

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% **Date of decision:-25th April, 2017.**

+ **CS(OS) No.2169/2003 & IA No.850/2013 (u/S 124 of Trade Marks Act).**

INFO EDGE (INDIA) LTD. & ANR

..... Plaintiffs

Through: Mrs. Pratibha M. Singh, Sr. Adv. with
Mr. Sudeep Chatterjee, Ms. Nupur
Lamba and Ms. Drishti Chatterjee,
Advts.

Versus

SUMANTA BHATTACHARYA & ANR

..... Defendants

Through: Mr. Niloy Dasgupta, Adv. for D-1
with D-1 in person.
Ms. Divya Krishnan, Adv. for D-2.

CORAM:

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

1. The two plaintiffs Info Edge (India) Ltd. and Sanjeev Bikhchandani, claiming to be proprietor / owner and lawful user since March, 1997 of the mark / name 'NAUKRI' and the domain name 'NAUKRI.COM', and carrying on business as a career website / jobsite under the domain name 'NAUKRI.COM', instituted this suit to restrain the defendant Sumanta Bhattacharya from using the mark 'NAUKRIE.COM' or any other domain name which is identical or deceptively similar to the plaintiffs' domain name 'NAUKRI.COM' and for ancillary reliefs.

2. The suit was entertained and while issuing summons thereof, vide *ex parte ad interim* order dated 18th January, 2003, the defendant was restrained from using the domain name 'NAUKRIE.COM' and from transferring, alienating or creating any other interests in the domain name 'NAUKRIE.COM'. Vide order dated 10th February, 2004 the defendant

Sumanta Bhattacharya was further restrained from meddling with the plaintiffs' ownership, use and possession with Network Solutions L.L.C. in respect of domain name 'NAUKRI.COM.'

3. The defendant contested the suit and pleadings were completed.

4. Vide order dated 23rd September, 2004, M/s. Network Solutions Inc. United States, being the Registrar of domain names and with which the domain name 'NAUKRIE.COM' of the defendant was registered, was impleaded as defendant no.2. Vide order dated 4th March, 2005 the name of the defendant no.2 was corrected to M/s. Network Solutions L.L.C. on the statement of the representative of M/s. Network Solutions L.L.C. that it was M/s. Network Solutions L.L.C. and not M/s. Network Solutions Inc. which was the Registrar of the domain names.

5. On the pleadings of the parties, the following issues were framed on 15th May, 2006:

- "1. Whether plaintiff No.1 is the proprietor of the mark/domain name NAUKRI.COM? OPP*
- 2. Whether backordering of the domain name NAUKRI.COM confers any ownership rights on defendant No.1 in the domain name? OPD*
- 3. Whether the mark/domain name NAUKRIE.COM being used by the defendant is deceptively similar to the plaintiffs' mark NAUKRI.COM? OPP*
- 4. Whether the use of the mark NAUKRIE amounts to passing off vis-a-vis the plaintiffs' website and domain name NAUKRI.COM? OPP*
- 5. Whether the plaintiff is entitled to any damages? If so, the extent thereof? OPP*
- 6. Relief."*

6. With the consent of the parties, vide order dated 15th May, 2006 the *ex parte ad* interim orders 18th December, 2003 and the order dated 10th February, 2004 were ordered to continue during the pendency of the suit.

7. The suit continued to languish. Finally, the recording of evidence of the plaintiff no.2 Sanjeev Bikhchandani commenced on 18th March, 2008. However before the cross-examination of the said witness could commence, on 9th September, 2010 the counsels stated that there is no need for recording evidence and each party i.e. the plaintiff and the first defendant would file one affidavit in support of the documents relied upon by them and the Court may proceed to hear the final arguments.

8. On behalf of the defendant no.2 Network Solutions L.L.C., on 9th September, 2010 it was stated that it will be bound by the decree of the Court and would implement it and was thus not required to participate further in the suit.

