

* **HIGH COURT OF DELHI AT NEW DELHI**

+ **CS (OS) No.392/2005**

Date of decision : August 21, 2009

LILLY ICOS LLC. PLAINTIFF
Through : Mr. C.M.Lall Advocate with
Ms. Shikha Advocate.

Versus

RICHEL LABORATORIES LTD. DEFENDANT
Through : Nemo.

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CORAM:
HON'BLE MS. JUSTICE ARUNA SURESH

- (1) Whether reporters of local paper may be allowed to see the judgment?
- (2) To be referred to the reporter or not? Yes
- (3) Whether the judgment should be reported in the Digest ? Yes

J U D G M E N T

ARUNA SURESH, J.

1. Plaintiff is a corporation organized and existing under the laws of the State of Indiana, USA with its principal place of business at Lilly Corporate Center, Indianapolis, Indiana, USA. Plaintiff is a technical collaboration between Eli Lilly and Company, USA and ICOS Corporation and is the owner of trademark

‘CIALIS’ in India as well as world-wide. Their products are sold in Europe and North America by the plaintiff itself and the rest of the world through its member Lilly.

2. In brief the case of the plaintiff is that in September, 1998, Lilly and ICOS formed the plaintiff company for the purpose of developing, manufacturing, promoting and selling pharmaceutical preparations for the treatment of male erectile dysfunction. The active ingredient in those preparations is Tadalafil which has been patented in numerous countries worldwide by the plaintiff and its members. Plaintiff filed an application in the United States on June 17, 1999 to register ‘CIALIS’ trademark which is a fanciful and coined word that was created by the plaintiff having no descriptive meaning. The mark including its ‘....ALIS’ ending is inherently distinctive both to the trade and the consuming public. The trademark ‘CIALIS’ was made public by the plaintiff in July, 2001. The tablet sold under the trade mark ‘CIALIS’ was given a unique and unusual shape and colour as it was of a unique light yellow colour and

is shaped in an unusual and distinctive almond shape. On the tablet is inscribed the plaintiff's trade mark C-20 in unique and distinctive script. The plaintiff was issued exclusive marketing rights in relation to Tadalafil under patent laws in India. The drug is widely in circulation and is being used for treatment for erectile dysfunction under the trade mark 'CIALIS' and the 'Cialis Tablet Trade Dress' around the world. Plaintiff has also applied for registration of the trade mark 'CIALIS' in India and the said application was advertised in the Trade Marks Journal No.1300 dated 1st August, 2003.

3. From search on the internet, plaintiff learnt that defendant is advertising on its website www.richielabs.com a Tadalafil tablet under the brand name TADARICH using a pill shape which is identical to the Cialis Tablet Trade Dress. The defendant used the numerals 20 written in a stylized form in place of the trade mark 'C-20' of the plaintiff. Plaintiff also found on the website that the defendant was using the brand name RICHCALIS which is deceptively and confusingly similar to

plaintiff's trade mark 'CIALIS' which is cleverly designed to represent that it is a richer form of 'CIALIS' or is 'CIALIS' by Richie Laboratories Ltd. (the defendant) with an intention to usurp the plaintiff's trade mark 'CIALIS'. The defendant has chosen the name in an effort to ride upon the goodwill and reputation of the plaintiff amongst the purchaser of the said medicine with the entire effort to represent to the members of the trade and public that its product is the plaintiff's product and accordingly to pass off its goods as and for the goods of the plaintiff. This has caused irreparable harm and injury to the plaintiff being the manufacturer and merchant of high quality goods. This drug is schedule 'H' goods to be sold only on medical prescriptions. The use of the word '....ALIS' by the defendant have significantly injured the Plaintiff's interest, have caused or likely to cause public confusion as to the source, sponsorship or affiliation of its product and have damaged and threatened to further damage the plaintiff's significant and valuable goodwill in the

‘Cialis Tablet Trade Dress’ and ‘CIALIS’ mark and have injured and threatened to further injure the Plaintiff’s right to use its ‘CIALIS’ mark and ‘Cialis Tablet Trade Dress’ as the exclusive indicia or origin of the Plaintiff’s erectile dysfunction product containing Tadalafil and have diluted and threatened to further diminish the distinctive quality of the well known ‘CIALIS’ trade mark and the ‘Cialis Tablet Trade Dress’.

