
(2007) 09 MAD CK 0009

In the Madras High Court

Case No : O.A. No's. 847 of 2006 and 6025 of 2007 in C.S. No. 798 of 2006

Parle Products Private Limited

APPELLANT

Vs

Surya Food and Agro Limited
Surya Food and Agro
Limited Vs Parle Products Private Limited

RESPONDENT

Date of Decision : 05-09-2007

Acts Referred:

Citation : (2007) 35 PTC 542

Hon'ble Judges : Prabha Sridevan, J

Bench : Single Bench

Judgement

Prabha Sridevan, J.—The applicant in A.No. 4056 of 2006 is the plaintiff. The plaintiff states that it has been carrying on the business of

manufacturing and marketing interalia, biscuits and confectioneries. According to them, they had developed a new and original packet design,

having several novel features in its shape, configuration and surface pattern. These designs were accepted and duly registered under Design

Registration Nos. 185711, 185712 and 185713, dated 31.05.2001 in Class 09-01 under the provisions of Designs Act, 2000 and the Designs

Rules, 2001. The applicant also developed two other new and original biscuit packet designs. These designs were also accepted and duly

registered under Design Registration Nos. 188156 and. 188157, dated 18.02.2002 in Class 09-07 under the provision of Designs Act, 2000 and

Designs Rules 2001. The registrations of the said designs are valid and subsisting. According to the applicant, the particular feature of the design is

that the packets have a fin seal, two cross seals and no end seals. The cross seals are formed along the length dimension, the cross seals being

generally perpendicular to the fin seal, the ends of the package being seal-free.

2. According to them, due to the unique shape, exclusive design of the biscuit packed and excellent quality of the biscuits, the applicant has

acquired an enviable reputation and goodwill in the market. They have also spent considerable amount in advertising the biscuit packets. Recently,

the applicant came to know that the respondent has started marketing biscuits under the name of PRIYA GOLD and that the packets bear the

shape, configuration and surface pattern which is a fraudulent and obvious imitation of the applicant's registered Design numbers mentioned above.

The respondent has not obtained any licence or consent from the applicant and therefore, they have committed infringement and piracy of the

applicant's registered designs.

3. A legal notice, dated 23.11.2005 was sent to the respondent, but it elicited no positive response from the respondent. The respondent has filed

an application for cancellation before the Controller of Patents and Designs, Calcutta. But, since they fail to file the statement of case, there is no

further progress and the proceedings are deemed to be abandoned.

4. According to the applicant, the respondent has placed in the market for sale and/or offering and exposing for sale, the said biscuit packets

containing the infringing designs in Chennai within the jurisdiction of this Court and therefore, the suit was filed after obtaining leave in the above

application.

5. A. No. 6025 of 2007 has been filed for revocation of leave. According to the learned Counsel for the applicant, part of cause of action arose

here, since the respondent has effected sales of biscuits in the affording wrappers in Chennai and for that purpose has produced three bills along

with the plaint, dated 21.09.2006, 19.09.2006 and 04.09.2006.

6. The learned Counsel relied on Smithkline and French Laboratories Ltd. and another Vs. Indoco Remedies Limited, Mumbai, where the Division

Bench of this Court had held that the denial of leave cannot be sustained and when the passing off has taken place, prima facie, within the

jurisdiction of this Court, there is no reason to deny leave.

7. The learned Counsel for the respondent, who seeks revocation of leave submitted that there is absolutely no material to come to the conclusion

that sales have taken place within the jurisdiction of this Court. The three vouchers produced along with the plaint and copies of which are

enclosed in the typed set of papers cannot be relied on and cannot be related to the respondents product. The applicant carries on business in

Mumbai, the respondent carries on business in Noida, Uttar Pradesh and therefore, even on the basis of forum conveniens, leave should be

revoked and relied on an order passed on 27.06.2003 in O.A.Nos. 248 and 249 of 2003 and A.Nos. 1923 and 1924 of 2003 in C.S.No. 181 of

2003.

8. The observations of the Division Bench in 2001 (3) CTC 652 (Premier Distilleries Pvt. Ltd. v. Sushi Distilleries), are relevant.

3. The submission so made, even though found favour with the learned single Judge, cannot be regarded as one which could properly be accepted.

