

(2018) 01 DEL CK 0444

In the Delhi High Court

Case No : First Appeal From Order No. 25 Of 2018, CAV No. 41, 42 Of 2018,
Civil Miscellaneous Application No. 2153, 2154 Of 2018

Marina Food Products Private Limited

APPELLANT

Vs

Britannia Industries Limited

RESPONDENT

Date of Decision : 19-01-2018

Acts Referred:

Code Of Civil Procedure, 1908 — Section 20, Order 39 Rule 3, Order 39 Rule 3(a),
Order 39 Rule 3(b), Order 39 Rule 4, Order 7 Rule 10
Trade Mark Act, 1999 — Section 134(2), 135
Copyright Act, 1957 — Section 62(2)

Citation : (2018) 01 DEL CK 0444

Hon'ble Judges : Najmi Waziri, J

Bench : Single Bench

Advocate : Anupam Lal Das, Krishanu Barua, K.K. Sharma, Sawarn Rajan,
Akshay Srivastava, Sanchay Mehrotra

Final Decision : Dismissed

Judgement

Najmi Waziri, J

CM APPL. 2155/2018

1. Allowed, subject to all just exceptions.

2. The application stands disposed off.

FAO 25/2018 & CAV 41-42/2018, CM Nos. 2153-2154/2018

3. The appellant has impugned an ex-parte injunction passed by the learned Trial Court on 23.12.2017 in T.M.No.142/17, restraining the appellant from using the trademark 'MARIE' for selling biscuits. It is the appellant's case that 'MARIE' is a generic word and has been used for many years in India, particularly, that the said trademark is used by various biscuits manufacturers and is, therefore, not exclusive to the respondent. Hence, he submits that an ex-parte injunction ought not to have been granted the respondents for 'Marie' biscuits in exclusivity.

Furthermore, he submits that Delhi Courts do not have any jurisdiction to entertain the suit since no cause of action in Delhi has been spelt out therein.

4. The learned counsel for the appellant states that the stipulation of Order 39 Rule 3 of Code of Civil Procedure, 1908 has not been complied with, therefore, the ex-parte order needs to be set aside. Order 39 Rule 3 CPC reads as under:-

"3. Before granting injunction, court to direct notice to opposite party.- The court shall in all cases, except where it appears that the object of granting the injunction would be defeated by the delay, before granting an injunction, direct notice of the application for the same to be given to the opposite party:

Provided that, where it is proposed to grant an injunction without giving notice of the application to the opposite party, the court shall record the reasons for its opinion that the object of granting the injunction would be defeated by delay, and require the applicant-

(a) to deliver to the opposite party, or to send to him by registered post, immediately after the Order granting the injunction has been made, a copy of the application for injunction together with-

(i) a copy of the affidavit filed in support of the application;

(ii) a copy of the plaint; and

(iii) copies of documents on which the applicant relies,

and

(b) to file, on the day on which such injunction is granted or on the day immediately following that day, an affidavit stating that the copies aforesaid have been so delivered or Sent."

5. He argues that notice ought to have been issued to the defendant before any injunction order was passed. In this regard, he relies upon a judgement of the Hon'ble Supreme Court in Shiv Kumar Chadha vs. Municipal Corporation of Delhi and others (1993) 3 Supreme Court Cases 161 which held that:-

"Whenever a Court considers it necessary in the acts and circumstances of a particular case to pass an order of injunction without notice to other side, it must record the reasons for doing so and should take into consideration, while passing an order of injunction, all relevant factors, including as to how the object of granting injunction itself shall be defeated if an ex parte order is not passed. But any such ex party order should be in force up to a particular date before which the plaintiff should be required to serve the notice on the defendant concerned.....".

6. The requirement of law under Order 39 Rule 3 of Code of Civil Procedure, 1908 and the elucidation of the same in the aforesaid judgment is clear, i.e., in passing an ex-parte injunction, the Court must spell out the reasons for the same. In the impugned order, the reasons are contained in para 18, which are as

under:-

"18. Since, the trademark "BRITANNIA MARIE GOLD BISCUITS, BRITANNIA CAKE, BRITANNIA PREMIUM BAKE RUSK, BRITANNIA MILK RUSK, BRITANNIA GOOD DAY" have been registered in favour of plaintiff under the Trademark Act, plaintiff is entitled to protect its trademarks. Comparing both the marks, one used by the plaintiff and the other one used by the defendant prima facie appears to be structurally, visually and phonetically similar, which may cause confusion in the mind of general public and the customers. If the defendant is permitted to use the trademarks which are identical, deceptively and confusingly similar to the plaintiff company, it will not only cause wrongful loss to the plaintiff company, but it will also cause grave prejudice and harm to public. Section 135 of Trade Mark Act provides that, "The relief which a Court may grant in any suit for infringement or for passing off referred to in section 134 includes injunction (subject to such terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order for the delivery-up of the infringing labels and marks for destruction or erasure".