9. Vide order dated 9th September, 2010, the application of the plaintiffs for amendment of the plaint, as a consequence to registration during the pendency of the suit, of the trade marks 'NAUKRI', NAUKRI.COM and 'NAUKRI.ORG' in class 9,42 and 16 on 11th February, 2005, 9th June, 2006 and 17th March, 2006 respectively, to incorporate therein the claim against the defendants, also on the basis of infringement of trade mark, was allowed.

10. Pursuant to the amendment aforesaid, on 2nd November, 2012, the following additional issue was framed in the suit:-

“Whether the defendants are infringing the trademark / trade name 'NAUKRI.COM' of the plaintiffs, if so its effect?”

and the counsels reiterated that they did not want to lead any oral evidence and the suit again posted for final hearing.

11. The plaintiff filed IA No.850/2013 under Section 124 of the Trade Marks Act, 1999 and pleadings whereon were also completed.

12. On 8th February, 2017, the following order was passed in the suit:-

“1. The senior counsel for the plaintiffs states that as per the statements already made by the counsel for the parties that no oral evidence is required to be led, the suit is ripe for final hearing.

2. The counsel for the defendants states that IA No.850/2013 of the defendants under Section 124 of the Trade Marks Act, 1999 is pending consideration.

3. The counsels have been heard.

4. This suit when originally filed was for the reliefs against passing off only. During the pendency of the suit, the plaintiffs obtained registration of their trademark and in or about the year 2010 applied for amendment of the plaint to plead registration of the trademark. The said application for amendment was allowed on 9th September, 2010. The defendant, in the written statement to the amended plaint, took a plea of invalidity of the registration in favour of the plaintiffs. Additional issues pursuant to the amendment were framed on 2nd November, 2012 on which date however the defendants did not seek any issue on the invalidity of the trademark. Thereafter IA No.850/2013 was filed on 17th January, 2013 under Section 124 of the Act.

*5. It is the contention of the senior counsel for the plaintiffs i) that as per the dicta of the Full Bench in **Data Infosys Ltd. Vs. Infosys Technologies Ltd.** 2016(65) PTC 209 (Del), it is not essential for a party to a litigation desirous of approaching the Intellectual*

Property Appellate Board (IPAB) to challenge the validity of the trademark subject matter of the suit to obtain permission of the suit Court; and, ii) that the defendants having not sought an issue on the aspect of invalidity of the trademark, cannot now be permitted to seek stay of the proceedings in the suit under Section 124 of the Act, particularly when it is not mandatory for the defendant to obtain the permission of the Court for approaching the IPAB for rectification of the trademark registered.

6. The question which arises is, whether the defendants in a suit, post the framing of issues and having not raised an issue of invalidity, can maintain an application under Section 124 of the Act and the effect if any of delay in seeking such issue or applying under Section 124 of the Act.

7. The senior counsel for the plaintiffs on enquiry, whether there are any precedents on the said aspects states that as far as she recollects, there are two judgments of the Single Benches of this Court.

8. The senior counsel for the plaintiffs also states that with respect to the subject trademark of the plaintiffs, there is a finding in another suit that the trademark is distinctive trademark.

9. List on 17th April, 2017.”

13. Thereafter, on 17th April, 2017, the following order was passed in the suit:-

“1. The senior counsel for the plaintiffs has been heard further in pursuance to the order dated 8th February, 2017.

2. What has emerged is (i) that the plaintiffs are the prior registrants of the domain name ‘NAUKRI.COM’; (ii) that this suit was filed on the defendant No.1 registering the domain name

'NAUKRIE.COM'; (iii) that there is an interim injunction restraining the defendant No.1 and owing whereto the defendant No.1 is not using the domain name 'NAUKRIE.COM'; (iv) that the plaintiffs during the pendency of the suit, in the years 2006 and 2010 obtained registration of trademark 'NAUKRI.COM' and 'NAUKRI.ORG'; (v) that the plaintiffs applied for amendment of the plaint to add the relief on the ground of infringement and which amendment was allowed on 9th September, 2010; (vi) that the defendant No.1 in written statement dated 23rd December, 2010 to the amended plaint set up a plea of invalidity of the registration of the plaintiffs; (vii) that an additional issue was framed on 2nd November, 2012 on the amended plaint and qua the relief of infringement; (viii) that the defendant No.1 on 17th January, 2013 filed an application under Section 124 of the Trade Marks Act, 1999.

