

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: 19.08.2021 Pronounced on .27.08.2021

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THE HONOURABLE DR. JUSTICE G.JAYACHANDRAN

A.No.2480 of 2021
in
C.S.No.176 of 2021

Sun pharmaceutical Industries Limited,
Door No.8, Plot No.3,
Old Tower Block Street,
Nandanam, Chennai 600 035.

..Applicant/Defendant

/versus/

Cipla Limited,
106A, 106/108 Ground and First,
Alapakkam Main Road,
Alapakkam,
Chennai 600 116.

Also at:

Cipla House, Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai 400 013.

..Respondent/Plaintiff

Prayer: Application has been filed under Order XIV and Rule 8 of O.S. Rule read with Order VII, Rule 11(a) & (d) and Section 151 of C.P.C., praying to reject the plaint in C.S.No.176 of 2021 with exemplary costs.

For Applicant :Mr.Satish Parasaran, Senior Counsel
for Mr.Rajesh Ramanathan
For Respondent :Mr.P.S.Raman, Senior Counsel for
Mr.K.Premchendar

ORDER

(The case has been heard through video conferencing)

The suit is filed by M/s Cipla Limited as plaintiff seeking relief of permanent injunction restraining M/s Sun Pharmaceutical Industries Limited as defendant from infringement of the trademark RESPULES or containing any component of the subject trade mark RESPULES; permanent injunction restraining the defendant from reproducing, printing or publishing any label or packaging, which are a colourable imitation or substantial reproduction of the plaintiff's subject products 'Budecort Respules' and 'Duolin Respules'; permanent injunction restraining the defendant from manufacturing, packaging, selling, offering for sale or distribution directly or indirectly dealing in medicinal products or goods of any description, using a packaging identical, or deceptively similar to the plaintiff's packaging for 'Budesonide Respules' and 'Duolin Levosalbutamol

Respules'; permanent injunction restraining the defendant from passing of their product using the plaintiff's well known trademark Respule and consequently, relief of rendition of accounts delivering of all impugned goods for destruction.

2.The brief averment in this application to reject the plaint is that, the infringed product is neither manufactured nor marketed by the applicant herein, who is arrayed as sole defendnat in the suit. Even according to the documents filed along with the plaint, the impugned product is found available in the market only at Hyderabad, Telugana State and not within the jurisdiction of this Court. The packing materials of the impugned product clearly show that the product is manufactured in India by Sun Pharmaceutical Medicare Limited at Ujeti Village, Baska Post, Haloi Taluk, Panchmachal District, Gujarat State, wherein the suit is laid against 'Sun Pharmaceutical Industries Limited' showing office at Door No.8, Plot No.3, Old Tower Block Street, Nandanam, Chennai 600 035. By misleading the Court as if the defendant is carrying on business within the territory of this Court, the suit is filed.

3. According to the plaint, the plaintiff is carrying on business at Alapakkam, Chennai 600 116, which is outside the territorial jurisdiction of this Court. Therefore, the plaintiff has falsely arrayed the applicant as the defendant showing its Chennai office as place of business and filed the suit, even without obtaining leave to sue under Clause 12 of the Letters Patent. For the relief of passing off, the cause of action ought to have been within the jurisdiction of this Court. Though in the plaint, it is averred that the passing off occurred within the jurisdiction of this Court, the documents relied on by the plaintiff clearly show that infringed product was available at Hyderabad for sale and not at Chennai.

4. In response to this application, the plaintiff has filed counter wherein it is stated that the infringed product, though manufactured at Gujarat by Sun Pharmaceutical Medicare Limited, the said manufacturing unit is nothing but one of the subsidiary companies of the defendant. The defendant herein have several subsidiary companies to manufacture its product under the umbrella trade name “Sun Pharma”. The present application is an afterthought to escape from the rigour of the consequence for their slavish imitation committed and from the interim injunction granted against the defendant in A.Nos.281 to 283 of 2021, in which,

the applicant herein had filed the counter admitting the infringement and offered to change the label and revise the colour getup in the package.

5.Having admitted the infringement and having offered to change the label and colour dress, the present application is filed to reject the plaint as if the infringer is a third party and this applicant has no privity to the alleged infringement.

6.Referring the admission made in the affidavit filed in the applications to vacate injunction, the plaintiff submit that the manufacturer Sun Pharmaceutical Medicare Limited, Gujarat, is a subsidiary company of the defendant. Being the parent company, the defendant had contested the suit as well as the applications and filed affidavit promising to change the colour dress. Therefore, the defendant is estop from challenging the maintainability of the suit against it.

