

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 30.01.2019

Coram

The Honourable Mr.Justice M.M.Sundresh  
and

The Honourable Mr.Justice Krishnan Ramasamy

Original Side Appeal No.291 of 2018

and

CMP.Nos.13573 to 13577 of 2018

K.T.V.Health Food Private Limited

No.7/3, Arul Nagar Salai,

R.V.Nagar, Kodungaiyur,

Chennai 600 118

and Branch Office at No.48/310,

Thambu Chetty Street,

Chennai 600 001.

Rep.by its Director Mr.B.Babu

.... Appellant

Vs.

I. Sardar Paul

Trading as S.K.Oil Stores

No.433, Akash Nagar,

Thandalam, Chennai 602 101.

.... Respondent

Prayer : Appeal filed under Section XIII of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Acts, 2015 r/w order 43 rule 1 of the CPC against the order dated 03.07.2018 in Appl.No.1253 of 2018 in C.S.No.706 of 2017.

For Appellant : M/s.Gladys Daniel

For Respondent : Mr.V. Raghavachari

J U D G E M E N T

KRISHNAN RAMASAMY, J.

1. This is an Appeal preferred against the order and decreetal order dated 03.07.2018, passed by the learned Single Judge in A.No.1253 of 2018 in C.S.No.706 of 2017 on the file of the Commercial Division of this Hon'ble High Court.

2. The brief facts of the case are as follows:-

i) The appellant is a Company incorporated under the Companies Act 1956, during the year 2008. The object of incorporating this Company was to take over the business of K.T.V. Oil Mills. During the year 1971, the late Shri.K.T.Varadaraj Chetty established an oil trading business at Kotwal market. From the year 1999 to 2008, the business was carried in the form of a Partnership Firm under the name and style "K.T.V Oil Mills". Subsequently, the said Partnership Firm was converted into a Private Limited Company since 2008, named as "K.T.V. Health Food Private Limited" (the appellant herein). The three sons of late Shri.K.T.Varadaraj Chetty namely i) K.T.V.Narayanan, ii) K.T.V.Kannan and iii) Boopathy Babu were partners of K.T.V. Oil Mills and they applied for registration of the Trade Mark "ROOBINI" before the Trade Mark Registry, claiming user from 01.06.1995. Subsequently, the said Trade Mark "ROOBINI" was registered by the Trademark Registry under Registration No.837894 on 22.01.1999.

ii) An assignment deed was entered into between K.T.V.Oil Mills and the appellant on 30.12.2007 and the assignment of trademark "ROOBINI" was accordingly conferred. All the partners of K.T.V. Oil Mills became share holders of the appellant-Company. Since the partners of K.T.V.Oil Mills decided to carry on the business in the name of the appellant's Company, they have made the above assignment deed in favour of the appellant. The appellant also filed necessary papers before the Trademark Registry on 24.07.2015 and necessary orders were also passed by the Trademark Registry recording the appellant as the Proprietor of the trademark "ROOBINI" on 25.01.2018, based on the assignment deed dated 30.12.2007. Therefore, the appellant is the owner of the trademark "ROOBINI" since from the date of assignment deed dated 30.12.2007.

iii) When that being the case, during the year 2017, the appellant came across the respondent's use of the impugned trademark "ROOBEN" which is a slavish imitation of the appellant's trademark "ROOBINI" with respect to identical product. Therefore, the appellant filed a suit C.S.No.706 of 2017 before the Original Side of this Court, seeking permanent injunction restraining the respondent from infringing their registered trademark/copy right and passing off of their goods using the trademark/copyright "ROOBEN".

iv) The Branch Office of the appellant-Company is situated at Thambu Chetty Street, Chennai, which is well within the jurisdiction of this Court. Therefore, the appellant chose to institute a composite suit under provisions of Section 134(2) of the Trademarks Act, 1999 r/w Section 62 (2) of the Copyright Act, 1957 since it provides an additional jurisdiction to

institute the suit, where, the plaintiff resides/carries on business activities.