*3. It is the contention of the senior counsel for the plaintiffs (a) that the defendant No.1, after coming to know in the year 2007 of the registration in favour of the plaintiffs and till the amendment of the plaint was allowed could have applied for rectification, as making such an application for rectification was till then not barred by Section 124 of the Act; (b) that the defendant at the time of framing of the additional issue on 2nd November, 2012 also did not get framed an issue on invalidity; (c) that the application filed on 17th January, 2013 is highly belated; (d) that the suit is otherwise ripe for final hearing, as both the parties have made a statement that no oral evidence is to be led. The senior counsel for the plaintiffs has relied on **Financial Times Ltd. Vs. Bennett Coleman & Co. Ltd.** 2011 (123) DRJ 263 laying down that an application under Section 124 of the Act belatedly filed need not be considered.*

4. Irrespective of the aforesaid controversy, I have enquired from the senior counsel for the defendant

No.1, that irrespective of the controversy aforesaid, since the plaintiffs are admittedly the prior registrants of the domain name 'NAUKRI.COM' and 'NAUKRI.ORG', how could the defendant No.1 have registered the domain name 'NAUKRIE.COM' for identical services.

5. The senior counsel for the plaintiffs has in this regard drawn attention to **Satyam Infoway Ltd. Vs. Sifynet Solutions (P) Ltd.** (2004) 6 SCC 145 considering the Uniform Domain Name Dispute Resolution Policy ('UDNDR Policy') which provides that an identical domain name cannot be registered and that the registrant who has no right or legitimate interest in respect of the domain name is not entitled to continue the same.

6. It appears that irrespective of the controversy qua passing off and trademark, the defendant No.1 cannot have the domain name 'NAUKRIE.COM' owing to the earlier use by the plaintiffs of domain name 'NAUKRI.COM'.

7. It has further been enquired, as to under which domain name has the defendant No.1 been carrying on business since the interim injunction in the suit.

8. The counsel for defendant No.1 states that the defendant No.1 is not carrying on the business and in fact is in employment.

9. That, in my view proves dishonesty on part of the defendant No.1. It appears that the attempt of the defendant No.1 was to take unfair advantage by commencing same business as plaintiffs under the domain name 'NAUKRIE.COM' and once stopped from doing so, is not even interested in carrying on business. It also appears that the defendant No.1 is pursuing this litigation only to squat on the domain name and by way of gamble, thereby abusing the process of this Court.

10. The senior counsel for the defendant No.1 seeks time to consider the UDNDR Policy and take instructions.

11. The defendant No.1 to remain present in person on the next date of hearing to show cause, why if at all he is found entitled to contest the suit, he should not furnish or deposit in this Court tentative costs of the suit to be disbursed to the plaintiffs, in the event of the contention by the defendants or the defence of the suit being found to be in abuse of the process of the Court.

12. List on 25th April, 2017.”

14. The defendant No.1 is present in Court and on being asked in the context of the earlier orders, as to why he is contesting the suit when is not even carrying on the business qua which he was using the domain name ‘NAUKRIE.COM’, states that he is contesting “because the plaintiffs have invited him to the Court and he has to contest the suit”. He also states that his claim to the domain name is under Section 35 of the Trade Marks Act, 1999 and the plaintiffs are not the owners of the domain name ‘NAUKRIE.COM’.

15. The defendant No.1, on being asked wither he does not consider it worthwhile to carry on business in any name other than ‘NAUKRIE.COM’, states that he stopped carrying on business under legal advice from Mr. Somen Roy, Advocate at Calcutta, West Bengal, as he was told that if he carries on business in any other domain name, the plaintiffs will take the plea of the defendant No.1 having commenced business under another domain name.

