

(2016) 09 DEL CK 0136

In the Delhi High Court

Case No : CS (OS) 2605 of 2013.

**M/s Khushi Ram Behari Lal - Plaintiff @HASH P.V. Kanakaraj Trading As
Kalpatharu Trading Co. - Defendant**

Date of Decision : 16-09-2016

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Order 39 Rule 4, Order 7 Rule 11

Citation : (2016) 9 ADDelhi 649 : (2016) 68 PTC 341 : (2017) 2 RAJ 736

Hon'ble Judges : S. Muralidhar, J.

Bench : Single Bench

Advocate : Mr. Ajay Amitabh Suman, Mr. Amit Chanchal Jha and Mr. Vinkay Kumar Shukla for Mr. S.K. Bansal, Advocates, for the Plaintiff; Mr. Manish Gandhi, Advocate, for the Defendant

Final Decision : Disposed Off

Judgement

S. Muralidhar, J. - IA No. 5529/2014 (under Order 7, Rule 11 CPC)

This is an application under Order 7, Rule 11 CPC filed by the Defendant seeking rejection of the plaint on the ground that the Plaintiff has sought to combine two causes of action i.e., one for passing off of the trademark and the other for infringement of copyright without there being necessary basic averments in the plaint as to how the causes of action for the said reliefs have arisen within the territorial jurisdiction of this Court.

2. It is not in dispute that in the present suit the Plaintiff, having its registered office at 5190, Lahori Gate, Delhi-110006 and its corporate office at 81-B, Central Avenue, Sainik Farm, New Delhi-110062, is seeking two reliefs against the Defendant located in Karnataka. One is for a permanent injunction to restrain the Defendant from passing off its trademark with device of "Taj Mahal" used on the rice sold by it as that of the Plaintiff which uses a nearly similar mark on the Basmati rice sold by it in the domestic market and exported by it outside India. The other relief is for a permanent injunction to restrain the Defendant from infringing the Plaintiff's copyright in the said trade label with device.

3. As far as the suit for infringement of the copyright is concerned, it is again not in dispute that by virtue of Section 62 (2) of the Copyright Act, 1957, the Plaintiff can institute the present suit in this Court notwithstanding that the Defendant has its office and is carrying on its business in Bangalore, Karnataka.

4. The controversy then is as regards the relief of passing off. The case of the Plaintiff as spelt out in para 37 of the plaint reads as under:

"37. That this Hon''ble Court has the territorial jurisdiction to try and adjudicate the present suit. The defendant is selling the impugned products under the impugned Trade Mark TAJ MAHAL WITH DEVICE OF TAJ MAHAL within the territorial jurisdiction of this Hon''ble Court i.e. Lahori Gate, Alipur etc. and other part of Delhi. The Defendants impugned acts of infringement of copyright and passing off are taking place in Delhi i.e. within the jurisdiction of this Hon''ble High Court. The cause of action in whole and for in part has arisen within the jurisdiction of this Hon''ble Court.

Besides this, the Plaintiff is having its Registered Office at 5190 Lahori Gate, Delhi-110006. The Plaintiff's corporate office is situated at 81-B, Central Avenue, Sainik Farm, New Delhi-110062 which is its nerve centre and from where the Plaintiff has been controlling each and every aspect of its said goods and business under their said Trade Mark/Label. The Plaintiff is also working for gain and carrying on its said goods and business within the territorial jurisdiction of this Hon''ble Court. This Hon''ble Court as such also has a jurisdiction to try and adjudicate the present suit by virtue of Section 62(2) of the Copyright Act 1957."

5. The submission of Mr. Manish Gandhi, learned counsel for the Defendant, based on the decisions in Dabur India Ltd. v. K.R. Industries AIR 2008 SC 3123, Dhodha House v. S.K. Maingi (2006) 9 SCC 41 and Lakhan Pal Shyam Kumar v. Ram Prasad Gupta 190 (2012) DLT 659 is that the above averments are too general and vague and not sufficient to enable this Court to exercise jurisdiction as regards the relief of passing off. According to Mr. Gandhi, the Plaintiff ought to have given particulars of where it found the Defendant to be selling its products in Delhi. He submits that merely stating that the Defendant was selling the impugned products at Lahori Gate, Alipur and several parts of Delhi is insufficient.

