

R.H. Laboratories and Another Vs Rajiv Mukul Sole Prop.

Court: High Court Of Punjab And Haryana At Chandigarh

Date of Decision: Feb. 10, 2012

Acts Referred: Civil Procedure Code, 1908 (CPC) â€” Order 7 Rule 11, 20

Constitution of India, 1950 â€” Article 227

Copyright Act, 1957 â€” Section 51, 52, 55, 62, 62(1)

Trade Marks Act, 1999 â€” Section 12, 134, 134(2), 135, 27(1)

Citation: (2012) 2 ILR (P&H) 769

Hon'ble Judges: M.M.S. Bedi, J

Bench: Single Bench

Advocate: Devesh Kumar, for the Appellant; Arvind Singh, for the Respondent

Final Decision: Allowed

Judgement

M.M.S. Bedi, J.

Defendants have preferred this revision petition under Article 227 of the Constitution of India, aggrieved by order dated

18.8.2011, passed by the Additional District Judge, Karnal, dismissing the application of defendant-petitioner No. 1, under order 7 Rule 11 CPC,

for rejecting the suit of the plaintiff-respondent for want of territorial jurisdiction. Compendiously and concisely, the relevant facts absolutely

necessary for the adjudication of the present revision petition are that the plaintiff-respondent as proprietors of M/s. Zee Laboratory, Uchani, G.T.

Karnal road, Haryana, filed a suit u/s 27(2) read with Section 134 & 135 of the Trade Marks Act, 1999 and Sections 51 & 55 of the Copy

Rights Act, 1957 for a decree for permanent injunction restraining the defendants-petitioners from manufacturing and marketing, in any manner,

pharmaceutical preparation under the drug mark OMEEZY, alleging that it amounts to passing of as plaintiffs trade mark ""OMEZEE"" and being

deceptive in the matter to the trade mark of the plaintiff-respondent and similarity coverable under the imitation of trade mark of the plaintiff with

the consequential relief of rendition of accounts regarding profits made by the trade mark OMEEZY. The plaintiff had claimed in the plaint that it

was a sole proprietorship firm with name and style M/s. ZEE Laboratory and carrying of its manufacturing activities in Karnal and that the

preparations of plaintiff-petitioner are sold extensively within India and abroad and are rightly relied upon as cost effective and relief giving

preparations and its manufacturing facilities are duly certified as ISO 9001:2000 GMP.

2. The plaintiffs claims that he had conceived and adopted the trade mark ""OMEZEE"" in respect of its Pharmaceutical preparations in April 2004

and the said trade mark is being used to manufacture a drug since the month of April 2004 under valid and subsisting licence issued under the

provisions of Drugs and Cosmetics by the office of Director Controller Haryana Administration and the plaintiff was holding a drug licence issued

by drug authority of Georgia since 10.8.2004.

3. In view of the trade mark ""OMEZEE"" having acquired a unique reputation and valuable goodwill in the eyes of the medical profession,

pharmaceutical industries and general public at large and the said goods are exclusively associated with the plaintiff. The plaintiff claims that he is

extensive and prior user of trade mark ""OMEZEE"" whereas the defendant-petitioner No. 2 is manufacturing and defendant-petitioner No. 1 is

marketing the similar products under the deceptive trade mark ""OMEEZY"" which is similar to the trade mark of the plaintiff with mala fide intention

to infringe the trade mark of the plaintiff and to cause loss to the plaintiff and its reputation. The defendant-petitioner No. 2 has filed reply taking up

the plea that the trade mark ""OMEZEE"" has been adopted on 20.11.2008 and the defendants are entitled to be protected u/s 12 of the Trade

Marks Act and being honest concurring user of the trade mark ""OMEZEE"" capsules but the defendant-petitioner No. 1 filed an application

seeking rejection of the plaintiff alleging that ""OMEEZY"" capsules is being manufactured in M/s. RH Laboratories Ponta Sahib, Himachal Pradesh

and licence has been approved by office of Drug Licencing Authority, Drug controller Administration, Solan H.P. and the licence was marked for

export only and in this regard approval letter of Drug Licencing Authority was relied upon claiming that the alleged capsules are being sold by

defendant No. 1 at Georgia. Defendant No. 1 had taken up the plea in the application under Order VII Rule 11 CPC, that neither ""OMEZEE

capsule is being manufactured at Karnal nor the same is being sold within the jurisdiction of the Court, As such, the plaintiff has got no cause of

action and the Court does not have jurisdiction and as such, the plaint is liable to be rejected.