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7.Heard the learned Senior Counsel appearing for the applicant and the learned Senior Counsel for the respondent and record perused.

8.The parties to the suit are described as below in the cause title:

“Cipla Limited,
106a, 106/108 Ground and First,
Alapakkam Main Road,
Alapakkam, Chennai 600 116
Also at
Cipla House, Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai-400 013. .. Plaintiff

/versus/

Sun Pharmaceutical Industries Ltd.,
Door No.8, Plot No.3,
Old Tower Block Street,
Nandanam, Chennai 600 035. ..Defendant”

9.Paragraph Nos.89 to 97 of the plaint, it is specifically stated that, both the plaintiff and the defendant are carrying on business within the territorial limits of this Court. Particularly, in paragraph No.97, it is stated that the defendants are operating their business through their website <https://www.sunpharma.com/> which is accessible from all over India, including within the territory of this Court.

10.It is now brought to the notice of this Court by the defendant through this application that, the plaintiff place of business is outside the territorial jurisdiction of this Court. Also, the defendant herein is not the manufacturer of the impugned product. The impugned product is manufactured at Gujarat and sold outside the

jurisdiction of this Court. Even the plaintiff is not carrying on business within the jurisdiction of this Court to take advantage of the additional place of jurisdiction to sue as envisaged under Section 134(2) of the Trade Marks Act, 1999 or under Section 62 of the Copyright Act, 1956. In addition, the claim of the impugned product being available within the jurisdiction of this Court also has not been substantiated by the plaintiff through *prima facie* proof. The plaintiff has only provided proof for availability of impugned product at Hyderabad and not at Chennai.

11. Section 134(2) of the Trade Marks Act, 1999 and Section 62(2) of the Copyright Act, 1956, enable the plaintiff to sue, where the plaintiff resides, carries on business, personally works for gain. This is in addition to the other places to sue as contemplated under the Code of Civil Procedure. As far as the original civil jurisdiction of High Court of Madras is concerned, Section 120 of the Civil Procedure Code excludes Sections 16, 17 and 20 of the Civil Procedure Code. However, the object of Sections 16, 17 and 20 of the Civil Procedure Code is taken care by Clause 12 of Letters Patent. Therefore, while considering the jurisdiction for filing the suit under Trade Marks Act and Copyright Act, a harmonious

interpretation of Trade Marks Act and Copyright Act vis-a-vis Letters Patent is warranted.

12.In this regard, the following observation of the Hon'ble Supreme Court in ***Indian Performing Rights Society Limited v. Sanjay Dalia and another reported in (2015) 10 SCC 161*** is extracted hereunder:-

“22.The impugned judgments, in our considered view, do not take away the additional forum and fundamental basis of conferring the right and advantage to the authors of the Copyright Act and the Trade Marks Act provided under the aforesaid provision.”

13.In ***Duro Flex Pvt. Limited represented by its Managing Director, Mr.George L.Mathew v. Duroflex Sitzings System*** reported in ***2014(6) CTC 577***, the Full Bench of this Court, considering the language used in Section 134 of the Trade Marks Act, 1999 and in Clause 12 of the Letters Patent, concluded that, in two eventuality, the question of obtaining prior leave could not arise i.e., (i)when the defendant resides, carry on business or work for gain within the jurisdiction of this Court, and (ii)cause of action arisen wholly within the jurisdiction of this

Court. The third eventuality where part cause of action or the defendant carry on business outside jurisdiction of this Court, leave to sue is required. Though *the principle of forum convenient* not applicable to the civil proceedings, have a role to play insofar as in consideration of grant of leave or revocation of leave under Clause 12 of the Letters Patent.

14. On strict interpretation of the law and the facts matrix, as projected in the plaint and the documents relied, the submission made by the applicant that, this Court lacks jurisdiction, *prima facie* is appealing and impressive. It is true that the plaintiff is carrying on business outside the jurisdiction of this Court and the defendant against whom the plaintiff has sold, is not the actual manufacturer. However, in the affidavit filed by the defendant in the earlier proceedings, it is accepted by the applicant herein that they are manufacturing and marketing the impugned product. It has filed a detailed counter not only admitting that the manufacturing and marketing is done within his knowledge, but had provided data regarding stock position and its value besides, had expressed its intention to change the label and revised the design and colour scheme. The said admission of fact indicates that though the product is manufactured and marketed by one of the

subsidiary of the defendant's company, it is under the control of the defendant.

