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IN THE HIGH COURT OF DELHI AT NEW DELHI

DECIDED ON: 27.08.2010

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CS (OS) 672/2004
I.A. Nos.3884/2004 & 8329/2006

ALBERTO CULVER CO.

..... Plaintiff

Through: Mr. S.K. Bansal with
Mr. Pankaj Kumar, Advocates.

versus

PIONEER PRODUCTS

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..... Defendant

Through: Mr. N.K. Kantawala with
Mr. Satender Chahar and Mr. Praver Sharma,
Advocates.

CORAM:

MR. JUSTICE S. RAVINDRA BHAT

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| 1. | Whether the Reporters of local papers
may be allowed to see the judgment? | YES |
| 2. | To be referred to Reporter or not? | YES |
| 3. | Whether the judgment should be
reported in the Digest? | YES |

MR. JUSTICE S.RAVINDRA BHAT (OPEN COURT)

% This order will dispose of the plea taken by the defendant as to the maintainability of the present suit on the allegation that this Court lacks territorial jurisdiction to entertain and try the suit.

2. The brief facts are that the plaintiff claims to be the owner of a registered trademark “VO5” and other trademarks prominently using the mark “VO5”. The plaintiff has placed certificates issued by the Trademarks Registry on the record to establish its proprietorship of the mark. It is contended that the mark has acquired notoriety and the will known mark world over

in relation to the products sold by the plaintiff and its affiliates. The plaintiff sues the defendant for permanent injunction and damages contending, *inter alia*, that the latter applied for registration of the similar mark and is also unauthorizedly using it.

3. The defendant filed the written statement resisting the suit and urging that this Court lacks territorial jurisdiction. The pleadings indicate that the defendant is a Thane based concern and registered in Maharashtra. Admittedly, it applied for registration of the mark “VOV” in Delhi - to which the plaintiff has an objection. It is contended by the defendant that the material averments in the suit nowhere disclose that this Court has territorial jurisdiction to entertain or try the suit. The suit averments are as follows: -

“16. The plaintiff has been selling and distributing its said goods bearing its said goods bearing its trademarks through its sole and exclusive licensee viz. M/s Alberto-Culver International, Inc. in all territories of the world except the United States of America by virtue of a license and know-how agreement with it dated 1st July 1992.

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26. The cause of action arose in favour of the plaintiff firstly in the month of March, 2004 as set out hereinabove, when the plaintiff for the first time learnt about the defendant’s impugned adoption and impugned Trade mark & impugned registration application. The cause of action further arose in April, 2004 when the defendant replied to the said legal notice wherein they refused to accede to the just and legal requisitions of the plaintiff. The defendant aforementioned impugned application for registration, is subsisting and alive. The defendant has not withdrawn the same. The cause of action is a continuous one and is/shall continue to so accrue everyday till such time the defendant is restrained and cease with their impugned adoption and user amounting to inter alia infringement and passing off.

There has been no delay, laches, acquiescence on the part of the plaintiff. The plaintiffs are based in the USA and time has been spent in their inquiry, handing out instructions as also in preparing and finalizing the legal papers.

27. This Hon’ble Court has territorial jurisdiction to try and entertain the present suit. The defendant has sought registration of the impugned Trade Mark on an all India basis which includes Delhi the defendant as such has all the intentions to use the impugned Trade Mark in Delhi if not already used.

The defendant is carrying on, their impugned goods and business activities under the impugned Trade Mark in and from Delhi and as such the impugned acts of passing off and infringement are taking place in Delhi. Besides the plaintiff has tremendous goodwill and reputation in Delhi which is being adversely affected in Delhi by the defendant's impugned activities. The goods of the plaintiff under the aforementioned Trade Mark are freely available in the markets of Delhi. Further this court has also territorial jurisdiction to entertain the instant suit in the light of Section 134 of the Trade marks Act, 1999."

4. This Court had declined *ex parte* relief and the injunction application has been pending all these years. In the meanwhile, by order dated 25.11.2005, the Court proceeded to frame issues on the basis of the pleadings and materials on the record. There is no dispute that the first issue concerns the maintainability of the suit on the question of territorial jurisdiction.

5. The plaintiff contends that an overall reading of the suit as well as the materials on record should lead the Court to conclude that the present suit is maintainable. It is urged that the defendants rely upon documents which concededly show that this Court has jurisdiction. Particular reliance is placed on the documents placed at pages 26 & 27 of the list of documents filed by the defendants to say that the business transactions were in fact conducted in July within the jurisdiction of the Court when goods were dispatched (from Thane and received in Delhi). It is urged that the plaintiff also has goodwill and reputation and its products are traded in Delhi. Learned counsel submits that the plaintiff appointed a distributor who has appointed a sub-distributor/agent in Delhi - who is marketing the plaintiff's products within the jurisdiction of this Court. It is submitted on this score that the provisions of Section-134 of the Trademarks Act, 1999 are fulfilled.

