals under the trade mark HERITAGE which may amount to passing off of HFIL's goods for those of LTFL.

2. The case of LTFL is that it sells rice under various well-known and internationally famous brands, i.e., DAAWAT, DAWAT, HERITAGE, ORANGE, DEVAAYA, CHEF'S SECRET, SONA etc LTFL states that it adopted the trade mark

HERITAGE in 1997 and has since put in extensive commercial use in India and internationally. LTFL has been granted registration of the label mark HERITAGE in Class 30 for rice on 20th April 2018 and the said registration is stated to be subsisting. The annual sales figures of LTFL's rice from the year 1997-98 till 2008-09 have been set out in para 9.

3. HFIL is a company in Hyderabad and also in the business of manufacturing and marketing goods under the trademark HERITAGE. HFIL's website, www.heritagefoods.co.in reveals that it is in the business of dairy, retail, agriculture etc. Its retail outlet/stores are named as @ Fresh and also known as "Heritage Fresh". LTFL states that on 4th March 2011 it received a legal notice from HFIL's attorneys asking LTFL to seize and desist from using the trade mark HERITAGE in different classes. In the said legal notice, HFIL stated that it held registrations for the trade mark HERITAGE Label under Registration No. 597154 dated 14th May 1993 for variety of goods including rice. The case of LTFL is that HFIL's trade mark registration is liable to be rectified as it will cause confusion and deception in the public and would lead to passing off of HFIL's Defendant's goods as those of LTFL.

4. On 2nd May 2011, LTFL filed a petition before the Intellectual Property Appellate Board (IPAB) against HFIL's trade mark registration. LTFL states that HFIL has been purchasing HERITAGE branded rice in 1 Kg pack from LTFL's distributor, M/s. Newandram Manghanmal Agencies, Hyderabad since 2006. According to LTFL, after receiving HFIL's legal notice dated 4th March 2011, it found that HFIL had started selling rice under the trade mark HERITAGE. Claiming that this is bound to cause confusion among the consumers as to trade and origin of the product, the above suit was filed by LTFL.

5. As regards the justification LTFL approaching this Court, it is stated in para 27 of the plaint as under:

This Hon'ble Court has jurisdiction to entertain and try the present suit as the Defendant in its legal notice dated 04th March 2011 addressed to the Plaintiff has admittedly stated that the goods of the Defendant under the trade mark HERITAGE is sold or supplied directly or indirectly throughout the length and breadth of the country, which will include Delhi as well. Hence, the cause of action has arisen within the territorial jurisdiction of this Hon'ble Court. This Hon'ble Court has also jurisdiction u/s 134 of the Trade Marks Act, 1999.

6. Summons in the suit was directed to be issued on 13th May 2011. There was no interim order passed at that stage. After receipt of summons, HFIL filed the present application seeking rejection of the plaint. Inter alia, it is contended by HFIL that the present suit is only a counterblast to the legal notice dated 4th March 2011 issued by it. It is stated that HFIL is the prior user, common law owner and registered proprietor of the word/logo/name HERITAGE especially with respect to food products since 1992. HFIL is a registered proprietor of the mark HERITAGE for various products, including rice, and therefore, in terms of Section

28(3) of the Trade Marks Act, 1999 (TM Act) no suit for infringement could be filed against HFIL. The present suit could, therefore, be only for passing off. In that context, it is submitted that no cause of action is shown to have arisen within the jurisdiction of the Court. HFIL does not sell rice or cereal within the jurisdiction of this Court. It is asserted that "...defendant has been selling HERITAGE brand rice from its own outlets and the defendant does not have the outlet in Delhi". It is further stated that HFIL does not have any office in Delhi.

7. Ms. Pratibha M. Singh, learned counsel appearing for HFIL, submits that merely because HFIL had, in its legal notice dated 4th March 2011, stated that its products are available across length and breadth of the country, would not by itself confer/jurisdiction on this Court and that did not amount to any admission that HFIL is selling its goods within the territorial jurisdiction of this Court. Reliance is placed on the decisions in Haryana Milk Foods Ltd. Vs. Chambel Dairy Products, and A.V.R. Engineers Vs. Sharma Moulding Works and Others, .

