

IN THE HIGH COURT OF JUDICATURE AT MADRAS

ORDER RESERVED ON : 15.07.2021

ORDER PRONOUNCED ON : 22.07.2021

A.No.2209 of 2021
in
C.S.No.908 of 2000

ITC Limited
Rep. by its Manager & Authorized Signatory,
Deepak Haksar,
Hotel Maurya Sheraton,
Sardar Patel Marg,
Diplomatic Enclave
New Delhi – 110 021.

.. Petitioner

Vs.

Maurya Hotel (Madra) Pvt Ltd.
Owners of Hotel Maurya International,
168-169 Arcot Road,
Vadapalani, Chennai – 600 026.

.. Respondent

PRAYER:- This Application has been filed seeking amendment of the
plaint.

For Petitioner : Mr.C.Manishankar, Senior Counsel
for Mr.K.Premchandar

For Respondent : Mr.Prabhakara Reddy

ORDER

The plaintiff in the above suit, a passing off action under common law, has come up with this application seeking amendment of the plaint, which was filed for an injunction restraining the defendant from using the name Hotel Maurya International or in any manner passing off its service as that of the plaintiff, for a preliminary decree for accounting and for costs.

2. The plaintiff claims that it is running star rated hotels using the name “Maurya” in various cities in India. It has also tied up with Sheraton Group of Hotels which is a well known International brand of luxury hotels. Claiming that the defendant has named its hotel as Hotel Maurya International only with a view to pass off it as a unit of the plaintiff by practising deception.

3. The suit is being resisted by the defendant raising various contentions.

4. During the pendency of the suit, the plaintiff had applied for registration of the trade mark in respect to the name “Maurya” and had infact obtained a registration on 06.10.2016. The Legal User Certificate is also issued by the Trade Mark Registry, New Delhi on 19.08.2019. Based on the said registration, the plaintiff, now seeks to amend the plaint, as set out in the judges summons seeking to incorporate the details regarding the registration of the marks and seeking a relief of permanent injunction against the defendant for infringement of the Trade Mark of the plaintiff.

5. This application is opposed by the defendant. The defendant while admitting the factual statements made in the application for amendment regarding the registration etc., would contend that a passing off action which is a common law remedy cannot be converted into a statutory suit based on subsequent cause of action. It is further contended that the nature of the suit itself would be changed and a suit based on common law right

will be converted into a statutory suit. Therefore according to the defendant the amendment which seeks to introduce the relief based on a totally new cause of action viz., registration of the Trade Mark cannot be allowed.

6. I have heard Mr.C.Manishankar, learned Senior Counsel appearing for M/s.K.Premchandar, L.Ramprasad and N.C.Vishal of Anand and Anand for the applicant and Mr.Prabhakara Reddy, learned counsel appearing for the respondent.

7. While Mr.C.Manishankar, learned Senior Counsel appearing for the applicant would submit that the requirements of passing off action and an infringement action are substantially similar except the degree of proof that is required. The evidence that would be required would almost be the same. Therefore, it cannot be said that the very nature of the suit is changed by including an amendment seeking a relief based on infringement.

8. Arguing further the learned Senior Counsel would submit that the very cause of action for the infringement action stems out of the registration, which is subsequent to the suit and therefore the plaintiff could not have sought for the relief at the time when the suit is instituted.

9. Pointing out the difference between the definition of the term “Trade Mark” in the Trade and Merchandise Marks Act, 1958 and the term “Trade Mark” in the Trade Marks Act, 1999, the learned Senior would submit that the right to get the name mark registered accrued to the plaintiff only because of the expansive definition of the term “Trade Mark” in Section 2(1)(zb) of the Trade Marks Act, 1999, which reads as follows:-

“Trade mark” means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and

(i) in relation to Chapter XII (other than Section 107), a registered trade mark or a mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark; and

(ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark;

10. Having obtained the registration, the plaintiff is entitled to sue for infringement. He would also rely upon the judgments of this Court in *A.Abdul Karim Sahib Vs. A.Shanmugha Mudaliar* reported in *Volume 80 LW Page 414* and *P.L.Anwar Basha Vs. M.Natrajan* reported in *AIR 1980 Madras 56*. The learned Senior Counsel would also draw my attention to the judgment of the Division Bench of Delhi High Court in *Usha International Vs. Usha Television* reported in *2002 SCC Online Delhi 306* and the judgment of the Single Judge of the Delhi High Court in *Vatika Resorts Pvt. Ltd., Vs. Vatika Grand* reported in *2009 (109) DRJ 607*. Certain other decisions were also cited by the learned Senior Counsel covering the aspects of delay in seeking amendment and limitation.