4. It is a case of action for infringement of unregistered trade marks but Section 27(2) gives right of action to petitioner against any person for

passing off goods as goods of another person.

5. Vide impugned order, the application filed by defendant-petitioner No. 1, was dismissed as the defendant-petitioner No. 2, SIA Overseas Pvt.

Ltd., who is using the infringed mark for marketing its products being manufactured by defendant-petitioner No. 1 at Karnal, the Courts at Karnal

will have jurisdiction.

6. It is not out of place to observe here that defendant petitioner No. 1 SIA Overseas Pvt. Ltd., has not objected to the jurisdiction by filing such

application, but petitioner No. 2-defendant No. 2, has joined defendant-petitioner No. 1 against the impugned order.

7. Learned counsel for the petitioners has contended that ratio of the judgment in Dhodha House Vs. S.K. Maingi, has not been properly

appreciated. It has been contended that a defect in jurisdiction whether it is pecuniary or territorial strikes at the very authority of the Court to pass

any decree and such a defect cannot be cured even by the consent of the parties. Defendant petitioner No. 2, even if has consented to the

jurisdiction at Karnal, the order if any passed finally would be a nullity being without territorial jurisdiction.

8. I have heard the counsel for the petitioners and considered the facts and circumstances of the case to determine whether in view of the

provisions of the Trade Marks Act 1999, the Court at Karnal will have jurisdiction and whether the plaint deserves to be rejected under Order VII

Rule 11 CPC. The suit filed by the plaintiff-respondent has been filed u/s 27(2) read with Sections 134 & 135 of the Trade Marks Act, 1999, and

Sections 51 & 55 of the Copyright Act, 1957, for permanent injunction restraining the infringement of trade mark, copyright and passing off and

for rendition of accounts etc.

Section 27(2) reads as follows:--

27. No action for infringement of unregistered trade mark.--

(1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark.

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another

person or as services provided by another person, or the remedies in respect thereof.

9. A perusal of above said Section indicates that Section 27(1) prohibits any person to institute any proceedings for injunction and recovery of

damages for the infringement of unregistered trade mark but so far as Section 27(2) is concerned, it does not prohibit any person to affect his right

of action against a person for passing off goods as the goods of another person. The present suit has been filed for passing off the goods under the

name OMEEZY as it amounts to passing off the plaintiffs-respondents trade mark OMEZEE. So far as the place of jurisdiction for suit for

infringement of registered trade mark or passing off is concerned, Section 134 provides for the territorial jurisdiction and so far as the relief in suits

for infringement or passing off is concerned, Section 134 reads as follows:

134. Suit for infringement, etc., to be instituted before District Court.--

(1) No suit--

(a) for the infringement of a registered trade mark; or

(b) relating to any right in a registered trade mark; or

(c) for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff's trade

mark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit.

(2) For the purpose of clauses (a) and (b) of subsection (1), a "District Court having jurisdiction" shall, notwithstanding anything contained in the

Code of Civil Procedure, 1908 (5 of 1908) or any other law for the time being in force, include a District Court within the local limits of whose

jurisdiction, at the time of the institution of the suit or other proceeding, the person instituting the suit or proceeding, or, where there are more than

one such persons any of them, actually and voluntarily resides or carries on business or personally works for gain.

Explanation.- For the purposes of sub-section (2), "person" includes the registered proprietor and the registered user.

135. Relief in suits for infringement or for passing off.--

(1) The relief which a court may grant in any suit for infringement or for passing off referred to in section 134 includes injunction (subject to such

terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order for

the delivery-up of the infringing labels and marks for destruction or erasure.

(2) The order of injunction under sub-section (1) may include an ex parte injunction or any interlocutory order for any of the following matters,

namely:--

(a) for discovery of documents;

(b) preserving of infringing goods, documents or other evidence which are related to the subject matter of the suit;

(c) restraining the defendant from disposing of or dealing with his assets in a manner which may adversely affect plaintiff's ability to recover

damages, costs or other pecuniary remedies which may be finally awarded to the plaintiff.