4. Plaintiff has invoked the jurisdiction of this court contending that the offending trade marks are being advertised by the defendant through their website which can be accessed in Delhi within the jurisdiction of this court and the defendant sells its products with the offending tablet shape all over the world, including India and in Delhi, upon orders being placed through their website. Hence, the suit for permanent injunction and also for rendition of accounts for the profits made by the defendant.
5. Summons for settlement of issues as well as notice of the application under Order 39 Rule 1 and 2 CPC

for interim injunction were issued to the defendant but the defendant purportedly refused to accept the notice. Hence, vide order dated 22nd August, 2005 it was proceeded ex-parte.

6. Plaintiff has filed affidavit of Douglas K. Norman, its constituted Attorney, in evidence. Mr. Douglas in his affidavit has confirmed the averments made in the Plaint. During the pendency of the case application of the plaintiff seeking registration of the trade mark 'CIALIS' and 'C-20' was allowed by the concerned department and registration certificate were accordingly issued in favour of the plaintiff.
7. After arguments were concluded, my learned predecessor of this court reserved the case for final order. However the matter was again listed on 26th September, 2006 as the court was of the opinion that the jurisdiction of this court to entertain the present suit was doubtful. The court also found that the plaintiff has claimed damages and compensation asserting that at the time of rendition

of accounts they expect that they shall be entitled to an amount in excess of Rs. One crore. For the purpose of jurisdiction the suit is valued at Rs.1,00,00,050/-, and for the purpose of court fees it is valued at Rs.20,00,210/- and a total court fees of Rs.22,073/- is affixed on the plaint which also needed consideration.

8. Since the question of jurisdiction has arisen in this court I shall first consider whether this court has territorial jurisdiction to entertain the present suit. The relevant para in the plaint relating to the jurisdiction of this court reads as under:-

“44. The offending trade marks are advertised by the Defendant through their website, which can be accessed in Delhi, within the jurisdiction of this Hon’ble Court. The Defendant sells its products with the offending tablet shape all over the world, including India and in Delhi, upon orders being placed through their website. By virtue of the aforesaid this Hon’ble Court has the territorial jurisdiction to try and entertain the present suit.”

9. Therefore, according to the plaintiff, since the

offending trade marks were advertised by the Defendant through their website which can be accessed in Delhi, this court has the jurisdiction to entertain this suit. It is also averred that the Defendant sells its product with the offending tablet shape in Delhi as well upon orders being placed through their website.

10. The advertisement of the defendant has been exhibited in evidence as Ex.PW-1/1. Perusal of this document indicates that this is an information issued in '*Express Pharma Pulse for the Pharmaceutical Industry*' issued on 1st April, 2004 regarding manufacturing of Tadarich (tadalafil, a generic name approved by USFDA) in Chennai. Rather this only imparts information regarding nature of drug and the purpose for which it can be used. This also provides information regarding the company itself but nothing beyond that. This information was not obtained by the plaintiff from the website of the defendant www.richielabs.com. This information has been collected from search engine www.google.com and was available on

www.expresspharmapulse.com/20040401/corporate04.shtml. Infact the website of the defendant is not accessible in Delhi as it does not open in the internet on efforts being made.

