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ORDER SHEET

CS 151 of 2023
IA No.GA 1 of 2023
IN THE HIGH COURT AT CALCUTTA
ORDINARY ORIGINAL CIVIL JURISDICTION
ORIGINAL SIDE
(COMMERCIAL DIVISION)

SRMB SRIJAN PRIVATE LIMITED
VS.
B. S. SPONGE PVT. LIMITED

BEFORE:
The Hon'ble JUSTICE ARINDAM MUKHERJEE
Date: 2nd August, 2023.

Mr. Debnath Ghosh, Mr. Biswaroop Mukherjee, Mr. Sudhakar Prasad, Mr. Pradipta Basu, Mr. Baijayanta Banerjee, Mr. Nilankan Banerjee, Advocates for plaintiff.

The Court : The plaint which is appearing in the list for presentation, inter alia relates to infringement of trade mark and passing off. In paragraph 14 of the plaint it has been alleged that in the month of May, 2021 the plaintiff came across identical products being sold by the defendant infringing the plaintiff's mark and passing off its goods and services as the same were of the plaintiff. In paragraph 15 of the plaint it is further alleged that the plaintiff immediately contacted its trade mark attorneys and vide cease and desist notice dated 25th May, 2021 requested the defendant to stop from infringing the plaintiff's mark. It is also the case of the plaintiff in paragraph 15 of the plaint that the plaintiff did not receive any reply from the defendant but instead received caveat petition dated 14th

July, 2021. In paragraph 15 it is further alleged that that the defendant's product with the infringing mark became less visible in the market and as such the plaintiff was advised not to take any action. In paragraph 20 of the plaint it has been alleged that recently while causing regular market survey the plaintiff's agents came across the TMT bars sold by the defendant infringing the plaintiff's mark. The plaintiff again issued a cease and desist notice on 26th April, 2023 and has thereafter filed the plaint in the computer section of this Court on 26th July, 2023.

On a conjoint reading of the averments in the plaint as aforesaid, it is clear that the right to sue for the first time accrued in favour of the plaintiff in May, 2021. The plaintiff had immediately taken legal steps by issuing cease and desist notice. The defendant did not reply but send a caveat instead. The next allegation is that the product of the defendant was less visible in the market after that. It is not the case of the plaintiff that the defendant had stopped altogether in manufacturing and/or selling the products infringing the mark of the plaintiff. The plaintiff's case is that on being advised the plaintiff did not take any steps. The plaintiff, therefore, consciously did not pursue any legal remedy when its cause of action to initiate proceedings arose in May 2021 or within a reasoned time therefrom. The plaintiff's further case is that recently it has come across the infringing TMT bars of the defendant. The suit is sought to be instituted on this subsequent cause of action, if any when the infringement of the plaintiff's right continued from May, 2021. The term "recently", has, however, specified in the later part of the plaint to be May 2023. Two years, therefore, passed in between.

It is well settled law that a right to sue when the same accrues for the first time does not get deferred as held in **2016 (13) SCC 1 [*Sundaram Finance Ltd. v. Noorjahan Beevi*]** following the judgment reported in **2011 (9) SCC 126 [*Khatri Hotels (P) Ltd. v. Union of India*]**. A plaintiff is free to file a suit based on successive cause of action but its right to sue does not get deferred from the time it arose for the first time, even though the plaintiff submits while presenting the plaint that the infringement of the plaintiff's mark by the defendant is a continuous cause then also on basis of the averments as made in the plaint the plaintiff's right to sue which for the first time accrued in May, 2021 or immediately thereafter does not get deferred. In order to seek dispensation of the mandatory provisions of Section 12A of the Commercial Courts Act, 2015 the plaintiff at the stage of presentation of plaint from its averment has to prima facie demonstrate contemplation of urgent interim relief. The contemplation, if any of the plaintiff had or ought to have arisen when the plaintiff in May, 2021 found its mark to be infringed. The plaintiff even after issuing cease and desist notice did not pursue its remedy though the defendant did not stop its production and sell as its products were visible but less. The institution of a suit is an original proceeding and contemplation of urgent interim relief has to be when its right to sue first accrues which is dependent on his first cause of action. The plaintiff was, therefor, required to approach the Court within a reasonable time from the first cease and desist notice issued on 25th May, 2021.