6. On the other hand, Mr. Ajay Amitabh Suman, learned counsel for the Plaintiff, seeks to place reliance on a recent decision dated 3rd August, 2016 of the Division Bench (DB) of this Court in FAO (OS) 145/2016 (M/s RSPL Limited v. Mukesh Sharma 2016 (66) PTC 225 (Del) where while setting aside the judgment dated 5th April, 2016 of the learned Single Judge which had allowed the application of the Defendant in that matter under Order 7, Rule 10 CPC on the ground that the averments in the plaint regarding the cause of action which had arisen within the jurisdiction of this Court were bereft of particulars, the DB relied on the decisions in Exphar SA v. Eupharma Laboratories Limited (2004) 3 SCC 688 and Om Prakash Srivastava v. Union of India (2006) 6 SCC 207 held that the facts pleaded by the Plaintiff must be taken to be true while considering

the objection as to territorial jurisdiction under Order 7, Rule 10 CPC. Once there were averments to the effect that the Defendant was "conducting, soliciting, rendering the impugned services with the impugned trade name" within the territorial jurisdiction of the Court, "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."

7. This Court agrees with learned counsel for the Plaintiff that for the purposes of the relief of passing off, the above averments in para 37 of the plaint that the Defendant was selling the impugned products under the impugned trademark was within the territorial jurisdiction of this Court have to be taken to be correct. In *Dhodha House* (supra), the focus of the Court was on the question whether the Plaintiff in that case carried on the business in Delhi. In para 51 the Supreme Court observed:

"For our purpose, the question as to whether the Defendant had been selling its produce in Delhi or not is wholly irrelevant. It is possible that the goods manufactured by the plaintiff are available in the market of Delhi or they are sold in Delhi but that by itself would not mean that the plaintiff carries on any business in Delhi."

8. It was in that context that the Supreme Court observed that the mere fact that goods may be available in Delhi was insufficient to infer that the Plaintiff was carrying on business in Delhi. In the present case, however, the specific averment is that the Defendant "is selling the impugned products under the impugned Trade Mark TAJ MAHAL WITH DEVICE OF TAJ MAHAL within the territorial jurisdiction of this Court." Consequently, the above decision is of no assistance to the Defendant.

9. In *Dabur India Ltd. v. K.R. Industries* (supra), the facts were that a composite suit was filed for both infringement of copyright and for the relief of passing off of the trademark. The learned Single Judge held that as far as the passing off action was concerned, this Court did not have territorial jurisdiction as there was no documentary evidence to show that the Defendant, located in Andhra Pradesh, was selling goods in question in Delhi. This view concurred with by the DB and further by the Supreme Court. It is, however, not clear what the precise averments in the plaint were as they have not been set out in the judgment by the Supreme Court. The Supreme Court appears to have proceeded on the basis that the averments in the plaint were insufficient for the Court to come to a conclusion that the Defendant was selling its goods in Delhi. The above decision does not alter the settled legal position that for the purposes of Order 7, Rule 10 CPC, the averments in the plaint will have to be taken to be correct.

10. Likewise, in *Lakhan Pal Shyam Kumar v. Ram Prasad Gupta* (supra), although the precise averments in the plaint in that case on the aspect have not been set out in the judgment itself, a careful reading reveals that the averments were indeed too general and insufficient to infer even prima facie that the Defendant

was carrying on business within the territorial jurisdiction of the Court.

11. At the present stage, when the matter is yet to go to trial, the Court cannot insist that the full particulars of where precisely the Defendant was found selling its products in Delhi have to be set out in the plaint itself. That would be a matter for evidence. Consequently, this Court is unable to accept the plea of the Defendant that the averments in the plaint are insufficient for the Court to entertain the action of passing off of the trademark of the Plaintiff.

12. The application is accordingly dismissed.

I.A. No. 8938 of 2014

13. This is an application under Order 39, Rule 4 CPC filed by the Defendant seeking to vacate the interim injunction against the Defendants restraining them from using the trademark and label "Taj Mahal" in respect of the rice being sold by the Defendant.