(3) Notwithstanding anything contained in subsection (1), the court shall not grant relief by way of damages (other than nominal damages) or on

account of profits in any case--

(a) where in a suit for infringement of a trade mark, the infringement complained of is in relation to a certification trade mark or collective mark; or

(b) where in a suit for infringement the defendant satisfies the court--

(i) that at the time he commenced to use the trade mark complained of in the suit, he was unaware and had no reasonable ground for believing that

the trade mark of the plaintiff was on the register or that the plaintiff was a registered user using by way of permitted use; and

(ii) that when he became aware of the existence and nature of the plaintiff's right in the trade mark, he forthwith ceased to use the trade mark in

relation to goods or services in respect of which it was registered; or

(c) where in a suit for passing off, the defendant satisfies the court- (i) that at the time he commenced to use the trade mark complained of in the

suit he was unaware and had no reasonable ground for believing that the trade mark of the plaintiff was in use; and

(ii) that when he became aware of the existence and nature of the plaintiff's trade mark he forthwith ceased to use the trade mark complained of.

10. Sections 51 & 52, lays down the circumstances in which the copyright is deemed to be infringed and enumerate the various acts which would

not constitute infringement of copyrights.

11. Section 62 of the Copyright Act 1957, deals with the suits and the civil proceedings in support of infringement of copyright conferred under the

Copyright Act.

Section 62 reads as follows:--

62. (1) Jurisdiction of court over matters arising under this chapter.

(i) Every suit or other civil proceeding arising under this Chapter in respect of the infringement of copyright in any work or the infringement of any

other right conferred by this Act shall be instituted in the district court having jurisdiction.

(2) For the purpose of sub-section (1), a "district court having jurisdiction" shall, notwithstanding anything contained in the Code of Civil

Procedure, 1908, (5 of 1908) or any other law for the time being in force, include a district court within the local limits of whose jurisdiction, at the

time of the institution of the suit or other proceeding, the person instituting the suit or other proceeding or, where there are more than one such

persons, any of them actually and voluntarily resides or carries on business or personally works for gain.

12. A perusal of the provisions reproduced above indicate that Section 134 of the Trade Marks Act, 1999 explains the District which shall have

territorial jurisdiction in a suit for infringement of registered trade mark or relevant to any right in the registered trade mark or for passing off arising

out of use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiffs trade mark whether registered or

unregistered. Section 62 of the Copyright Act deals with the territorial jurisdiction of the District Courts in cases of infringement of copyright in any

other works or infringement of any other right conferred by the copyright Act. The word include used in Section 134(2) of the Trade Mark Act,

and Section 62(2) of the Copyright Act is indicative of the fact that the jurisdiction of the District Courts prescribed u/s 134(2) and Section 62(2)

is wider than the one prescribed under the CPC 1908. The language of Section 134(2) and of Trade Mark Act, and that of Section 62(2) of the

Copyright Act 1957, are *pari materia* and it will be relevant to extract the report of joint committee published in the Gazette of India dated

23.11.1956, which preceded and laid the foundation of Section 62(2) reads as follows:--

In the opinion of the Committee many authors are deterred from instituting infringement proceedings because the Court in which such proceedings

are to be instituted is situated at a considerable distance from the place of their ordinary residence. The Committee feels that this impediment

should be removed and the new Subclause (2) accordingly provides that infringement proceedings may be instituted in the District Court within the

local limits of whose jurisdiction the person instituting the proceedings ordinarily resides, carried on business etc.

13. Taking into consideration the above said report of joint committee published in Gazette of India dated 23.11.1956, the Apex Court in *Exphar*

SA and Another Vs. Eupharma Laboratories Ltd. and Another, held as follows:--

It is, therefore, clear that the object and reason for the introduction of sub-section (2) of Section 62 was not to restrict the owners of the copyright

to exercise their rights but to remove any impediment from their doing so. Section 62(2) cannot be read as limiting the jurisdiction of the District

Court only to cases where the person instituting the suit or other proceeding, or where there are more than one such persons, any of them actually

and voluntarily resides or carries on business or presently works for gain. It prescribes an additional ground for attracting the jurisdiction of a Court

over and above the "normal" grounds as laid down in Section 20 of the Code.

14. It has specifically been laid down in the said judgment that Section 62(2) prohibits an additional ground for attracting the jurisdiction of a Court

over and above the normal ground as laid down in Section 20 CPC.

