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A.No.2825 of 2021
in C.S.(Commercial).No.10 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 22.09.2021

Pronounced on : 27.09.2021

Coram:

THE HONOURABLE DR. JUSTICE G.JAYACHANDRAN

A.No.2825 of 2021

in

C.S.(Commercial).No.10 of 2021

Mr.G.Suresh,
Proprietor,
Trading as M/s.Ambica Camphor Industries,
No.1-4-879/65, Gandhi Nagar,
Hyderabad – 500 080.

... Petitioner/Defendant

/versus/

M/s.Suresh Industries,
A partnership firm represented by its
Partner Mr.Jitendra Kumar V.Shah,
Plot No.2, The Vyasarpadi Co-operative Industrial Estate,
Erukkanchery High Road,
Vysarpadi, Chennai – 600 039.

... Respondent/Plaintiff

Prayer:- This application is filed under Order XIV Rule 8 of High Court Original Side Rules read with Order VII Rule II of C.P.C., 1908, praying for:-

(i). This Court should not be pleased to allow this application by rejecting the plaint and dismiss the Civil Suit bearing C.S.No.10 of 2020.



A.No.2825 of 2021
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For Applicant : Mr.Hema Prakasa Rao,
for Mr.V.Sivakumar

For Respondent : Mr.Prasanna Venkat,
for M/s.APR Associates

ORDER

Factual Background:-

Suit for permanent injunction restraining the applicant/defendant herein, from infringing the registered Trademark “**AMBIKA**” and from passing off its goods “Ambica Skathi” as that of the respondent/plaintiff's product.

2. As per the plaint, the respondent/plaintiff is in the trade of manufacturing and selling camphor under the name “**AMBIKA**”, since 1978. It has earned enormous amount of goodwill and reputation and the said mark has been registered under Trademark Act. The registration of the respondent/plaintiff's mark and status are as below:-

<i>Sl.No</i>	<i>Trademark</i>	<i>Classes</i>	<i>Filing Date</i>	<i>Number</i>	<i>Status</i>
1.	AMBIKA	3	11.10.1991	560180	Registered
2.	AMBIKA KARPOORAM	3	08.02.1999	840287	Registered



<i>Sl.No</i>	<i>Trademark</i>	<i>Classes</i>	<i>Filing Date</i>	<i>Number</i>	<i>Status</i>
3.	AMBIKA KARPOORAM	3	08.02.1999	840288	Registered
4.	AMBIKA PURE KARPOORAM	3	15.11.2011	1059362	Registered
5.	AMBIKA	3	31.12.1990	542696	Registered

3. The plaintiff's trademark "AMBIKA" is a well-known trademark, since substantial segment of the public have patronised the trademark AMBIKA. Also it is one of the best established manufacturing of Camphor products. The Trademark AMBIKA has acquired a secondary meaning to denote and connote the products of the respondent/plaintiff alone and the public associate with the said well-known plaintiff trademark AMBIKA alone and no one else. While so, it is brought to the notice of the plaintiff, during the month of February 2019, that the applicant/defendant is marketing Camphor products under identical trademark "Ambica Shakti" alleging that it is a deliberate nature of adoption of the identical mark and colour scheme and get up. The defendant is exploiting the goodwill and reputation of the plaintiff built over the years through the quality product and advertisement. The act of the applicant/defendant is likely to diminish the reputation of the respondent/plaintiff. Therefore, after causing cease and desist notice, the suit has been filed for infringement and passing off.



WEB COPY

A.No.2825 of 2021
in C.S.(Commercial).No.10 of 2021

4. In the plaint, it is also disclosed that, from the defendant's reply, dated 26.12.2020, the respondent/plaintiff came to know that the defendant/applicant is using the trademark “AMBICA” since 1996 and they have obtained registration No.1433420 in class 3. Hence, the respondent/plaintiff has initiated proceedings before the Registrar of Trademark for removal of trademark granted to the defendant/applicant and also filed opposition to the defendant's trademark “AMBICA SHAKTI” under trademark No.2270771 in Class 3 and the said opposition was allowed by the Registrar, since the applicant/defendant has not taken steps to defend the opposition.

