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

+ CS(OS) 1065/2015

Decided on 14th August, 2015

PARUL HOMOEOPATHIC LABORATORY PVT LTD Plaintiff

Through : Mr. Sanjeev K. Singh, Adv.

versus

ROYAL GROUP Defendant

Through : Mr. Darpan Wadhwa, Mr. Shyal
Trehan, Mr. Deepak Bhasker and Ms.
Manjira Das Gupta, Advs.

CORAM:

HON'BLE MR. JUSTICE A.K. PATHAK

A.K. PATHAK, J. (ORAL)

**IA No.8029/2015(u/O 39 R 1 & 2 CPC filed by plaintiff) & IA
No.12390/2015 (u/O 39 R 4 CPC filed by defendant)**

1. Plaintiff has filed this suit for permanent injunction, infringement, passing off, rendition of accounts etc. against the defendant. As per the Plaint, plaintiff is a company registered under the Indian Companies Act, 1956 and is carrying on business of manufacturing and marketing of pharmaceutical preparations particularly homeopathic drugs. Address of the plaintiff, as given in the plaint, is that of Kanpur, Uttar Pradesh. Plaintiff claims to be proprietor of trade mark "HAEMOFORTE". It is alleged that plaintiff is using this trade

mark right from the 1988. Plaintiff claims to have attained high reputation in the trade, in which it is engaged in, due to high standard of quality maintained by it in respect of its products. Sale of the products under the trade mark “HAEMOFORTE” is stated to be around ₹33 lacs during the year 2015.

2. Plaintiff has alleged that defendant has adopted an identical trade mark “HAEMO FORTE” in respect of medicinal and pharmaceutical preparations, which, according to the plaintiff, is deceptively similar to that of the plaintiff’s trade mark “HAEMOFORTE”. In para 16 of the plaint, it has been alleged that defendant is an export oriented company of Pakistan. Plaintiff has alleged that vide notice dated 30th October, 2014 defendant called upon the plaintiff not to use the trade mark “HAEMOFORTE”, even though plaintiff is prior user of the trade mark “HAEMOFORTE”. Vide reply dated 18th March, 2015 plaintiff notified to defendant that it was prior user of the trade mark and called upon the defendant to stop using the trade mark “HAEMO FORTE”. Later, plaintiff came to know that defendant had applied for registration of the trade mark “HAEMO FORTE” with the Trademark Registry in India on 1st May, 2007, wherein it claimed that the said trade mark was used by the defendant right from 2000. Defendant represented before the Trademark Registry that it proposes to use the said trade mark in India.

3. In para 29 of the plaint, plaintiff alleged that this Court has the territorial jurisdiction to entertain the present suit as defendant had been conducting, soliciting, manufacturing, selling, importing, exporting and marketing their products in Delhi within the jurisdiction of this Court. Plaintiff has claimed that it was carrying on its business through authorized distributor, namely, M/s. Arya Homoeopathic Chemist, Shankarapur, Delhi.

4. In the written statement, defendant took a preliminary objection that this Court had no territorial jurisdiction to entertain and try the present suit. Defendant was not carrying on any business activity within the territory of Delhi. Defendant was not selling its products directly or indirectly within the territory of Delhi. It was not even manufacturing for export any product within the territory of Delhi. Defendant's products were not sold in India. Defendant was manufacturing its products through M/s Milan Laboratories Pvt. Ltd., located at Mumbai and was exporting the same to various countries from Mumbai. Section 134(a) of the Trade Marks Act, 1999 was not attracted in this case as the plaintiff's mark was not a registered trade mark, thus, was not infringed, in any manner, by the defendant. Defendant had been using the trade mark "HAEMO FORTE" right from 1994 and was exporting its products to over ten countries. Defendant had applied for registration of its trade mark in India on 1st May, 2007; whereas plaintiff had applied for registration on 14th

March, 2015. Suit was filed by the plaintiff as a counterblast to the desist notice dated 30th October, 2014 served by the defendant on the plaintiff. Defendant was exporting its products to Rwanda, Kenya, Nigeria, Democratic Republic of Congo, Sierra Leone, Uganda etc. Defendant's products had acquired a transnational reputation. Defendant came to know about the illegal use of its trade mark by the plaintiff in the year 2014, consequently, issued the desist notice to the plaintiff. Annual turnover of the defendant was USD 5.5 millions.