11. Inspiration was drawn from the judgment of the Hon'ble Supreme Court in *Bengal Waterproof Limited Vs. Bombay Waterproof Manufacturing Co. and others* reported in *(1997) 1 SCC 99* to contend that there can be no limitation in an infringement action, inasmuch as the cause

of action is continuous and so long as the infringement continued, the right to sue also keeps accruing.

12. Contending contra Mr.A.Prabhakara Reddy, learned counsel appearing for the respondent would submit that a passing off action which is a common law remedy cannot be converted into an infringement action. Arguing further, the learned counsel would submit that if the amendment is allowed, the suit based on passing off would become a statutory suit for infringement. The learned counsel would also point out that the registration being subsequent, cannot replace the cause of action for the relief of passing off. A cause of action that arose subsequent to institution of the suit, according to the counsel, cannot be made the cause of action for the suit, which has already been instituted and pending.

13. Mr.A.Prabhakara Reddy, learned counsel would point out that the plaintiff has sought for the relief of accounting in the suit. According to

him the defendant would be put to a disadvantageous position, where he would be required to account even for the period during which the plaintiff's mark was not registered. The judgment of the Division Bench of this Court in *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 and the judgment of this Court in *Maya Appliances (P) Ltd. Vs. Urooj Ahmed Lords Enterprises (India)* reported in 2017 (1) LW 417 were pressed into service by the counsel for the respondent in support of his submissions.

14. I have considered the rival submissions.

15. It is not in dispute that under the Trade and Merchandise Marks Act, 1958, a service mark or the name mark was not considered to be a trade mark capable of registration. The definition of the Trade Mark as contained in Section 2(1)(v) of the said Act reads as follows:-

“trade mark” means---

(i) in relation to Chapter X (other than Section 81), a registered trade mark or a mark used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark; and

(ii) in relation to the other provisions of this Act, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right, either as proprietor or as registered user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark registered as such under the provisions of Chapter VIII;

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16. A very reading of the definition would show that a name mark or

a service mark cannot be subject matter of registration. Section 27(2) of the said Act preserves a right of the person to seek a common law remedy in the event of passing off. Section 105 of the 1958 Act provides that a suit for infringement of a registered trade mark or relating to any right in a registered trade mark or a passing off action arising out of the use of trade mark, whether registered or unregistered shall not be instituted in any Courts inferior to the District Court.

17. Mr.A.Prabhakara Reddy, learned counsel would point out that this suit which was based on a passing off action was instituted in the High Court based upon its valuation. Upon enhancement of the pecuniary jurisdiction of the City Civil Court, the suit was transferred to the City Civil Court, Chennai. However, on an application by the plaintiff, the suit was again withdrawn to this Court to be disposed of by this Court.

18. Based on the above factual position, Mr.A.Prabhakara Reddy

would contend that the suit was essentially a simple suit for passing off, therefore, the subsequent registration cannot be made use of by the plaintiff to convert it into one for infringement.

19. The moot question that would arise here is as to whether the amendment should be allowed? if so, what would be the right of the plaintiff based on the registration of the mark?

