

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 05.12.2018

CORAM

THE HON'BLE MR.JUSTICE M.SUNDAR

C.S.No.190 of 2016

&

A.No.6646 of 2018

&

O.A.Nos.229 & 230 of 2016

Mahindra Holidays & Resorts India Ltd.,
Mahindra Towers, 2nd Floor,
17/18, Pattulous Road,
Chennai 600 002
rep.by its Constituted Attorney,
Mr.S.Sugavanam,

..Plaintiff

Vs.

1.M/s.Delhaze Marketing Ventures Private Limited,
G4, Joalda Apartments,
Naika Vaddo, Bardez,
Calangutte,
Goa 403516.

2. Michael P Hayes
Director,
M/s. Delhaze Marketing Ventures Private Limited,
G4, Joalda Apts, Joalda Apartments,
Naika Vaddo, Bardez,
Calangutte,
Goa 403516.

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3. Nupur Nilesh Shirodkar

Director,
M/s. Delhaze Marketing Ventures Private Limited,
H.No. 161/12, Zhor Waddo,
Chapora, Bardez, Anjuna,
Goa 403509.

4. Reshambi Chandasab Jamadar

Director,
M/s. Delhaze Marketing Ventures Private Limited,
83, 20, Point programme,
Fattawado, Bardez,
Nerul- 403 114.

5. Give and Take Holidays

G4, Joalda Apartments,
Naika Vaddo Bardez,
Calangute,
Goa 403516.

.. Defendants

This Civil Suit is preferred, under Order VII Rule 1 Civil Procedure Code read with Order IV Rule 1 O.S. Rules and Sections 27, 28, 29, 134, and 135 of the Trademarks Act, 1999 praying to

a) A permanent injunction restraining the defendants, their directors, heirs, men, servants, agents, successors in business, legal representatives, assigns or any other person claiming through or under them, from in any manner using or otherwise dealing with the service mark/trade name CLUB MAHINDRA or its membership amounting to infringement of the plaintiff's registered trademarks or in any manner whatsoever;

b) A permanent injunction restraining the defendants, their directors, heirs, men, servants, agents, successors in business, legal representatives, assigns or any other person claiming through or under them, from in any manner using, selling, offering for sale, advertising, publicising or otherwise dealing with the membership of the Plaintiff under

the service mark/trade name CLUB MAHINDRA and/or any name/services mark bearing the word CLUB MAHINDRA or any other mark deceptively similar thereto, thereby passing off their services/business in any other manner whatsoever;

c) The defendants be ordered to pay to the plaintiff, a sum of Rs.10,00,000/- jointly and severally, as damages for committing infringement of trademarks and passing off its products/services/business as being associated with the plaintiff's services/business;

d) The defendants be ordered to surrender to the plaintiff for destruction, name boards, invoices/bills, prints, brochures, screen prints and advertising material and any other material in the defendant's possession, which bears the mark/trade name CLUB MAHINDRA;

e) A preliminary decree be passed in favour of the plaintiff directing the defendants to render account of profits made by use of the Plaintiff's service marks/trade name CLUB MAHINDRA amounting to infringement of the plaintiff's registered trademarks and/or passing off and a final decree be passed in favour of the plaintiff for the amount of profits thus found to have been made by the defendants after the latter have rendered accounts;

f) The defendants be directed to remove any reference to the plaintiff's service mark/trade name CLUB MAHINDRA used in relation to the defendants from any portal including www.giveandtakeholidays.net.

g) For costs of the suit; and

h) For such further and other reliefs as this Hon'ble Court may deem fit and proper in the circumstances of the case and thus render justice.

For Plaintiff : Ms.R.Prashanthi

For Defendants : Set ex-parte

JUDGMENT

There is a sole plaintiff and there are five defendants in the main suit.

2. Ms.R.Prashanthi, learned counsel on record for sole plaintiff is before this Commercial Division.

3. With regard to five defendants, they were duly served. Defendant Nos. 1,2 and 5 have filed a common written statement dated 04.06.2016. Defendant Nos. 3 and 4 were set *ex-parte* vide proceedings of this Commercial Division dated 26.09.2018 which reads as follows:

'Ms.R.Prashanthi, learned counsel on record for the sole plaintiff is before this Commercial Division.

2.Defendants 1, 2 and 5 (Party-in-person) have filed a common written statement dated 04.06.2016.