5. Along with the plaint, plaintiff filed an application under Order 39 Rule 1 and 2 of the Code of Civil Procedure, 1908 ("the Code", for short) being IA No. 8029/2015. Vide ex-parte injunction order dated 21st April, 2015 defendant was restrained from manufacturing, selling, marketing, exporting etc. with medicinal and pharmaceutical preparations under the trade mark "HAEMO FORTE" or any other mark which may be identical or deceptively similar to the plaintiff's trade mark. On service of summons in suit and notice of the application, defendant has filed an application under Order 39 Rule 4 of the Code being IA No. 12390/2015. By this order, both these applications are being disposed of.

6. I have heard learned counsels for the parties and perused the record and am of the, prima facie, view that this Court has no territorial jurisdiction to

entertain and try this suit. Plaintiff does not have any office in India. As per memo of parties, plaintiff is carrying on its business from Kanpur, Uttar Pradesh and defendant is operating its business from Pakistan. As per the written statement, defendant has entered into a Manufacturing Agreement with M/s. Milan Laboratories Pvt. Ltd. located at Mumbai and exporting its goods so manufactured from Mumbai to several countries. Defendant is not engaged in manufacturing activity in Delhi nor its products are sold in Delhi. Plaintiff has not given Delhi address of defendant. No document has been placed on record by the plaintiff to suggest that any of the products of the defendant are being sold in Delhi. No documents of any purchase of products of defendant from Delhi have been placed on record. No material has been placed on record to indicate that defendant is manufacturing its product in Delhi and is exporting the same to various countries from Delhi. Thus, it cannot be said that any cause of action has arisen in Delhi for filing the present suit.

7. Admittedly, plaintiff is not the registered proprietor of trade mark “HAEMOFORTE”; no such Registration Certificate has been placed on record nor is it case of plaintiff that it is the registered proprietor of trade mark “HAEMOFORTE”. Thus, no case of infringement of trade mark has been made out. During the course of hearing, learned counsel for the plaintiff has conceded that it is the case of passing off.

8. Section 134 of the Trade Marks Act, 1999 ('the Act', for short) reads as under:-

“134. Suit for infringement, etc., to be instituted before District Court. (1) No suit –

(a) for the infringement of a registered trade mark; or

(b) relating to any right in a registered trade mark; or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade mark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

(2) For the purpose of clauses (a) and (b) of sub-section (1), a “District Court having jurisdiction” shall, notwithstanding anything contained in the Code of Civil Procedure, 1908 or any other law for the time being in force, include a District Court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.”

9. A perusal of sub-section 2 of Section 134 of the Act clearly shows that only cases with regard to the infringement of a registered trade mark or relating to any right in a registered trade mark can be instituted in the court within the local limits of whose jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than one such persons any of them, actually and voluntarily resides or

carries on business or personally works for gain. Benefit of sub-section 2 of Section 134 of the Act is, thus, not available to the plaintiff, in respect of the action for passing off.

10. A learned Single Judge of this Court vide judgment dated 3rd January, 2014 passed in CS(OS) No. 1812 of 2012 titled Dabur India Ltd. Vs. Real Drinks Pvt. Ltd. and Anr. has held thus : “As regards the prayer for passing off, the Plaintiff would have to show that the products of Defendant No. 1 are, in fact, available in Delhi.”

11. This is a suit for passing off, accordingly, territorial jurisdiction is to be governed by Section 20 of the Code. Sections 20(a) and 20(b) are not attracted in this case as the defendant does not actually and voluntarily reside or carries on business or personally work for gain within the territorial jurisdiction of this Court. Defendant is having its office at Mehar Sons Estate, Talpur Road, Karachi 74000, Pakistan and has entered into a Manufacturing Agreement with M/s. Milan Laboratories Pvt. Ltd. located at Mumbai and is exporting its products from Mumbai. Accordingly, plaintiff can place reliance only on Clause (c) of the Code, which envisages that plaintiff can institute a suit in a Court within the local limits of whose jurisdiction the cause of action, wholly or in part, arises. In this case, plaintiff has not disclosed any ‘cause of action’

within the territory of Delhi. Accordingly, Section 20 of the Code is not applicable in this case so as to attract the jurisdiction of Courts at Delhi.