It is not the case of the plaintiff as discussed above that after receiving the cease and desist notice dated 25th May, 2021 the defendant stopped selling or manufacturing its product by infringing the plaintiff's mark. The right to sue, therefor, did not accrue either independently or for the first time in May, 2023. The plaintiff in law is entitled to file a suit unless its cause of action is barred but there is a difference between accrual of right to sue for the first time which takes place when the cause of action arises for the first time. The successive cause of action does not give rise to right to sue for the first time.

Thus, a distinction has to be drawn in respect of an urgent interim relief as contemplated in the suit i.e. in an original proceeding and an interlocutory application. In case of an interlocutory application urgent interim relief is contemplated as and when such a situation arises while in a suit it should be at the time when right to sue accrues for the first time. This distinction is necessary otherwise a plaintiff by framing his suit on subsequent or continuous cause of action may approach the Court at any time within the period of limitation and seek dispensation of the mandatory requirement of Section 12A of the 2015 Act by citing urgency after a considerable period from when his/its right to sue first accrued. Although, the plaintiff submits that delay is not fatal in case of infringement of intellectual property rights or in the case of passing off but no such generalised finding can be arrived at even through infringement or passing off action often require urgent interim relief. This is more so because in an infringement or passing off action, the plaintiff will approach at a belated stage and institute a suit by obtaining dispensation of the formalities under Section 12A of the 2015 Act to render the legislative intent and the mandatory requirement otiose in intellectual property matters. The dispensation has to be looked into on case to case basis instead of generalised view.

On the basis of the pleadings as aforesaid, the plaintiff cannot be permitted to file a suit in July, 2023 when it's right to sue first arose in May, 2021.

The plaintiff has relied upon a judgment of a Division Bench of the Delhi High Court reported in ***2022 SCC OnLine Delhi 3529 (Chandra Kishore Chaurasia Vs. R A Perfumery Works Private Ltd.)*** to impress upon this Court that the cause of action for filing the suit in the case before the Delhi High Court accrued on 9th February, 2021 still the plaintiff therein was permitted to file and maintain a suit dispensing with the formalities under Section 12A of the Commercial Courts Act, 2015 at a much later period. On a reading of the said judgment it is apparent that the suit was filed within a reasonable time from the accrual of cause of action on 9th February, 2021 as the appeal being the subject matter before the Delhi High Court arose out of an order dated 5th August, 2021 by which the defendant's application under Order VII Rule 11(d) of the Code of Civil Procedure, 1908 was allowed. The facts therefore before the Delhi High Court and those in the plaint are quite dissimilar so far as the accrual of cause of action and the time of presentation of plaint. In the instant case the plaintiff is coming after two years and as such the ratio laid down in Chandra Kishore Chaurasia (supra) which has not been interfered with by the Hon'ble Supreme Court does not apply to the facts of the instant case.

In the aforesaid facts and circumstances, the leave sought for dispensation of the provision under Section 12A of the Commercial Courts Act, 2015 is refused.

The plaint has been only filed in the computer section for which a number has been allotted. Only upon the plaint being presented and admitted the plaint formally enters the records of the Court leading to institution of suit. In the aforesaid facts and circumstances, the plaint is directed to be returned to the plaintiff along with the court fees. The plaintiff shall be entitled to institute a suit on the self-same cause of action after complying with the pre-institution mediation, if otherwise permissible in law. The plaintiff shall be entitled to use the same court fees in a suit that may be filed against the same defendant after complying with the formalities under Section 12A of the Commercial Courts Act, 2015, if there is no other embargo for using the same court fees. The department is directed to take expeditious steps for return of the plaint with the court fees after complying with the necessary formalities. The department is directed to de-register the suit number and the number allotted to any application if filed in the suit simultaneously with the return of the plaint.

(ARINDAM MUKHERJEE, J.)

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