3.Suit summons has been duly served on Defendants 3 and 4 and their names together with full/complete addresses as in the short and long cause titles of the plaint are shown in the cause list. Names called out aloud thrice. No representation. Defendants 3 and 4 are set ex parte.

4.In the interregnum, an application in A.No.6646 of 2018 for summary judgment under Order XIII-A has been taken out by the plaintiff. Notice to respondents was ordered in the same. Respondents have been duly served, but no appearance today.

5.However, with the intention of giving one more opportunity to Defendants 1, 2 and 5, as they are appearing party-in-person, Registry is directed to list this matter on

10.10.2018. Registry to show A.No.6646 of 2018 and names of all the respondents therein together with full/complete addresses as in the short and long cause titles in the plaint, in the next listing.

List on 10.10.2018.'

4. There are also interlocutory applications with prayers for interim injunction being O.A.Nos. 229 & 230 of 2018, besides A.No.1811 of 2016, under Clause 14 of Letters Patent for combining the causes of action.

5. A counter affidavit styled 'Affidavit in Reply' dated 04.06.2016, has been filed in A.No.1811 of 2016. This counter affidavit has been sworn to by the second defendant in the suit i.e., Mr.Michael P.Hayes.

6. This Commercial Division is informed that first defendant is a company i.e., a Private Limited Company incorporated under the laws of India, defendants 2 to 4 are Directors in the first defendant company and 5th defendant is a unit of the first defendant company.

7. With regard to the filing of written statement by defendants 1 ,2 and 5 as well as the aforesaid Affidavit in Reply sworn to by the second defendant, this Commercial Division is informed that the second defendant Mr.Michael P.Hayes, appeared party-in-person.

8. Under the aforesaid circumstances, the application referred to

supra i.e., A.No.6646 of 2018 has been taken out by the plaintiff. The judges summons in the application was originally under Order XIII-A of amended 'The Code of Civil Procedure, 1908' ('C.P.C.' for brevity) as amended by 'The Commercial Courts Act, 2015' ('said Act' for brevity).

9. However, subsequently Order XII Rule 6 of C.P.C has also been invoked. In the hearing today before me, learned counsel for plaintiff submits and requests that this application may please be treated as an application for summary judgment under Order XIII-A of amended C.P.C as amended by said Act for summary judgment.

10. Before I deal with this application for summary judgment and the suit itself, it may be necessary to capture the proceedings pertaining to determination of jurisdiction of this Commercial Division as well as the trajectory which the suit and the aforementioned application being A.No.6646 of 2018, have taken thus far.

11. Jurisdiction of this Commercial Division qua this suit was determined on 31.01.2018 and the said proceedings reads as follows:

'Ms.R.Prashanthi, learned counsel on record for plaintiff is before this commercial division. With regard to five defendants, from the suit file placed before me, I find that all five defendants have been duly served and their names have also been shown in

the cause list, but none appears.

2 *I heard learned counsel for plaintiff on jurisdiction of this commercial division. Plaintiff company owns resorts where plaintiff has schemes wherein and whereby one can stay for a specified period in specified part of the year. This is a suit for alleged infringement of trade mark. It is submitted by learned counsel for plaintiff that Section 134(1) of the Trade Marks Act, 1999 is attracted as far as this suit is concerned. As the said provision of the Trade Marks Act is attracted, this Commercial Division will exercise jurisdiction over this suit under the first proviso to Section 7 of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 (hereinafter referred to as 'Act 4 of 2016').*

3 *I have perused the plaint and I accept the aforesaid submission of the plaintiff's counsel. As I have expressed my intention to exercise jurisdiction of this commercial division over this suit, I now turn to the stage of the suit.*

4 *Written statement has been filed and pleadings are complete. Therefore, admission and denial of documents under amended Order XI Rule 4 of Code of Civil Procedure, 1908 ('CPC' for brevity) as amended by Section 16 read with schedule to Act 4 of 2016 shall be completed within three weeks from today, i.e., on or before 21.2.2018.*

5 *List the matter on 23.2.2018.'*

12. This Commercial Division is informed that the second defendant

had earlier appeared party-in-person for himself and for co-defendants, but did not appear thereafter.

13. Be that as it may, in the light of the stand taken by defendants 1,2 and 5 in the written statement and in the aforesaid counter affidavit of the second defendant in A.No. 1811 of 2016, learned counsel submits that the aforesaid application for summary judgment has been taken out. Learned counsel further submits that in the said pleadings i.e., written statement and counter affidavit, *inter alia* it has been admitted that the defendants have no intention of infringing the plaintiff's trademark, which is the primary complaint in the main suit, which shall be alluded to infra.