12. Though, in para 29 of the plaint, plaintiff has alleged that defendant is committing the impugned acts within the jurisdiction of this Court by conducting, soliciting, manufacturing, selling, importing, exporting and marketing their goods in India. However, no such document has been placed on record to show that defendant is either manufacturing for the purpose of export or otherwise any of its products in Delhi or is selling the same within the territorial bounds of Delhi. Accordingly, it cannot be said that any cause of action has arisen within the territorial jurisdiction of this Court.

13. Shri Amit Shukla, Director of the plaintiff appeared in Court on 14th August, 2015 and his statement under Order 10 of the Code was recorded, wherein he has stated that defendant has its office at Mumbai. He further stated that he was not having any personal knowledge even about this fact. He was not aware if defendant was having any office in Delhi. He was not aware as to whether defendant had been selling any goods in Delhi. He admitted that neither he nor any employee of the defendant had purchased any of the goods of the defendant in Delhi. He further stated that he was not aware as to on what basis the facts, as mentioned in para 29 of the plaint, had been made.

Accordingly, I am of the prima facie view that plaintiff has failed to disclose any cause of action in Delhi.

14. Learned counsel for the plaintiff has vehemently contended that desist notice was received by the plaintiff in India. Defendant had served the desist notice to the plaintiff, wherein it has categorically stated that the trade mark had become widely and immensely reputed amongst the members of the trade, medical fraternity and the public and defendant is exporting its products to various African countries as mentioned above including OAIP countries. Meaning thereby, defendant was having presence in India. Defendant had applied for registration with Trademark Registry in India, thus, cause of action had arisen in Delhi. It is contended that threat was extended in Delhi, therefore, Delhi Courts have jurisdiction to entertain and try the suit. He has placed reliance on *Dashmesh Mechanical Works vs. Hari Singh & Anr.* 2010 (42) PTC 288 (Delhi). I find this judgment to be in the context of different facts and is of no help to the plaintiff. In the said case, Section 106 of the Patents Act, 1970 was involved, inasmuch as plaintiff was carrying on its business from Delhi, where threat was extended by the defendant. In this case, plaintiff is based in Kanpur, Uttar Pradesh and the notice was sent by the defendant and received by the plaintiff at that address and not in Delhi. No threat was extended at Delhi. That apart, Section 106 of the Patents Act, 1970

vests jurisdiction in Court within whose jurisdiction threat had been extended to entertain suit, as envisaged under the said provision. No such provision exists in the Act.

15. Plaintiff has also placed reliance on Manufacturing Company & Anr. Vs. M/s. Crown Saw Blades Mfg. Co. & Anr. 2012 (5) R.A.J. 700 (Delhi). I find the said judgment also to be in the context of different facts. In the context of Copyright Acts, 1957 it was held that Court, at that place where plaintiff resides or carries on business, will have territorial jurisdiction to entertain and try the suit relating to infringement of copyright. Plaintiff has also relied upon the judgment in Cadila Pharmaceuticals Limited vs. Sami Khatib of Mumbai & Anr. 2011 (47) PTC 69 (Bom.) (DB). In the said case, issue of jurisdiction was not discussed nor any finding has been returned in this regard.

16. For the foregoing reasons, I am of the, prima facie, view that this Court has no territorial jurisdiction to entertain and try this suit. Accordingly, plaintiff has failed to make out a, prima facie, case in its favour for grant of injunction order in its favour, in the facts of this case. In my view, plaintiff will not suffer any loss or injury in case the injunction, as prayed for, is declined, inasmuch as balance of convenience is also not in favour of the plaintiff, since this Court lacks territorial jurisdiction to entertain this suit. Accordingly, application under Section 39 Rule 1 and 2 of the Code is

dismissed and application under Order 39 Rule 4 of the Code is allowed.

Interim order dated 21st April, 2015 is vacated.

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Replication, if any, be filed within four weeks.

List on 15th January, 2016.

A.K. PATHAK, J.

AUGUST 14, 2015

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