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

+ O.M.P. (COMM) 370/2016

CENTURY 21 REAL ESTATE LLC

..... Petitioner

Through Mr.Jayant K. Mehta, Adv. with
Ms.Tanya Varma & Mr.Ayush
Bansal, Advs.

versus

SAMBIT BASU & ANR.

..... Respondents

Through

CORAM:

HON'BLE MR. JUSTICE JAYANT NATH

ORDER

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27.04.2017

1. This is a petition filed under Section 34 of the Arbitration and Conciliation Act, 1996 seeking to impugn the arbitral award passed by the sole arbitrator dated 09.05.2016. A direction was also sought to respondent No.1 to transfer the domain name "http://www.century21realty.in" to the petitioner.

2. The case of the petitioner is that it is engaged in the business of residential real estate sales and is among the largest players in the field worldwide. It has more than 6,900 independently owned and operated franchised broker offices in 78 countries. It is the owner of the mark "CENTURY 21" and applied for and has obtained registration in numerous jurisdictions all over the world. It also owns trademark registrations for the mark "CENTURY - 21" and CENTURY 21 Logo in India in class 16 since

March 13, 1989. It operates the website www.century21.com since 1995 as well as www.century21.in since 2011.

3. Sometimes in 2015, the petitioner was made aware that the respondents were operating and providing the real estate services under the name of realty based services under the name of Century 21 Realty and misusing the domain name “<http://www.century21realty.in>.”

4. The Petitioner filed a suit for infringement and passing off against the century 21 reality. An injunction order was passed on 28.05.2016. A complaint was also filed to National Internet Exchange of India (in short ‘NIXI’) regarding misuse of the domain name by the respondents. The said NIXI appointed an arbitrator.

5. The Id.arbitrator has now given his award dated 09.05.2016. In the award a finding is recorded that the disputed domain name used by the respondents is sufficient to establish that the same is confusingly similar to the petitioner’s trademark. However, on the rights of the petitioner, the Id. arbitrator concluded that there are no strong inferences that the respondents registered the domain name to misappropriate the goodwill and the reputation of the complainant’s trademarks. It further noted that the respondents used the disputed domain name in connection with its business and the disputed domain name is identical to the respondents' trade name. It further held that as to whether the respondents infringed trademark of the petitioner is best left to the court to decide as the arbitrator is not empowered under the INDRP Rules to decide this issue. It also noted that a suit for infringement is pending. Noting that there is no evidence to show that the respondents were aware of the rights of the petitioner or that the relief

sought to encash on the goodwill and the reputation of the petitioner's trademark, the arbitrator denied any relief to the petitioner.

6. The learned counsel appearing for the petitioner submits that the arbitrator has made a completely erroneous and illegal award as after holding that there is striking similarity in the domain name being used by the respondents. The arbitrator has failed to give any relief to the petitioner.

7. The legal position regarding passing off a trade mark is quite clear. A reference may be had to the observations of the Supreme Court in the case of ***Laxmikant V. Patel vs. Chetanbhai Shah & Anr., (2002) 3 SCC 65*** where in paragraph 13 the Hon'ble Supreme Court has held as follows:-

“13. According to Kerly (ibid, para 16.16) passing-off cases are often cases of deliberate and intentional misrepresentation, but it is well-settled that fraud is not a necessary element of the right of action, and the absence of an intention to deceive is not a defence, though proof of fraudulent intention may materially assist a plaintiff in establishing probability of deception. Christopher Wadlow in *Law of Passing-Off* (1995 Edition, at p.3.06) states that the plaintiff does not have to prove actual damage in order to succeed in an action for passing-off. Likelihood of damage is sufficient. The same learned author states that the defendant's state of mind is wholly irrelevant to the existence of the cause of action for passing-off (ibid, paras 4.20 and 7.15). As to how the injunction granted by the Court would shape depends on the facts and circumstances of each case. Where a defendant has imitated or adopted the plaintiff's distinctive trade mark or business name, the order may be an absolute injunction that he would not use or carry on business under that name, (Kerly, ibid, para 16.97).”

Hence, the legal position is that for passing-off deliberate and intentional misrepresentation is not necessary and the absence of an

intention to deceive is also not a defence. What the sufficient is likelihood of damages.

8. The ld. arbitrator has completely ignored the said legal position settled by the Supreme Court. Despite recording a finding that the domain name being used by the respondent is confusingly similar to the petitioner's trademark, no relief had been granted to the petitioner on a misreading of the legal position. It is manifest that the award is hit by Section 34 of the Arbitration and Conciliation Act being against the Fundamental Policy of Indian Law.

9. Accordingly, the award passed by the ld. arbitrator is set aside. The petitioner is free to take steps to have the domain name in question transferred to its name as per law.

10. In view of the above, the present petition stands disposed of. All the pending applications, if any, are also disposed of.

JAYANT NATH, J.

APRIL 27, 2017/v