4. As stated by Lord Esher in Read v. Brown 1888 (22) Q.B.D. 128, cause of action means - Every fact which it would be necessary for the

plaintiff to prove, if traversed in order to support his right to the judgment of the Court. It does not compromise every piece of evidence which is

necessary to prove each fact but every fact which is necessary to be proved. As stated even more vividly by Fry, L.J., in the same case,

Everything which, if not proved, gives the defendant an immediate right to Judgment must be part of the cause of action.

5. The test formulated by Fry, L.J., if applied here, will demonstrate how fallacious the argument advanced by the plaintiff is. The action here is one

for passing off and not one for infringement of trade mark which has been registered. The action of passing off can be maintained even without

applying for registration of a trade mark and can be maintained even in spite of the registration of trade mark by a defendant. The registration of a

trade mark, by itself, will not preclude the action of passing off if the plaintiff is able to demonstrate necessary ingredients for establishing his rights.

The action of inaction on the part of the plaintiff in relation to the registration of the mark which he claims to be his, is wholly irrelevant for the

purpose of deciding the plaintiffs right to be a relief in relation to passing off.

6. In order to establish his right to an injunction in an action for passing off, it is wholly unnecessary for the plaintiff to demonstrate that he had

applied for registration of mark under the Trade Marks Act. His failure to demonstrate that he had filed an application for registration will not

clothe the defendant with a right to obtain dismissal of the suit. -The application

for registration is, therefore, a factor of no relevance in an action for passing off.

7. The essence of the action of passing off is deceit on the part of the defendant in trying to pass off his goods as that of the plaintiff. That is a pure question of fact to be established by proper evidence. The cause of action can arise where deceit is practised. It cannot arise at a location where the plaintiff who claims the relief, chooses to lodge an application for registering his mark, without any deceit having been practised within that jurisdiction.

8. The right to bring an action for infringement in the court within whose jurisdiction the Trade Mark Registry is located, is founded on the fact that the relief sought in the action is one for Infringement and not merely for passing off. Where it is alleged that a trade mark is infringed, it is essential for the plaintiff to show that the trade mark had, in fact, been registered. The failure to establish that fact will result in the dismissal of the suit for infringement, satisfying the test formulated by Fry, L.J., for ascertaining the cause of action, namely everything which, if not proved, entitled the defendant to an immediate right to judgment.

9. The cause of action in a suit for passing off, on the other hand and as already observed, has nothing at all to do with the location of the Registrar's Office or the factum of applying or not applying for registration. It is wholly unnecessary for the plaintiff to prove that he had applied for registration. The fact that the plaintiff had not applied for registration will not improve the case of the defendant either. Filing of an application for registration of a trade mark, therefore, does not constitute a part of cause of action where the suit is one for passing off.

10. The argument advanced that registration if granted would date back to the date of application and the plaintiff would have the right to seek amendment of the plaint to seek relief on the ground of Infringement as well, is wholly Irrelevant so far as the cause of action for bringing a suit for passing off is concerned. While it may be convenient to the plaintiff to institute a suit in a court where he may later on be able to bring a suit for infringement of the trade mark, that convenience of the plaintiff is no way relevant for deciding as to whether a cause of action for filing a suit for passing off can be said to have arisen in a place where, the deceit alleged to

have been practised by the defendant had in fact, not been practised within the jurisdiction of the court in which the suit is brought.

11. The cause of action is not to be confused with convenience. Many things may be convenient to a plaintiff, but they do not become part of the bundle of facts requiring to be established for obtaining the decree in the suit. The argument advanced for the plaintiff is also far fetched. It seeks to presume that the plaintiff in a suit for passing off who has applied for registration of the mark will pursue the effort to have the trade mark registered; that such effort will be successful; that such an event will occur when the suit is still pending; that the suit will continue to pend till the registration is effected; that plaintiff would be seeking an amendment to add a prayer with regard to infringement. The cause of action is something which has occurred and which gives a right to take action. The cause must precede the action and not follow it. The events contemplated by the plaintiff as being capable of occurring at a point of time in the future, merely on account of those possibilities, will not constitute a cause of action for relief for securing which, those events are not materially relevant.

9. In 1997 1 LW 117 (National Westminster Bank Ltd., U.K. v. Devraj Nenseo & Co.), it has been held as follows:

30. Even while granting leave, this Court is bound to consider the forum non convenience. In paragraph 5 of the affidavit filed in support of the Applications, the second defendant has stated the reasons why the leave should not be granted. It is said therein that both the defendants are carrying on business outside India, and even the credit report was received in England, and all the documents pertaining to the correspondence are in England. The defendants are also permanent residents of England, and even as against the first defendant, liquidation proceedings are pending only in England. If the second defendant is asked to contest the suit before this Court, naturally, it will be put to great difficulties. Taking into consideration these facts also, we feel that this is a fit case where leave to sue as against the second defendant has to be revoked.