v. The appellant also filed O.A.Nos.879 to 883 of 2017 seeking interim injunction, restraining the respondent and their servants, agents and anyone claiming under them from infringing the appellant's trademark and from selling/advertising/passing off of the products using their trademark. In the said O.A.Nos.879 to 883 of 2017 an exparte order of interim injunction was granted on 29.09.2017 and the same was extended from time to time until the date of the impugned order dated 03.07.2018. Notice was also ordered in the application for joinder of cause of action and the same is still pending as on date.

vi). In the meantime, the respondent entered appearance and filed an application under Order 7 Rule 11 (a & d) in A.No.1253 of 2018 for rejection of the plaint, contending that the respondent is engaged in the sale of oil in the name of "ROOBEN" since 2007 and applied for the trademark registration in September 2015, and as on date, absolutely, no objection was made by the appellant/plaintiff before the Registrar of trademark. However, the plaintiff had chosen to file this frivolous suit claiming title to the trademark "ROOBINI" by alleging that their product is being sold in the name "ROOBEN" which is deceptively similar to that of the appellant's trademark "ROOBINI". According to the respondent, the name "ROOBEN" is a proper noun and it is a biblical name, since the defendant is a Christian, he has chosen such name for their product with a biblical title and this does not, in any way, infringe the appellant's trade mark "ROOBINI", as alleged by the appellant.

vii) Further, the plaintiff does not own the trademark "ROOBINI". A bare perusal of the plaint Document No.5, viz., the registration certificate of the trademark "ROOBINI" would reveal the fact that the trade mark "ROOBINI" was registered in the name of "KOLUR THULASI VARADARAJA NARAYANAN KOLUR THULASI VARADARAJA KANNA, BHOOPATHY BABU TRADING AS K.T.V.OIL MILLS". Therefore, the trademark is not registered in the name of the appellant-Company by name K.T.V. Health Food Private Limited. Hence, no cause of action arose for the plaintiff to file the present suit for infringement of trademark "ROOBINI", which does not even stand in the name of the plaintiff.

viii) Further, if it is the case of the plaintiff that the trademark "ROOBINI" was assigned to them, no documents were filed to prove the same along with the plaint. Further, the registered office of the plaintiff Company is situated at

R.V.Nagar, Arul Nagar Road, Kodungaiyur, Chennai and it is alleged that the plaintiff is having a Branch Office at Thambu Chetty Street, Chennai. The place of the plaintiff's Register Office, namely R.V.Nagar, Kodungaiyur does not fall within the territorial jurisdiction of this Court to file the present suit. Further, the plaintiff did not file any certificate of registration along with the plaint to substantiate that the plaintiff is having place of business within the jurisdiction of this Court. The documents filed along with the plaint does not disclose that the plaintiff's Branch Office is situated at Thambu Chetty street, Chennai.

ix) Further, in the plaint, the plaintiff has not mentioned any specific place, where, the alleged use of the trademark and passing off is carried on, so as to determine the jurisdiction. In the present case, the defendant is not carrying on business within the jurisdiction of this Court. In such a situation, even in terms of the provisions of Section 134 (2) of the Trademarks Act, 1999 r/w Section 62 (2) of the Copyright Act, 1957 for the purpose of filing the suit, only the principal place of business, where, the plaintiff is carrying on business can be taken into consideration and the Branch Office, where, the plaintiff is carrying on business cannot be taken into account for filing the suit.

x). The plaintiff resisted the application for rejection of the plaint by filing counter, stating that the plaintiff's predecessor namely K.T.V.Oil Mills was carrying on the business under the name and style of "ROOBINI" from the year 1995 till 2007 and necessary applications for registration of trademark "ROOBINI" was also filed and ultimately the same was registered under registration No.837894 on 22.01.1999 claiming user from 01.06.1995. The Partnership Firm, viz., K.T.V.Oil Mills with an intention to develop its business to next level was converted into a Private Limited Company. Therefore, the appellant Company "K.T.V. Health Food Private Limited" was incorporated and assignment was made by the Partners of K.T.V.Oil Mills with the appellant Company to take over the entire business along with the trademark "ROOBINI" in the appellant's name. The assignment deed was made on 30.12.2007. Subsequent to that, the appellant filed necessary application to transfer the trademark "ROOBINI" in the name of the appellant as assigned by the Partnership Firm in favour of the plaintiff. Accordingly, the same was registered by the Trademark Registry on 25.01.2018. At the time of filing the suit, the owner of the trademark "ROOBINI" is only the appellant/plaintiff by virtue of the assignment deed made on 30.12.2007. Further, in order to change the registration in the name of the appellant Company, necessary application was made by the appellant in the year 2015. Therefore, the plaintiff is the owner of the trademark