16. The counsel for the defendant No.1, with respect to the query raised in para 10 of the order dated 17th April, 2017, again refers to Section 35 of the

Act supra.

17. Section 35 of the Act is as under:

“35. Saving for use of name, address or description of goods or services—*Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services.”*

18. On a reading of Section 35, the same does not appear to be applicable to the controversy. Moreover, the defendant No.1 is found to be lacking in *bona fides*.

19. The defence of the defendant No.1 having been found to be *mala fide*, I have enquired from the defendant No.1 about his assets.

20. The defendant No.1 states that he does not own any assets whatsoever.

21. I have further enquired as to what security the defendant No.1 will furnish for costs of this suit, in the event of ultimately losing the same.

22. The senior counsel for the plaintiffs states that besides in this suit, the plaintiffs have also been incurring expenses in defending a suit filed by the defendant No.1 against the plaintiffs in the District Court at Calcutta. It is informed that the domain name ‘NAUKRI.COM’ was registered in the name of Info Edge India; that on incorporation of the plaintiff No.1 Info Edge (India) Ltd., the plaintiff No.1 Info Edge (India) Ltd. became the owner of the domain name ‘NAUKRI.COM’ in accordance with the policy of

Network Solutions L.L.C. with which the said domain name is registered; that the said policy of Network Solutions L.L.C. also provides for “back ordering” of domain name i.e. of acquiring the domain name, if becomes available owing to the registration lapsing or owing to non-renewal; that though the plaintiff No.1 continued to use and renew the registration of the domain name ‘NAUKRI.COM’ but the defendant No.1 filed a suit in the Courts at Calcutta seeking a direction to Network Solutions L.L.C. to transfer the domain name ‘NAUKRI.COM’ in favour of the defendant No.1 owing to Info Edge India having been substituted with Info Edge (India) Ltd.

23. The senior counsel for the plaintiffs has handed over in the Court a statement of expenses incurred in this suit and in the Calcutta suit and states that the plaintiffs have spent Rs.1,57,78,543/- in the litigation and the defendant No.1 should furnish security for this much cost and for future costs, if continues with contest to the suit. A copy of the said statement of expenses has been handed over to the counsel for the defendant No.1 also. It is further stated that under Section 35 of CPC as applicable to Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015, the Court has the discretion to determine whether costs are payable by one party to the other, the quantum of those costs, and when they are to be paid.

24. The counsel for the defendant No.1 states that at the time of institution of the present suit, the registration of the domain name ‘NAUKRI.COM’ was in the name of Info Edge India which was a proprietorship firm of Mr. Sanjeev Bikhchandani and which had been

dissolved.

25. The contention of the defendant No.1, rather than meeting the contention of the senior counsel for the plaintiffs, strengthens the same. If Info Edge India was a sole proprietorship, the question of dissolution thereof would not arise.

26. The counsel for the defendant No.1 on being asked to furnish security for the costs of Rs.2 crores states that the defendant No.1 is also incurring the costs.

27. The costs incurred by the defendant No.1 are not an answer to the direction to the defendant No.1 to furnish security. It is the conduct of the defendant No.1 which has been found to be *mala fide* and in abuse of the process of the Court and since the defendant No.1 is persisting in the said conduct and in contesting the suit, the defendant No.1 has been directed to furnish security. To the said direction, the plea, of the defendant No.1 also incurring the costs, is no answer.

28. The defendant No.1 is directed to file an affidavit of what security he will furnish towards the costs.

29. The defendant No.1 appearing in person states that he cannot furnish the security and he does not even need any time to think about it.