11. The mere fact that a website is accessible in a particular place may not itself be sufficient for the courts of that place to exercise personal jurisdiction over the owners of the website. However, where the website is not merely passive but is interactive permitting the users not only to have access to the contents thereof but, also subscribe to the services provided by the owners/operators, may in certain circumstances create jurisdiction in the court of that place where the website is accessible. Where the website is interactive, the level of interactivity becomes relevant and in cases of limited interactivity such interactivity may not be sufficient for a court to exercise jurisdiction.
12. By virtue of Section 20 of the Civil Procedure Code, the plaintiff has a right to file the suit against the defendant at the place where the cause of action

wholly or in part arises. Mere passive posting of a website does not give jurisdiction to the court within whose jurisdiction the plaintiff has filed the suit as it does not give rise to any cause of action for the plaintiff to file a suit within the jurisdiction of that court. Plaintiff has to show something more to indicate as to what cause of action took place in substantial manner so as to invoke the jurisdiction of that particular court.

13. In '**India TV, Independent News Service Pvt. Ltd. vs. India Broadcast Live LLC & Ors. 145 (2007) DLT 521**', this court observed:-

“45. there is no ‘long arm’ statute as such which deals with jurisdiction as regards non-resident defendants. Thus, it would have to be seen whether the defendant’s activities have a sufficient connection with the forum state (India); whether the cause of action arises out of the defendant’s activities within the forum and whether the exercise of jurisdiction would be reasonable.

46. I am in agreement with the proposition that the mere fact that a website is accessible in a particular place may not itself

be sufficient for the Courts of that place to exercise personal jurisdiction over the owners of the website. However, where the website is not merely 'passive' but is interactive permitting the browsers to not only access the contents thereof but also subscribe to the services provided by the owners/operators, the position would be different..... even where a website is interactive, the level of interactivity would be relevant and limited interactivity may also not be sufficient for a Court to exercise jurisdiction.....”

14. ***In ‘Cybersell Inc. vs. Cybersell Inc. & Ors.’***
(Case No.96-17087 D.C. NO.CV-96-0089-EHC)

as referred to in the abovesaid judgment, the US Court of Appeals for the 9th Circuit observed that a three-part test is used to determine whether personal jurisdiction can be exercised by the District Court. Those three tests are:-

“(1) The non-resident defendant must do some act or consummate some transaction with the forum or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the

benefits and protections,

(2) The claim must be one which arises out of or results from the defendant's forum-related activities, and

(3) exercise of jurisdiction must be reasonable."

15. In the present case, the website www.expresspharmapulse.com containing the information of the defendant company and also information regarding the drug Tadarich is passive in nature. It has no section for subscription to its services and the options which could be exercised by subscriber. This information in no manner can be said to be inviting any subscription from anyone including the consumers.
16. It is pertinent to mention here that the defendant company has dis-continued with its product 'Tadarich' and instead they are manufacturing drug Tadalafil in the brand name of Tadasip which does not include the alleged trade mark 'CIALIS' owned by the plaintiff.
17. The plaintiff has not adduced any evidence on record to indicate that the defendant has been

marketing its product 'Tadarich' in Delhi so as to invoke the jurisdiction of this court.

18. As discussed above, the website proved on the record does not indicate that the defendant invited any subscription from anyone including Delhi for supply of their product.
19. Therefore, it is concluded that the website containing the information of the defendant company and its product 'Tadarich' in no manner can be said to be interactive permitting the users, not only access to the contents thereof but, also subscribe to the services provided by the defendant. Even if it is taken that a limited interactivity is there in the information, this by itself is not sufficient for this court to exercise its jurisdiction.
20. In '**Kusum Ingots and Alloys Limited vs. Union of India and Anr., 2004 (6) SCC 254**', it was observed that if a small part of the cause of action arises within the territorial jurisdiction of the High Court, the same by itself may not be considered to

be a determinative factor compelling the High Court to decide the matter on merits. It was further observed that in appropriate cases, the Court may refuse to exercise its discretionary jurisdiction by invoking the doctrine of *forum conveniens*.

21. In this case not even a small part of cause of action has arisen in Delhi. Hence, I hold that this court has no territorial jurisdiction to entertain the present suit.

22. The plaint is hereby ordered to be returned back to the plaintiff along with the original documents to be presented before the competent court of jurisdiction.

**ARUNA SURESH
(JUDGE)**

**AUGUST 21, 2009
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