"ROOBINI". The plaintiff has been carrying on its business through its Branch Office at Thambu Chetty street, Chennai, which is well within the jurisdiction of this Court and hence, the suit was filed before this Hon'ble Court.

xi) After hearing both the parties, the learned Single Judge allowed the application for rejection of the plaint by holding that the telephone bills alone were not sufficient to prove that the appellant is carrying on their business at the Branch Office, viz., at Thambu Chetty Street, Chennai. Further, the trademark "Roobini" was not registered in the name of the appellant/plaintiff. Even assuming without admitting that the assignment deed was executed in favour of the plaintiff, and by virtue of the said assignment deed, the trademark "Roobini" was registered in the name of the plaintiff, based on the assignment deed, the plaintiff cannot make any claim for the trademark "ROOBINI". Further, the plaintiff, without having their principal place of business within the jurisdiction of this Court, the plaintiff is not entitled to file the present suit before this Court on the basis that they are having the Branch Office at Thambu Chetty street, Chennai, which, according to them, falls within the jurisdiction of this Court, for the reason that, the term "carrying on business" mentioned in Section 134(2) of the Trademarks Act and Section 62 (2) of the Copyrights Act means only the principal place of business and not the Branch Office. Therefore, as long as the defendant is not carrying on the business within the jurisdiction of this Court and the plaintiff's principal place of business is not within the jurisdiction of this Court, the plaint is liable to be rejected. Accordingly, by the impugned order, rejected the plaint. Aggrieved by the said order, the appellant has preferred the present Original Side Appeal.

3. M/s.Gladys Daniel, the learned counsel appearing on behalf of the appellant contended that the plaintiff's predecessor namely K.T.V.Oil Mills was carrying on the business under the name and style of "ROOBINI" from the year 1995 till 2007 and they have got registered the trademark since 1995. The registration number of the trademark "ROOBINI" in the name of K.T.V. Oil Mills is '837894' dated 22.01.1999. The said trademark was assigned to and in favour of the appellant Company vide assignment dated 30.12.2007. Therefore, as on date of execution of the assignment deed, the appellant is the owner of the trademark "ROOBINI". Merely because, trademark "ROOBINI" is not entered in the name of the appellant in the registry of Trademark, the appellant's ownership right over the trademark cannot be defeated. The benefit of the ownership of trademark "ROOBINI" will accrue in favour of the appellant by virtue of the assignment deed executed in their favour and only certain mutation regarding the change of name has to be done in the

trademark register. Mere failure to make such mutation in the registry of trademark will not affect the rights of the appellant's ownership of the trademark "ROOBINI". Therefore, the learned Single Judge failed to consider all these aspects and came to the wrong conclusion that due to the non effecting of change of name in the registry of trademark, the appellant is not entitled to claim ownership of the trademark "ROOBINI, and therefore, such finding is liable to be set aside.

4. Further, it is contended that the appellant is having Branch Office at Thambu Chetty Street, Chennai. To prove the same, the appellant filed documents, viz., telephone bills, which would show the correspondence between the appellant and their customers, regarding the sale purchase made at the Branch Office of the appellant, (i.e, Thambu Chetty Street). Further, the document, viz., tax invoices filed in support of the counter to the application filed by the respondent for rejection of the plaint would clearly indicate the fact that the plaintiff is carrying on its business through its Branch Office at Thambu Chetty street, Chennai, which is well within the jurisdiction, and therefore, the appellant is entitled to sue against the defendant. Therefore, the learned counsel contended that the learned Single Judge simply rejected the plaint by holding that the telephone bills produced by the appellant will not establish the fact that the plaintiff is carrying on the business at Thambu Chetty street, Chennai.