6. Learned counsel submitted that having framed the issues with regard to the maintainability of the suit on the ground of jurisdiction, the plaintiff should be provided an opportunity to prove its case during the trial. It is submitted that as to whether goods are sold or

whether a branch or agent has been appointed by the plaintiff in Delhi are factual aspects to be ascertained appropriately during the trial for which an opportunity to lead the evidence has been granted and the Court should not preempt that decision at this stage.

7. Learned counsel for the defendant submits that the Court should confine its enquiry into the suit and the documents placed on record. It is pointed out that none of the material averments disclosed that the plaintiff is either residing (i.e. registered within the jurisdiction of the Court) or has any office - or conducts its business through any licensee so as to attract the provisions of Section-134. So far as the documents are concerned, it is submitted that none of the invoices placed on the record disclosed that the plaintiff's products are sold in Delhi. It is submitted that as far as the reliance on the defendant's documents are concerned, the Court should consider the same for the purpose of Order-7, Rule-11 CPC where this Court is confined to examination of the pleadings presented by the plaintiff. It is urged, however, that in any event, at best the two documents relied upon would disclose that the defendant had dispatched some goods to Delhi which were received in Delhi and for which payments were received at Thane. In the circumstances, it cannot be said that the defendant is carrying on business for gain in Delhi, within the territorial jurisdiction of the Court.

8. Learned counsel for the defendant urges that the question of trial, at least in this case, would not arise because the plaintiff's material evidence in the form of documents have already been placed on record and no additional evidence has been brought on record after the issues were framed on 25.11.2005. It is pointed that the argument about appointment of a distributor is nowhere borne in the pleadings or the documents and this Court should, therefore, confine its order on the basis of the material available on the record. The defendant lastly relies on the decision reported as *Alberto v. R.K. Vijyan & Ors.* 166 (2010) DLT 391. The averments in the

suit would indicate - in the cause of action paragraph at least - that the plaintiff felt aggrieved by the defendant moving an application for registration of trademark. The decision in *Dhodha House v. S.K. Maingi* 2006 (9) SCC 41 and *Dabur India Ltd. v. K.R. Industries* 2008 (10) SCC 595. In *Dhodha House* case, the Supreme Court held that the mere fact that the goods are available in a particular place - in that instance in Delhi or that they were sold in different area, would not itself mean that the plaintiff carried on any business in Delhi. This Court is bound by that ruling. The materials on record, particularly the pleadings, nowhere point to the plaintiff having any office in Delhi or even averring that it appointed a distributor whose office are located within the jurisdiction of the Court, nor is there any averment whosoever vague disclosing that the plaintiff has any business either substantially or otherwise in the form of turn over from Delhi or for that matter in India. In these circumstances, this Court is satisfied that the suit so far as the infringement is concerned based upon the application of Section-134, is not maintainable.

9. So far as question as to whether any part of the cause of action has arisen in the jurisdiction of this Court is concerned, the documents available in the form of about 557 pages filed along with the list of documents would reveal that there is no material establishing that the defendant sold their products within the jurisdiction of this Court or anywhere in Delhi. No doubt, the plaintiff has a right to adduce the evidence in the trial to establish the defendant's presence, but the Court is conscious of the fact that after issues were framed, parties were provided with the opportunity to produce further or additional documents. It was not pointed out that such additional documents were ever filed all this while after the issues were framed more than 4½ years ago. In any event, no such application for producing additional documents to establish the defendant's presence within the territorial limits of this Court's jurisdiction was

ever moved. It is also settled that once issues are struck and the parties are required to lead evidence, there is no question of the Court entertaining the application for adducing further documentary evidence during the trial.

10. Having regard to this, it is apparent that the Court now has to consider the effect of the two documents placed on the record by the defendant. While the defendant's arguments that the Court's enquiry is to be confined to while considering the plea about jurisdiction or the lack of it in the averments in the suit and the list of documents filed along with it as correct, at the same time, the Court cannot be oblivious of the materials which are on the record particularly after admission/denial. The defendant here has placed two invoices on the record. At best, they only indicate that some goods were dispatched to Delhi. That by itself is insufficient, in the opinion of the Court, to hold that the defendant is either trading in Delhi or cause of action of such nature is occurred, occasioning the plaintiff to file the present suit. The two transactions at best would amount to a flash in the pan, which, in no way, establish that the dispute can be entertained as is sought to be urged by the plaintiff. In *Sector Twenty One Owner's Welfare Association v. Air Force Naval Housing Board* 65 (1997) DLT 81, it was held that trivial or insignificant part of the cause of action arising at a particular place would not be enough to confer jurisdiction.

11. This Court is not persuaded to take a view different from that taken in *Alberto's* case (supra) where the plaint was returned. In the circumstances, the suit is returned to the plaintiff to be filed before the Principal Civil Judge at Thane. Parties are directed to be present before the Principal Civil Judge, Thane, on 25th October, 2010.

S. RAVINDRA BHAT, J

AUGUST 27, 2010

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