5. As far as cause of action is concerned, it is stated that, the plaintiff is carrying on business within the jurisdiction of this Court and being a Commercial dispute within the meaning of Section 2(1)(c)(xvii) of the Commercial Courts Act, 2015 and in view of Section 134 of Trademark Act, 1999, the suit is filed before the Commercial Division of the High Court of Madras which has the territorial and subject jurisdiction.

6. This Application is filed by the defendant to reject the plaint on the ground that the suit is barred under law. According to the applicant/defendant, the suit for infringing of trademark and passing off against



the applicant/defendant is not maintainable, since the applicant/defendant have honestly and bonafidely adopted the name “Ambica” the Goddess and  “Shakti” as its suffix and adopted it in an artistic form viz., as a trademark and continuing to use it since 1996. Further, the trademark is duly registered under Trademark No.1433420 in class 3 in respect of camphor for incenses. Claiming prior user from 19.09.1996, the said trademark being continuously used for over 25 years, without any interference or interruption. The Trademark “Ambica” is different from defendant's trademark “**Ambica Shakti**”. In view of Section 28(3) of Trademark's Act, 1999 the defendant having a valid registration, the suit for infringement against a valid registration holder is not maintainable, as laid down by the Hon'ble Supreme Court in *S.Syed Mohideen -vs- P.Sulochana Bai* reported in **2016 (2) SCC 683**.

7. The Learned Counsel for the applicant/defendant contend that the suit is liable to be rejected as expressly barred by law viz., Section 28(3) of the Trademark Act. That apart, the relief for passing off action is also liable to be rejected since the applicant/defendant is not marketing its products anywhere within in Tamil Nadu. Therefore, the High Court of Madras has no Territorial jurisdiction to entertain the suit for passing off action. Under Section 20 of



C.P.C, the suits for infringement and passing off should be instituted in the District Court, within whose jurisdiction the defendant resides or carries on business or cause of action arises. Since the defendant carrying on business outside the jurisdiction of this Court, the plaint has to be rejected.

8. In response to the application to reject the plaint, the counter affidavit is filed on behalf of the plaintiff, wherein, it is stated that, the application to reject the plaint is gross abuse of process of law deliberately filed by the defendant to delay the proceedings. The plaintiff is the user of the trademark “**AMBIKA**” ever since the year 1978. The defendant has no defence to claim as prior user. Further, the registration obtained by the applicant/defendant is challenged before the Authority by way of rectification proceedings and same is pending. The protection under Section 28(3) of the Trademark's Act, 1999, is not applicable to the applicant/defendant since the validity of the defendants trademark is challenged. In view of Section 124 (5) of the Trademark's Act, 1999, when rectification proceedings is pending, interim relief can be granted only further proceedings in the main suit to be stayed. In other words, Section 28(3) of the Trademark's Act, does not bar for filing Civil Suit. Further, under Section 134(2) of the Trademark's Act, the suit can be filed where the plaintiff carrying on business. Section 20 of Civil Procedure Code,



1908, is not applicable to the Original Side of the High Court, in view of bar under Section 120 of the Civil Procedure Code. Further, being a commercial dispute arising from Intellectual Property Rights, the Commercial Division of the High Court is the appropriate Court. Therefore, the petition is liable to be dismissed.

9. Heard the Learned Counsel for applicant and the Learned Counsel for the respondent.

10. The applicant herein claims to be a registered trademark proprietor of “Ambica Shakti”. Whereas, the respondent/plaintiff claims that, he is a registered owner of the Trademark Ambika, Ambika Pure Karpooram and Ambika Karpooram. Both have registration under class 3 and their products are

identical. The plaintiff has obtained registration of its trademark on 11.10.1995.

They claim that, they are using the trademark since 1978. The defendant, who is the applicant herein claims that, from the year 1996, they are using the word mark “Ambica  Shakti” for goods under class 3 and they have applied for registration on 15.03.2006 and this certificate for registration was

issued on 02.09.2008 which is valid upto 15.03.2026.



