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

+ FAO(OS) 43/2018 & CM Nos.9695-9697/2018

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Date of decision : 17th July, 2018

CITICORP BUSINESS & FINANCIAL SERVICES PVT LTD

..... Appellant

Through : Mr Ram Ekbal Roy, Adv.

versus

CITI GROUP INC & ANR

..... Respondents

Through : Mr. Karan Bajaj and

Mr. Dhruv Nayar, Adv.

CORAM:

HON'BLE THE ACTING CHIEF JUSTICE

HON'BLE MR. JUSTICE C.HARI SHANKAR

JUDGMENT (ORAL)

GITA MITTAL, ACTING CHIEF JUSTICE

CM No. 9695/2018 (for exemption)

Allowed subject to just exceptions. This application is disposed of.

CM No. 9697/2018 (for condonation of delay of 1140 days in filing the appeal)

1. By way of this appeal, the appellant has assailed an order dated 24th November, 2014 passed by the learned Single Judge in CS(OS) No. 1789/2013 *Citi Group Inc.& Anr. v. Citicorp Business & Financial Services Pvt. Ltd.*, a suit filed by the present respondent against the appellant/defendant complaining of infringement of its

registered trademarks/name *Citi* and *Citi Group* by the appellants as well as passing off and unfair trade competition.

2. By a separate order passed today, we have dismissed FAO(OS) 42/2018, which laid a challenge to order dated 9th January, 2018 in the aforesaid suit, as being not maintainable in view of the bar prescribed under Section 13 of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015.

3. Premised on the assertions in the suit, the respondent had made a prayer for grant of permanent prohibitory injunction as well as damages. The respondent claimed to be registered proprietors of the marks as follows:

<i>Trade Mark</i>	<i>Registration No.</i>	<i>Registration Date</i>	<i>Class/Classes</i>
<i>CITI</i>	<i>1237079</i>	<i>16/09/2003</i> <i>User Claim:</i> <i>30/01/1979</i>	<i>35,36,42</i>
<i>Services</i> <i>Class 35:</i> <i>Advertising, business management, business administration, office functions</i> <i>Class 36:</i> <i>Insurance; financial affairs; monetary affairs; real estate affairs</i> <i>Class 42:</i> <i>Scientific and technological services and research and design related thereto; industrial analysis and research services; design and development of computer hardware and software; legal services</i>			

CITI	1642935	18/01/2008	9
Goods: <i>Scientific, nautical, severing and electric, photographic, cinematographic, optical weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments apparatus for transmission for reproduction of sound of images images magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus cash registers, calculating machines, data processing equipment and computer, fire extinguishing apparatus.</i>			
CITICORP	1237075	16/09/2003	36,42,35
User Claim: 31/12/1972			
Services Class 35: <i>Advertising, business management, business administration, office functions included in class 35.</i> Class 36: <i>Insurance; financial affairs; monetary affairs; real estate affairs included in class 36.</i> Class 42: <i>Scientific and technological services and research and design related thereto; industrial analysis and research services; design and development of computer hardware and software; legal services</i>			
CITICORP (word)	303697	14/03/75	16
Goods: <i>Paper & paper articles; printed matter, newspapers and periodicals, books, cheques and travellers cheques</i>			

4. The word *Citi Corp* was registered in Class 16 as back as on 14th March, 1975.

5. The respondent had claimed use of the *Citi Corp* mark since 31st December, 1972 and registration from 16th December, 2003. Detailed assertions with regard to the extensive business being carried on by the plaintiff/respondents and the reputation attached to these trademarks was asserted in the plaint.

6. The learned Single Judge has noted the factum of registration of the trademarks *Citi* and *Citi Corp* in favour of the respondents/plaintiffs herein. It is also noted that the plaintiff had spent hundreds and millions of dollars marketing its permanent print which included *Citi Bank* and *Citigroup* amongst others, every year. Details of the Advertising and Marketing Budget for the global consumer groups for the years 1998-2011 have been provided in the plaint.