20. In *A.Abdul Karim Sahib Vs. A.Shanmugha Mudaliar* reported in *Volume 80 LW Page 414*, this Court had held that an amendment of the plaint to include the relief on the basis of infringement of the registered trade mark based on subsequent registration could be allowed. In doing so, Hon'ble Mr.Justice T.Ramaprasada Rao, as he then was, after referring to the judgment of the Full Bench of this Court in *Subramania Vs. Sundaram* reported in *AIR 1963 Madras 217* held as follows:-

Having regard to the above well-accepted

judicial pronouncements, I am of the opinion that the supervening event of registration of the trade mark under the Trade and Merchandise Marks Act, 1958, is a factor which I can take note of, and on that basis, allow the amendment prayed for in the interests of justice. Apart from it, this rule of amendment of pleadings is an essential rule of justice, equity and good conscience, and I am satisfied that the alternative plea that is sought to be raised by the petitioner in the amendment petition is only by way of expatiating his rights which he has secured by statute, whilst at the same time asking for one and the same relief originally prayed for namely, a permanent injunction against the defendant restraining him from imitating his trade mark.

21. This Court also pointed out that in the absence of any prejudice that would be caused to the defendant, an action of passing off can usually be telescoped into an action of infringement and vice versa. It was further

observed that the amendment could be allowed to avoid multiplicity of proceedings. The very same view was expressed by this Court in ***P.L.Anwar Basha Vs. M.Natrajan*** reported in ***AIR 1980 Madras 56***.

22. However, Hon'ble Mr.Justice M.Sundar in ***Maya Appliances (P) Ltd. Vs. Urooj Ahmed Lords Enterprises (India)*** reported in ***2017 (1) LW 417*** had observed that the above two decisions of this Court having been delivered when 1958 Act was in force and that the trade mark law has travelled a very long distance in the intervening period, chose to follow the decision in ***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*** to conclude that a suit based on passing off action cannot be converted into an infringement action particularly on the ground that there was a subsequent registration of the mark.

23. The Division Bench in ***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** did not consider the application for amendment. The argument before the Division Bench in order to claim that this Court had jurisdiction was based on the assumption that if the plaintiff is able to obtain registration of the mark, which it had already applied for, then it would be able to maintain the suit in this Court and therefore the suit that was filed for passing off should not be dismissed on the ground of lack of jurisdiction.

24. Dealing with the said submission, the Division Bench in **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** held that the subsequent cause of action that too a assumed cause of action cannot be made a ground for sustaining the jurisdiction of this Court. However, the observation of the Division Bench, as observed by the Hon'ble Mr.Justice M.Sundar, can lead to an inference that conversion of the

common law suit for passing off into one for infringement is impermissible.

25. There is a factual distinction in the case on hand. Admittedly the plaintiff could not have applied for registration of its name mark before the advent of Trade Marks Act, 1999 in the year 2003, since the same was not registrable mark under the definition that existed then. The very right for the plaintiff to apply for registration accrued only upon the definition of trade mark being expanded by the 1999 Act including the service marks also. Therefore, the plaintiff can only bring an action for passing off in the year 2000 when the present suit was instituted. The fact that the plaintiff applied for subsequent registration of mark and it was granted is not being disputed. The amendment sought for is not to convert the suit which is a passing off action as one for infringement. On the other hand, if the prayer sought for in the amendment petition as well as proposed amendments are carefully perused, it is clear that the plaintiff seeks to add a further relief as

a consequence of the registration, which was done pending suit.

26. The Hon'ble Supreme Court of India has in ***Bengal Waterproof Limited Vs. Bombay Waterproof Manufacturing Co. And others*** reported in (1997) 1 SCC 99, had very clearly held that there is no limitation for an infringement action, as the infringement would continue everyday and any number of suits can be brought in based on subsequent infringement.

27. I therefore do not think that the plaintiff should be driven to a separate suit for infringement based on the subsequent registration. As has been pointed out in ***A.Abdul Karim Sahib Vs. A.Shanmugha Mudaliar*** reported in ***Volume 80 LW Page 414***, a Full Bench of this Court in ***Subramania Vs. Sundaram*** reported in ***AIR 1963 Madras 217*** while dealing with the power of the Court to adjust the rights of the parties based on subsequent events has observed as follows:-

“The discretion of the Court, under its inherent powers, to adjust the right of parties on the basis of events happening after the starting of the action, is well recognised and accepted as a rule of justice, equity and good conscience. In some cases, it is almost the duty of the Court to advert to the subsequent events brought to its notice lest it should fail to do substantial justice between the parties.”