14. Be that as it may, continuing with the trajectory, this Commercial Division was informed that the second defendant was appearing party-in-person, notice in summary judgment application was ordered on 04.09.2018, returnable by 25.09.2018, private notice was also permitted and the same has been duly served and affidavit of service has been filed. From and after 25.09.2018 also, several opportunities were given to the defendants, as the summary judgment application was listed on 26.09.2018, 10.10.2018, 31.10.2018, 15.11.2018.

15. To be noted, 26.09.2018 proceedings have already been

extracted supra. Proceedings of this Commercial Division on 10.10.2018, 31.10.2018 and 15.11.2018 read as follows:

'Proceedings on 10.10.2018

Read this in conjunction with and in continuation of earlier proceedings of this Commercial Division dated 26/09/2018.

Names of the respondents in the summary judgment application have been shown in the cause list as per directions given in the earlier proceedings.

Counsel for plaintiff is ready to argue this application for summary judgment under Order XIII-A i.e., A.No.6646/18.

Renotified.

List this matter on 31/10/2018'

' Proceedings on 31.10.2018

Read this in conjunction with and in continuation of earlier proceedings of this Commercial Division dated 26.09.2018 and 10.10.2018. The position is no different today. Though Ms.Prashanthi, learned counsel for plaintiff who has taken out an application in A.No.6646 of 2018 for summary judgment is ready, there is no representation for the other sides with the intention of giving yet another opportunity to the defendants, list this matter on 15/11/2018.'

' Proceedings on 15.11.2018

Read this in conjunction with and in continuation of

earlier proceedings of this Commercial Division dated 31/10/2018. The position is no different today.

With the same objective of giving one more opportunities, list this matter on 05/12/2018.'

16. The aforesaid proceedings will demonstrate that ample and adequate opportunity has been given to the defendants not only by way of serving notice including the private notice, but post due service of notice and filing of Affidavit of Service also, several opportunities have been given, which is articulated in the aforesaid proceedings.

17. Learned counsel, therefore, requests that this application for summary judgment may please be disposed of on merits on available papers.

18. With this, we come to the end of capturing the trajectory of the main suit and setting out an encapsulation of the same.

19. Considering the elaboration of trajectory of the litigation thus far (supra) this Commercial Division is of the view that it would be appropriate to dispose of the application for summary judgment on merits on the basis of available papers.

20. Complaint in the main suit, primarily pertains to registered trademarks of the plaintiff. As articulated in the plaint, to be precise, in paragraph No.8 of the plaint, plaintiff has eight trademark registrations in its favour and the same are as follows:

<i>Sl. No.</i>	<i>Filing Date</i>	<i>Trademark</i>	<i>Regn.no</i>	<i>Class</i>
1.	12.03.1998	CLUB MAHINDRA HOLIDAYS UNLIMITED Device	794830	16
2.	06.06.2003	Club MAHINDRA (label)	1204589	16
3.	19.02.2007	CLUB MAHINDRA THE GOURMET HOLIDAYS (LOGO)	1532083	29, 30, 31, 32 & 42
4.	24.09.2007	Club Mahindra Device	1605124	41 & 42
5.	01.11.2007	Mahindra Holidays (word)	1617216	16, 41 & 42
6.	20.11.2009	CLUB, MAHINDRA, HOLIDAYS Label	1622990	41 & 42
7.	12.12.2007	Club Mahindra travel device	1630135	36, 39 & 42
8.	28.01.2013	Club Mahindra Logo (Black Background)	2467554	16, 35, 36, 37, 39, 41 & 43

21. To be noted, learned counsel for plaintiff submits that plaintiff is in the business of leisure and hospitality and the plaintiff company entered the business in 1996. It is also pointed out that from 1996, plaintiff company

by hard work, good and efficient service, established a leading Vacation Ownership Company in India. It is pointed out that the plaintiff company has been listed in both Stocks Exchanges i.e, National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

22. Referring to the aforesaid eight trademark registrations in favour of plaintiff, it is pointed out that the trademark registration certificates have been placed before this Commercial Division as Plaint Document Nos.1 to 8. It is pointed out that CLUB MAHINDRA/MAHINDRA HOLIDAYS is an essential part of the marks, though the registration is in different classes for different goods and services.