7. Insofar as the impugned order has recorded that the continued use of the trademark by the defendant being structurally, visually and phonetically similar, is likely to confuse and deceive and cause grave prejudice and harm to the public, the Court would deem it to be a sufficient reason for the grant of the ex-parte injunction. Accordingly, the requirement of law is met.

8. The learned counsel for the appellant next contends that the order is erroneous insofar as it has extended the time to comply with the Order 39 Rule 3 (a) & (b) CPC, which requires for the notice either to be served or to be sent in the course of postal delivery. The judgment of this Court in Autodesk Inc and anr. vs. Mr. A.V.T. Shankardass and Anr. 2008 (37) PTC 581 has laid down guidelines to be followed, especially in the case of IPR matters concerning ex-parte injunction, so as to uphold the objective of the injunction, which, if known earlier in time, would provide enough opportunity to the alleged defaulter to remove the defect in the infringing case. The said guidelines read as under-

"14. Coming now to the question of guidelines to be set, we have heard both the counsel for the parties. We are conscious of the fact that it is neither feasible nor practical to lay down guidelines, which would cater to numerous and all the situations that may arise. However, some of the following relevant factors and guidelines are being enumerated which the Court may take into consideration on the question of appointment of a Local Commissioner in software infringement and piracy matters:-

(i) The object of appointment of a Local Commissioner in software piracy matters is not, as much to collect evidence but to preserve and protect the infringing evidence. The pirated software or incriminating evidence can only be obtained from the premises of the opposite party alone and in the absence of an ex parte

appointment of a Local Commissioner there is likelihood that such evidence may be lost, removed or destroyed;

(ii) Request for ex parte appointment of a Local Commissioner in such matters is usual and in fact is intended to sub serve the ends of justice as it is imperative to have an element of surprise so that the actual position is not altered;

(iii) The test of reasonable and credible information regarding the existence of pirated software or incriminating evidence should not be subjected to strict proof or the requirement to demonstrate or produce part of the pirated software/incriminating evidence at the initial stage itself. It has to be tested on the touchstone of pragmatism and the natural and normal course of conduct and practice in trade.

(iv) It may not always be possible for a plaintiff to obtain any admission by employing decoy customers and gaining access to the defendants premises. Any such attempt also inheres in it the possibility of dis-appearance of the pirated software/incriminating evidence in case the decoy customers is exposed. Accordingly, visit by decoy customer or investigator is not to be insisted upon as pre condition. A report of private Investigator need not be dis-regarded or rejected simply because of his engagement by the plaintiff. The information provided by the private Investigator should receive objective evaluation.

(v) In cases where certain and definite information with regard to the existence of pirated software or incriminating evidence is not available or where the Court may nurture some element of doubt, it may consider asking the plaintiff to deposit cost in Court so that in case pirated software or incriminating evidence is not found then the defendant can be suitably compensated for the obtrusion in his work or privacy.

We may also notice that the learned counsel for the respondent submitted that there is general exploitation by the multinational companies holding copyrights who make the cost of licences prohibitive. As a result of the appointment of Local Commissioner and consequential orders passed by the Courts, seizing the equipments and machines, including the software in question, the business of the respondent comes to stand still. Counsel for the defendant, therefore, prayed that the computer system and the CPUs which may be found or suspected to be involved in use of infringing software should not be seized or taken possession of and the ghost copies of the same including the software could be made for purposes of use as evidence in Court. Counsel for the plaintiff strongly objected to the same, raising objections to the feasibility of making ghost copies of hard discs and the possibility of manipulation therein and objections being raised of their admissibility".