28. The power of the Court to take note of subsequent event in order to mould the reliefs has been recognized by a long-line of decisions. I do not see a need to burden this order by repeating all of them. The fact that the right accrued to the plaintiff subsequent to the institution of the suit, in my opinion, makes a difference and by allowing the amendment, the suit for passing off is not converted into one for infringement. The cause of action for the plaintiff to seek remedy based on passing off continued from the institution of the suit till the registration in the year 2016 and the cause of

action for the infringement commenced from the date of registration in the year 2016. Therefore, what the plaintiff now seeks to do is not to give up the prayer based on passing off and convert the suit into one for infringement. The plaintiff seeks to include the prayer for infringement so that its claim based on infringement can also be tried along with the claim based on passing off.

29. In the light of this factual difference, I do not think that it will be proper for me to dismiss this application for amendment on the ground that the plaintiff is attempting to convert the suit for passing off into one for infringement. The fact that there is no chance of prejudice that would be caused to the defendant by allowing the petition for amendment is also to be taken note of. At the same time, I wish to make it clear that the relief of injunction based on infringement will not date back to the institution of the original suit in the year 2000. The amendment allowed will take effect only from the date of filing of the application for amendment in A.No.2209 of

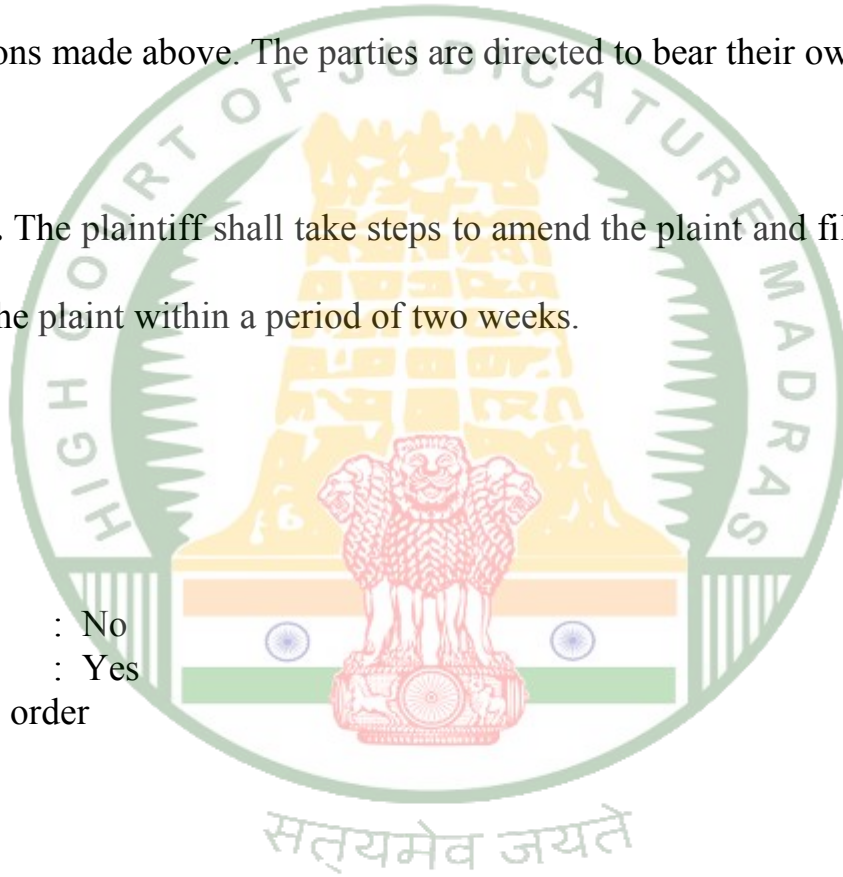
2021.

30. For the foregoing reasons this application is **allowed** with the reservations made above. The parties are directed to bear their own costs.

31. The plaintiff shall take steps to amend the plaint and file amended copy of the plaint within a period of two weeks.

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R.SUBRAMANIAN,J.
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