30. For the reasons following, the suit of the plaintiffs, insofar as for the relief of permanent injunction is entitled to be decreed:-

- A. This Court in ***Info Edge (India) Pvt. Ltd. Vs. Shailesh Gupta*** 2002 (24) PTC 355 (Del) granted temporary injunction restraining the defendant in that case from using the domain

name 'NAUKARI.COM' or any other mark which is identical or deceptively similar to that of the domain name 'NAUKRI.COM' of the plaintiffs herein. The defence *inter alia* of the defendant therein also was that the word 'NAUKRI.COM' is generic and incapable of achieving the trademark significance and performing function of a trademark as it is descriptive of the work / business offered by the plaintiff. It was held that there was peculiarity, as the plaintiff has adopted a hindi word with english script and thus a distinctiveness could be attributed to the said name. It was further held that if a product is marketed in a particular area or place under a descriptive name and has gained a reputation there under, that name which distinguished it from competing products will be protected against deceptive use.

- B. The aforesaid decision, in my view, squarely applies to the facts of the present case. Just like the use by the defendant in the judgment aforesaid of 'NAUKARI.COM' was held to amount to passing off the defendant's services as those under the name 'NAUKRI.COM', so is the case with use by the defendant no.1 in this suit of the name 'NAUKRIE.COM'. Moreover, since then plaintiffs have obtained registration also.
- C. I find that FAO(OS) No.92/2002 preferred against the aforesaid judgment was disposed of on 24th October, 2008 without varying the order, for the reason that by then the suit was ready for final hearing. However the suit is not found to have been

decided as yet.

- D. Be that at it may, I have followed *Info Edge (India) Pvt. Ltd.* supra in judgment dated 19th April, 2017 in CS(Comm.) No.1381/2016 titled *Sunil Mittal Vs. Darzi On Call* and have further held that the entire argument by the defendant therein of the word ‘*Darzi*’ being generic and *publici juris* and being descriptive is nothing but an argument of technicality owing to the defendant therein having itself used the word “DARZI”, not as descriptive of its trade identified by another name but as distinctive of it amongst the class of businesses which the defendant is carrying i.e. of tailoring. Reliance was placed on *De Cordova Vs. Vick Chemical Coy* Reports of Patent, Design and Trade Mark Cases LXVIII (6) 103, in the context of the contention that the word “VapoRub” was generic.
- E. Though both *Info Edge (India) Pvt. Ltd.* and *Sunil Mittal* supra are on applications for interim relief but in the facts of the present case I fail to see why what has been held therein would not apply at the final stage also. Significantly, the parties herein have also not chosen to lead any oral evidence and have opted to have the suit decided on law along with their documents. The law remains the same as it is at the stage of deciding the application for interim relief and I do not find anything in the documents, to take a different view.
- F. In *Satyam Infoway Ltd.* supra it was held that there is a distinction between a trade mark and a domain name and the

two operate differently; while a trade mark may have multiple registrations in many countries throughout the world but on the other hand since internet allows for access without any geographical limitation, a domain name is potentially accessible irrespective of the geographical locations of the consumers; the outcome of this potential for universal connectivity is not only that a domain name would require worldwide exclusivity but also national laws might be inadequate to effectively protect a domain name; the lacuna necessitated international regulation of the Domain Name System effected through World Intellectual Property Organisation (WIPO) to which India is a party and set up for the purposes of promoting the protection, dissemination and use of intellectual property throughout the world and Internet Corporation for Assigned Names and Numbers (ICANN). Reference was further made to the Uniform Domain Name Disputes Resolution Policy (UDNDR Policy) dated 24th October 1999 by ICANN and providing for registration on a first come first basis. Reference was yet further made to Rule 2 of the said Policy requiring an applicant to, prior to registration of a domain name, determine whether the domain name for which registration is sought “infringes or violates someone else’s rights”.

- G. The difference between ‘NAUKRI’ and ‘NAUKRIE.COM’ is only of the alphabet ‘E’. Addition of the said alphabet neither changes the pronunciation nor the meaning. Moreover, the

word 'NAUKRI' being a word of hindi language written in english script does not find mention in the English dictionary and has no prescribed spelling thereof. For all the said reasons, the addition of the alphabet 'E' is likely to escape attention.

