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IN THE HIGH COURT OF DELHI AT NEW DELHI

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Decided on: 26th April, 2022

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FAO (COMM) 57/2022

KRAYOCAL STATIONERY PVT. LTD. Appellant

Represented by: Mr. Rahul Ajatshatru, Advocate with
Ms. Shilpi Nanda Mehta, Ms. Swati
Chanana & Ms. Malvika Shankar,
Advocates.

versus

M/S. POLO INDUSTRIES & ANR. Respondent

Represented by: Mr. N. Mahabir, Advocate with
Mr. P.C.Arya, Advocate.

CORAM:

HON'BLE MS. JUSTICE MUKTA GUPTA

HON'BLE MR. JUSTICE MANOJ KUMAR OHRI

MUKTA GUPTA, J. (ORAL)

CM APPL. 20102/2022 (exemption)

1. Exemption allowed subject to just exceptions.
2. Application is disposed of.

FAO (COMM) 57/2022 and CM APPL. 20103/2022 (for stay)

1. Notice.
2. Learned counsel for the respondents accepts notice.
3. By this appeal, the appellant challenges the impugned order dated 14th March, 2022 passed by the learned Commercial Court, allowing the application of the respondent under Order XXXIX Rule 4 CPC thereby vacating the ad-interim order dated 15th April, 2021, whereas the application of the appellant under Order XXXIX Rule 1 & 2 CPC was kept pending.

4. The appellant filed the suit being CS (COMM) 167/2021 claiming that it is the registered proprietor of the various 'POLO' marks in 'Class 16' pertaining to stationary products including the 'Word Mark' and the 'Device Mark'. It was claimed that owing to its continued long usage of the mark 'POLO' since 1987 the same has acquired distinctiveness. The appellant also gave summary of statement of sale of the appellant's goods under its various 'POLO' brands for the last five years.

5. It is claimed that in and around 2021, the appellant came to know that third parties are selling the products as made by the appellant under the brand name 'POLO' and upon search it was found that respondents were manufacturing the products like paper cutter and self adhesive tapes under the brand name 'POLO' which is identical to the appellant's registered trademarks. The defendants were also found selling the infringing goods within the territorial limits of this Court for which Cash Purchase Invoice dated 12th March, 2021 from one shop located at Dakshin Puri, near Sabzi Mandi, Khanpur, New Delhi 110062 was placed on record. It is claimed by the appellant that the respondents were selling the goods under the same packaging and thus attempting to ride on the goodwill of the appellant causing serious damage to the appellant's earning, reputation and goods.

6. The suit came up before the learned Commercial Court on 9th April, 2021 when it was adjourned to 15th April, 2021 for consideration. After hearing learned counsel for the appellant, the learned Commercial Court vide order dated 15th April, 2021 while issuing summons to the respondents appointed a Local Commissioner as also passed an interim injunction restraining the respondents, their agents, directors, officers, employees or any third party acting through them from infringing the appellant's

registered trademarks 'POLO' vide No.544008, 3950589 and 3829378 and passing off the goods of the respondents by using any 'POLO' marks till the next date of hearing. This interim order was continued, however, the Local Commission could not be executed due to the pandemic situation then prevailing.

7. In the suit, the appellant impleaded M/s.Polo Industries as defendant. Learned counsel for the defendant entered appearance on 24th November, 2021 and the parties sought to explore the possibility of negotiated settlement, which could not be arrived at.

8. Subsequently, an application was filed under Order 1 Rule 10 CPC by the Partnership firm M/s. Harbans Lal Kanhaya Lal, having its partners Rattan Lal Rustagi, Manju Rustagi and Tushar Rustagi, claiming that it is a registered partnership firm and is licensor of the respondent No.1 M/s. Polo Industries, which is also a registered partnership firm for the trademark POLO.

9. It was also pointed out by the intervener that the licensor, that is, M/s. Polo Industries and the appellant had entered into a Co-existence Agreement dated 5th December, 2010 for the mark 'POLO' and thus it was necessary to implead the firm M/s. Kanhaya Lal Harbans Lal. In the meantime, the respondent also filed an application under Order XXXIX Rule 4 CPC which came up on 11th February, 2022.

10. The appellant also filed an application under Order VI Rule 17 CPC to bring on record details of the registration of the trademarks of the respondent No.2 and amend the prayer seeking relief against respondent No.2. However, by the impugned order dated 14th March, 2022, the learned Commercial Court kept pending the application, that is, under Order

XXXIX Rule 1 and 2 CPC also the applications under Order VI Rule 17 CPC and under Order XI Rule 1 CPC filed by the appellant, but disposed of the application of the respondent under Order XXXIX Rule 4 CPC, vacating the *ex-parte* ad interim injunction order dated 15th April, 2021.

11. Thus, the short issue involved in the present appeal is whether the learned Commercial Court could have decided the application of the defendant under Order XXXIX Rule 4 CPC, keeping the application of the appellant under Order XXXIX Rule 1 and 2 CPC pending. The answer to this question is obviously in the negative.

12. It is trite law that the principles to be applied for grant of interim injunction or refusal thereof are the same *i.e.* a prima facie case, balance of convenience, an irreparable loss as also whether there is any concealment of material facts having a bearing on any of these three principles when the Court applies its mind to these trinity of principles, the said findings have a definite bearing on the decision on the application of the other party which has been kept pending by the learned Commercial Court. The decision in an application under Order XXXIX Rule 4 CPC having a definite bearing, on the decision in the application of the plaintiff under Order XXXIX Rule 1 & 2 CPC or vice versa, hence, the two applications are required to be decided together.

13. In view of the fact that the learned Commercial Court without deciding the application of the appellant under Order XXXIX Rule 1 and 2 CPC, decided the application of the respondent under Order XXXIX Rule 4 CPC, the impugned order dated 14th March, 2022 is set aside.

14. The learned District Judge (Commercial-02), South District, Saket Court, New Delhi will decide both the applications, that is under Order

XXXIX Rule 1 and 2 CPC filed by the appellant and under Order XXXIX Rule 4 CPC filed by the respondent together and preferably within a period of four weeks from the date of receipt of this order. Till the decision in the two applications, by the learned Commercial Court, as an interim arrangement, with the consent of the parties, it is directed that the respondents would continue to use the mark 'POLO', subject to the decision in the two applications by the learned Commercial Court and till then the respondents will maintain their accounts and submit the same to the learned Commercial Court.

15. It is clarified that this order has been passed *dehors* the rival contentions of the parties on merits and the parties will be free to address their respective arguments, and uninfluenced by the present order, the learned Commercial Court will decide the two applications.

16. Appeal is accordingly disposed of.

17. Pending application is also disposed of.

18. Order be uploaded on the website of this Court.

(MUKTA GUPTA)
JUDGE

(MANOJ KUMAR OHRI)
JUDGE

APRIL 26, 2022/vk