9. Mr. K.K. Sharma, the learned senior counsel for the caveator submits that, in the first instance, the appeal is not maintainable because it is an ex-parte order passed on the first date of hearing as the Trial Court was persuaded to hold the view that in the absence of an injunction, irreparable loss would be caused to the

plaintiff. This was so noted in para 18 of the impugned order. Furthermore, he submits that the suit would be maintainable since the petitioners have pleaded a cause of action in para 33 of the plaint which reads as under:-

"33. That this Court has the jurisdiction to entertain and try the instant suit as the defendant is selling, marketing and soliciting the trade and business under the impugned trademark/label/packaging in New Delhi in clandestine and surreptitious manner. Defendant is making clandestine and surreptitious sales and is supplying its impugned goods bearing the impugned trademark to the dealers and distributors in the markets of New Delhi viz. New Friends Colony, Badarpur, Lajpat Nagar, Lodhi Colony, Okhla, Nehru Place, Kalkaji etc. who are making clandestine and surreptitious sales thereof to the unscrupulous traders and manufacturers of the counterfeit products of the plaintiff under the said trademark/label in the markets of New Delhi which eventually causes confusion and deception among the consumers at large regarding the origin of the goods. The Hon'ble Court also has the jurisdiction as the defendant is also selling the impugned goods under the impugned trademark/copyrights/trade dress/packaging through interactive websites i.e. www.marinofoods.in. The website of defendant claims "Targeting the international market, company started initially from Hyderabad origin, with well-equipped factory unit with new equipments and high advanced technology machines which will help to produce quality products and develop new products for the bakery industry". The defendant has admitted that their goods are sold in Delhi and within jurisdiction of this Hon'ble Court. The defendant is accessible through the aforesaid website and is also making the commercial transactions by selling the impugned goods in its name under impugned trademark/copyrights/trade dress/packaging. The website of defendant claims "The defendant is committing the act of infringement and passing off in New Delhi by making the clandestine and surreptitious sales and distribution of the impugned goods under the impugned trademark. Hence a part of cause of action has arisen within the jurisdiction of this Hon'ble Court. The plaintiff is also carrying on their said business under the said trademark in New Delhi viz. New Friends Colony, Badarpur, Lajpat Nagar, Lodhi Colony, Okhla, Nehru Place, Kalkaji etc. The Plaintiffs carry on their business in New Delhi through their distributor and retail traders under Trademark Act, 1999, at: OM AGENCY, 349 A/1 PUNJABI BAZAR, KOTLA MUBARAKPUR, NEW DELHI-110003; YASH ENTERPRISES, B-80 FLAT NO.4 VISHWAKARMA COLONY, NEW DELHI. Thus this Hon'ble Court has jurisdiction to try and entertain the present suit. The plaintiff has extensive goodwill and reputation under the said trademark on account of voluminous sales and advertisement within the jurisdiction of this Hon'ble Court. By virtue of above said this Hon'ble Court has the territorial jurisdiction within the meaning of Section 134 (2) of the Trade Marks Act, 1999 and also under Section 62(2) of the Copyright Act, 1957 and Code of Civil procedure, 1908".

10. He also submits that it is always open to the appellant to initiate a motion for vacating the ex-parte order in terms of the CPC. He further contends that the

documents annexed to the appeal, in particular pages 66 to 71 and other documents relied upon, were not before the Trial Court, hence, they cannot be taken into consideration by this Court.

11. Apropos maintainability of the suit in Delhi, he relied upon a decision of the Division Bench of this Court in *Lalli Enterprises vs. Dharam Chand & Sons* 2003 (26) PTC 239 (DB) which held, inter alia:

"Similarly, at this stage it could not have been said that this Court does not have territorial jurisdiction to try the suit. The averments in the plaint are sufficient for present purposes. The aspect of territorial jurisdiction can be, if at all considered at a later stage it may require evidence to be led to determine territorial jurisdiction. Accordingly the impugned judgment is set aside. The matter is remanded for trial of the suit in accordance with law. Let the suit be placed before the learned Single Judge for being proceeded with further".

12. Apropos non-maintainability of this appeal, he refers to the decision of the Division Bench of this Court in *Shri Pankaj Goel vs. Dabur India Ltd.* 2008 (38) PTC 49 (Del.) (DB) which held:

"17. In our view, an appeal against an ex-parte injunction lies only in such cases where the Single Judge does not dispose of the application within thirty days, without assigning any reason. However, in the present case, the Appellant itself was not present when its application for vacation of injunction was taken up for hearing. In any event, the learned Single Judge could not dispose of the injunction application due to heavy workload and paucity of time. Even the Supreme Court in *A. Venkatasubiah Naidu vs. Chellappan* reported in MANU/SC/0581/2000 : AIR 2000 SC 3032 has held that an appeal lies against ex-parte injunction only in such cases where the learned Single Judge does not give any reason for not disposing the appeal within thirty days. Consequently, as the learned Single Judge had given reason for not disposing of the injunction application as well as application under Order 39 Rule 4, within thirty days, the said injunction is not liable to be interfered on the short ground, as claimed by the Appellant, that the said applications had not been disposed of within thirty days".