WEB COPY

A.No.2825 of 2021
in C.S.(Commercial).No.10 of 2021

11. Section 134 of Trademark Act, confers jurisdiction on the District Court where the person instituting a suit or proceeding actually and voluntarily resides or carries on business. This is an additional jurisdiction confers for instituting a suit. Sections 15 to 20 of C.P.C., deals with, *Place of Suing*. However, as per Section 120 of C.P.C., in case of High Court which exercises the Original Side jurisdiction, Sections 16, 17 and 20 of C.P.C., are not applicable.

12. Section 134 (2) of Trademark's Act, 1999, enables the plaintiff to file suit within the territorial jurisdiction of the Court where he carries on business. This is an additional place of suing. The Learned Counsel for the plaintiff relying upon the judgment rendered in ***Delight Chemicals Private Limited -vs- Ganga Yallappa*** reported in ***2012 SCC OnLine Mad 5434*** would submit that the suit laid before the High Court is maintainable and this Court has jurisdiction.

13. According to the Learned Counsel for the plaintiff, the Court has permitted to combine cause of action arising out of infringement and passing off. Therefore, the suit before this Court is well maintainable. While



considering the place of suing, the averments made in the plaint has to be considered for determining the jurisdiction at the initial stage. The cause of action, as per Section 134(2) of Trademark's Act, 1999, falls within the jurisdiction of this Court where the plaintiff carries on business and therefore, the issue of jurisdiction at the most be a primary issue after filing written statement by the defendant.

14. The Learned Counsel for the plaintiff/respondent would submit that, as far as Section 28(3) of the Trademark's Act, 1999, it enables co-existence of more than two registrations for the same trademark. The said Section 28(3) of Trademark's Act, 1999, is subject to Section 124 of Trademark's Act, 1999, in respect as cases where the application for rectification filed and pending. Section 124 (5) of the Trademark's Act, 1999, enables the Court to entertain the suit and grant interim injunction, pending application for rectification. In the present case, the plaintiff has taken out an application for cancellation of the defendant's trademark which was wrongly granted. In the said circumstances, Section 28(3) of the Trademark's Act, 1999, will not be a bar for the plaintiff to maintain a suit and seek for interim relief by invoking section 124(5) of the Trademark's Act, 1999.



15. The application to reject the plaint is based on two grounds:-

(i). The applicant/Defendant has valid registration for the trademark “Ambica Shakti”. So under Section 28(3) of the Trademark's Act, 1999, the right to use the trademark of the defendant is protracted and suit cannot be filed. However, this fact is not a ground to reject the plaint since Section 124 of the Trademark's Act, 1999, gives right to aggrieved persons to challenge the validity of any registration of the Trademark before the Registrar or before the Board (now by Court after abolition of IPAB). In such circumstances, pending suit, stay may be granted till the disposal of the rectification application. However, stay of the suit for infringement shall not preclude the Court from making an interlocutory order during the period of stay of the suit. Therefore, merely obtaining a registration cannot be a bar for any aggrieved persons to challenge validity of the trademark, infringement and passing off.

Insofar as this case is concerned, the relief sought is for infringement and passing off. This Court, after considering the application filed under Clause 14 of Letters Patent, 1865, to join cause of action granted leave. At the most, this Court in exercise of the power vested under Section 124 of Trademark's Act, may stay further proceedings of the suit till disposal of the proceedings before the Registrar for rectification. Possession of registration by



the defendant *per se* not a legal for the plaintiff to institute a Civil Suit for infringement and passing off.

(ii). The next ground is regarding the territorial jurisdiction of this Court. As held in *Delight Chemical Private Limited -vs- Ganga Yallappa* reported in *2012 SCC OnLine Mad 5434*, the averments made in the plaint has to be considered for determining the territorial jurisdiction. In the plaint, it is stated that, the plaintiff is carrying on business at Chennai, which is within the territorial jurisdiction of this Court. Under Section 134(2) of Trademark's Act, 1999, place of plaintiff business is one of the additional jurisdiction, apart from the regular jurisdiction mentioned in the Civil Procedure Code, for place of suing.