10. The question is whether any part of the cause of action arose within the jurisdiction of this Court. The averments in the plaint in this regard are at paragraph 10, where in it is said that the defendant has placed in the market for sale and / or offering and exposing for sale the said biscuit

packets containing the infringing designs in Chennai within the jurisdiction of this Hon"ble Court.

11. The copies of three vouchers produced in the typed set of papers show that assorted biscuits have been sold. The only voucher which can be

connected to the respondent is the voucher, dated 21.09.2006. Here, the description of the biscuit is shown as PR.CLASSIC and the manufacture

name is shown as Surya. If at all, this alone can be related to the respondent.

12. The wrappers which have been enclosed in the typed set of papers produced by the respondent do not bear the name PRIYA CLASSIC. On

the last date of hearing, i.e. on 04.09.2007, the learned Counsel for the applicant produced before this Court several biscuit packets, which

allegedly were marketed by the respondent and were sold here, within the jurisdiction of this Court, all of them bear the word PRIYA GOLD, in

none of those biscuits, the word PRIYA CLASSIC found. Therefore, it is difficult to place reliance on those voucher alone, which bears the word

PRIYA CLASSIC to conclude that the respondent has marketed its products here.

13. In the counter filed by the respondent, it is stated that the applicant has failed to substantiate with any material proof that the respondent's

products are sold in Chennai. Apart from this, the respondent had not pleaded anything else. In Smithkline and French Laboratories Ltd. and

another Vs. Indoco Remedies Limited, Mumbai, , where in it was held:

7. All the cases relied on by the counsel for the defendant are distinguishable on facts. In this case, it is not disputed that the product is

manufactured by the defendant. It is also not disputed that the product had been sold in Chennai by retail drug shops which stock such goods for

sale. There is no statement by the defendant, in spite of the defendant having filed an affidavit that it has no distributor or that it has no organisation

for commercial marketing of its products in the city of Chennai or in the State of Tamil Nadu.

14. But, in the application for revocation of leave, it is stated categorically that ""there is no proof of commercial sale on an extensive scale of the

defendant's biscuit packed..."". It is also stated that ""there is no advertisement of defendant's biscuits packed in alleged infringing wrappers in the

city of Chennai and that there is no distributor, agent, stockists to sell our biscuits in Chennai. I state that the defendant's products with the alleged

infringing designs are not sold commercially in the city of Chennai." Therefore, the respondent has come out with a categorical case that they do not have any agent or distributor within the jurisdiction of this Court.

15. Today, the learned Counsel for the applicant has produced another typed set of papers with supporting affidavit, where it is alleged that when the applicant went to the market, he purchased two biscuit packets with infringing designs and those carry PRIYA GOLD biscuit packets. First of all, these vouchers are post suit and it is not shown that the PRIYA GOLD biscuits mentioned in the voucher were marketed in the allegedly infringing wrappers. The learned Counsel also submitted that there is a distributor for the respondent, within the jurisdiction of this Court and is called Arihant Pharmaceuticals / Chandok Enterprises. But these facts had not been pleaded in the plaint and no proof of same is filed by the applicant in the grant of leave application filed and it is difficult to give much weightage to this oral submission.

16. If there is nothing to show that sales have taken place within the jurisdiction of this Court, then leave cannot be granted. There is no other circumstance, which justifies the filing of the suit, within the jurisdiction of this Court because both the respondent and the applicant carry on business elsewhere. Therefore, not only on the ground of forum conveniens, but also because the applicant prima facie has failed to establish to the satisfaction of this Court that sales had in fact taken place within the jurisdiction of this Court, leave must be revoked.

17. For deciding whether the leave granted should be revoked, one looks only to the averments in the plaint and the documents filed by the applicant and it is on the basis of his own pleadings that the applicant must establish his case for grant of leave. In this case, the applicant has not succeeded in doing so. Leave granted in Application No. 4056 of 2006 is revoked. Application No. 6025 of 2007 to revoke the leave is ordered as prayed for. Original Application No. 847 of 2006 is closed.