7. So far as the presence of the plaintiffs in India is concerned, we extract the facts noted by the learned Single Judge in para 18 of the order dated 24th November, 2014, the learned Single Judge has noted as follows :

“18. In India, the first branch of the plaintiffs opened in Calcutta in the year 1992. At present the plaintiffs have branches in Ahmedabad, Akola, Aurangabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Cochin, Coimbatore, Delhi, Faridabad, Gurgaon, Hyderabad, Indore, Jaipur, Jalandhar, Kolkata, Lucknow, Ludhiana, Mumbai, Nanded, Nandyal, Nasik, Noida, Pondicherry, Pune, Surat, Vadodara and Vapi. Additionally the plaintiffs have an extensive network of 700 ATMs (Automated Teller Machine) across India. The annual turnover/ revenue of the plaintiffs in the last 19 years in India is given in Para

17 of the plaint, out of which the revenue for the year 2012 is stated to be US\$ 1,832.1 million. Details of the annual marketing expenditure incurred by the plaintiffs in India in the last few years for credit cards and retail banking alone is provided in Para 18 of the plaint, out of which the said amount for the year 2012 is US\$ 23.88 million.

19. In the year 2012 the plaintiffs' celebrated its 200th Anniversary through extensive marketing and advertising around the world with their campaign 200 YEARS CITI. The said campaign features the achievements and contributions of the plaintiffs over the past 200 years, some of them are mentioned in Para 20 of the plaint.

20. Plaintiffs in the year 2011 received the award for the "Best Consumer Internet Bank in India" by Global Finance for the third year in a row. Additionally the Plaintiffs have also been awarded in 2011 the "Best Foreign Bank Brand" in India by the Economic Times Brand Equity 'Most Trusted Brands Survey 2011' for the third consecutive year.

21. The plaintiffs have tied up with Indian Oil Corporation Ltd., a commercial enterprise in India and one of Indian Fortune 500 global listing, to launch the first co-branded fuel credit card in India, in September 1997. The Indian Oil Citibank co-branded cards are one of the biggest successes in the Indian credit card industry with a base of approximately 750,000 cards in force. On 16th December, 2002, the plaintiffs extended its tie up with Indian Oil Corporation to launch the country's first co-branded debit card which can work as a debit as well as an ATM card and provides numerous benefits to customers."

8. So far as the actions of the defendants which are complained by the plaintiffs are concerned, in para 26 of the order dated 24th November, 2014, the learned Single Judge has noted as follows :

“26. It is the case of the plaintiffs that in and around January 2013 they came across defendants' website www.citicorpbiz.com which revealed that the same was created on 17th May, 2012. The impugned website revealed that the defendants were not only using the plaintiffs' registered trade mark CITICORP as a part of their domain name, but were also using it as a part of their corporate name CitiCorp Business And Finance Pvt. Ltd. to provide services such as financial services, broking distributions, mutual fund and insurance, loan syndication, real estate, financial education, research and advisory, finance consulting etc. It was found out that defendant No.1 was incorporated on 4th September, 1992. Representation of the impugned marks used by the defendants is as under:

27. On an investigation conducted into the activities of the defendants to ascertain the extent of use of CITICORP/CITI by them, it was revealed that the defendants' were indeed using the mark CITICORP in relation to taxation and financial services including services such as processing loans, equity markets, real estate financing, formation of private limited companies, direct & indirect taxation, company law, financial portfolio management, tax consulting, financial structure consulting, audit and other services related to accounting and taxation. It was further revealed that defendant No.1 also has a sister concern namely Citi Enterprises & Traders Pvt. Ltd., defendant No.2, herein which also deals in providing financial and taxation services and was incorporated on 31st October, 2005. Defendant No.1 and 2 have common directors.

28. It is alleged in the plaint that on investigation it was also revealed that the defendants' use of the mark CITICORP is limited to only one branch in Kolkata and allegedly they have been using the mark for the past 15 years. Plaintiffs have stated that they were not aware of defendants' use of the mark CITICORP until they came across their website in January 2013. It is the plaintiffs' belief that the defendants have only recently in and around

May,2012 (with the creation of the impugned website) started actively and visibly using the impugned mark CITICORP and CITI so as to come to the attention of the plaintiffs.”

(Emphasis supplied)

9. The respondent/plaintiff therefore filed CS(OS) No. 1789/2013 seeking the following prayers :

“A. A decree of permanent injunction be passed thereby directing that the Defendants, their directors, employees, agents, distributors, franchisees, representatives and assigns be restrained from :

(i) Using CITICORP, CitiCorp Business And Finance Pvt. Ltd., Citi Enterprises & Traders Pvt. Ltd., CITI and/or any other mark which is confusingly or deceptively similar to the plaintiffs trade mark CITI and/or CITICORP either as, a trade mark or part of a trade mark, a trade mark or corporate name or as part of a trade or corporate name, domain name or part of a domain name, or in any other manner whatsoever so as to infringe the registered trade marks of the plaintiffs or pass off its business as that of the plaintiffs.