13. With respect to the jurisdiction, the learned counsel relies upon a decision of the Division Bench of this Court in *RSPL Limited (M/S) vs. Mukesh Sharma & Anr.* 232 (2016) DLT 161 in particular, para 24, which reads as under:-

"24. Coming back to the facts of the present case, the plaintiff/ appellant in paragraph 36 set out the nature of the cause of action, namely, the defendants/respondents were engaged in providing services under the impugned trade name 'GHARI TRADEMARK COMPANY'. In paragraph 37 of the plaint, it has been averred, first of all, that this Court has the territorial jurisdiction to try and adjudicate the present suit. But, this by itself, would not be sufficient because merely quoting the words of a section or the ingredients of a provision like the chanting of a mantra would not amount to stating material facts as noted by the

Supreme Court in Hari Shanker Jain (supra). The material facts would, inter alia, have to include positive statement of facts. In the present case, paragraph 37 of the plaint contains the positive statement of fact that the defendants are committing the impugned acts within the jurisdiction of this Court by 'conducting, soliciting, rendering the impugned services under the impugned trade name'. Further statements are made in the very same paragraph that the plaintiff has its corporate office in Delhi and carries out its business activity in Delhi under its trade mark/label through its dealers/ distributors located in Delhi. A specific averment has also been made that the plaintiff's goodwill and reputation is being tarnished by the alleged activities of the defendants, particularly in North-East Delhi as also in other parts of the country and that the plaintiff/appellant's proprietary rights are being prejudicially affected in the Delhi area due to the said activities. While considering an application under Order 7 Rule 10 CPC, these statements would have to be taken as correct. This would mean that this Court would have jurisdiction to try and adjudicate the present suit by virtue of Section 134(2) of the Trade Marks Act, 1999 read with Section 20 CPC. The material fact that has been pleaded by the plaintiff is that the defendants/ respondents are conducting, soliciting, rendering the impugned services under the trade name - GHARI TRADEMARK COMPANY - within the jurisdiction of this Court. In case the defendants/ respondents deny this averment (as they have done in their written statement but, which cannot be looked into at the stage of Order 7 Rule 10 CPC), the issue would arise as to whether the respondents/defendants are conducting, soliciting, rendering the impugned services under the trade name-GHARI TRADEMARK COMPANY-within the jurisdiction of this Court? Obviously, the onus of proof would lie on the appellant/ plaintiff and at the stage of trial, evidence would have to be placed to substantiate this plea. But, at this stage, in our view, it is not necessary as Lord Denman, C.J.in Williams v. Wilcox (supra), to set out the subordinate facts which are the means of proving the material fact or the evidence to sustain the allegation contained in the material fact. We, therefore, do not agree with the view taken by the learned Single Judge that the plaint is bereft of any particulars with regard to territorial jurisdiction. We may observe that the learned Single Judge has also looked at the written statement and even at the replication in the course of arriving at his decision. This, in the context of an Order 7 Rule 10 CPC application, cannot be done as already pointed out by us above. Taking the objection of territorial jurisdiction raised in the Order 7 Rule 10 CPC application, by way of a demurrer, as it must, the facts pleaded by the appellant/plaintiff must be taken to be true. Therefore, if we take the statement of the appellant/plaintiff in paragraph 37 to the effect that the defendants/ respondents are committing the impugned acts within the jurisdiction of this Court by conducting, soliciting, rendering the impugned services under the impugned trade name to be correct, then, it follows that this Court would have to proceed with the trial of the suit and cannot return the plaint under Order 7 Rule 10 CPC".

14. The plaint in paras 15 and 17 avers to the effect that the defendant is selling

its goods with the infringing trademark in Delhi. It also refers to supporting material in this regard. The Court is of the view that these averments and documents referred to, are sufficient for the moment to maintain jurisdiction of the Delhi Courts to entertain the suit. Therefore, the appellant's contention regarding lack of jurisdiction for want of cause of action in Delhi is untenable.

15. In view of the above, the Court finds no reason to interfere with the impugned order. Accordingly, the appeal and the pending applications are dismissed.