8. Mr. J. Sai Deepak, learned counsel for LTFL, on the other hand, referred to the decisions in Pfizer Enterprises Sarl Vs. Cipla Ltd., and Exphar SA v. Eupharma Laboratories Ltd. AIR 2004 SC 1682 to urge that on HFIL's own showing, as admitted by it in its legal notice dated 4th March 2011, it was selling HERITAGE branded rice throughout the country and this included Delhi. Whether in fact HFIL was selling its products in Delhi would be a matter for evidence. He submits that the Court can only examine the plaint and the documents filed with it and not the written statement of HFIL in which it has been denied that HFIL has an office in Delhi or is selling its products in Delhi.

9. In the first place, it requires to be observed that the present suit is not filed by LTFL Plaintiff as a qua timet action. In other words, the suit is not based on an apprehension that HFIL is likely to sell its products in Delhi. The assertion in para 19 of the plaint is that "...the Plaintiff found that the Defendant has now started selling rice under the trade mark HERITAGE". The case of LTFL is based on the fact that a statement was made in the legal notice dated 4th March 2011 of HFIL's Attorneys that HFIL's rice under the trade mark HERITAGE is sold "directly or indirectly throughout the length and breadth of the country". LTFL has, in para 27 of the plaint, asserted that the above statement would "include Delhi as well".

10. There is no basis for the above assertion by LTFL. Nothing has been placed on record to show that HFIL sold or is selling its rice in Delhi under the trade mark HERITAGE either before the filing of the suit or even two years thereafter, i.e. since the filing of the present suit. The admission/denial of documents has since concluded. There was sufficient time for LTFL to have filed documents to substantiate the above plea. However, it failed to do so.

11. At this juncture, it must be pointed out that LTFL filed an application, IA No. 18427 of 2013 under Order VII Rule 14 CPC, seeking leave of the Court to place the additional documents on record. None of the documents sought to be placed

on record show that HFIL has been selling rice in Delhi either before the institution of the suit or thereafter.

12. It must further be noted that admittedly HFIL holds registration for the identical mark HERITAGE for the same goods and therefore in terms of Section 28(3) TM Act no suit for infringement would lie against HFIL.

13. Since the suit is not based on an apprehension of infringement, it cannot be construed as a *qua timet* action as was sought to be done by the learned counsel for LTFL. Therefore, the decision in *Pfizer Enterprises Sare v. Cipla Ltd.* is not helpful to the Plaintiff. Even in *Expfar SA v. Eupharma Laboratories Ltd.*, the Supreme Court pointed out that the objection to jurisdiction must proceed on the basis that the facts pleaded by the initiator of the proceedings are true. In that case, the Division Bench had relied on the contention in the written statement that the goods were sold within the territorial jurisdiction of the Delhi High Court. Since the DB had gone beyond the statements contained in the plaint, its decision was reversed. A close examination of the facts in that case shows that the averments were that the Defendants were trading, launching the product in the Indian market and that they were carrying on business for profit in New Delhi within the jurisdiction of the High Court. However, the averments in the plaint in the present case proceeds only on the basis of the statement made in the cease and desist notice dated 4th March 2011 issued by HFIL and nothing else. In similar circumstances, in *Haryana Milk Foods Ltd. v. Chambel Dairy Products*, it was observed that a mere statement in reply to a legal notice to assert reputation and goodwill in whole of the country "...does not ipso facto confer territorial jurisdiction on this Court". In *A.V.R. Engineers v. Sharma Moulding Works*, it was pointed out that the "...mere advertisement in the Trademarks Journal or preferring of application or even the registration of a trademark at a particular place, will not and cannot confer jurisdiction....".

14. Consequently, this Court is satisfied that LTFL has not been able to make out a case for entertaining the suit for passing off or any of the consequential incidental reliefs. LTFL has not been able to show that any part of the cause of action for grant of such relief has arisen within the territorial jurisdiction of this Court. In the circumstances, the application is allowed and the plaint is returned to the Plaintiff for presentation in the court of appropriate jurisdiction. The suit and all pending applications are disposed of.