(ii) Disposing of or dealing with their assets, including the properties mentioned in the cause title of the plaint, in a manner which may adversely affect the plaintiffs’ ability to recover damages, costs or other pecuniary remedies that may be finally awarded to the plaintiffs;

B. The defendants, its directors, employees, agents, distributors, franchisees, representatives and assigns be directed by a decree of mandatory injunction to :

(i) To transfer the domain names www.citicorpbiz.com and/or any other domain name which is similar to the plaintiffs’ registered trade marks CITI and/or CITICORP and/or CITI family of marks to the plaintiffs; and

(ii) *To make a full and fair disclosure of any other domain name incorporating the plaintiffs' registered trade marks CITI and/or CITICORP and/or CITI family of marks or any other mark deceptively and confusingly similar to the plaintiffs' registered trademarks and transfer the same to the plaintiffs and/or delete the said domain names.*

(iii) *Recall all the marketing, promotional and advertising materials bearing the mark CITI and/or CITICORP and/or any other trademark deceptively or confusingly similar to the plaintiffs' registered trademarks CITI and/or CITICORP and/or CITI family of marks and hand over the same to the attorneys or representatives of the plaintiffs.*

(iii) *To make a full and fair disclosure of any other trademark application(s) filed for registration by them in or outside of India which is similar to the plaintiffs' registered trade marks CITI and/or CITICORP and/or CITI family of marks and/or any other mark which is deceptively and confusingly similar to the plaintiffs' registered trademark.*

C. *The defendants be ordered to disclosure on oath details of all or any use of CITI and/or CITICORP and/or CITI family of marks either as a trade or corporate name, part of trade or corporate name, a trade mark or part of a trademark, or as a domain name or part of a domain name or in any other manner whatsoever.*

D. *The defendants be called upon to allow inspection of their accounts to assist in ascertaining profits made by the defendants by its unauthorised use of the trademarks CITI and CITICORP and a decree be accordingly passed in favour of the plaintiffs' for the amount found due;*

E. *Costs of the suit be awarded to the plaintiffs."*

10. Alongwith the plaint, the plaintiff filed IA No. 14886/2013 under Order 39 of the Code of Civil Procedure. On this application, an ex parte interim injunction order dated 23rd September, 2013

against the appellants came to be passed by the learned Single Judge, prohibiting the appellants from using the trademark of the plaintiffs “CITI” and/or “CITICORP” and/or CITI family or any other mark which is deceptively or confusingly similar to the plaintiffs’ registered trademark. This injunction was confirmed by an order dated 24th November, 2014. On the same date, the learned Single Judge granted six months time to the appellants/defendants to change their corporate name from *Citi Corp* to some other name.

11. In the order, the learned Single Judge has noted the only stand taken by the defendants in their written statement in para 35 of the order which reads as follows :

“35. In the written statement the defendants have mainly taken the defence that the present suit is not maintainable as this Court has no jurisdiction to entertain the present suit. It is contended that the suit is barred by limitation and is filed by the plaintiffs only to harass the defendants. The plaint discloses no cause of action. It is stated that defendants, Private Limited companies incorporated, under the Companies Act, in Kolkata, are into the business of all sorts of financial consultancy since the year 1994.

It is contended that while the business of the plaintiffs' is mostly outside India, the defendants' business is situated within Kolkata only. Moreover the address of the plaintiffs in the plaint is that of New York, USA and defendants are based in Kolkata so the present Court has no jurisdiction”

(Emphasis by us)

12. It appears that in the written statement, the defendant has set up a plea of having registered a domain name as well. This fact was

considered by the learned Single Judge in para 36 of the order dated 24th November, 2014 in the following terms :

*“36. It is alleged in the **written statement** that the defendants' domain name www.citicorpbiz.com is a valid domain name obtained legally by the defendants which is renewed upto 17th May, 2015. However after receipt of the ex-parte order dated, the defendants have not used the said domain name.*

It has been contended that defendants have not used any trademark of the plaintiffs as their trademark. They have only used the domain name www.citicorpbiz.com since the very inception i.e. 17th May, 2012, which is not similar to plaintiffs' trade mark CITICORP. The defendants have not infringed the trademark CITICORP of the plaintiffs. Neither do they pass off their services or business as that of the plaintiffs' nor have they adopted any unfair competition against the plaintiffs as alleged. The other averments made in the plaint by the plaintiffs are simply denied by the defendants.”