15.The defendant has not denied the fact that it carries on business within the jurisdiction of this Court. The plea now projected is that, the actual unit which manufactures and markets the product, is its subsidiary company “M/s Sun Pharmaceutical Medicare Limited”, located at Gujarat. However, the very conduct of the defendant contesting the suit and filing applications to vacate the interim injunction indicates that, the defendant as a parent company holds the responsibility and interest in the said subsidiary company located at Gujarat.

16.It is not the case of the defendant that, the plaintiff has chosen the High Court of Madras, to cause inconvenience to the defendant. It is only a technical plea now raised. This plea could have been accepted, had the defendant not filed counter and applications to vacate the interim injunction order but simply informed the Court that the applicant has no interest or concern with the interim order but only the third party, namely, M/s sun Pharmaceutical Medicare Limited, Gujarat, is the proper and necessary party to the suit. Even now if really the defendant is not concern with the interim order, it need not have come to the Court

for vacating the interim order. If only the third party namely, Sun Pharmaceutical Medicare Limited alone is interested in this suit, then, they should have come forward and sought for vacating the interim order. But, contrarily, in this case, the defendant has come to the Court to vacate the interim order and also expressed his proposal to change the label and colour scheme. Therefore, it is necessary to pierce the veil and hold that, the defendant is carrying on business at Chennai and have interest in the impugned product. Therefore, holding that the defendant is the party interested and the place of its business is at Chennai falling within the jurisdiction of this Court. Hence, leave to sue under Clause 12 of the Letters Patent is not necessary.

17.This Court finds that the previous admission of the applicant stands as an estoppel against the applicant. Further, the averment in the plaint that the defendant is marketing all its products under the Trade Name 'Sun Pharma' under one umbrella through “<https://www.sunpharma.com/>” is nowhere denied. Having promised to change the label and having provided all the details and data about the impugned product and its value and the time expected to dispose those products shows its control over the manufacturing and marketing of the product.

Therefore, it is too late for the day to turn around and say that the infringer is not the applicant herein, but the third party with whom they have been no conduit. For the said singular reason, ***the application to reject the plaint is dismissed. No order as to costs.***

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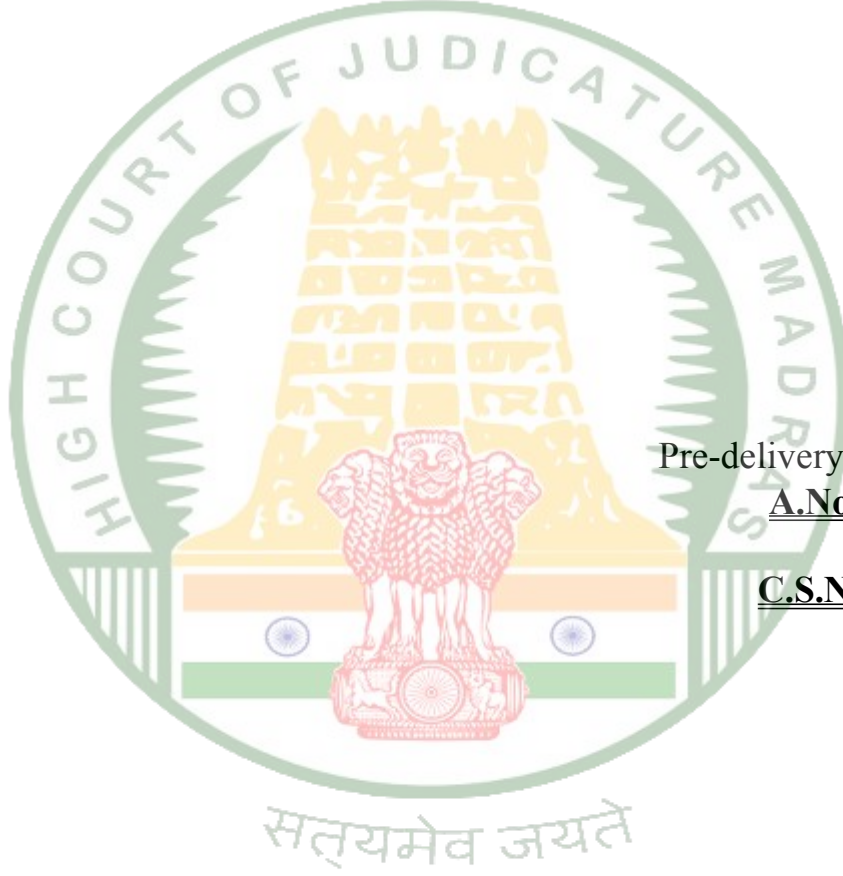


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DR.G.JAYACHANDRAN,J.

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