15. Section 20 of the CPC pertaining to limitation of jurisdiction reads as follows:--

20. Other suits to be instituted where defendants reside or cause of action arises--

Subject to the limitations aforesaid, every suit shall be instituted in Court within the local limits of whose jurisdiction--

(a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily

resides, or carries on business, or personally works for gain; or

(b) any of the defendants, where there are more than one, at the time of the commencement of the suit actually and voluntarily resides, or carries on

business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or

carry on business, or personally work for gain, as aforesaid, acquiesce in such institution; or

(c) the cause of action, wholly or in part, arises.

[Explanation].--A corporation shall be deemed to carry on business at its sole or principal office in India or, in respect of any cause of action

arising at any place where it has also a subordinate office, at such place.

16. Section 62(2) and Section 134(2) of the Trade Marks Act, 1999, along with Section 20 CPC were taken into consideration by a Division

Bench of Madras High Court in case Wipro Limited, Thiru Vi Ka Industrial Estate and Wipro Chandrika Limited Vs. Oushadha Chandrika

Ayurvedic India (P) Limited, Oushadha Chandrika Research Centre and Narayana Stores, wherein it was observed as follows:

11. Where it is the contention of the plaintiffs that they can institute a suit either in a court, within whose local limits the principal place of business

or its branch or branches where its business is carried on, is situate, the defendants submitted that it is the principal place of business that is

material. According to the defendants, it is the only reasonable interpretation of Section 62(2) of the Copyright Act and Section 134(2) of the

Trade Marks Act, and therefore, as the head office of the plaintiffs is at Bangalore, Courts in Bangalore alone will have jurisdiction. Section 62(1)

of the Copyright Act stipulates the forum for institution of infringement proceedings, etc., to be the District Court. Section 62(2) provides that the

term ""District Court having jurisdiction"" notwithstanding anything contained in the C.P.C. or any other law for the time being in force, would include

a District Court within the local limits of whose jurisdiction, the person, or one of the persons, instituting the suit actually or voluntarily resides or

carries on business or personal works for gain. By inserting Section 134(2) of the Trade Marks Act, the legislature has brought the Trade Marks

law in line with the provisions contained in the Copyright Act, as very often a trade mark is also registered as an artistic work under the Copyright

Act. In Section 62(2) of the Copyright Act as well as in Section 134(2) of the Trade Marks Act, a deliberate departure is made from Section 20

of the C.P.C., to enable the plaintiff to sue one who infringed his copyright in the court within whose local limit he carried on business at the time of

the institution of the suit or other proceedings. If the contrast as between two expressions namely, ""actually and voluntarily resides"" and ""carries on

business"" is correctly perceived, it would reveal that while there is limitation, regarding residence, there is no such restriction with reference to

carrying on business"". This is a clear indication that the term ""carries on business"" is not confined to only principal place of business. If the

Legislature intended to mean the principal place only, it would have suitably qualified the expression ""carries on business"". The plain meaning of the

above expression will only convey that wherever there is a business activity - be it the principal place or branch or branches - the party is said to

carry on business in all such places.

17. Section 134 of the Trade Marks Act, is procedural in nature and the object of incorporating the said Section was to support the victims of

infringement of rights relating to the trade marks to institute suit in their own place instead of going to the place of the defendant and institute a suit

there. The scope of Section 20 CPC has been extended by Section 134 (2) of The Trade Marks Act, 1999 and Section 62(2) of the Copyright

Act.

18. A perusal of the plaint of plaintiff-respondent clearly indicates that respondent No. 1, is indulging in marketing and have been exporting the

impugned trade mark OMEEZY in the District of Karnal, besides infringement of the rights of the plaintiffs respondents under the Copyright Act.

The application under Order VII Rule 11 CPC, for rejection of the plaint on the ground of lack of territorial jurisdiction cannot be considered to be

a ground for rejection of the plaint as has been held in case Eupharma Laboratories Ltd. and another (supra),

19. In view of above discussion, it is held that the lower Court has not committed any error in dismissing the application under Order VII Rule 11

CPC, filed by the defendant-petitioner No. 1 seeking rejection of the plaint on the ground of lack of territorial jurisdiction. It is held that the District

Courts at Karnal within local limits of whose jurisdiction, the person instituting the suit i.e., plaintiff respondent carried on its business, will have

jurisdiction to try the suit as per Section 134(2) of the Trade Marks Act and 62(2) of the Copyright Act.

20. No ground is made out to allow the revision petition. Dismissed.