23. Learned counsel also submits that plaintiff has been spending enormous sums of money on sales and marketing and the financial year wise break up of the money spent on sales and marketing as articulated in paragraph No.11 of the plaint is as follows:

<i>Year</i>	<i>Sales and Marketing Figures (in Lakhs of Rupees)</i>
2010-11	14717.52
2011-12	18362.31
2012-13	18374.36
2013-14	19150.17
2014-15	17463.31

24. Learned counsel has also given particulars of revenue generated in those financial years and the same is as follows:

<i>Year</i>	<i>Revenue (in Lakhs of Rupees)</i>
2010-2011	80756
2011-2012	79893
2012-2013	71594
2013-2014	63658
2014-2015	53416

25. Under the aforesaid circumstances, it is submitted that sometime in September 2015, the plaintiff came to know that 5th defendant has embarked upon the business of renting club memberships and dealing with the same with a suggestive positioning as if their business is in some manner connected with the plaintiff service. It is submitted that plaintiff further learnt through one of its clients that 5th defendant has sent e-mails to plaintiff's existing members to rent out their membership and to its potential members to avail the holidays accommodation and bookings of the plaintiff's resorts.

26. In this regard, learned counsel submits that plaintiff has several resorts Pan India and they sell, specific periods of the yearly calendar to its customers to avail the holidays therein and these are referred to in industry parlance as 'Timeshares'. It is submitted that 5th defendant, advertised its service of renting and dealing with the plaintiff's club membership, holidays and/or timeshares through its website www.giveandtakeholidays.net.

27. Saying so, learned counsel submitted that the plaintiff has not given any authority, authorization or permission to anyone of the defendants to embark upon such business and therefore, it clearly amounted to infringement of their registered trademarks and passing off qua registered trademarks.

28. To be noted, the aforesaid eight registered trademarks which have been set out supra shall be collectively refer to as 'suit TMs'.

29. Complaining that the aforesaid activity of the defendants amounts to infringement of suit TMs as also passing off qua suit TMs, instant suit has been filed by the plaintiff with the prayers that are set out in paragraph No.25 of the plaint. In other words, paragraph No.25 of the plaint is the prayer paragraph and the same reads as follows:

'25. The Plaintiff, therefore, prays that this Hon'ble Court may be pleased to grant a judgment and decree on the following terms:-

'a) A permanent injunction restraining the defendants, their directors, heirs, men, servants, agents, successors in business, legal representatives, assigns or any other person claiming through or under them, from in any manner using or otherwise dealing with

the service mark/trade name CLUB MAHINDRA or its membership amounting to infringement of the plaintiff's registered trademarks or in any manner whatsoever;

b) A permanent injunction restraining the defendants, their directors, heirs, men, servants, agents, successors in business, legal representatives, assigns or any other person claiming through or under them, from in any manner using, selling, offering for sale, advertising, publicising or otherwise dealing with the membership of the Plaintiff under the service mark/trade name CLUB MAHINDRA and/or any name/services mark bearing the word CLUB MAHINDRA or any other mark deceptively similar thereto, thereby passing off their services/business in any other manner whatsoever;

c) The defendants be ordered to pay to the plaintiff, a sum of Rs.10,00,000/- jointly and severally, as damages for committing infringement of trademarks and passing off its products/services/business as being associated with the plaintiff's services/business;

d) The defendants be ordered to surrender to the plaintiff for destruction, name boards, invoices/bills, prints, brochures, screen prints and advertising material and any other material in the defendant's possession, which bears the mark/trade name CLUB MAHINDRA;

e) A preliminary decree be passed in favour of the plaintiff directing the defendants to render account of profits made by use of the Plaintiff's service marks/trade name CLUB MAHINDRA amounting to infringement of the plaintiff's registered trademarks and/or passing off and a final decree be passed in favour of the plaintiff for the amount of profits thus found to have been made

by the defendants after the latter have rendered accounts;

f) The defendants be directed to remove any reference to the plaintiff's service mark/trade name CLUB MAHINDRA used in relation to the defendants from any portal including www.giveandtakeholidays.net.

g) For costs of the suit; and

h) For such further and other reliefs as this Hon'ble Court may deem fit and proper in the circumstances of the case and thus render justice.'

30. A perusal of paragraph No.25 reveals that there are eight limbs of the prayer, which are contained in eight sub-paragraphs of paragraph No.25.