- H. The use of the words 'NAUKRI' and 'NAUKRIE' cannot also be lost sight of. These are trade marks / domain names of websites accessed through computers and which today have applications like autocorrect or auto spell and predictive text which correct spellings as per past usage and which suggest the word on first few alphabet thereof being typed / punched on the keypad, making human mind addictive thereto. If the defendant is permitted to use the trade mark / domain name of 'NAUKRIE.COM' inspite of the plaintiffs' being the prior user of 'NAUKRI.COM', it would amount to leaving the parties to fight out in the virtual world as to whose domain name appears first on the screen. This is not a case of mere possibility of the defendant being confused for the plaintiff but of certainty thereof.
- I. In the context of the plea of the defendant of the word 'NAUKRIE' being generic and descriptive, reference with benefit can also be made to ***Reddaway Vs. Banham*** (1896) 13 RPC 218 relied upon by this Court in ***Globe Super Parts Vs. Blue Super Flame Industries*** AIR 1986 Del 245 and in ***The Royal Bank of Scotland Group PLC Vs. Sharekhan Limited*** (2015) 216 DLT 197. The claim there in was to injunct the use

of the word 'CAMEL' in relation to belts manufactured out of camel hair. The defence of the defendant was of the word 'CAMEL' being descriptive. The House of Lords held that common words of a language can be exclusively appropriated to a particular manufacturer if had acquired a special meaning as denoting the goods of that manufacturer. It was held that if the intent found was to deceive purchaser into believing that they are getting what they were not looking for, there is no reason why the injunction should be declined.

J. Else, I am satisfied that in the light of *Financial Times Ltd.* supra, no case for staying further proceedings in this suit under Section 124 of the Trade Marks Act is made out. IA No.850/2013 is dismissed.

31. It has next to be considered, whether the plaintiffs are entitled to any damages from the defendant no.1 and if so in what amount.

32. Having observed the defendant no.1 in the Court and having spoken to him, I get an impression that the defendant contested this suit and is continuing to contest this suit 'feeling obliged to do so owing to the suit having been filed against him'. The defendant no.1 otherwise is not a businessman and after his misadventure to ride on the popularity of the plaintiffs' came to an end with the interim order in this suit, has not even opposed the application for interim relief and rather consented to the *ex parte* order being confirmed. The defendant no.1 even today, looks relieved that the suit is over.

33. For these reasons, I do not deem it appropriate to award any damages to the plaintiffs against the defendant no.1, making it clear that if the defendant no.1 chooses to continue his misadventure, the plaintiffs shall be entitled to press for damages.

34. To complete the requirement of law of each issue being decided,

- (a) Issue no.1 is decided in favour of the plaintiffs.
- (b) Issue no.2 is decided against the defendant no.1.
- (c) Issue no.3 is decided in favour of the plaintiffs.
- (d) Issue no.4 is decided in favour of the plaintiffs.
- (e) Issue no.5, for the reasons aforesaid is decided against the plaintiffs.
- (f) The additional issue is decided in favour of the plaintiffs.

35. Resultantly, a decree is passed in favour of the plaintiffs and against the defendant no.1, of permanent injunction in terms of prayer paragraph 30 (a),(b) & (bb) of the amended plaint dated 5th April, 2016.

36. A decree is also passed in favour of the plaintiffs and against defendant no.2 M/s. Network Solutions L.L.C. directing the defendant no.2 to, on receipt of copy of this judgment and at the cost and expense of the plaintiffs, transfer the domain name “NAUKRIE.COM” in favour of the plaintiffs.

37. For the reasons for which damages have not been awarded, I refrain from imposing any costs of the suit on the defendant no.1 but with the same

clarification that if the defendant no.1 persists in his misadventure, the plaintiffs shall also be entitled to claim costs of this suit from the defendant no.1.

38. Decree sheet be drawn up.

RAJIV SAHAI ENDLAW, J.

APRIL 25, 2017

bs/pp

(corrected & released on 16th May, 2017)