14. The necessary facts to be noticed for the purposes of this application are that the Plaintiff has adopted the said mark in relation to Basmati Rice. The Plaintiff has been engaged in the business of processing and marketing of Basmati Rice including exports thereof. In the plaint, the Plaintiff has set out the total exports/sales figures since 1980-81 as well as the domestic sales figures. Inter alia it is averred that for the year 2008-09 the total exports/sales were Rs. 366. 23 crores and the domestic sales were Rs.275.21 crores. It is stated that the sales of Basmati Rice under the above trademark with label/device of "Taj Mahal" is approximately 10% of the above mentioned sales. The Plaintiff states that it filed an application for registration of the aforementioned mark with Taj Mahal label (Device of Taj Mahal) in Class 30 in relation to rice for exports on 27th February, 1989 claiming user since 1st January, 1978. However, this was opposed by M/s. New Bharat Rice Mills ("NBRM"), one of the competitors of the Plaintiff, on the ground that it already held registrations in respect thereof. The Plaintiff then filed a civil suit before this Court for cancellation of registration granted in favour of NBRM in respect of the said mark and label. It is stated that the said suit is still pending adjudication. Meanwhile the appeal filed by NBRM against the rejection of its opposition was allowed by the Intellectual Property Appellate Board (IPAB). It is, however, pointed out by the Plaintiff that the said order of the IPAB has been stayed by this Court in a writ petition filed by the Plaintiff.

15. The Defendant contends that the Plaintiff has not yet succeeded in obtaining registration of the said mark/label and, therefore, does not have the locus standi to maintain the present suit and obtain an interim order against the Defendants in the action for passing off. Secondly, the Defendant refers to the fact that there are many other entities that hold registration in their favour for identical mark and label in different classes including Class 30 for rice in particular. Therefore, the Plaintiff cannot claim exclusivity for such mark and label. Thirdly, the Plaintiff itself limited its application for registration to exports of Basmati Rice. Therefore it cannot seek protection as regard its domestic sales of the product. The other

plea is that of acquiescence. It is stated that the Defendant has been using the device Taj Mahal on the rice being sold by it since 1st January, 2000 and has also filed an application for trademark registration on 15th April, 2010. This was not objected to by the Plaintiff.

16. The above submissions have been considered. In the first place, it is trite that an action of passing off does not hinge upon the Plaintiff having a registration of the mark and/or label in its favour. Therefore, the fact that its application for registration has been opposed or not granted or that others may hold registration is of no consequence. In order to succeed in the action for passing off, the Plaintiff has to inter alia show that its mark and label enjoy a reputation and goodwill in relation to the goods in question and that the adoption of the same or similar said mark or label by the Defendant for the good in the same channel of trade is dishonest. The fact that the Plaintiff is a prior and continuous user of the mark/label in relation to the goods in question, which, in the present case, is rice, is certainly a relevant factor. This, the Plaintiff has certainly been able to demonstrate by setting out the figures of its sales both exports and domestic for several years since 1980- 81.

17. Second, the Plaintiff has to show that the adoption of the impugned mark by the Defendant is dishonest. The fact of the matter is that an essential feature of the Plaintiff's marks i.e., the trademark "Taj Mahal" with the device of "Taj Mahal" has been in to adopted by the Defendants and for the same basic product i.e. rice. In relation to such product the trade mark "Taj Mahal" with device can be said to be an arbitrary mark with a degree of distinctiveness that enables the consumer to associate the product with the producer of the product. In this context, prima facie the Plaintiff has been able to show that it is the prior and continuous user since 1978 and that the subsequent adoption of an identical mark and label by the Defendant, which admittedly commenced its business only in 2000, is dishonest.

18. Thirdly, the mark and label used by the Defendant i.e. "Taj Mahal" with the device for rice is prima facie bound to cause deception and confusion in the mind of the average purchaser of rice and is an attempt to exploit the reputation and goodwill attached to Plaintiff in the said mark and device for rice. It is in the same channel of trade. There is also no merit in the plea of acquiescence. The Plaintiff states it has filed an opposition to the Defendant's application for registration. As far as the plea that the Plaintiff's alleged use of the impugned trademark is confined to export of rice only, the averments in the plaint show that the Plaintiff has been selling rice in the domestic market under the trademark, label and device "Taj Mahal" since 1980-81.

19. Consequently, no grounds are made out by the Defendants for vacating the interim injunction granted by this Court by the order dated 19th December, 2013. This application under Order 39, Rule 4 CPC is accordingly dismissed.

IA No. 20906/2013 (under Order 39 Rules 1 and 2 CPC)

20. The interim injunction granted by this Court on 19th December, 2013 is made absolute during the pendency of the suit. The application is disposed of.

CS (OS) No. 2605/2013

21. To be re-numbered as a commercial suit.

22. List before the Joint Registrar on 22nd December, 2016 for admission/denial of documents.

23. List before the Court on 6th March, 2017 for framing of issues.