31. Learned counsel for plaintiff submits that in the aforesaid written statement and Affidavit in Reply, plaintiff has categorically mentioned that they are not infringing the plaintiff's suit TMs, they do not intend using the suit TMs and most importantly, there is a categoric averment that the defendants are no longer using the aforesaid website which goes by the name www.giveandtakeholidays.net.

32. This is articulated in paragraph No.7 of the written statement which reads as follows:

'7.The website giveandtakeholidays.net is no longer being

used by the defendants. It is denied that the same was being used by the defendants to infringe on the plaintiffs trademark or trade name or to pass off the defendants 1 and 5 as the plaintiff. There is therefore no question of copyright infringement or passing off. '

33. Besides this, my attention is also drawn to paragraph Nos.8, 12 and 14 of the affidavit styled 'Affidavit in Reply' in A.No. 1811 of 2018 and paragraph No.7 of the written statement, which read as follows:

' Paragraph 8, 12 and 14 of Affidavit in Reply:

8. I say that the defendant no.1 has a number of time share owners/members who own time share in various resorts all over the country who are registered with it on payment of a onetime fee. The defendant no.1 facilitates the user of their unutilized/unused time share at various resorts for a fee and assists them with the procedures connected therewith.

12. I say that we i.e., the defendant nos.1 and 2 have no intention to use the trademark or trade name "Club Mahindra", "Club Mahindra Holidays" or any similar trademark or trade name for our business purposes.

14. I say that the plaintiff is probably unhappy and / or uncomfortable with the fact that its members have been approaching us for getting their unused time share at the plaintiff's resorts utilized as the plaintiff would prefer that this unused time share remains unutilized so that the plaintiff can accommodate its other guests at the resorts and thus

increase its profits.'

Paragraph 7 of Written Statement:

'7.The website giveandtakeholidays.net is no longer being used by the defendants. It is denied that the same was being used by the defendants to infringe on the plaintiffs trademark or trade name or to pass off the defendants 1 and 5 as the plaintiff. There is therefore no question of copyright infringement or passing off. '

34. A perusal of Order XIII-A of amended C.P.C as amended by said Act, reveals that grounds on which a summary judgment can be passed is adumbrated in Rule 3 thereunder.

35. Rule 3 of Order XIII-A reads as follows:

'Order XIII-A Summary Judgment

1.....

2.....

3. Grounds for summary judgment

The Court may give a summary judgment against a plaintiff or defending on a claim if it considers that--

(a) the plaintiff has no real prospect of succeeding on the claim or the defendant has no real prospect of successfully defending the claim as the case may be; and

(b) there is no other compelling reason why the claim should not be disposed of before recording of oral

evidence.'

36. Referring to aforesaid Rule 3 , learned counsel submits that in the light of the stated position of the defendants as articulated in the written statement and Affidavit-in-Reply in A.No. 1811 of 2016, the defendants have no real prospect of successfully defending the claim and that there is no compelling reason as to why this suit should not be disposed of before recording of oral evidence.

37. Further to be noted, in the application for summary judgment itself, as would be evident from the trajectory that has been captured supra, defendants were put on notice, duly served, given several opportunities, but they have not chosen to come before this Court, to deny and dispute their stated position.

38. However, as already alluded to and mentioned supra, this is not an *ex parte* judgment and it is a summary judgment being given on merits in the light of all that have been set out supra. To be noted, this summary judgment is not because defendants have not come forward to continue their contest (some being set *ex parte* in suit) in main suit. It is also not an *ex parte* proceedings in the summary judgment application. In other words, the summary judgment application is being disposed of on its own merits.

39. A perusal of the aforesaid stated position of the defendants as articulated in the written statement and affidavit-in-reply, was carefully perused and this Commercial Division is convinced that the submission made by learned counsel for plaintiff that the defendants have no real prospect of successfully defending the claim, that they have averred that they are no longer using the aforesaid website and that they have averred that they do not intend using the suit TMs deserves to be accepted.

40. As this is a summary judgment, prayer for damages that has been claimed in sub-paragraph (c) of prayer paragraph [3rd limb of prayer paragraph] is not being granted. To be noted, under clause (d) of Sub-rule (1) of Rule (6) of Order XIII-A of amended CPC as amended by said Act, this Commercial Division is vested with powers to dismiss part of suit claim and pass a judgment/decreed on that part of the suit claim that is not dismissed.