16. Section 134(2) of Trademark's Act, 1999, mandates that, a suit for infringement or any suit relating to the rights in the registered trademark shall not be instituted in any Court inferior to District Court having jurisdiction to try the suit. After Commercial Courts Acts came into force, Section 2(1)(c) (xvii), brings *intellectual property rights relating to registered and unregistered trademarks, copyright, patent, design, domain names, geographical indications and semiconductors integrated circuits*, within the definition of Commercial



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17. Section 7 of the Commercial Court Act, 2015, determines jurisdiction of a Commercial Division of High Court. The proviso to Section 7 of the Commercial Courts Act, 2015, states that, *all suits and applications relating to commercial disputes stipulated by an act to lie in a Court not inferior to a District Court, and filed or pending on the Original Side of the High Court, shall be heard and disposed of by the Commercial Division of the High Court.* Therefore, by virtue of Section 134(2) of the Trademark's Act, 1999, the suit has been filed within the territorial jurisdiction of this Court, since the plaintiff is carrying on business within the territorial jurisdiction of this Court. Further, being a Commercial Dispute under Section 7 of the Commercial Court Acts, 2015, the suit filed before this Court regarding the dispute arising out of a registered trademark is consonance with Section 134(2) of the Trademark's Act, 1999, read with proviso to Section 7 of the Commercial Courts Act, 2015.

18. In ***Duro Flex Private Limited -vs- Duroflex Seatings System*** reported ***in 2014(6) CTC 577***, the Full Bench of this Hon'ble Court while considering the Section 134 of Trademark's Act, 1999, Section 20 of Civil



Procedure Code, 1908 and Clause 12 of Letters Patent, 1865, had elaborately dealt with the territorial jurisdiction of High Court of Madras in case of infringement of Trademark and Copyright, wherein, the Principle of “*Forum Conveniens*” also been discussed as below:-

*“23. In the context of the origination of the Letters Patent, reference was made to Full Bench Judgement of the Delhi High Court in **Jaswinder Singh v. Mrigendra Pritam Vikramsingh Steiner, 2012 (6) CTC 129 (FB) (Del.)**. The said judgement carved out the definition between the Letters Patent of chartered High Courts and non-chartered High Courts. The Chartered High Court at Madras was preceded by the Honourable Supreme Court established in the Presidency Town, which had both original jurisdiction and appellate jurisdiction, qua the territory in question. Thus, when Chartered High Courts were established, there were two kinds of Original jurisdiction which were transferred to it, i.e., one being exercised by the Honourable Supreme Court in Presidency towns as well as one being exercised by the Sadar Courts in the Moffussil areas. The term ‘Letters Patent’ was derived from the Latin term “*Literae patentes*” meaning “Open Letters”, which denotes a public grant from Sovereign to subject, conferring*



A.No.2825 of 2021
in C.S.(Commercial).No.10 of 2021

19. It is to be noted that after exchange of pre suit notices, the defendant has anticipated the suit to be filed before this Court and filed caveat. To reject the plaint under Order 7 Rule XI of C.P.C., the parameters laid under this provision has to be satisfied. Here is a case where the plaintiff has come out with the grievance that it's registered trademark has been infringed by the defendant. The defendant though has obtained Trademark registration, same is challenged and pending before the Registrar of Trade Mark. In such circumstances, the plaint cannot be rejected when the suit has been laid before the Court which has territorial jurisdiction over the subject matter in the light of Section 134(2) of Trademark's Act and Section 7 of Commercial Court Act. Hence, the application to reject the plaint is dismissed. Accordingly, the ***Application No.2825 of 2021 is dismissed.*** No costs.

Sd./-G.J.J
27/09/2021

//Certified to be true copy//
Dated at Madras this the day of 2021.

COURT OFFICER(O.S.)

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JJ 29/09/2021