5. The learned counsel furthermore contended that since the appellant is having Branch Office at Thambu Chetty Street and carrying on its business through its Branch Office and in terms of Section 134(2) of the Trademarks Act 1999 and Section 62(2) of the Copyright Ac, 1957, the plaintiff is entitled to file the suit, as they are carrying on the business in terms of the above section which would give appropriate jurisdiction to file the present suit, even though the plaintiff's principal place of business is not lying within the jurisdiction of this Court. However, the learned Single Judge while considering this aspect, wrongly held that term "carrying on business" mentioned in Section 134(2) of the Trademarks Act, 1999 and 62(2) of the Copyright Act, 1957, means the principal place of business of the plaintiff and not the Branch Office, where, the plaintiff is alleged to be carrying on its business. Thus, the learned Single Judge by arriving at such wrong conclusion, allowed the application for rejection of the plaint and consequently, rejected the plaint filed by the appellant. In this regard, the learned counsel for the appellant placed reliance upon a judgment of the Hon'ble Supreme Court in MANU/TN/4102/2016 in the case of Indian Performing Rights Society Ltd., Vs Sanjay Dalia and Ors, wherein, in Paragraph Nos.19 and 47, it is held as follows:-

"19. At the same time, the provisions of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act have removed the embargo of suing at place of accrual of cause of action wholly or in part, with regard to a place where the plaintiff or any of them ordinarily resides, carries on business or personally works for gain. We agree to the aforesaid extent the impediment imposed Under Section 20 of the Code of Civil Procedure to a plaintiff to institute a suit in a court where the Defendant resides or carries on business or where the cause of action wholly or in part arises, has been removed. But the right is subject to the rider in case plaintiff resides or has its principal place of business/carries on business or personally works for gain at a place where cause of action has also arisen, suit should be filed at that place not at other places where plaintiff is having branch offices etc.

47. In our opinion, the provisions of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act have to be interpreted in the purposive manner. No doubt about it that a suit can be filed by the plaintiff at a place where he is residing or carrying on business or personally works for gain. He need not travel to file a suit to a place where Defendant is residing or cause of action wholly or in part arises. However, if the plaintiff is residing or carrying on business etc., at a place where cause of action, wholly or in part, has also arisen, he has to file a suit at that place, as discussed above. Thus, for the aforesaid reasons mentioned by us in the judgment we are not inclined to interfere with the orders passed by the High Court. Appeals are hereby dismissed. No costs."

6. Further, the learned counsel contended that the learned single Judge held that the Section 20 CPC will be applicable for the present case which is totally wrong. Section 134(2) of the Trademarks Act and 62(2) of Copyright Act is totally well exclusive from Section 20 CPC. Therefore, the

learned counsel contended that the impugned order is liable to be set aside and prays that necessary orders be passed to restore the suit along with all other applications filed with the suit, except, the application for rejection of the plaint.

7. On the other hand, Mr.V. Raghavachari, the learned counsel appearing for the respondent contended that at the time of filing the suit, the appellant did not produce even a single document to show that they are carrying on the business at the Branch Office situated at Thambu Chetty Street, Chennai. Only at a later point of time, when the respondent filed the application for rejection of plaint, the appellant has filed supportive documents. Further, it is contended that telephone bills alone is not sufficient to prove that the appellant is carrying on its business through its Branch Office at Thambu Chetty street, Chennai. Further, he contended that the respondent/defendant applied for registration of trademark "ROOBEN" during the year 2017 and finally, they got it registered during the year September 2015 and at such point of time, plaintiff had never made any objection, and all of a sudden, they have filed the present suit alleging that the respondent is infringing their trademark "ROOBINI". Even as on date of filing the present suit, the said trade mark "ROOBINI" was not registered in the name of the appellant, and therefore they are not entitled to file the suit. That apart, as averred in the plaint, the appellant has neither filed any assignment deed, which is said to have been executed in their favour. Therefore, the learned Single Judge appreciated the facts and held that the appellant is not the owner of the trademark "ROOBINI" and they have not filed any document to prove that they are the registered proprietor of the trademark.