13. After a detailed consideration of the entire law on infringement, the court has also recorded a *prima facie* finding that the defendants were guilty of infringement of the registered trademark of the respondent/plaintiffs; holding that balance of convenience was in favour of the plaintiffs/respondents and that non-confirming of the earlier order of injunction would cause irreparable loss and injury to the plaintiffs. As a result, the following directions were made by the learned Single Judge :

“64.Thus, I.A. 14886/2013 under Order 39 Rule 1 and 2 read with Section 151 CPC is allowed. Interim order dated is confirmed. However, considering the facts and

circumstances of the case and since the defendants are using the trade mark "CITICORP" for the last many years, the defendants are granted six months' time to change the name/trade mark "CITICORP" to some other trade mark/mark which may not be either identical with or deceptively similar to the plaintiffs' trade mark "CITICORP/CITI".

65. However, the defendants are granted six months time to change their corporate name from CITICORP to some other name which may not be either identical with or deceptively similar to any of the plaintiffs' trade marks."

14. We may note that the plaintiffs/respondents had filed an application under Order 39 Rule 2A of the CPC being IA No. 6545/2014 complaining violation of the interim order dated 23rd September, 2013. This application was disposed of also by the order dated 24th November, 2014 with the direction that the appellants/defendants shall strictly obey the interim order passed, as a last opportunity. In case of further violation, the respondent was granted liberty to revive this application.

15. As the appellants/defendants failed to comply with this order, the proceedings in IA No. 6545/2014 were revived. The appellants still failed to comply with the interim order and continued to infringe the rights of the respondents in their registered trademark.

16. This order of the Id. Single Judge has been assailed by way of the present appeal. As this appeal was filed way beyond the period of limitation, the appellants have filed CM No. 9697/2018 praying for condonation of the delay of 1140 days in filing the appeal. The

ground for condonation of delay is the very ground which was set up before the learned Single Judge on 9th January, 2018 to the effect that the appellants/defendants were not aware of the proceedings in the suit. This plea has been disbelieved by the learned Single Judge on the ground that appellants were changing counsels. Obviously, they were aware of the proceedings in the suit and were duly instructing counsels.

17. Mr. Karan Bajaj, learned counsel for the respondent has handed over documents which are taken on record. Copies have been given to learned counsel for the appellant.

18. He has placed before us an affidavit dated 20th February, 2018 filed by Dinesh Kumar Patnai in CS(OS) (Comm) No. 416/2018 wherein he has deposed as follows :

“1. That I am the Director of the Defendants’ company and competent and authorize to swear this affidavit on behalf of the company.

2. That pursuant to the order dated 23.09.2013, the website of citicorpbiz.com has been blocked w.e.f. May 5th, 2014 and the business and trading in the name of Defendants’ company has not been carried out pursuant to the order dated 24.09.2014.”

(Emphasis by us)

19. This very statement was repeated by Mr. Dinesh Kumar Patnai in his affidavits dated 13th March, 2018; 14th March, 2018; 3rd April, 2018 and 4th April, 2018. Clearly, Mr. Dinesh Kumar Patnai, Director of the company was aware of the orders passed by the court when he claims to have blocked the website on 5th May, 2014. Additionally,

Mr. Patnia has claimed that he has not carried out business and trade in the offending names since the order dated 24th November, 2014.

20. It is well settled that the courts would liberally consider prayers for condonation of delay. However, in the instant case, the present appeal has been filed after repeated assurances to the learned Single Judge that the orders impugned would be complied with. The appeal is not maintainable for this reason also.

21. Most importantly, the appellant has set up completely false pleas in the application seeking condonation of delay attempting to assert ignorance with regard to the court proceedings, a fact falsified by his affidavits on record. Therefore, the present case is one wherein no cause has been shown, let alone sufficient cause, for condonation of delay.

22. CM No.9697/2018, the application for condonation of delay is therefore completely devoid of any factual and legal merit and has to be rejected.

23. This application for condonation of delay is dismissed.

FAO(OS) 43/2018 & CM No. 9696/2018 (for stay)

The prayer for condonation of delay has been dismissed. As a result, this appeal must fail.

This appeal is dismissed. In view of the dismissal of the appeal, the application for stay is also dismissed.

ACTING CHIEF JUSTICE

JULY 17, 2018/kr

C.HARI SHANKAR, J