41. However, in the light of the narrative supra, plaintiff will be entitled to a decree in terms of sub-paragraphs (a) and (b) of the prayer Paragraph. In view of the plaintiff being entitled to decree in terms of sub-paragraphs (a) and (b) of prayer paragraph, it follows as a necessary sequitur that plaintiff will be entitled to prayers in sub-paragraphs (d), (e) and (f), which are essentially for surrender of offending materials, for accounts and for a direction to remove any reference to plaintiff's suit TMs

in the defendants portal including the www.giveandtakeholidays.net.

42. As far as sub-paragraph (g) and (h) are concerned, learned counsel for plaintiff submits that stated position of the defendants would clearly reveal that the defendants have certainly made some profits *inter alia* by using suit TMs and *inter alia* by portraying or projecting a wrong trade connection with the plaintiff. Further, it was also pointed out that the suit was presented in this Court 30.03.2016 and the trajectory of litigation captured supra, will reveal that the defendants notwithstanding their stated position have compelled the plaintiff to pursue this matter *inter alia* by taking out this application for summary judgment and carry the same over a period of 2 ½ years to its logical end, expending time, energy, money and effort.

43. In the aforesaid view of the matter, it was submitted that plaintiff is entitled to costs. It was submitted that in the residuary limb of the prayer, the award of compensatory cost under section 35-A of amended C.P.C. as amended by said Act may also please be considered.

44. In the light of the aforesaid trajectory and in the light of the conduct of the defendants, now that there is no cap with regard to quantum of compensatory costs that can be awarded under Section 35-A of amended C.P.C as amended by said Act, the plea of learned counsel for plaintiff that compensatory cost of Rs.5 lakhs would be appropriate

deserves to be acceded to.

45. In other words, the suit is decreed in terms of sub-paragraphs (a), (b) (d) to (g) with costs and compensatory costs as mentioned supra.

Suit decreed on above terms and application for summary judgment

A.No. 6646 of 2018, ordered on above terms. No costs.

05.12.2018

gpa/ssb

Speaking order: Yes/No

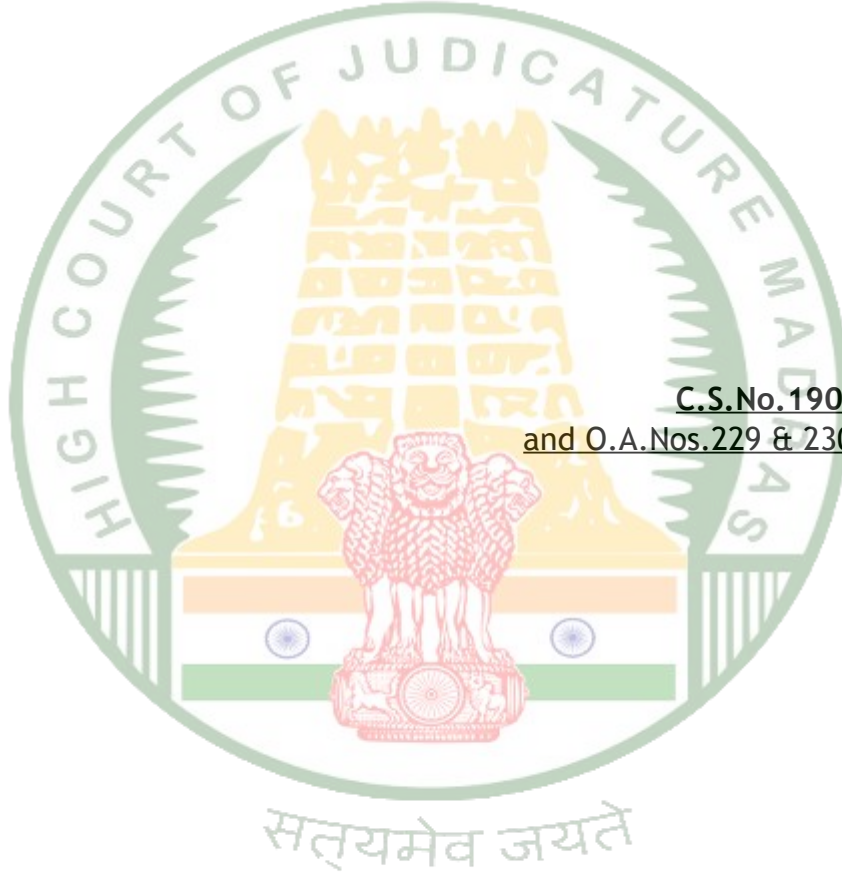
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C.S.No.190 of 2016
and O.A.Nos.229 & 230 of 2016

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05.12.2018