8. Lastly, the learned counsel contended that even assuming that the appellant is the owner of the trade mark "ROOBINI" and the respondent/defendant is not carrying on any business at the place, where, the appellant is carrying on its business, since the appellant themselves admitted that they are carrying on business at the Branch Office, as per the provisions of the Section 134 (2) of the Trademark Act and Section 62 of Copyrights Act, even assuming that the respondent is infringing the appellant's trademark, the plaintiff have the jurisdiction to file the suit only at the place, where its principal place of business is situated. In the present case, the suit was not filed based on where the principal place of business is situated. Therefore, he strongly contended that the Appeal is liable to be dismissed. Further, the learned counsel appearing for the respondent placed reliance upon the following judgments in support of his contentions:-

- 1) This Court judgment in the case of M/s.Thalappakatti Naidu Ananda Vs Thalapakattu Biriyan and Fas Food in O.A.Nos.48 and 49 of 2011, dated 23.06.2011.
- 2) This Court judgement in the case of Premier Distilleries Pvt.Ltd., rep.by its Director K.S.Sekar Vs Sushi Distilleries rep. By its partner N.Ganesan, Bangalore reported in 2001 (3) CTC 652
- 3) This Court judgment in the case of K.Narayanan and another Vs S.Murali reported in (2008) 10 SCC 479

9. We heard the submissions of the learned counsels appearing for the appellant and the respondent and gone through the materials placed before the Court.

10. The appellant filed the suit before this Court on the ground that they are carrying on their business at the Branch Office situated at Thambu Chetty Street, Chennai. In support of his contention, the appellant has filed certain documents, viz., telephone bills of BSNL, Tata Docomo and Airtel before the learned Single Judge. However, the learned Single Judge refused to accept the same and held that these documents are not sufficient to prove the appellant's case that they are carrying on business activities at Thambu Chetty Street, Chennai. Apart from the telephone bills filed, the appellant also filed various documents from the year 2008-17, such as tax invoices and other production bills issued to the appellant in the form of typed set of documents. On perusal of those documents, this Court, prima facie found that they are materials, which would show that the appellant has been carrying on their business activities at the Branch Office, ( i.e.,Thambu Chetty Street, Chennai). Further, such an issue cannot be gone into at this stage of the matter and the same can be decided only at the trial stage when the parties let in both oral and documentary evidence and not otherwise.

11. The contention of the appellant is that they are the owner of the trademark "'Roobini'". The said trademark was assigned to the appellant by way of an assignment deed, dated 30.12.2007. Further, during the year, 2015, they have also filed necessary forms before the Registrar of Trademark for the purpose of transfer of the ownership of the trademark in favour of the appellant. Finally, the said trademark was granted on 25.01.2018. However, the most important ground raised for

rejection of the plaint by the respondent is that, the appellant is not the owner of the trademark ''Roobini'' and as long as the name of the owner is not changed in the trademark register, the appellant cannot claim any ownership over the trademark ''Roobini''. The learned Single Judge accepted such plea of the respondent and rejected the plaint. However, we cannot agree with the finding of the learned Single Judge, for the reason that, once the assignment was made, the ownership will get automatically transferred by virtue of such assignment. In the present case, such an assignment was made on 30.12.2007. By virtue of the said assignment deed, the ownership got transferred in favour of the appellant. Prima face, the appellant established their ownership of the trademark ''ROOBINI''. In our view, getting registered the trademark in the Trademark Register is a mere procedural formality, and failure to do so, by itself, will not defeat the appellant's rights in any way to claim ownership over the trademark. As stated supra, this aspect cannot be gone at this stage and the same can be examined at the time of trial, when both the parties let in evidence. Therefore, it is premature for the learned Single Judge to come to arrive at a conclusion that the appellant is not the owner of the trademark ''Roobini'' and as long as their name is not registered in the trademark registry, they cannot claim ownership over the trademark.

12. Admittedly, the appellant is carrying on business at the branch office situated at Thambu Chetty Street. Therefore, they filed the suit before this Court for infringement of the trademark ''ROOBINI'' and passing off actions by the respondent. The appellant's principal place of business is situated at Kodungaiyur. However, the respondent is carrying on business neither in the appellant's principal place of business nor at the place, where, the appellant's branch office is situated. Therefore, the respondent strongly contended that the appellant is not entitled to file the present suit due to the reason that cause of action arisen for initiation of the suit is not within the jurisdiction of this Court. In this regard, he referred to section 20 CPC, which prevents the plaintiff from filing any suit within the place, where, no cause of action arose or the defendant's place of business is situated. As per Section 20, no cause of action arose at Chennai. Therefore, he pleaded for rejection of the plaint. The learned Single Judge also considered such plea of the respondent at length and by applying the provisions of Section 20 CPC, Section 134 (2) of Trademark Act 1999, Section 62 of the Copyrights Act, 1957 arrived at the conclusion that the entire cause of action arose only at the place, where, the respondent is actually carrying on business, i.e. Kodungaiyur, Thiruvallur District. Therefore, institution of present suit is only at Thiruvallur District. Further, the appellant has not satisfied

the ingredients laid down under section 134 (2) of the Trademarks Act and Section 62 (2) of the Copyrights Act, 1957. However, we cannot accept the finding of the learned Single Judge. In the present case, the appellant is carrying on business at Kodungaiyur, where, the principal place of business is situated and also at Thambu Chetty Street, where, the Branch Office is situated. We have also examined the provisions of the Section 20 CPC, 132 (2) of Trademarks Act and Section 62 of Copyrights Act, which confers right to the appellant to institute the suit, where, they are carrying on business activities. Here, the meaning of word 'carrying on business' includes the business being carried on through its principal place of business or branch office. Trademarks Act and Copyrights Act are the beneficial legislations. The said Acts empowers the plaintiff to file the suit eventhough no cause of action arise at the principal place of business/branch office, where, the plaintiff is carrying on the business. It is only a convenience to the appellant to choose the forum to file the suit against the defendant. No doubt, this is an efficacious remedy provided to the plaintiff so as to enable them to file the suit, where, he is residing or carrying on business, as the case may be.

13. In the present case, the appellant is carrying on business at the Branch Office situated at Thambu Chetty Street. In terms of the provisions of Section 134 (2) Trademarks Act and Section 62 of the Copyrights Act, appellant/plaintiff is entitled to file the suit, where, they are carrying on business. As long as the appellant is carrying on business at the Branch Office, they are entitled to sue against the defendant. Infringement, according to the appellant, happened at Thandalam, where, the defendant is carrying on business. No doubt, the forum chosen by the plaintiff is nearer and convenient to the plaintiff to file the present suit against the defendant. Choosing the jurisdiction by the plaintiff where the plaintiff is carrying on business at the principal place of business or, where, they are having Branch Office has to be decided only by the plaintiff alone. In the present case, at the convenient of the appellant, they have chosen to file the suit at the place, where, its Branch Office is situated. Since the appellant is carrying on its business through the Branch Office, the appellant is entitled to file the present suit. Even as per the decision rendered by the Hon'ble Supreme Court, in the case of Indian Performing Rights Society Ltd., (supra), relied upon by the learned counsel for the appellant, the suit filed by the appellant/plaintiff is sustainable. Therefore, the decisions relied upon by the learned counsel for the respondent are not applicable to the facts of the case on hand.

14. In the light of the above discussion, we are of the view that the impugned order, rejecting the plaint is liable to be set aside. However, with regard to situation of the branch Office at Thambu Chetty Street and ownership of the Trademark "Roobini", it is left open to the Court to decide the same at the time of trail after the parties let in evidence. Accordingly, the Original Side Appeal is allowed. Consequently, the suit along with other connected applications are restored. Insofar as the application for rejection of the plaint is concerned, the same is dismissed, in the light of the order passed hereinabove. No costs.

Sd/-  
Assistant Registrar(CS III)

//True Copy//

Sub Assistant Registrar

dpq/sd

TO

1.The Sub Assistant Registrar,  
Commercial Suit Section,  
Original Side,  
High Court, Madras.

+1cc to M/s.Daniel & Gladys, Advocate SR.No. 8255  
+1cc to M/s.Daniel & Gladys, Advocate SR.No. 8255(10/04/2019)

Original Side Appeal No.291 of 2018

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